

Commission of the European Communities

**REPORT
ON SOCIAL DEVELOPMENTS**

- YEAR 1985 -

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Document

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A. INTRODUCTION

1. The year under review saw a further strengthening of growth rates (with the real GDP growth rate for the ten Member States rising to around 2.2 %) together with a significant improvement in other economic indicators (notable examples being the reduction of average inflation rates from over 10 % at the beginning of the 'eighties to less than 5 % now and the restoration of external equilibrium in most Member States). Moreover, for the second time since the beginning of the world economic crisis in the late 'seventies, it has actually proved possible to increase the volume of employment. Given the growing number of jobseekers, however, this increase of around 0.4 - 0.5 % was insufficient to bring about a reduction in the numbers unemployed. On the contrary, the unemployment total continued to rise, though more slowly. At the end of 1985 more than 13 million people (i.e., 11.1 % of the working population) were officially registered as unemployed. With the accession of Spain and Portugal on 1 January 1986, a further more than 3 million will be added to the unemployment total.

2. The effects of this improvement in the economic situation differed from group to group. In the case of young people, for example, there has been a substantial easing of the unemployment situation in relative terms, with youth unemployment as a proportion of total unemployment in the 10 Member States falling from 41.0 % in October 1982 to 40.1 % in October 1983, 39.9 % in October 1984 and 37.4 % in October 1985. We must not, however, lose sight of the fact that this favourable trend still hides a total of 4.8 million jobseekers under 25, very many of them lacking appropriate training and with no real chance of integration into the working world.

In contrast, the share of total unemployment falling to women has increased slightly and there have been more marked increases in the case of the long-term unemployed and migrant workers. One effect of the persistence of high levels of unemployment is to increase the proportion of jobseekers who have been without work for some time, amongst whom are to be found a significant number of young people. Aside from the resulting individual problems, the situation for this group is further exacerbated by the fact that social security and assistance systems are facing growing financial constraints, with the result that "new poverty" is being created.

As far as migrant workers are concerned, the year under review saw the appearance of further signs of xenophobia and racism.

3. In the face of these problems, effective action to combat unemployment will remain a prime concern of the newly enlarged 12-country Community. At its meeting in Brussels on 29 and 30 March 1985¹, the European Council laid particular emphasis on four fields of Community action: action to achieve a single large market by 1992; action to encourage the creation of small and medium-sized businesses; action to adjust and adapt working conditions to the new social, economic and technological circumstances; action to expand employment, including special programmes for certain disadvantaged social groups.

In its annual economic report for 1985-86², the Commission proposed "a cooperative growth strategy for more employment" aiming at bringing down the unemployment rate from 11 % to around 7 % by the end of this decade. This strategy was approved by the Council in December 1985 after having received favorable opinions by the European Parliament and the Economic and Social Committee, and the broad lines of which were also approved by both sides of industry at the Val Duchesse meeting on 12 November 1985. It suggests a well-balanced combination of economic measures to be implemented in the framework of the social dialogue by the parties concerned. Essentially, the aim of the strategy is to ensure a continued moderate rate of increase in real wages and the maintenance of an adequate level of global demand. At microeconomic level, this macroeconomic approach should be supplemented by an action to improve the adaptability of markets, including the labour market.

4. In its programme for 1985³, the Commission had set out the salient features of its employment strategy, emphasizing the need to create modern labour markets and improve the functioning of labour markets. In this context, it concentrated on developing action on a number of fronts to tackle the multiple facets of the employment problem. With a view to promoting equal opportunities on the labour market and fostering a more effective use of manpower resources in firms, the Commission undertook an investigation of the relevant national statutory and collectively agreed provisions in collaboration with national experts.

¹ Bull. EC 3-1985, points 1.2.1 et seq.

² COM(85)570 final of 17 October 1985.

³ Bull. EC, Supplement 4/85.

Special attention was paid in this connection to the scope for improving labour market adaptability, it having been observed that certain statutory, collectively agreed and administrative provisions affect the labour market's ability to adapt to the needs of particular groups of jobseekers and workers. This problem was discussed on 30 May by the Standing Committee on Employment ¹ and on 13 June by the Council of Ministers of Labour and Social Affairs meeting in Luxembourg². The Commission was invited to examine the question further in collaboration with the Member States and the two sides of industry.

5. In the same general context, the Commission organized consultations to consider the possibilities of forward-looking labour market management with the ultimate aim of achieving improved planning and management of manpower resources at local level. These consultations revealed considerable shortcomings in the existing arrangements for monitoring labour market trends at local level. The Commission has therefore presented a working document "Towards forward looking labour market policies" ³ in which it sets out proposals for a three-stage programme aimed at identifying common guidelines for the techniques and measures to be adopted by Member States in this field.

6. Taking its inspiration from the conclusions reached by the Council on 7 June 1984 ⁴ regarding the role and potential of local employment initiatives, the Commission conducted a major programme of consultations, research work and seminars throughout 1985 with a view to indentifying, amongst other things, the main obstacles to individual and collective initiative. The findings emerging from this programme will serve as a basis for future Commission proposals in this area.

7. As already mentioned in last year's report ⁵, a memorandum on migration policy stressing the political importance of strengthening Community policies to encourage the social and cultural integration of migrants was presented to the Council on 7 March 1985. Given the considerable economic and social changes which have taken place, the Commission believes that a migration policy at Community level may gradually take shape as an integral part of efforts to bring into being a "People's Europe". Against this background, the memorandum identifies three main

¹ Bull. EC 5-1985, point 2.1.37.

² Bull. EC 6-1985, point 2.1.66.

³ SEC (86) 539.

⁴ Social Report 1984, point 8.

⁵ Social Report 1984, point 9.

fields of intervention : action to improve Community legislation and the whole range of provisions affecting migrants from other Member States (including the granting of political rights to such migrants); concertation with and between Member States on national migration policies, more especially as regards migrants from non-member countries; action to facilitate integration by means of initiatives aimed at informing both host country populations and migrant communities more adequately. These guidelines for a Community policy on migration formed the subject of a resolution adopted by the Council on 16 July ¹.

In accordance with these guidelines, the Commission adopted a Decision on 8 July ² setting up a prior communication and consultation procedure on migration policies in relation to non-member countries. This requires Member States to inform the Commission and the other Member States regarding any measures which they intend to take with regard to workers from non-member countries and any draft agreements with such countries concerning conditions of entry, residence and employment for non-Community nationals in the Community and/or for Community nationals in non-member countries. A Member State may also request on its own initiative that consultations be organized between the Member States and the Commission.

8. On the occasion of International Youth Year, the Commission laid before the Council on 3 July a memorandum ³ presenting an overview of the various activities under way or planned and identifying policy guidelines in the fields of employment, education and training for young people. In this memorandum, the Commission emphasizes the need for job-creating economic growth combined with action to promote the development of the Community's human resources. Specifically, it outlines plans for the coming 12 months aimed at : maximizing the scope for job creation linked to a redistribution of the available volume of work; improving the functioning of labour markets, especially at local level; ensuring that all young people are better equipped, before they enter the labour market, to cope with the new technologies; bringing about close collaboration

¹ OJ C 186, 26.7.1985.

² OJ L 217, 14.8.1985.

³ COM(85)247 final.

between higher education institutions and industry; increasing the occupational and geographical mobility of young people; assisting disadvantaged young people; and exploiting the cultural diversity of the Community.

9. Being conscious of the key role which the new technologies already play - and will continue to play - in almost all areas of life, the Commission has brought this question to the Council's attention repeatedly in recent years, the concrete outcome being two resolutions adopted in 1983 - one on vocational training measures relating to new information technologies ¹ and the other on the introduction of new information technology in education ² - together with the Council conclusions of 7 June 1984 regarding the common strategy to be followed on the social impact of new technologies ³. For similar reasons and in line with a request made by the European Council at its meeting in Fontainebleau on 25 June 1984, the Commission laid before the Council on 6 August 1985 a communication ⁴ on an action programme of the Community in education and training for technology - COMETT. The purpose of this programme is to strengthen cooperation between the higher education institutions and industry in the field of advanced level training relating to new technologies. Its objectives are threefold : to promote the European identity through student placement in firms in other Member States; to foster economies of scale through the joint organization of new training programmes aimed at remedying the shortages of specialized manpower brought about by the speed of technological progress; to encourage the exchange of experience between Member States in the field of university-industry cooperation in advanced training. At its meeting on 5 December ⁵ the Council reached agreement in principle on the implementation of this programme over a period of four years (1986-89) with a budget estimated at 65 million ECU.

1 OJ C 166, 25.6.1983.
2 OJ C 256, 24.9.1983.
3 OJ C 184, 11.7.1984.
4 OJ C 234, 13.9.1985.
5 Bull. EC 12-1985.

10. A further facet of education policy is the question of student mobility within the Community. The Commission takes the view that, in an increasingly interdependent Community, there is as never before a need for persons who will be able to communicate and cooperate with partners abroad on the basis of an improved understanding of the language and economic and social structures of the countries of those with whom they are interacting. Furthermore, in an increasingly competitive world, it is vital that persons in positions of responsibility recognize the crucial need for increased cooperation with partners in other Member States. In the Commission's opinion, it is at the level of higher education that Community action is needed. With this in mind, it adopted and laid before the Council in late December a proposal for a Council Decision adopting a European Community action scheme for the mobility of university students - ERASMUS. The aims of this proposal are : to promote broad and intensive cooperation between universities in all the Member States; to enable an increasing number of students to acquire initial training by spending an integrated period of study in another Member State; to harness the full potential of the universities in the Community by means of increased mobility of university teaching staff; to strengthen the interaction between citizens in different Member States; to ensure the development of a pool of graduates with direct experience of intra-Community cooperation, thereby creating the basis upon which intensified cooperation in the economic and social spheres can develop at Community level.

The intention is that, by 1992, a minimum of 10 % of the total student population - currently around 6 million - should spend a period of study in another Member State at some stage during their university studies. For the purposes of stimulating this higher level of mobility, the scheme provides for direct support for students in the form of grants and intensive teaching programmes. It also envisages a range of complementary measures - and more especially action to improve the situation as regards the academic recognition of diplomas and periods of study, an element of primary importance for facilitating the free movement of students from one Member State to another.

11. Finally, mention should be made of the intensified efforts to assist young people resulting from the new rules governing the tasks of the European Social Fund which were adopted by the Council on 17 October 1983¹ and entered into force on 1 January 1984. One of the new rules requires that at least 75 % of all appropriations available for operations carried out within the framework of Member States' labour-market policies be devoted to projects aimed at young people under 25, more especially those whose chances of finding work are particularly poor. In 1985, the appropriations committed by the European Social Fund exceeded 2000 million ECU for the first time, with 1 640 million ECU allocated to operations in favour of young people under 25. The operations in question undoubtedly played a part in ensuring that - as was mentioned earlier - the share of total unemployment falling to young people declined more sharply than in previous years. The Commission will continue along this path so as to make its proper contribution to resolving the key problem of youth unemployment.

12. There is nevertheless a danger that this problem will worsen with the accession of Spain and Portugal. In Spain, for example, two workers out of every ten are unemployed and the figure is more than four out of ten for young people under 25. With this in mind, the Commission incorporated in its 1986 budget a substantial increase in appropriations for the European Social Fund (to a total of over 2 500 million ECU). In addition, following proposals by the Commission, the Council adopted on 20 December 1985 a Decision² amending the Decision of 17 October 1983 on the tasks of the European Social Fund³. These amendments added to the list of absolute priority regions qualifying for fund assistance at the higher intervention rate the whole of Portugal together with the Spanish regions of Andalusia, the Canary Islands, Castilla-Leon, Castilla-La-Mancha, Extremadura, Galicia and Murcia and the cities of Ceuta and Melilla.

In addition, so as to allow for the growing number of beneficiaries, these instruments raised from 40 % to 44.5 % for the years 1986 to 1988 the percentage of the appropriations available for operations within the

¹ OJ L 289, 22.10.1983.

² OJ L 370, 31.12.1985.

³ OJ L 289, 22.10.1983.

framework of Member States' labour policies which must be reserved for the absolute priority regions.

13. The year under review saw the end of the International Decade for Women. The Commission participated actively in the United Nations conference held in Nairobi from 13 to 26 July to mark this event. At Community level, the International Decade saw the entry into force of three Directives on the application of the principle that men and women should receive equal pay for equal work (in accordance with the provisions of Article 119 of the EEC Treaty), equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions, and equal treatment in matters of social security. In 1985 the Commission stepped up its activities as regards the monitoring of compliance with these Directives. In addition, it continued work in the context of the first action programme on the promotion of equal opportunities for women (1982-85)¹ and submitted a report on the implementation of this programme.

14. With a view to refining, developing and adapting its activities in this field in line with political, social and cultural changes and technological development, the Commission laid before the Council a second medium-term programme to cover the period 1986-90. Taking as its goal the attainment in practice of the fundamental principle of equal opportunities for men and women, this programme identifies the responsibilities of the various parties (Community, national and regional authorities and social occupational groups), and stresses the need for greater concertation at Community level on actions and policies to be pursued in this area. Action is proposed on seven fronts : improved application of existing provisions; the adaptation of education and information practices in line with economic and social developments; action to improve the employment situation for women notably by means of employment promotion measures; Community action to assist those groups of women with special problems (single parent families and single women, migrant women, etc.); the elimination of indirects discrimination against women in respect of social security; the promotion of genuine equality in employment via a sharing of family and occupational responsibilities; more systematic information campaigns to encourage changes in attitudes.

¹ OJ C 22, 29.1.1982.

15. The substantial progress in reducing inflation referred to earlier was only achieved thanks to the pursuit of a policy of wage restraint. In 1985 the two sides of industry once again showed themselves willing to contribute actively to the promotion of economic recovery and the restoration of a healthy labour market situation. As will be seen from the chapter on wages, in almost all Member States both governments and the two sides of industry continued their pursuit of wage restraint policies corresponding to the cooperative growth strategy for more employment mentioned above¹. Among the three key components of action aimed at a substantial reduction in unemployment in the context of an improved social dialogue, special attention must be given to a moderate rate of increase in real wages and the maintenance of an adequate level of global demand.

Thanks to the success achieved in limiting price inflation and taking into account various measures to reduce the burden of income tax and social security contributions, workers in the majority of Member States enjoyed a slight increase in real net incomes during 1985 in spite of wage restraint.

16. In contrast, the situation has in some cases worsened significantly for the non-employed. This is true notably as regards the long-term unemployed, who are increasing in number with the persistence of high levels of unemployment. Under the varying national rules, their entitlement to unemployment benefit under statutory social security schemes ends after a certain time and they are obliged to fall back on social assistance benefits or other forms of state or private welfare provision. The budgetary constraints under which all governments are currently labouring have, however, also had a negative impact on the benefits available under national social security schemes. A series of examples of measures aimed at limiting or even reducing such benefits will be found in the chapter describing developments in this field in the Member States. This problem will be further exacerbated by the increasing ageing of the population caused by current demographic trends.

¹ Point 3.

Following on the Commission's final report on the first programme to combat poverty, the Council adopted a Decision ¹ on a new specific Community action to combat poverty on 19 December 1984. The Commission adopted the first round of aid approvals under this decision in October 1985, granting financial support of 18 million ECU for the implementation of 61 action-research projects aimed at alleviating poverty amongst the unemployed, more especially the young unemployed and the long-term unemployed, second-generation migrants, refugees and returning migrants, the elderly and single parent families. Whilst these projects constitute the main thrust of the new programme, they must not in the Commission's view take place in isolation in individual Member States. The Commission is of the opinion that the fight against poverty in the Community must be a coherent joint effort and has therefore taken steps to ensure a more effective exchange of information and innovative approaches and to promote a better understanding and awareness of the growth of poverty in Europe, using all the means available including the mass media so as to draw the attention of everyone in the Community to the plight of some of our fellow citizens.

17. The progressive introduction into the production process of new technologies has very considerable implications for the adaptation of national provisions on safety and health at work - an area in which radical rethinking is required. A further feature of developments in this field is the increasing tendency for the measures taken by Member States to be inspired by activities conducted at Community level. Having completed the first action programme - dating from June 1978 - the Commission is now endeavouring to implement the various measures provided for in the second programme approved by the Council in February 1984 ². In addition to following through the lines of action started by the first programme, this second programme sets as an objective the identification of major hazards calling for a common approach at Community level.

¹ OJ L 2, 3.1.1985; Social Report 1984, point 16.

² OJ C 67, 8.3.1984.

After lengthy discussions, the Council of Ministers of Labour and Social Affairs reached agreement at its 5 December 1985 meeting on the proposal for a Directive on the protection of workers from the risks related to exposure to noise at work¹. Exposure to noise is one of the most prevalent and significant risks encountered in industry, constituting a frequent cause of health impairment for workers. The new Directive sets maximum sound exposure levels for workers. Where these are exceeded, a programme of measures must be drawn up to reduce the noise level and if this is not possible, individual hearing protectors must be used.

In addition, the Commission presented to the Council in December a proposal for a Directive on the protection of workers from the risks related to exposure to benzene at work, constituting the fifth individual Directive within the meaning of Article 8 of the outline Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work². The Council had already adopted two individual directives - the Directive of 28 July 1982³ on the protection of workers from the risks related to exposure to metallic lead and its ionic compounds at work and the Directive of 19 September 1983⁴ on the protection of workers from the risks related to exposure to asbestos at work.

18. For several years now the Commission has been endeavouring to step up its activities in the field of public health. In September 1984 it laid before the Council a communication on cooperation at Community level on health-related problems⁵ citing as priority areas for action drug addiction, smoking and infectious diseases. The communication highlighted amongst other things the health problems associated with smoking, pointing out that in total more than one million deaths from lung cancer were to be expected by the year 2000 and calling for cooperation at Community level aimed at establishing common objectives and supporting the actions of Member States. This communication was discussed in depth at an informal meeting of the Ministers responsible for public health held on 29 November 1984.

¹ Social Report 1982, point 18.

² OJ L 327, 3.12.1980.

³ OJ L 247, 23.8.1982.

⁴ OJ L 263, 24.9.1983.

⁵ COM(84) 502 final.

A new impetus to specific action in the field of health has been given by the proposals presented to the European Council in Milan by the Ad Hoc Committee on a People's Europe (Adonnino report) inviting the Ministers of Health to give an appropriate follow-up to this communication and more especially as regards cancer prevention, the European Emergency Health Card, action on toxicology, the struggle against drug problems, and others.

After the European Council had, at its June 1985 meeting in Milan, endorsed the proposals made by the Ad Hoc Committee, the Commission laid before the Council on 18 November 1985 a proposal for a resolution on a programme of action of the European Communities on cancer prevention. This programme is intended to complement the initiatives and activities already undertaken by the Community in the past, notably the Directives adopted under the Euratom Treaty for the purposes of establishing basic standards for the protection of the health of the general public and workers against the dangers of ionizing radiation, the Directive adopted to reduce the possible carcinogenic risk of medical x-rays, the Community legislation on the labelling, use, etc. of chemical carcinogens adopted under Article 100 of the EEC Treaty and the various research programmes carried out in this field.

The main aim of the programme is to contribute to an improvement of the health and quality of life of the citizens within the Community by the prevention of cancer, the intention being initially to halt the increase of cancer in the Community and then to bring about a decline in both incidence and mortality from the disease. To this end, the Commission advocates the establishment of health strategies for those factors to which cancer is attributed, action to facilitate cooperation and the exchange of information at Community level, and collaboration with international and national organizations active in the cancer prevention field.

19. Finally, 1985 saw a decisive step towards the strengthening of the social dialogue of Community level, whose importance was underlined in the medium-term social action programme adopted by the Council on 22 June 1984¹. On 31 January the President, Mr. Delors, and several Members of the Commission met high-level employer and worker representatives at Val Duchesse for constructive discussions on the structural and cyclical problems associated with the economic and social situation. Attention centred on the

¹ OJ C 175, 4.7.1984.

questions surrounding the need for firms to modernize and on the organization and functioning of the labour market.

A second meeting was held at Val Duchesse on 12 November. At the close of the meeting, the participants adopted the following declarations :

- " - The participants in this meeting held a wide exchange of views on the means to improve the Community's performance, in regard to investment, growth and employment. They indicated their agreement to the broad lines of the "co-operative growth strategy for more employment" proposed by the Commission. They agreed to pursue their discussions so as to examine possibilities for the implementation of this strategy, at Community, national and sectoral levels. With this in view, they decided to set up with the Commission a working group which will be instructed to monitor the development of the economic and employment situation, and to discuss further the questions raised in the Commission's Report.

Furthermore, the organizations meeting today express their interest in new initiatives from the Commission, particularly on the micro-economic level, which will be designed to strengthen the capacity for adaptation and growth in the European economies. These subjects will be presented for discussion between the employers organizations and the unions.

Joint declaration of intent UNICE-ETUC-CEEP on the social dialogue and new technologies

- New technologies are essential to competitiveness, the growth of the European economies and employment. All Community enterprises, regardless of sector, are faced with the rapid changes brought about by the new technologies, from the standpoint of both skills and the organization of production;

the introduction of new technologies in the undertaking will have greater positive effects on the competitive position of firms, employment and the skills of employees if the employees and their representatives are kept informed of the technological changes envisaged and are prepared for the adjustment involved, in the context of a social dialogue;

the participants of the meeting agree to entrust a small working party, composed of officials and representatives of their organizations and the Commission, with the task of examining the possibility of achieving, throughout the Community, common approaches on the social dialogue linked with the introduction of new technology; they agreed thereby to signal the continuation of this dialogue at appropriate levels, in particular at enterprise and sectoral levels, in accordance with the procedures in force in each country."

The European Council of Luxembourg (2-3 December 1985), after having examined the economic and social situation in the Community and after having stressed the importance of measures to promote training, motivation, mobility and flexibility of the labour market, expressed the major importance that it attaches "to the joint statement of intent by management and labour on a European scale regarding social dialogue and new technology. It emphasized the usefulness of such contacts and would like these to continue with the assistance of the Commission in the search for solutions to practical problems."

The European Council of Luxembourg also agreed on the draft European "Single Act" containing, in particular, social provisions (subsection III : social policy) modifying some provisions of the Treaty establishing the European Economic Community. Article 21 of the Single Act, for instance, completes Article 118 by adding a new Article 118 a which provides for the adoption by the Council, acting by a qualified majority, of Directives laying down minimum requirements, to be gradually implemented, in particular on the protection of safety and health of workers, having regard to the conditions and technical rules obtaining in each of the Member States, whilst avoiding placing constraints on small- and medium-sized enterprises. This Article will be supplemented by a new Article 118 b, according to which 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 agreements.

20. The outlook for Community social policy must be seen in terms of two factors : firstly, as from 1 January 1986 enlargement will increase the number of Community nationals to more than 320 million and bring the working population to nearly 140 million. Secondly, it must be remembered that the Community has committed itself to completing the internal market by 1992. In the White Paper presented to the European Council in Milan

on 28 and 29 June 1985¹ the Commission argues that it is crucial, as far as social aspects are concerned, "that the obstacles which still exist within the Community to free movement for the self-employed and employees be removed by 1992. It considers that Community citizens should be free to engage in their professions throughout the Community, if they so wish, without the obligation to adhere to formalities which, in the final analysis, could serve to discourage such movement".

Whilst freedom of movement has been the rule for many years now in the case of almost all employees who are nationals of the long-standing Member States (as far as Greek nationals are concerned, the last obstacles will disappear at the end of 1987), transitional periods of seven, five or three years respectively are stipulated in the Accession Treaty for workers from the new Member States and members of their families. For them, therefore, 1992 will see the end of the last restrictions on access to or changes of employment in another Member State. It should, however, be remembered that Spanish and Portuguese workers already employed in another Member State enjoy equality of treatment with all other Community nationals in accordance with the Community rules on freedom of movement. Portuguese and Spanish nationals obtaining permits to enter employment following accession will have the same right to equal treatment.

Aside from the achievement of free movement for all nationals of the enlarged Community, much remains to be done if the "social area" which our society now needs is to be created. It is of course true that the new proposals on student mobility, the programme for cooperation between universities and industry in training for new technologies, the proposed guidelines for a Community policy on migration, the guidelines established in the field of employment policy, the new action programme on equal opportunities for women, the implementation of the second anti-poverty programme and other initiatives show the Community's determination to make its contribution to resolving the major problems of the day. True success can, however, only be achieved if all interested parties - governments, both sides of industry and indeed the individual citizen - make an active contribution. The Commission is convinced that such a contribution will give the Community and its 320 million inhabitants the genuine social dimension it merits.

¹ COM (85) 310 final.

B. Social developments in the Community in 1985

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- Chapter III - Vocational Training
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Chapter I

EMPLOYMENT

(Including migrant workers)

Trends within the Community

21. The present recovery in economic activity continued in 1985, with GDP growth estimated at 2.2 %, only slightly higher than in 1984. Total employment is expected to rise slightly (by 0.5 %) but this is clearly insufficient to have any effect on the level of unemployment, given the growth of labour supply and the existing high levels of unemployed. The unemployment rate is expected to grow further to 10.9 % on average for the year (as against 10.6 % in 1984).

In December 1985, the number of unemployed was more than 13 million, equivalent to 11.1 % of the Community's labour force, compared with 12.9 million (11 %) a year earlier. The record level of unemployed, 13.6 million, was reached in January of this year. As reported in last year's Social Report ¹, the situation of young people continues to improve slowly: the proportion of unemployed young people under 25 years of age was estimated at 36.6 % in December 1985 compared with 38.7 % a year earlier. The situation of women, however, continues to worsen, their unemployment rate rising to 12.1% compared with 11.7 % in December 1984.

22. As a result, Member States' Governments have continued to pursue a wide range of specific employment policies, with particular emphasis on job creation measures aimed at particular categories of workers, as well as training and re-training measures for improving the skills of the labour force. A particular feature of many measures taken by Member States this year has been the trend towards greater "adaptability" in the labour market. One general tendency which can be observed is towards a "liberalisation" of the rules governing different types of work organisation such as part-time work, and fixed-term contracts. Some countries have also placed a particular emphasis on the role of measures to encourage the reduction and re-organisation of working-time.

¹ Social Report 1984, point 21.

23. During 1985, the Commission gave the highest priority to the fight against unemployment. In its Programme of Work for 1985¹ it set out the elements of its strategy for achieving "employment policies," it placed the emphasis on the creation of a modern labour market and the adaptation of working time. It also drew attention to the need for a "European Social Dimension" which would go hand in hand with the creation of a European internal market.

In conjunction with the Member States and the two sides of industry, the Commission has carried out a comprehensive review of the legislation and collective agreements in order to ensure both greater equality of access to employment and greater efficiency in the use of labour within enterprises. A group of experts has also studied the attitudes of social partners and governments to the problem of labour market adaptability.

24. During the year, the Commission has held a series of consultations on forward-looking labour market management. This is the overall term that is used to describe a range of techniques for increasing labour market efficiency and manpower planning at the local level. These consultations aimed at gaining an initial insight into the actual practices of local actors in maintaining and responding to labour market developments. Each consultation was designed to bring together representatives of the different actors involved in the local labour market, especially the social partners, to discuss the causes and responses to perceived problems.

The key finding from the pilot consultations was a new emphasis on practical actions to create new jobs, coupled with an increasing awareness of the need for local co-operation and self-help. In all localities there was a deficiency in systems for monitoring developments on the labour market. The second phase of the work will aim to provide an overview of the different policy initiatives currently being undertaken at local level to develop a methodology to help localities assess their situations and identify and implement relevant policy actions. A third phase will involve in-depth studies to produce guidelines on techniques and initiatives

¹ Bull. of the EC, Supplement 4/85.

which could be adopted throughout the Community.

25. The policy of stopping the immigration of third country nationals is continuing in all the Member States. The slight increase in certain countries in the number of new work permits is due primarily to the reuniting of families, seekers of asylum and the arrival on the labour market of young second and third generation descendants of migrants. Quantitatively, the migration trend remains relatively stable; in some parts of the Community, there are however signs of a reduction in the number of migrants through naturalization and permanent repatriations to the country of origin, sometimes accompanied by financial aid.

The implementation of the Commission Decision of 8 July 1985 ¹ setting up a prior communication and consultation procedure on migration policies in relation to non-member countries should promote a gradual approximation of certain aspects of national laws on the basis of better Community information and consultation procedures, and closer cooperation.

¹

OJ No. L 217, 14.8.1985.

Development of the situation in the member countriesBelgium

26. The employment situation underwent a sharp trend reversal in 1985 : having stabilized in 1984, unemployment fell by more than 10 % during the year under review, though this development benefited men more than women (with the latter's share of total unemployment rising from 54.2 % to 57.2% over the period december to december). There is no doubt a connection between this marked improvement in the situation and the economic and social policies pursued by the Government for the past four years.

These policies were continued during 1985 and the Recovery Law adopted on 22 January provides for new employment policy provisions in three fields :

- the existing wage restraint measures have been renewed with the addition of a new element : in 1985 and 1986 1.5 % of total gross wages may be used to promote employment under arrangements determined by collective agreement (where no such arrangements exist, firms will have to pay a special contribution);
- labour legislation has been amended so as to permit greater flexibility (flexible working hours, compensatory rest periods, working time calculated on an annual basis). Recourse to stand-in contracts has also been facilitated - this possibility now being available for all types of job, on conditions less rigidly structured than hitherto and for a duration of up to two years;
- finally, it introduces innovative arrangements for workers wishing to interrupt their careers : contracts of employment may now be suspended for family or personal reasons and the worker concerned will be able to draw a social security benefit.

27. Following on the Recovery Law of 22 January, a Royal Decree approved by the Cabinet on 28 March introduced repatriation grants for foreign workers who are not nationals of Member States.

Such a grant is available on application to any foreign national subject to visa requirements who has been drawing unemployment benefit for more than a year, provided that any dependent relatives living with him accompany the beneficiary on his departure from Belgium. The amount paid is equal to one year's unemployment benefit.

Royal Decrees were also approved on the same date to permit the prohibition of registration by certain foreign nationals in six Belgian communes.

Pursuant to the Law of 10 July 1984, the Cabinet also adopted a Decree establishing membership and operating arrangements for a Committee of Inquiry on Immigration set up to investigate the whole range of immigration-related problems in Belgium and present a final report in the early months of 1986.

Denmark

28. A growth of 2.5 % in real terms in GDP is expected for 1985 (as compared with 3.5 % in 1984). In March, the legal basis for the alignment of economic policy, including wage developments, was created.

The relatively strong increase in production created some 35 000 additional jobs, so that employment rose by 2.4 % as already in the previous year. Despite a further increase in the size of the labour force, the number of unemployed persons fell from 265.700 in the previous year to 225.000 in the year under review. The unemployment ratio went down from 9.6 % to some 8 %. The number of long-term unemployed likewise declined in the first half of the year.

Against this background of a slight easing of tensions on the labour market employment policy measures in the year under review focussed on improving opportunities for the long-term unemployed and young people. With regard to the long-term unemployed, an amendment to the law on entitlement to a job offer came into force on 1 July. This did away with repeated entitlement to such an offer and at the same time the repeated entitlement to unemployment benefit. Long-term unemployed persons who are at least 25 years old can now choose, following the period of employment resulting from the first guaranteed job offer (7 or 9 months), between an 18-month training course and setting up a business of their own. During this training an allowance equivalent to unemployment benefit is paid.

Training can be prolonged for 6 months and during that period there is no obligation to accept a job. The establishment of a business is supported by 50 % of the maximum unemployment benefit. This support can be guaranteed for up to three and a half years. The period during which unemployment benefit may continue to be drawn following the period of employment resulting from the first guaranteed job offer was limited to two and a half years. It was proposed that in the following year 70 % of the maximum should be paid and subsequently only 55 %. In the second phase more restrictive regulations apply where job offers are refused.

Three new laws relating to youth employment were adopted. A law has been in force since 1 July which enables local authorities to initiate employment projects for young people between the ages of 18 and 27 with central government support, the sponsors of which may be associations. The projects are restricted to work which would not otherwise be carried out and constitute no competition for existing firms. The second part of this law, which comes into force on 1 January 1986, regulates the continuation of existing pay supplements.

A second law enables local authorities to continue existing training arrangements and also provides access to other schools and educational establishments for the unemployed, while the third law provides the legal basis for the existing programme linking education and industry.

29. As in the past, the Danish Government endeavoured to continue its policy of employing and integrating foreign workers.

The problems they encountered in respect of refugees caused the Danish authorities to change the law relating to refugees so as to speed up the administrative process by which a decision on their fate is decided.

Federal Republic of Germany

30. In the first quarter the economic trends was recessive - mainly because of the reduction in construction activity caused by the bad weather. However, there was a distinct cyclical upswing from the second quarter onwards. Overall, there was a 2.6 % increase in the gross domestic product over the previous year.

The favourable economic trend had a positive impact on the labour market: end december some 190.000 more persons were employed than a year ago, though this was in part due to reductions in working time. At the same time, despite the rise in employment, there was no substantial reduction in overall unemployment. Apart from demographic reasons, this was due to a considerable inrush of persons wishing to return to gainful employment after an interruption.

Taking a yearly average, the overall figure for registered unemployed persons was 2.3 million. The unemployment ratio (unemployed persons as a percentage of the dependent working population) was 8.6% as compared with 8.4 % in 1984.

At the end of December the number of unemployed persons under the age of 20 was 163.300, thus exceeding the previous year's figure by 0,3 %. On the other hand, the figure for unemployed persons between the ages of 20 and 25 was 1.9% below that of the previous year. At the same time, the share of this age group in youth unemployment was still considerable, totalling 412.000.

On 1 May, the 1985 Employment Promotion Law¹ came into force with the aim of creating additional employment opportunities by changing existing labour and social legislation.

The law contains the following arrangements, some of which are limited in the length of their validity: easier authorization of recruitment on fixed-term contracts of employment, regulation under labour law of part-time work, amendment of the social plan law, extension of the adjustment procedure relating to the continuation of wage payments, amendment of the law on the supply of workers by temporary employment businesses, placement in training places free of charge on behalf of the Federal Labour Office, improvement of women's opportunities for occupational reintegration, increased promotion of job creation measures, higher fines for illegal employment of foreigners, added contribution concessions for craft undertakings which train apprentices, relaxation of the three-year limit on reimbursable visits to health resorts and clarification of the dismissals protection law in respect of the building trade.

From the beginning there was a great deal of political controversy over this law. It was opposed, in particular, by the trade unions on the grounds that it encroached on the established protective rights of employees. The basic idea behind its industrial relations section is that many State and autonomous provisions under labour law aimed at protecting employees, and also the principles of case law, may today have a negative influence on employers' readiness to recruit.

¹ Social Report 1984, point 30.

At the beginning of October the Federal Government adopted the draft seventh amendment to the Employment Promotion Law, which converts into legal instruments the coalition decisions of 17 September on the use to be made of the surpluses held by the Federal Labour Office. The main points of the amendment, which came into force on 1 January 1986, are the prolongation of the period during which unemployment benefit may be drawn by older unemployed persons, up to 24 months

and a reduction of the unemployment insurance contribution rate from 4.1 to 4.0 %. Individual measures include the grant of a tideover allowance, equivalent to the unemployment benefit or unemployment assistance previously received, for the first three months devoted by unemployed persons to setting up some form of self-employment.

In the interests of preserving jobs the Federal Ministry of Labour and Social Affairs issued a new regulation under which workers in firms which have been working on short time for a lengthy period may receive short time working benefit for up to 24 months. The new regulation is valid until 31 March 1987.

Effective 1 March the regulation of the management board of the Federal Labour Office on the implementation of employment creation measures was amended. Among other things, it extends the range of those groups of persons defined as being hard to place in employment who may benefit from such measures.

31. While the number of foreign residents in the Federal Republic of Germany declined by 300 000 between autumn 1982 and autumn 1984, this trend came pretty much to a halt in the year under review. In September 1985 a total of 4.38 million foreign residents were registered, including 1.40 million Turks. Over 59 % of these aliens (55 % of the Turks) have been in the Federal Republic for 10 years or longer. Of the foreign children under the age of 16 resident in the Federal Republic almost two thirds were born there.

The Federal Government is therefore making greater efforts to give these people an adequate knowledge of the German language, so as to promote the integration not only of foreign workers - of whom there are 1.8 million at present - but also of their families. So far, more than 300 000 foreigners have attended courses organized by the "German for Foreign Workers" association, which was founded in 1974. In the last few years the Federal Government has considerably expanded its integration programmes which focus on the transition from school to working life; the main beneficiaries are young foreigners without a lower secondary school leaving certificate who are to be given an opportunity to acquire recognized vocational qualifications.

The integration programmes for adult foreigners have likewise been improved in the last few years: in addition to the normal language courses, the Federal Government has since 1983 been providing special courses for foreign women which also deal with subjects of particular interest to women, such as sewing, cooking and bringing up children.

Another contribution to integration consists in giving the Federal Republic's foreign population the opportunity of taking part in public life. To this end a number of towns have set up or plan to set up local aliens advisory committees. In a number of Länder foreigners may also take part in the activities of local government committees in an advisory capacity or with full voting rights.

On 1st January 1986, a new law came into force concerning a housing construction subsidy for foreigners returning to their country of origin, which aims at facilitating the reintegration of foreign workers who go back their own countries. The law would - for a specific period of time - allow returnees to take out home ownership scheme loans for the acquisition or construction of homes in their country of origin without any loss of the normal tax concessions or grant entitlements.

The growing number of persons applying for asylum in the Federal Republic of Germany is a particular problem. The Federal Republic's Constitution gives foreigners persecuted for political reasons a legal claim to asylum, the granting of such asylum not being subject to any political discretion. While there was a considerable decline in the number of applicants for asylum from 107.000 in 1980 to 19.000 in 1983, there was an appreciable increase to 73.000 in 1985. On 13 February, the Federal Government therefore set up an interministerial commission to look into the whole complex of questions relating to the granting of asylum.

Greece

32. Unemployment continued to rise during 1985, exceeding 8 % on average for the year. It is difficult to make an accurate assessment of the total numbers unemployed, which are higher than the statistics for registered unemployment suggest. However, the Ministry of Employment estimates that the number unemployed will be around 250.000 by the end of the year.

Law No 1545/85 introduced a number of changes in the national unemployment insurance system which are aimed at assisting certain groups of workers. In particular, it eases the conditions for entitlement to unemployment benefit, extends the duration of benefit for certain groups of workers and introduces the possibility of unemployment benefit for

young first-job-seekers. A special benefit has been introduced for young people between the ages of 20 and 29 who have been unemployed for more than 6 months. This Law also introduces new arrangements for job creation and preservation.

In addition, the Minister of Labour and Employment took a variety of decisions concerning : the payment of grants towards the recruitment of certain categories of worker; the creation of 15 000 jobs; the recruitment of workers returning to Greece; newly qualified persons taking jobs with local authorities, public sector corporations or community-service bodies, ex-convicts, disabled persons, etc.

33. A conference of associations of Greek emigrants from all over the world, held in Athens on 30 and 31 March, led to the creation of a Council of Greek Emigrants. This Council will henceforth give advice to the Government in matters regarding Greek nationals abroad.

Various measures were taken during the year under review to assist Greeks returning to the country. These include : the introduction of a higher rate of grant for recruitment to new jobs - DR 900 per day as against DR 600-800 for other workers; a scheme for assistance with travel expenses in connection with resettlement in Greece; the establishment of a special employment bureau providing information on labour market trends and requirements; the extension to returning Greek nationals of the more favourable provisions of Law No 1262/83; the application of more favourable provisions for the granting of family allowances; the granting of Employment Office allowances to migrant workers' children enrolled in reception classes; the raising to 50 of the maximum age for migrant workers wishing to attend Employment Office vocational training courses.

There are currently some 28 000 foreign-work-permit holders living and working in Greece, approximately half of them nationals of other European countries. The statutory immigration rules lay down severe penalties for employers taking on foreign workers illegally.

France

34. The fall in unemployment (which was 3.5 % over the period December 1984 to December 1985) should not be interpreted as a sign of cyclical improvement, since the figures for the same period show a continued decline in the volume of employment and a further worsening of the fundamental indicators (the average duration of unemployment of job-seekers went up from 308 days in December 1984 to 324 days in December 1985).

The special measures taken to assist young people, notably the Community Service Work (TUC) Scheme and the agreement between management and labour on linked work and training, have altered the age structure of the unemployment figures, with young people as a proportion of total unemployment falling from 44 % to 40 % since the introduction of these measures in late 1984 (at the end of December 322.300 persons in the case of the TUC Scheme and 74.000 persons as regards arrangements for qualification contracts, employment/adaptation contracts and introduction to working life programmes for young people), reflecting a trend common to almost all the Member States.

Changes in employment legislation and practices during the period under review related primarily to labour market flexibility and the long-term unemployed.

- As far as flexibility is concerned, the measures adopted aim essentially at alleviating the consequences of the breakdown of negotiations on labour market flexibility without any attempt to tackle head on the problems which led to this breakdown and hence take the following forms :

- . a relaxation of the rules on fixed-term contracts of employment as regards the recruitment of long-term unemployed workers for periods of up to 24 months;

- . assistance towards the recruitment of unemployed persons on a part-time basis for between 18 and 32 hours per week; this consists of a FF 6000 grant to the employer and a compensatory allowance to the worker where the remuneration in his new job is less than the unemployment benefit hitherto drawn.
- As regards the long-term unemployed, a special operation is under way with the aim of ensuring that each year some 100 000 such unemployed persons participate in reintegration programmes. The innovatory aspect of this operation lies in the switch from training to programmes firmly centred on reintegration into employment and giving priority of access to the long-term unemployed. The National Employment Agency is responsible for administering this operation and in particular for identifying suitable beneficiaries and placement opportunities.

35. In a speech to the League for Human Rights, the President supported the idea of participation by immigrants in local government, whilst admitting that public opinion was not yet ready for this.

New instructions on the granting of refugee status were issued to meet two concerns of the Government: firstly to ensure that France remains a society open to refugees by making it possible for any foreign national to provide evidence in support of an application for asylum whilst enjoying the right to reside and work in France pending a decision; secondly to prevent abuses which would bring the whole system into question by taking precautions against fraud and dealing with unfounded or improper applications and appeals rapidly.

Article 99 of the Law of 3 January extends the scope for associations whose formal objectives include combatting racism to institute a civil action where an offence has been committed against an individual by reason of his national or ethnic origin, race or religion. Article 100 of the same Law enables a court ordering that a foreign national in breach of the aliens legislation be escorted to the frontier to make a simultaneous order prohibiting the individual in question from entering or residing in France.

The year under review saw the presentation to the Minister for Social Affairs and National Solidarity of a report by the Interdepartmental Liaison Office on Labour Trafficking which looks at the economic and legal facets of the problem, with supporting studies on illegal immigration (the supply side)

and the most severely affected sectors (the demand side): the building and public works sector, agriculture, the hotel and catering trade, domestic service, the services sector, etc. On this basis the Liaison Office is then able to put forward proposals linking administrative action to analysis of the economic and social factors which foster illicit labour trafficking.

Ireland

36. Although economic activity is estimated to grow at some 2.1 % (following 4.4 % in 1984) employment continues to decline, by 0,4 %, after falling by nearly 1 % in 1984. As a result, unemployment continues to rise, to average 17.7 % for the year as a whole. By December 1985 it had reached 239.900 or 18.5% of the labour force.

The Youth Employment Agency has agreed to fund centres for the unemployed which are set up and managed by local Trades Councils under the auspices of the Irish Congress of Trade Unions. These centres aim to provide a focal point for unemployed people and to give advice, information, training and other activities. A total of 10 centres will be established in the most densely populated areas.

Following on a recommendation in the White Paper on Industrial Policy, a nationwide network of small industry information centres has been introduced from 1 April 1985. The centres provide, under one roof, comprehensive information on State aid and services for small manufacturing industries and eliminate the need for potential entrepreneurs to go to a number of State agencies in turn to obtain the information.

The Grant Scheme for Youth Employment which has been in operation since 1978 has been revised and renamed TEAMWORK from March, 4. The programme is designed to help local communities provide temporary Community-based employment for young people aged 17-25 who have been unemployed for at least six months. The scope of TEAMWORK includes

projects involving youth services, sports activities, social and community services and cultural drama and artistic activities.

The Social Employment Scheme was introduced on 28 January 1985 to help the long-term unemployed aged over 25 by providing them with work on projects which are of benefit to the Community for an average of 2.5 days per week for up to 1 year.

The National Linkage Programme was been introduced with the aim of maximising the use of industrial raw materials and components produced locally by manufacturing industry. The programme is concentrating initially on maximising the sub-supply potential of the electronics industry. Its target is to raise the proportion of components and services sourced locally by the electronics industry from approximately 17% of total purchases at present by at least 1% each year for the next five years, with an overall target of achieving 33% within ten years.

37. There is some evidence to suggest that emigration may have increased over the last few years due to the impact of the recession and the decline in job opportunities. In June 1984 the Minister for Labour appointed a new committee with particular responsibility for advising on emigrant welfare services and to make recommendations on the allocation of State financial assistance towards the employment of professional workers dealing with the welfare problems of Irish emigrants in Britain. This committee includes in its membership representatives of Irish organisations based in Britain. In the last two years (1983-1985) the Government has nearly trebled the grants for emigrant advisory services.

The Minister for Labour has indicated that, in the context of the White Paper on Manpower Policy published in early 1986 he is considering the possibility of the National Manpower Service providing an information and guidance service for persons contemplating employment abroad to enable them to make informed choices between the various options open to them.

Italy

38. Despite the authorities' commendable efforts, unemployment rose again in 1985: in December this year there were nearly 3.1 million registered unemployed, bringing the unemployment rate to 13,5 % against 12.4 % in December 1984 - an increase of 9 %.

The yearly average of youth unemployment for the under 25-year-olds has risen by 6.7 % in 1985 compared with 1984. However, this increase was lower than it had been in 1984 compared to 1983 (10 %). This slight improvement can doubtless be attributed to Government measures to help young people¹ which are beginning to produce positive results.

With the same end in view, the Government has adopted a new special employment programme for young people which provides for the temporary recruitment under a training/employment contract of 30 000 young people aged 18 to 29 years who have been registered as unemployed for at least 12 months. The job openings may be in private or public commercial enterprises. The project establishes an order of priority: preferential terms are applied in regions with a high youth unemployment rate, to young people finding it difficult to integrate into working life and to employment programmes concluded with trade unions. For each trainee worker recruited for an unlimited period the plan grants employment subsidies of 15 to 40 % of wages during the training period, followed by a subsidy of LIT 100 000 per month for one year.

The authorities have published the first results of the solidarity agreements introduced under Law No 863 of 19 December 1984 (former Decree Law No 94)¹: 143 contracts were signed between May and December 1984 and concerned 2 731 workers. In the same period 7 224 employment training schemes were set up affecting over 32 000 young people, while 50 987 part-time agreements were approved of which about 80 % concerned women. This law also had an impact on recruitment by name: 80 176 workers were recruited in this way compared with 29 395 by order of priority.

¹ Social Report 1984, point 38.

With respect to long-term employment policy, the Minister of Labour presented a document outlining the main aspects of a strategy for the next 10 years setting out the goals together with the instruments and measures to be implemented to attain them. The document contains an analysis of the characteristics of a transitional period, reviews the employment situation in Italy and points out the areas where action is required : the development of human resources, the reorganization of working time, job creation, social protection, income support policy and labour market management.

In the framework of special measures to safeguard employment, the Government adopted a Law on credit for cooperative ventures. This law provides for the establishment of two funds: the first, to be known as FONCOOPER designed to promote the development of cooperatives, and a second intended to support operations to protect employment.

To improve and modernize the operation of the employment services, provision has been made to introduce new technologies as a basis for establishing a nationwide data-processing system to cover labour market activities. At the same time, pilot schemes to computerize the operations of the employment services are underway in several regions in Italy. In regions with very high unemployment that are undergoing restructuring, experimental employment agencies have been set up with the principal task of carrying out experiments and evaluating measures to improve the match between supply and demand on the job market and to promote job creation.

39. Despite the serious problems brought about by a high rate of illegal immigration, none of the various legislative proposals has been adopted with a view to laying down clear rules to govern the entry, employment and residence of nationals from non-member countries seeking work. Stricter application of existing rules is called for, particularly in the interests of public safety.¹

¹ Gazzetta Ufficiale, 24 July 1985, No. 173a.

As regards emigration, Parliament approved Law No 205 of 8 May 1985 setting up committees for Italian emigrants within consulates. The elected Committee members will be responsible for cooperating with the consular authorities to protect the rights and interests of Italian emigrants.

Luxembourg

40. The improvement in the labour market which began in 1984, principally due to a rise in the number of employees in employment, continued in 1985, particularly in the services sector and new industries.

Unemployment fell to a level below that of 1984. The annual average was 2.588 in 1985 against 2.695 a year earlier, a fall of 4 %. These favourable developments are expected to continue in 1986 due to a lessening of demographic pressures and the creation of new enterprises.

Given the reduction of structural surpluses in steel and rationalisation in other industrial sectors, the number of employees rose again by 3.000 persons (2.1 %) due to new recruitment in the services sector and certain expanding industrial enterprises.

When drawing up the budget, the Government introduced a range of conditions to stimulate economic growth (an estimated expansion rate of 2 % of GDP for 1985 and 1986) in order to implement measures designed to produce a direct improvement in employment opportunities. The Government will evaluate the results of measures to combat unemployment and promote employment with a view to presenting additional measures. Through this action the Government hopes mainly to improve the situation of the most disadvantaged on the labour market, in this case young people and the long-term unemployed. Appropriations for the recruitment of young unemployed workers for work in the public interest through temporary contracts were raised by 10 %. A working party is studying ways of financing community work schemes for the unemployed.

41. Moves to consolidate the number of immigrant workers from non-member countries continued through tighter controls on illegal work, the imposition of a three year residence requirement before obtaining a work permit where an immigrant entered the country under the policy on reuniting families, and strict limits for the issue of class C work permits to employers.

The Commission for vocational training has reinforced its efforts to organize vocational guidance and initiation courses, particularly for the children of unemployed immigrants to give them access to better qualified jobs than in the past.

At the same time, the number of frontier workers employed in Luxembourg has risen further. Unemployment among foreign workers has fallen slightly but they continue to account for nearly half the registered unemployed.

Netherlands

42. The positive impression at the end of 1984 that the rising tide of unemployment had been contained was confirmed. At the end of December 1985, there were 749 500 registered unemployed, representing an unemployment rate of 13.2 %. Compared with December 1984 unemployment has fallen by 47 000 (8 %) - of whom 43 000 men (-8 %) and 4 000 women (-1,5 %). The trend has been the same in the case of young people: there were 271 100 unemployed in December 1985 compared with 309 200 in December 1984, a fall of 38 100. Another statistic which suggests a real improvement in the labour market situation is the number of vacancies. Since 1983 the yearly average number of unfilled vacancies has risen steadily: 9 500 in 1983, 15 270 in 1984 and 24 540 in 1985.

As a result of a campaign to increase awareness launched last year, using the slogan, "Get to work now to find work", ¹ school-leavers who had registered as job-seekers with an employment office found work in a shorter time and in greater numbers than in previous years. In view of this

¹ Social Report 1984, point 42.

success, the Ministry for Social Affairs and Employment decided to extend the campaign into 1985.

Another measure to promote youth employment is a system whereby the number of hours worked is stepped up (minimum 20 hours - maximum 32 hours) enabling to met at the disposal of third persons, for a limited time (at maximum one year), long term unemployed young people, with the help of the Government Temporary Employment Agency START. The system which launched on an experimental basis in three regions at the end of 1984 has been extended to 10 regions from the 1st of December 1985. During the time of work, the young people are not registered job-seekers.

On 1 May the authorities introduced a financial support scheme for persons receiving unemployment benefit or persons threatened with unemployment who wished to take up a self-employed activity. The assistance is designed to provide applicants with an income equal to the minimum wage, or to grant them a loan of up to HFL 25 000. The assistance is payable for the first 6 months (start-up period) with a possible extension of 6 months, and in exceptional cases a further 6 months. 6 months after the launch, the local authorities assess the position of the firm. If the results are negative, payment of the financial assistance will be stopped.

The Social and Economic Council (SER) gave a recommendation for introducing a tripartite structure into the national and regional administration of employment services in which will be represented the government and both sides of industry. SER has based this recommendation on the assumption that tripartite management, accompanied by decentralization of activities accords with the general policy to achieve efficiently more decentralization, privatization and deregulation. Before such a tripartite structure being realized, more substantial discussion will be needed.

The SER has just published a report on experiments carried out by Dutch firms employing workers part-time. It shows that nearly 50 % of employed women compared with 5 % men are currently employed on this basis. If part-time work is to be promoted with a view to improving the distribution of work, it is vital that it should be more generally adopted by men. With respect to the economic implications for firms, the advantages generally outweigh the costs.

43. Foreigners resident for over 5 years in the Netherlands may vote and stand as candidates at the municipal elections in March 1986. The lower House adopted this legislation by a large majority. Thus the Netherlands are the third Member State of the Community, after Ireland and Denmark, to introduce such political participation.

The restrictions on spouses who have been living abroad and wish to be reunited with their families have been eased, except for people under 21 years who continue to be covered by the old rules.

A governmental committee set up following an inquiry into the rights of minorities and an examination of the laws and regulations recommended that the Government should support the general abolition of the nationality clause in all Dutch legislation, retaining it only in exceptional cases.

United Kingdom

44. Gross domestic product is expected to grow by 3.0% in 1985, considerably up on 1984 (1.8%) which was severely affected by the miners strike. Despite this quite strong upturn in output, employment growth slowed slightly to 0.9% (as against 1.5% in 1984). As a result, unemployment continued to edge up slightly, to reach an estimated 12% for the year as a whole. If employment growth can be maintained, it is to be hoped that jobs will be filled increasingly from the pool of the unemployed and less from new entrants to the labour force.

The Government announced a series of employment proposals in its Budget of March 1985. These proposals included the expansion of a number of existing employment measures together with changes to certain employment regulations.

The Youth Training Scheme is to be extended from 1 April 1986 to provide two years of work related training for 16 year old school leavers and one year for 17 year old school leavers leading to recognised vocational qualifications.

Resources have been made available to expand the Community Programme which provides temporary employment for long-term unemployed adults. The programme will be increased from 130,000 places per year to 230,000 places by June 1986.

The Voluntary Projects Programme which provides work-related voluntary activities for unemployed people has been reviewed and will continue until at least March 1988. Two new strands have been added as a result of the review: first a development programme funding projects which involve a substantial commitment of time and effort by volunteers or which prepare unemployed people for self employment. The second is an experimental programme designed to focus more directly on the long-term unemployed and includes the payment of an allowance to participants.

With effect from October 1986 changes were made to the system of National Insurance contributions, reducing the contributions for people on low earnings and their employers. The Government anticipates that this measure will lead to a substantial reduction in the net cost to employers of taking on low-paid workers and therefore to an increase in job opportunities.

45. The United Kingdom has accepted the ruling made at the end of May by the European Court of Human Rights that Britain has been found guilty of sex discrimination in its immigration laws. The Government announced new immigration rules designed to comply with the judgement; these rules would apply to wives seeking admission for settlement the requirements which were applied only to husbands.

Many of the criticisms of the Immigration and Nationality Department's administration of immigration control are inadequately supported by evidence, the Home Affairs Committee concluded in its inquiry into the Department. The Committee acknowledged that there was widespread distrust of the Immigration and Nationality Department's complaints procedure, due to the fact that it involved the Department investigating complaints against itself and also because responses to complaints had to be cleared at a senior level. The report also said that the role of the police in immigration and nationality matters should be reduced to the minimum so as to prevent damage to their relations with ethnic minority communities.

Cases of racial violence and riots have been subject of discussion both in national and international mass-media. British authorities claim that in dealing with a complex issue such as racial violence it was necessary to avoid simplistic analyses and solutions.

Chapter II

EDUCATION

Trends within the Community

46. The common challenge facing the education systems of the European Community Member States throughout 1985 was the need to develop and maintain a highly competent flexible workforce which by maximizing possibilities of cooperation could improve the Community's competitive position during a period characterized by rapid technological advances.

47. This challenge was made all the more daunting by the continuing increase in mass youth unemployment, and the persistence of socio-economic individual and regional inequalities.

At the beginning of the year five million young people under the age of 25 were unemployed after a 30% increase in youth unemployment over the previous three years.

Within the Member States there are great differences in the experiences and expectation among young people. On the whole, girls and young women face greater problems than boys and young men in successfully bridging the transition from school to working life. Young people leaving school without qualifications suffer more at the entrance to the job market than the qualified. The children of the poor and migrant workers, together with disabled young people are at special educational risk.

48. The different Member States' education systems have tried to meet the common challenge and in several cases give special support for those most gravely in educational need.

These actions have resulted in three main tendencies:

- the introduction of mechanisms to link general education with the world of employment leading to a blurring of the perceived differences between the education systems and the structures for vocational training;

- an associated acceleration of the invasion of the school and home by the new information technologies;
- the prolongation of voluntary staying on at school and college beyond minimum school leaving ages accompanied by more education and training provision for those at the age of transition, with an increasing tacit acceptance that under 18 year olds are being removed from the labour market.

49. The Education Council held in Luxembourg in June 1985 reflected these common concerns in adopting a Resolution containing an action programme on equal opportunities for girls and boys in education.

The Education Ministers held an exchange of views on COMETT, the Community Programme for Education and Training for Technologies which intends to do for "human resources" what other Community Programmes such as ESPRIT are doing in drawing efforts together for research and development.

Conclusions were drawn up on improving the treatment of the European dimension in Education stating that an understanding of political, social and cultural life in other Member States together with knowledge of the goals of European integration is part and parcel of the education of the future citizens of Europe.

Development of the situation in the member countriesBelgium

50. A first change concerns the registration and enrolment fees for foreign pupils and students. This was dealt with in the legislation of 21 June 1985 concerning education articles 58-63. Article 63 of the aforementioned legislation states that school fees or additional entry payment collected between 1 September 1976 and 31 December 1984 will not be reimbursed. The school fees which, however, have been collected from EEC members who were in vocational training, will be reimbursed on the basis of judicial rulings. The royal decree of 30 August 1985, an extension and enforcement of the aforementioned law, covers the different categories that are exempted from registration fees. This concerns, in particular, pupils and students who are nationals of EEC Member States, insofar as their enrolment grants them access to vocational training.

University education is not covered by this decree because it is not considered to be part of vocational training.

On the level of higher education, changes have been adopted for maritime education and studies in the nautical sciences through the legislation of 15 July 1985. The grades of candidate and licentiate in the nautical sciences after respectively two and four years, are now equated with those following university studies. Yet, there are still differences with university education, e.g. the tuition and fees of maritime higher education are covered by the decree of 30 August 1985. The corresponding degrees and diplomas are issued by the School of Navigation in Antwerp, which has a head office in Ostend.

The legislation of 21 June 1985 stipulates that the rector has the right to refuse a student whose studies will not be financially compensated by the government. At a state university, the student can appeal against this decision to the Minister of Education within 30 days.

Foreign students who have been working or who are working in Belgium and belong to Member States of the EEC are also eligible for the working-subsidies of the universities, as are husbands and spouses. In this law, there are also some important articles on cumulation. Professors and assistants who cumulate their academic functions with another paid activity which takes them more than two half days a week, may conduct their academic function only part time (with the appropriate payment). Every half a day they spend in function of the university is equalised with 10% of a full time function.

The royal decree of 29 August 1985 (Moniteur Belge of 22 October 1985) lays down the provisions relative to the interruption of a career for any reason whatsoever in the teaching profession and in psychomedical-social centres. The position and rights on social assistance are kept, and an allowance of 10,504 BF a month is provided by the Ministry of Education. The personnel can enjoy this career interruption during 6 or 12 months.

51. As of 1985, State schools are entitled to independent management (royal decree of 29 December 1984, Moniteur Belge of 9 January 1985) which obliges the members of the school staff and, in particular, the head of the establishment to conform to the provisions relative to the running of their institution, with the aim of achieving the best management possible, taking into account the funds put at their disposal.

A royal decree of 20 August 1985 (Moniteur Belge of 29 August 1985) amends certain provisions in the legislation concerning education in that a fixed annual subsidy, and the amount of the subsidy for running expenses, per pupil regularly enrolled, for boarders in ordinary primary and secondary schools are provided for. This provision applies to boarding schools which are linked with independent or official establishments or groups of establishments receiving subsidies. Previously, the government financed State-run boarding schools only.

52. The circular dated 13 September 1985 contains instructions as to how to efficiently organise teacher training courses. In the matter of general education which is common to the three types of teacher-training courses, broader themes are developed, notably with regard to an understanding of State structures, and a more extensive study of economics

and social legislation as well a better initiation to cultural life, data processing, and audio-visual techniques are provided for, with greater emphasis on the pedagogical aspect of these subjects.

Furthermore, the training of pre- and primary schoolmasters includes more courses in French and mathematics.

In order to update the teaching methods of future primary school teachers, and to enable them to adapt their teaching to social evolution, their vocational training will be facilitated by numerous contacts with various circles, notably in the social and economic field.

Stress is also placed on an interdisciplinary approach to the development of certain humanistic themes such as the defence of human rights, road safety, education in health and hygiene. This is why each establishment shall organise training programmes or activities which will enable the student to complete his vocational training and to be better prepared for social life, and, through such changes, will allow him to prepare his future pupils equally well.

The Royal Decree of 14 October establishing a National Council for Technical and Vocational Secondary Education defines the purpose of this Council as the delivery of opinions, either on its own initiative or at the request of the Minister for Education, on all problems concerning full-time or part-time technical and vocational secondary education. It is composed of representatives of the various educational authorities, staff, trade unions, employers' organizations and the health and guidance centres.

Denmark

53. In its 1984/1985 session the Danish Parliament passed amendments to the Act on the primary schools, which entail the following :

- The municipalities will be permitted to implement a coordinated "schooling" period for children from nursery classes and the 1st and 2nd classes;
- New opportunities for pupils in the 10th class by the extension of special subjects and more access to activities other than classroom instruction;
- Parents will have more choice in deciding which school their child will attend.

An amendment to the law on primary school teacher-training passed in the same session will mean that :

- Training will be spread over 4 years to ensure that teacher-training colleges with one or two groups per year get an acceptable supply of compulsory subjects.
- On an experimental basis certain new subjects may be offered, including those aimed at the private sector.
- Cooperation may take place between teacher-training colleges and Denmark's Institute of Education on the in-service and further training of teachers.

The regional coordination of the educational and vocational guidance has been changed to take effect as from April 1986. In each region, corresponding to a county, will be set up a regional committee and a guidance committee to manage the coordination.

The guidance systems of the Ministry of Education will be examined by a private firm in 1986 to throw light on to what extent the guidance contributes to promote the pupils' choice of education with positive views of employment, and what hindrances there may be to give the best guidance possible.

The government presented in December 1985 a proposal for an adjustment of the "Gymnasium". The proposal implies a number of changes of the structure of the Gymnasium to a more flexible respect with the frame of the current objects clause.

The adjustment contains among other things :

- the foreign languages are to be bolstered up;
- room for new subjects as economy and business administration and technology.

It is going to be possible to combine the subjects in new ways, like languages combined with subjects of natural sciences.

The proposal is meant to be effected from the school year 1987-88.

An amendment has also been passed to the Minister of employment's law governing employment offers, which has consequences for the training sectors.

The amendment means that :

- Long-term unemployed over 25 years old, who have had a job offer, may receive a training grant instead of unemployment benefit, but at the same level, while they participate in any kind of training;
- the training grant may be received for up to two years;
- the Long-term unemployed have a better basis for returning to normal employment.

54. In the spring of 1985 the Parliament passed a new law on in-service training (business oriented courses). The law makes it possible for state contributions to be paid for research and development work on business oriented in-service and further training for all groups on the labour market.

Moreover, according to the law, state subsidies may be paid for business oriented in-service and further training with adult training grants being paid to participants. The courses are especially geared towards technicians and corresponding non-academic workers in private businesses. The courses are run on a decentralised basis so that the organisation and content are determined by the training institution in cooperation with the local business community. Firms have to pay participants' fees in order to be able to send their workers to the course. These fees will gradually increase over the coming years.

A training council including representatives from the business world will advise the Ministry, in particular about which areas the in-service training effort should be concentrated on.

Finally, it can be added that in May the Government presented a report to the Parliament on research, training and technology. In the report reference is made to the way in which research, training and technological policy is adjusted and coordinated in order to strengthen economic growth and thereby promote employment. In the report there is a list of ongoing or proposed concrete initiatives for training and research policy.

It is stressed in the report that the interplay between the public and private sectors must be developed in a range of areas because such reinforced contacts will be a precondition for maintaining economic growth in the longer term.

Federal Republic of Germany

55. As in previous years, the report period saw a decline in pupil numbers at primary and secondary level associated with a steady improvement in teacher-pupil ratios. This trend also curtailed the scope for teacher recruitment. An increasing proportion of school leavers qualified to enter higher education are now opting instead for the dual system of vocational training. As a result, demand for training places in the dual system remained high in 1985 in spite of the decline in the number of school leavers. This high level of demand was, however, in large measure satisfied. The changing pattern of behaviour among school leavers can partly be explained by the fact that both Federal and Land authorities intensified their efforts to foster careers guidance within and outside the general school system.

A further salient feature of the year under review was the campaign to promote the introduction of new technologies throughout the educational system.

A seminar organized in Berlin from 4 to 8 November in collaboration with the Commission of the European Communities provided an opportunity to review progress towards this goal at secondary level with the help of an exhibition and visits to schools.

The Joint Federal Government-Länder Commission for Educational planning and the Promotion of Research Activities approved an outline plan for education in the information technologies in the context of schools and vocational training. This plan envisages that all pupils will acquire a grounding in the information technologies through the latter's incorporation in the core teaching for the various subjects starting at secondary level. The possibility of taking computer studies as an optional or elective subject at upper secondary level has already existed for some years.

An outline plan for education in the information technologies was also approved for the tertiary sector on 16 December. In addition to the maintenance and expansion of computer science course provision, this involves a computer facilities investment programme financed jointly by the Federal and Land authorities part of their shared responsibility for higher education building and designed to provide a massive stimulus for the use of networked computer workstations as tools in all departments and courses.

56. Overall, the main thrust of efforts in the higher education field was directed at increasing flexibility and differentiation so as to improve the efficiency of the system and the motivation of both teachers and students despite the continuing substantial strains imposed by high student numbers.

On 26 September the Bundestag approved amendments to the Framework Law for Higher Education aimed at improving the quality of research and teaching, notably via a clear differentiation of the higher education system, an increase in the autonomy of and competition between individual establishments, a corresponding strengthening of their internal decision-making structures, improvements in staffing structures and, finally, measures to facilitate research in higher education with outside funding.

In addition, on 24 May the Bundestag passed a law establishing a new basis for fixed term contracts of employment with academic staff at higher education institutions and research establishments. The purpose of the arrangements introduced by this law is to increase the efficiency of teaching and research establishments, to make it easier for them to obtain "fresh blood" and more especially to improve opportunities for promising young academics/researchers.

Radical changes in the procedure for admission to restricted-entry university courses in medicine were introduced by a law of 28 March - the Second Law amending the Framework Law for Higher Education - and the revised version of the Inter-Land Convention on the Allocation of Places in Higher Education. The lottery system hitherto used for the allocation of the majority of places was replaced by a system of selection criteria to apply as from the 1986/87 winter semester. The aim in introducing these criteria (test/school-leaving examination results, selection interviews by the universities and waiting period) is to take proper account of individual attainment and course motivation and to make the chances of obtaining a place more readily calculable for the applicant.

Greece

57. The draft law on primary and secondary education aimed at upgrading general, technical and vocational education at these levels was presented to Parliament, after the interested parties had made their opinions known and public discussion of the draft had come to an end. Parliament passed the law with several modifications. On 30 September 1985 it was published as law 1566 on "The Structure and Operation of Primary and Secondary Education and Other Arrangements". The new law will fundamentally alter primary and secondary education in Greece.

Law 1566/85 regulating matters relating to the organization and functioning of primary and secondary education was published on 30 September 1985 (Government Gazette N° 167, Part I). We will indicate below the main reforms that it introduced:

- In the field of pre-school and primary education, rules have been laid down governing the teaching of foreign languages in primary schools. School associations have been introduced and bodies open to the public and parents' associations set up to assist on matters relating to the running of schools and the promotion of education.

In addition, the law completely reforms in-service training of primary and secondary school teachers. Such training, which prior to the 1985-86 school year was carried out in the primary school (SELDE) and secondary school (SELME) teacher training colleges, will be given in regional training centres from the next school year.

- Under the new law 1566/85, free secondary education is provided in two stages: (1) lower secondary schools (Gymnasion); (2) general, classical, denominational, integrated and technical/vocational upper secondary schools (Lykeion) as well as technical vocational schools. Provision is made for the establishment of lower and upper secondary schools for music and physical education and for State bursaries for pupils at upper secondary schools who are entitled to free transport to and from school plus board and lodging. Alternatively, pupils who live a long way from school may receive a monthly allowance.

Pupils' associations are being set up to enable pupils to take part in school life. Sports clubs are being formed in every secondary school. School associations have been created and vocational guidance introduced in schools. Finally, a number of collective bodies are to be set up:

- a) prefectorial and provincial education committees;
- b) local and municipal education committees;
- c) a schools' council (which is made up of the teaching staff and representative of parents, local authorities and pupils);
- d) a schools' commission, which comprises representatives of the local authority or municipality, parents, pupils' associations and the head of the school.

- Under the new legal framework, special education forms an integral part of general education and the hitherto separate legislation (Law N° 1143/81) has been incorporated into a single law on the organization and functioning of primary and secondary education.

The main developments that have occurred in special education are the creation of new categories of academic staff, the setting up of the Council for Special Education and a decree laying down measures on all aspects of the organization of the services responsible for diagnosing the problems of any child with special educational needs.

- Finally, this law will establish new bases for the development of post-graduate studies at higher education establishments.

France

58. The object of the new provisions in 1985 was to improve the quality of education and to update its contents and methods with a view to widening its outlook on the world.

Close to 2000 classes opened in nursery schools.

New programmes and time-tables were introduced in primary schools to promote the learning of basic subjects.

The reorganization of secondary schools affected 25 % of the establishments as of the beginning of the 1985 school year. The aim is to get, in 15 years time, 80 % of the pupils of a form to sit for the Baccalauréat (Certificate of Secondary Education). This reorganization is based on improved initial and advanced courses intended for teachers, on the re-examination of the programmes (planned for 1986), on educational methods and on a better system of assessment : for this purpose, a new Secondary School Certificate was introduced.

In the second stage of secondary education, new measures have been taken in view of increasing the number of pupils as well as their qualification, particularly in technical and scientific Baccalauréats.

In higher education, implementation of the law on higher education was followed by the publishing of texts relative to the regulations and running of advisory institutions and bodies. The National Committee on assessment of public establishments of the scientific, cultural and professional type was set up in May 1985. A new diploma was instituted : the "Magistère", a university degree specially designed for a profession.

59. At all levels, technical courses and training in new techniques are definitely taking the lead. A Finance Act on technological and professional training is under way. Its general options are in keeping with those of the report by the Education-Entreprises mission.

These options include the creation of a vocational Baccalauréat, the development of technologically-oriented universities, the extension of twinning initiatives (8011 in 1984-1985) between establishments and firms to all technical institutions and to most grammar schools and secondary schools. The reorganization of training at levels IV and V is being pursued. Within the framework of the "Data-processing For All" programme, all primary and secondary schools will be fitted out, by the end of the year 1985-1986, with data-processing equipment and the teachers will receive a training course concerning its use.

Ireland

60. A Progress Report on the first year of the Programme for Action in Education 1984-1987 was published in January. This report sets out the progress made and action taken on the various elements in the Programme for Action.

In January, May and June, the Minister announced a series of third-level building projects, amounting to IRL £126.5 million.

The National Parents Council was established in March 1985.

In March the Curriculum and Examinations Board published a Consultative Document on Assessment and Certification.

In May, the Government's decisions on the "Ages for Learning" discussion document were published. These decisions provide that in future children will have the opportunity to eight full years in the primary school and up to six years in post-primary school - three years in junior cycle, two years in the Leaving Certificate programme with additional options of a transition year or vocational preparation/training course.

The Report of the Committee on School Discipline was published in October 1985. Responses to the Committee's report have been invited for consideration by the Department of Education.

In November the Government's Green Paper (discussion document), "Partners in Education" was published. The Green Paper deals with the question of local and regional structures for the management and administration of the educational system as well as the position and development of the Regional Technical Colleges and the Colleges of Technology. It proposes the establishment of some 13 local education councils which would consist of representatives of local authorities, post-primary schools, teachers, parents, youth services, adult education, training agencies and the social partners. It would also allow for representation from the primary school sector.

Under the White Paper outlining the Government's National Youth Policy, "In Partnership with Youth" which was recently published, Governmental responsibility for the national youth service is being transferred from the Department of Labour to the Department of Education.

61. A National Seminar/Exhibition on Equality was held in Dublin in April and a Working Party has been established to examine the role of women academics in higher education. Equality modules have been included in in-service courses for teachers.

The special fund and initiatives for the disadvantaged are being continued - extra funding, teachers, remedial and guidance services, home/school liaison projects, in-service training of teachers, etc.

The pilot programme in Distance Education is being extended and a National Consultative Council on Distance Education has been established.

A Career Breaks Scheme has been introduced for primary and post-primary teachers.

Reports on the main aspects of the primary school curriculum are being prepared and published by the Department.

In September the Curriculum and Examinations Board issued three discussion documents :

- Primary Education,
- Language in the Curriculum,
- The Arts in Education.

Italy

62. Final approval of the New Primary School Education Programmes in February 1985 paved the way for a series of initiatives which will enable these programmes to enter into force in the academic year 1987-1988 as from the lowest age classes. At the instigation of the Minister for Education, a bill was submitted to both Houses aimed at the re-organization of primary schools on the basis of the innovations proposed in the new programmes; the academic year 1985-1986 witnessed the go-ahead for the plan for keeping primary school teachers, whose task it will be to implement the new programmes in class, up to date with developments. Initiatives in this area are promoted within a national framework by Teacher Councils and organized with the collaboration and assistance of the IRRSAE (regional education research instit.), universities and external technical inspectors. Discussions of the proposals submitted is highly charged at the cultural and political level, however, and there is considerable dissension; argument surrounding the reform of secondary schools is still, therefore, very contentious and the reform itself, while seen as necessary by all parties, has not succeeded in getting off the ground owing to the complexity of the system. The Italian Senate approved the text of the reform at its sitting on 28 March 1985 and the text will go before the Chamber of Deputies for a final opinion. In the meantime, certain measures have been taken to resolve more pressing problems: the MD of 4 April 1985 establishes the rules for sitting school certificate and school-leaving examinations in experimental classes, which could be said in a certain measure to have anticipated the reform; a bill (DDL. N° 205 of 8 May 1985) was submitted calling for changes in the structure of the school-leaving examination.

Finally, in March 1985, the Minister outlined the National School Data Processing Plan, to be implemented from the secondary school level over the four year period 1985-1988. The plan provides for fairly extensive involvement, even on the ground, preceded by intense trainer and teacher training activity. According to estimates made, it will be possible to train approximately 100 teachers by the end of the academic year 1985-1986 to operate at 150 institutes and in approximately 500 classes .

63. In the short space of this year, the Minister also announced the Plan to develop Italian universities for the academic years 1984-1986, setting out the general aims, with due respect for university autonomy, and indicating the main points in the assessment of the four-year period of organizational and educational experimentation provided for in the President of the Republic's decree of 1980 and of the consequent reform of university structures, the introduction of a new type of educational study qualification, the review of study plans and course groupings, the implementation of the right to study, the setting up of the National Register Office for University Scientific Research and the territorial rebalancing and development of the entire system.

Within the context of this scheme, certain steps have already been taken; for example, the Committee called upon to state its opinion on four years of experimentation submitted its report to the National University Council (CUN), which approved it in April, while the Minister, for his part, submitted a bill on the legal status of research workers which aroused considerable perplexity in university circles and among the trade unions, together with a further bill on the right to study; at the same time, discussions are continuing in the competent bodies on the reform of the structure of the various kinds of study, medical, chemical, etc.

Finally, the urgent measures for the university building programme (Law N° 331 of 25 June 1985) were approved on 19 June 1985.

In Autumn 1985 the education system was once more to the forefront on the Italian political scene, with the Government and Parliament called on to find answers to problems raised by students during demonstrations both in school and on the street. Protesting against increases in school and university fees provided for under the law on the economic programme for the years 1986-1989, the students seized the occasion to express their dissatisfaction with an education system held to be deficient in facilities (buildings, lecture halls, equipment) and outdated in content, and their anxiety in view of the bleak employment outlook. The Government amended the proposed law, cutting back the increase in fees and exempting the most meritorious from payment; in addition 4,000,000 million lire were allocated for the construction and improvement of school premises.

On 14 December a protocol agreement between the State and the Church regarding the teaching of the catholic religion in public schools, in implementation of the earlier agreement between the Italian Republic and the Holy See concluded in February 1985, was signed by the Minister of Education on behalf of the Italian Government and the President of the Italian Episcopal Conference.

Under this agreement, the State undertakes to ensure the teaching of the catholic religion in every type of school from maternity to upper secondary, at the same time guaranteeing the freedom of all pupils to accept or reject this teaching.

The signature of this protocol agreement, the procedures leading thereto and the implementing circulars subsequently transmitted to every school by the Ministry elicited sharp controversy between the political parties, developing into a broad parliamentary debate as a result of which the parties agreed - among other things - to invite the Government to study alternative forms of cultural and educational activity for those who found the teaching of the catholic religion unacceptable, leaving full freedom of choice to upper secondary school students in this matter.

This ferment in the academic world developed against a background of particularly intense administrative and legislative activity. As examples of the latter, the following is a provisional list of legislative proposals at present tabled before the two chambers of Parliament:

- the reorganization of primary school;
- the reform of upper secondary school;
- the reform of the upper secondary leaving certificate examination system;
- the reform of the structure of the teaching system in university faculties;
- the legal status of university research officers;
- new rules applying to non-teaching staff in universities;
- rules governing attendance at specialized medical schools and the number of students to be admitted to the faculties in question;
- framework law on the right to education.

Luxembourg

64. Pursuant to the Grand Duchy regulation of 5 April 1985 having as its aim
- the training of 2nd and 3rd year prospective teachers,
 - the conditions governing promotion from 2nd to 3rd year,
 - the procedure for the final examination on completion of training,
- preparation for the duties of 2nd and 3rd year pre-primary and primary teachers is organized in the form of probationary training units.

Each training unit (TU) is defined as a functional whole encompassing a particular block timetable and consisting of one or more components each of which is recognized by an official certificate. These components themselves encompass specific objectives and content, appropriate activities (course, work under direction, seminars), as well as a procedure for evaluating the skills and competence to be acquired.

The students' educational training is supplemented by practical training courses at schools in the country, organized by the ISERP.

The final examination on completion of training takes the form of a report covering:

- specific 3rd year training units,
- 3rd year training courses and one lesson of practical teaching given by each student in the course of the final six months in, respectively, a pre-primary and primary school class,
- 2nd and 3rd year mobile training units.

65. Pursuant to the ministerial regulation of 15 April 1985, on the local organization of safety at schools, those responsible for ensuring safety at schools may entrust security staff with certain tasks, including the management of plant and installation maintenance, surveys into accidents and incidents, the preparation, planning and supervision of evacuation drills, the organization of lectures, courses, exercises and information sessions proposed by the Inspector-General of School Safety.

The Netherlands

66. The main policy points concerning education and science in 1985 are:

- to create possibilities through legislation for policy development and reconstruction of effective education in the forthcoming decennia;
- to establish areas of priority as mentioned in 1984¹, e.g. handicapped, adult education, information technology and emancipation activities;
- attention to changes in education as a result of demographic and socio-economic aspects.

As of 1 August the introduction of new primary education (combination of infants and lower education) is coupled to a renewal in education for which experiments have been conducted for fifteen years. For further development of the renewal in education there are two central themes:

- development of the school workplan: aspects are supply of education, individualisation and differentiation, follow-up and registration systems of pupils, planning in education,
- the broadening of care: the acquisition of sufficient expertise of teachers to signal problems at an early stage, to diagnose on the basis of which to carry out specific pedagogical-didactical activities. Reading has been chosen as the spearhead for a structured approach.

The interim legislation on special education and further special education takes effect on 1 August 1985.

¹ Social Report 1984, point 57.

Educational characteristics a.o. are: broadened entry (the classification of kinds of kinds of schools are applied more smoothly), peripatetic support for pupils who are being returned to regular education, enabling pupils to partake partly in special further and partly in regular further education.

67. The fast growth of youth unemployment necessitates improvement of the link between education and work: measures have been taken to raise the number of participating first-year pupils in apprenticeship education, through information, enlistment of potential firms and improvement of the quality of practical training places. Training possibilities are also available in lower and secondary information science professions for about 5,000 school leavers per annum from lower and secondary vocational education, secondary and higher general further education and for the young unemployed. Industry and government each carry part of the cost.

In the framework of the informatics stimulation plan, basic courses for female teachers are organised and projects exist in which the position of girls receives special attention. In adult education there also exists a lot of interest for computer science.

Regarding unjustified school absence special reception projects are organised for very early school leavers (school age population without diploma). Next to this, the education system must take special preventive measures, such as through the registration of school absence.

After the training in the first phase of scientific education, which finishes with a doctoral exam, some of the final students - approximately 30% - can pass on to the second study phase.

In higher vocational training a stimulation plan is designed for the development of informatics as a profession, for applied informatics and for computer assisted education. In higher education a "centre of excellence" has been set up at three technical high schools, where in particular in the field of micro-electronics, education and research of high quality takes place. Also, informatics has been introduced as a new training course.

An amendment to the Law of secondary education has replaced the system of three levels of teaching qualification with a two-level arrangement.

This reform was motivated by psychological considerations, subject to knowledge requirements and organizational arguments, but was dependent on agreement being reached with the teachers' unions regarding salary structures. This has now been achieved.

In the context of the NITs in Secondary Education Project, work has begun on the provision of in-service training for lecturers at secondary school teacher training centres. In collaboration with the firms supplying computers to secondary schools, this training is being provided by experts from the academic world and industry.

The lecturers currently under training will themselves subsequently train other lecturers, plus some 7,000 secondary school teachers, and develop appropriate curricula and teaching materials.

United Kingdom

68. Government policy and proposals during 1985 have concentrated on a more efficient use of available resources to raise the standard of education for all, throughout the service.

The White Paper Better Schools (March 1985, Cmd. 9469) outlines government policies to:

- promote national agreement about the purposes and content of the curriculum;
- reform the public examination system and the recording of achievement;
- improve the training, deployment and management of the teaching force by making available specific grants to make in-service teacher training more effective, and by extending the Secretary of State's existing powers for regulating the employment of teachers to cover the appraisal of their performance;
- harness more fully the contribution of parents, employers and others outside the education service.

On examination reform, nationally-agreed guidelines, the national criteria, have been approved by the Government for the new General Certificate of Secondary Education (GCSE) to be held for the first time in 1988. Proposals have been made for Distinction and Merit Certificates to be offered to those candidates achieving certain minimum grades in a specified range of subjects in this examination. A decision has been taken to introduce Advanced Supplementary (AS) levels from September 1987 which will contribute to a broader education for pupils taking Advanced Level examinations, usually at 18. Pilot schemes in connection with the introduction of a national system of records of achievement started in April 1985.

The Report of the Committee of Enquiry into the Education of Children from Ethnic Minority Groups (the Swann Committee), "Education for All" reviewed the evidence that many ethnic minority children are not realising their full potential in school. The Committee make a large number of recommendations with two main aims: first, to foster amongst all children understanding of Britain's ethnic diversity and respect for other cultures; second, to remove the obstacles to achievement faced by ethnic minority children. The Government has accepted some recommendations and is considering or holding consultations about others.

Special attention is being paid to vocational training and retraining opportunities for adults and young people through closer cooperation between education and industry.

The Certificate of Pre-Vocational Education has been introduced as a new qualification for students aged 17 plus who undertake a broad-based full-time one-year course after reaching school leaving age, in preparation for working life and further vocational education/training. Vocational qualifications more generally are being reviewed by a group set up jointly by the Department of Education and Science and the Manpower Services Commission. In September 1985, an additional 11 LEAs commenced pilot projects under the Technical and Vocational Education Initiative aimed at young people across the ability range and intended better to equip them for adult life, with particular emphasis on the world of work. Eight local education authorities are currently promoting pilot College Employer Links Projects to develop existing links between further education and employers.

A Green (Consultative) Paper "The Development of Higher Education into the 1990s" (May 1985, Cmnd. 9524) deals with five main themes:

- the contribution of higher education to the economy;
- increased emphasis on intellectual competence, motivation and maturity for access;

- raising the standards and quality;
- pursuit of efficiency and value for money;
- and selectivity and planning in the funding of research.

The Government accepted advice that the principles determining access to higher education should be broadened, so that places should be available for all with the intellectual competence, motivation and maturity to benefit from higher education. On that basis the Green Paper envisages significant increases in the proportion of 18/19 year olds entering higher education over the next decade, and in the number of mature students.

69. In Scotland additional funds were allocated to selected higher education establishments to increase places in engineering and technology courses in accordance with Government priorities.

Two major focuses of development have been the implementation of plans to reform curriculum and assessment in the last years of compulsory education (14-16 years) and in non-advanced post-compulsory education.

For 14-16s overlapping syllabuses and new assessment procedures, including criterion-referenced assessment and profile reporting, will permit the introduction of a new certificate, the Standard Grade, enabling all pupils to receive recognition for their achievements. The first phase of the programme is in the process of implementation, new courses having been introduced in August 1984. Development of Phases 2 and 3 continued with details of the courses in Phase 2 being issued to schools in August 1985.

New courses aimed at rationalising non-advanced further education and increasing its flexibility were introduced last autumn. The present varied provision is being replaced by a framework of 'modules' (self-contained 40-hour study units) which can be taken at school or college over an unspecified period of time, and which will be recorded on a single National Certificate. The principles are a curriculum individually negotiated, assessments criterion-referenced and profiled and certification by credit accumulation.

The development of the Government's 16+ Programme has seen the integration of adult education and training with the classroom training aspect of the Manpower Services Commission's Youth Training Scheme. The modular basis of the Programme has facilitated a rationalisation of non-advanced further education in Scotland and enabled a new single National Certificate to be introduced. The Scottish Education Department has formally handed over responsibility for the National Certificate Catalogue of some 2,000 modules to the Scottish Vocational Education Council which is now responsible for future versions of the Catalogue. To supplement the 16+ Programme, a Curriculum Advice and Support Team (CAST) has been established at Jordanhill School of Further Education to provide advice and information on curriculum development in the further education sector.

Chapter III

VOCATIONAL TRAINING

Trends within the Community

70. Over recent years and in 1984 in particular vocational training policies underwent a change, the nature of which became clearer in 1985. Several factors helped to define the policies which emerged in most of the Member States and which gave rise to practical measures of varying significance; moreover, a general adherence to the same principles of action reflect a state of mind shared by the Community as a whole without exception.

To begin with, there is a growing awareness that the production apparatus is relatively ineffective when faced with the challenge presented on the labour force's capacity to adapt to technological innovation. In addition, those countries affected by crisis in the traditional industries and also those trying to stimulate their less developed regions wish to derive maximum benefit from the opportunities offered by the new technologies with a view to retraining their industrial workforce and creating a new economic fabric. A further motivation is the concern to explore the enormous, but as yet untapped, potential of the new information technologies in the education and training of labour.

Beyond these immediate objectives, a general feeling is emerging that an improvement in the general level of technological training in the European countries is long overdue so as to re-establish their traditional position in the forefront of technological development. The first goal is to restore firms to a position where their profitability is guaranteed by means of rational management of human resources. Such a move is seen as an essential stage in the recovery of the economies of the Member States and at the same time as a precondition for easing tensions on the labour market.

71. A general awareness of these requirements found expression in the consensus which greeted the work programmes and actions envisaged by the Commission on education and training in the new information technologies. In particular, the Commission approved a triennial work programme ¹ which, in support of initiatives taken at national level, provides for a series of actions to promote the exchange of knowledge and experience via three types of concerted schemes :

- the establishment in Community networks of a number of pilot schemes of an innovatory nature ;
- the creation of a joint research and study fund for vocational training with the Community, accessible to all the Member States ;
- the organization on a regular basis of a programme of study visits by Community staff.

72. Another aspect of Community activity to be developed gradually is research and study into the identification of new occupational profiles resulting from progress made in organizing the production of goods and services. At the same time the Commission will make every effort to implement gradually the Council Decision of 16 July on the comparability of vocational training qualifications between the Member States ² , which is clearly linked to the studies and research referred to above.

At the same time comparable efforts have been accomplished in the field of education, especially in the launching of the "COMETT" programme relating to cooperation between universities and industry ³ , currently being discussed by the Council of Ministers.

1 Doc. COM(85) 167 final of 18 April 1985.

2 OJ L 199 of 31 July 1985.

3 OJ L 234 of 13 september 1985.

Development of the situation in the member countriesBelgium

73. The most important events in 1985 were :

- firstly, the introduction of the system of paid educational leave replacing, from 1 September, the time credits system ;
- secondly, the introduction of rules concerning vocational training applying specifically to the French- and German-speaking communities respectively.

Chapter IV, Section 6, of the Law of 22 January 1985, containing social provisions, arranges for paid educational leave to be granted in the context of continuing education for workers. This confers on workers employed full time in the private sector and engaged in certain forms of training, either vocational or general, the right to absent themselves from work and to receive their normal pay on the usual dates for a period in accordance with the duration of the training or other courses attended.

Accordingly, any employer who receives an application for paid educational leave is required to grant such leave provided the worker concerned and the course to be followed satisfy the conditions laid down by the Law. He may however organize the leave granted to individuals and to groups of workers to take account of the requirements of work organization within the firm.

Although the employer is responsible for granting and organizing such leave, ultimately he does not have to bear the cost since he may recover from the Employment Ministry the whole of the remuneration and related social security contributions for the working days lost.

Only those training courses expressly mentioned by the Law and which last for a minimum of 40 hours per year may be considered for purposes of paid educational leave. These courses are in some cases vocational and in others general. They need bear no relation to the work done by the person attending them.

74. By a Decree of 9 July, the Executive of the French-speaking community laid down the rules whereby an unemployed worker receiving benefit or an employed or a self-employed worker may pursue vocational training. This training may be pursued :

- at a vocational training centre set up or accredited by the management committee of the national employment office ;
- at a technical training establishment ;
- in a firm (in the case of individual training).

Where training is organized on a collective basis, the trainee receives a vocational training allowance, additional benefits in cash or in kind, a travelling allowance and subsistence expenses. The amount of benefit, the method of payment and the conditions on which these benefits are granted are laid down by the minister responsible.

The same provisions were set out in the Decree of 12 June of the Executive of the German-speaking community relating to the granting of certain benefits to persons pursuing vocational training or retraining.

Indeed, the two decrees list for their respective communities what are virtually the former provisions set out in Articles 82 to 117 of the Royal Decree of 20 December 1963 relating to employment and unemployment.

Denmark

75. In 1985, vocational training was dominated by the Government's objective of introducing a dynamic employment policy designed to reinforce the competitiveness of firms through increased research, training and technological innovation. This objective was reflected in the special priority given to further and higher vocational education and offers of training places rather than temporary employment to unemployed workers. The following examples illustrate this development.

In 1984, the financing of adult vocational training, hitherto paid for mainly by the State, was entrusted to a vocational training fund financed entirely from equal contributions from employers and employees¹. In 1985, as an extension of this reform, the administration of the various types of labour market training courses was coordinated. A Central Training Council works in collaboration with the training boards established in the various branches : training for semi-skilled workers, further training of skilled workers, preparatory training, etc. The introduction of coordination, while giving the social partners excellent opportunities for exerting their influence, permits flexible and rapid adaptation of training to the needs of the labour market for skilled manpower.

A new law relating to continuing vocational education under the aegis of the Education Ministry has been introduced as a following to a decision of the Danish Parliament on a more general programme of adult education. These courses would be provided at vocational schools whose main task at present is to provide basic courses but whose reception capacity will be underused as numbers of young people continue to decline. While research and development work will be subsidized, it is envisaged that, in future, training will be financed either by the body requesting it or by the participants. The participants will be entitled to aid to cover the cost of participating in the course to which will be added adult training aid if they are unemployed and under 25 years of age.

¹ Social Report 1984, point 64.

The 1985 finance law set aside an appropriation of DKR 5 million which will be increased to DKR 20 million for each of the following years. The number of participants expected in 1986 varies between 12 000 and 15 000. In the longer term, it is expected that adult vocational training aid for employees will be gradually reduced to zero so that the new measure will be as far as possible self-financing.

76. Up to the present, Denmark has relied on an automatic job offers scheme for long-term unemployed persons to help them to find employment. Experience shows that only a minority of unemployed persons obtain permanent employment when these temporary jobs come to an end. For this reason, in 1985 the legislation was amended to enable unemployed persons who have reached the age of 25 to opt for a course of training on completion of their initial job. This training, which is intended to provide them with skills, may last from 18 months to two years at the most, during which time unemployed persons receive daily subsistence allowance. A business start-up allowance was introduced at the same time : instead of receiving a training allowance, unemployed workers may choose to launch a business of their own in which case they receive an allowance of 50% of daily unemployment benefit for three and a half years.

These policy initiatives also mean that greater efforts must be made to adapt to the changing skill requirements on the labour market, in quantitative terms etc. For this reason, cooperation has been introduced between the various ministries involved and this year a report has been drawn up forecasting trends in manpower supply and demand. At the moment this is more of a description of methods than a ready prepared instrument, and work will continue on developing the forecast.

The reduction in the subsidy for the creation of special training places entered into force on 31 December 1985 following an amendment to the law on the reimbursement of training costs in respect of employees adopted on 13 December.

Federal Republic of Germany

77. In the year under review, the demand for training places within the dual system was once again very high at around 756 000. Demographic factors were no longer the main influence here. More and more of those seeking training places have reached a high level of educational attainment (some 94 000 applicants, for example, possessed the certificate of aptitude for higher education) and are older (half of those applying are 18 and over).

By 30 September 92 % of all young people seeking training places had already been placed on a scheme. About 730 000 training places were offered and around 697 000 contracts were concluded, corresponding to a decline of 1.1 % on the figures for 1984. Industry, the federal authorities, the Länder and schools offered a certain number of additional training places for those still without a place at the beginning of the training year, with the result that the number of candidates seeking places fell from 58 900 on 30 September to 39 000 at end December.

The differences between regions and between occupations observed in recent years have become more marked. There are problems in filling vacant training places for a number of industrial and technical occupations, particularly in craft trades; by contrast, the demand for training places in clerical, commercial and administrative occupations and in the services sector exceeds the supply.

The programme introduced by the Federal Minister for Education and Science to assist disadvantaged young people (young people without a school-leaving certificate and young people belonging to ethnic minorities) was extended so that the principle of vocational training for all young people applies to these categories as well.

78. The fact that for some years young people have been given vocational training in excess of the present requirements of industry and administration, together with the labour market situation, has led to problems of integration on completion of vocational training. Plans have been introduced, together with the necessary financial incentives, to facilitate transition to working life (e.g. part-time working combined with advanced vocational training, temporary labour contracts) in order to improve these young peoples' prospects of integrating into the labour market and give them greater practical experience of an occupation.

Structural and technological changes make it necessary to give more people in employment additional basic and further training. It is particularly important to provide additional training opportunities for poorly qualified job seekers and workers who are the first to be made redundant or threatened with unemployment. The Federal Government has therefore launched a 'qualification offensive' which involves improving assistance for those taking part in advanced vocational training and by reorganizing the content of vocational training courses.

The action programme entitled 'New technologies in vocational training' introduced by the Federal Minister for Education and Science is now fully operational. It consists primarily of a network of model projects, the remainder of which began in 1985. Centralized evaluation of these model projects and relevant research projects has begun. From Autumn 1985 the information service 'technological information and vocational training for basic and further training in firms and schools' will regularly issue practical tips for instructors and teachers, particularly from small and medium-sized firms, concerning the development and implementation of appropriate measures. Regular workshops will be held to pass on the information to a wider audience.

The Federal Government has announced a programme of assistance for the years 1986 to 1988 to speed up the process of equipping joint training centres to provide training in the new technologies.

Greece

79. The Greek Parliament adopted a Law on intermediate technical and vocational education (secondary level). The content of the Law was prepared in collaboration with representatives of the two sides of industry and other bodies applying technical and vocational education programmes (TEE/K) and with representatives of the social institutions run by the local authorities, etc.

A programme was launched to supply laboratory equipment with the aim of upgrading equipment and modernizing laboratories in technical and vocational schools.

A working party was set up with the task of establishing equivalences between the diplomas issued by the TEE/K (technical and vocational) schools of the former type and those of schools governed by Law 576/77. The working party completed its study and the Ministry of Education was able to reach an opinion after consulting the competent institutions and bodies. A study of occupational rights was undertaken by this working party.

The new timetables and detailed syllabuses for the technical lykeia (upper secondary schools) were published by Presidential Decree, and those for the intermediate technical and vocational schools are also being drawn up.

A Presidential Decree was drawn up on the establishment of new technical and vocational schools.

The allowances paid to students at the training centres run by the OAED (Manpower and Employment Office) have been drawn up in accordance with Law 1545/20-5-85 and Chapter E Article 10. The OAED pays students at its apprenticeship schools an allowance of up to 50% of the daily wage for an unskilled worker based on the pay scales in force. The remuneration of OAED teaching staff is fixed on the basis of Article 12. A bonus is paid at Easter and Christmas to temporary staff paid on an hourly basis at OAED training centres.

A new law adopted by Parliament made a number of changes to technical and vocational education.

80. As regards higher education, it should be pointed out that the selection committees responsible for appointing permanent and special teaching staff for the TEI (Institutes of Technology) have been set up and have deliberated, as have the three-man committees responsible for evaluating scientific, artistic or other projects. Ministerial decisions were published which regulate the transfer to the TEI of teaching staff from the health and social services sectors.

The amendments to Law 1404/83 on the TEI were all defined and incorporated in the law on secondary education which entered into force in the autumn. The age limit for the appointment of temporary teaching staff from the KATEE was raised to 55 years in the TEI. All necessary steps were taken with a view to the establishment of special auxiliary technical staff (ETP).

Pay scales were adopted for all auxiliary teaching staff in universities and institutes of technology. The conditions for granting loans to students at the TEI were laid down. A Presidential Decree setting up new sections within the TEI was prepared.

France

81. During the year 1985, the importance attached to vocational training policy was given expression in several ways.

As regards financing, it may be noted that the central government contribution - despite "defiscalization" - rose by 8 %, or almost FF 15 000 million, while the total amount of appropriations voted by the regional councils (following the transfer of broad powers on 1 June 1983) rose by only 7 %, to FF 4 000 million. At the same time, the average contribution by firms with more than ten employees, established by law at 1.1 % of the wage bill, now stands at more than twice the latter figure.

The year also saw the effective launching of measures deriving from legal provisions adopted earlier :
Under the law of 24 February 1984 ¹, individual training leave was the subject of an agreement concluded on 31 July between the State and the joint funds; the agreement fixed the details and amount of State financial participation in the new scheme. Several development agreements have been signed, enabling individual firms and/or industries to establish multiannual vocational training programmes with government financial support; as regards young people, employment training contracts have been introduced, to be offered voluntarily by firms on the basis of "defiscalization" measures under which the firms in question can devote part of the taxes they would otherwise pay directly to training operations for this category.

Under the decentralization measures adopted in 1983, a national coordination committee for continuing training and apprenticeship has been set up.

These measures give expression to policies based on an increased concern for adults, whether unemployed or in employment. At the same time, the vocational integration programme for young people has been diversified by the introduction of new measures : A community service scheme

¹ Social report 1984, point 69.

launched by government decision in autumn 1984; training/work experience schemes based on the October 1983 agreement between the two sides of industry and the law of 24 February 1984 referred to above, which have been slow to get underway. Otherwise, since the measures taken within the school system have now become operational, the share of 16-18 year-olds in the programme is tending to decline to the benefit of the 18-25 age-group. The "national obligation" defined by the Order of March 1982¹ has been broadened to cover the 16-21 age-group instead of 16-18s as formerly. Finally, the role of the reception and guidance machinery set up at that time has now become firmly established with a view to facilitating access to the labour market.

82. In view of the consequences for employment of technological advances in industry, in 1985 two measures were added to the existing range of provisions in the vocational training field : a programme for 100 000 long-term (12 months or over) unemployed, including 20 000 under-25s, and training leave with government financial support for workers whose jobs are threatened by restructuring measures.

In training operations for workers in employment, the accent is on the need for higher skill levels in response to modernization. Concertation, both at interministerial level and with the two sides of industry, is emphasized and the implementation of this policy is determined through in-depth discussion in tripartite concertation groups on the need for new skills in the industries relating to the sectors in question. This work gives rise to reports which are widely distributed.

Contractual policy between the State and industry is given effect at various levels (e.g. individual industry, industry/regional interface) and development agreements are concluded with firms of all sizes covering both the short and medium term.

Looking further ahead, guidelines have been determined with a view to improving training policy overall in both quantitative and qualitative terms.

¹ Social report 1982, point 74.

Ireland

83. The Industrial Training Authority is the primary body in the field of vocational training in Ireland. The total budgeted cost of AnCO's training activities for 1985 is IRL 115 million and the organisation plans to provide training for 38 000 people. AnCO provides more than 200 different training courses for unemployed young people and the long term unemployed in a wide range of industrial and commercial fields with particular attention now being given to enterprise development, the needs of small business and new technology. New courses in AnCO's eighteen training centres reflect changes in technology and an increasing emphasis is being placed on versatility and transferable skills.

The Irish Government's National Economic and Social Plan, published in October 1984, proposed a special scheme, "The Alternance Scheme", as one of its steps to reduce unemployment. The scheme began in 1985 and, by the end of 1985, it is expected that approximately 6 500 people should have finished a course or be near completion. The scheme is intended to help the long-term unemployed by offering a combination of appropriate formal training with an element of on-the-job placement in a public or private sector firm or organisation. It comprises alternating periods of AnCO training and periods of practical work experience.

The National Plan also approved the establishment by the Youth Employment Agency on a pilot ^{basis} of COMTECs (Community Training and Employment Consortia) which are aimed at improving the effectiveness of manpower services for young people by creating integrated local manpower planning and training delivery systems geared to the needs of each locality where COMTECs are set up. The eight pilot COMTECs established in 1985 will be expected to recommend on the scale and mix of youth training and employment programmes and will be representative of a broad range of agencies and organisations, including manpower and training agencies, the education sector, local authorities, youth organisations, trades unions, employers and other appropriate statutory bodies.

The Youth Employment Agency has been empowered to develop suitable structures involving both educational and manpower interests, to oversee the implementation in the Irish context of the Social Guarantee which it is intended will be introduced by the end of 1985. The Guarantee is aimed at ensuring that school-leavers with few or no qualifications, who fail to find employment, will be guaranteed an offer of a place on a relevant manpower programme. It requires the provision of places for a period of six to twelve months for up to 10 000 young people. In 1985, AnCO launched a new programme, the Skills Foundation Programme, as its main contribution towards the Social Guarantee.

84. During the last year AnCO has conducted a strategic planning exercise to identify the changes required to meet the needs of the Irish workforce and industry during the rest of the decade. Among conclusions set out in the strategic plan for 1985 to 1990 were that AnCO should have a lower output of trainees than at present but should provide longer and more intensive courses, and that it should concentrate its services to a greater extent on sectors with strong growth potential and on identified weaknesses at all levels from management to the shop floor. The organisation will also be committing itself to the highest standards of quality assurance in training systems by developing and using the most advanced training techniques, technology and management systems.

A financial package was announced by the Department of Education which will allow all schools to offer a six year post-primary cycle to students as well as providing a 'transition year' between the Intermediate and Leaving Certificate examinations. Students entering higher education will now be 18 years old, bringing Ireland into line with the rest of Europe. The new arrangements will come into effect from September 1986. The objective of the new package is to offer schools the opportunity to provide a series of different options to pupils depending on their aptitudes and needs. Pupils will also be "discouraged" from leaving school at age 15, without having finished a three year junior cycle.

The Youth Employment Agency expects to fund programmes for up to 66 000 young people in 1985 through the Youth Employment Levy - one per cent on all incomes - costing an estimated IRL 92 million.

Italy

85. In 1985, there were no significant changes in the field of vocational training compared with the situation in 1984, particularly as regards public sector action, nor were there any appreciable changes in the legislative framework or in relations between the various training bodies. Once again, special attention was paid to the problems of teachers and the efforts to update teaching methods and vocational training content and consolidate structures were pursued.

In short, the system is currently undergoing rationalization (and reorganization) as a result of both the demand for training and the regulations that have been or are being introduced by the regions to bring their own provisions in line with the outline law on vocational training. On the one hand the system is required to provide a flexible response to the various professional demands at different levels, and on the other it has to change and adapt training content to take account of changes in business and manufacturing, as well as innovations.

In terms of numbers, the survey carried out by ISFOL (Institute for the Development of Vocational Training) on the volume of regional vocational training measures (carried out directly in the offices of the regional executive counsellors for education and with their cooperation) showed that in 1984 there were 1625 vocational training centres operating in the non-agricultural sectors throughout the nation (27% of which were administered by the public authorities); this figure (which is to some degree an approximation) is somewhat lower than that for 1983. Although there is no significant change overall, it should not be forgotten that general figures cover up a wide variety of situations; in this case, the figure conceals the fact that a number of structures, in some cases a considerable number, have been set up or discontinued. In most cases these structures are occasional or isolated, often intended directly for specific training measures, but sometimes a vocational training centre in the proper sense is involved.

86. In any event, it may be observed that, on the whole, the system has remained stable in quantitative terms, as is shown by the volume of activities expressed in the number of courses provided and of students.

Specifically, around 11 200 courses were offered in 1984 compared with 11 600 in 1983; the number of young people undergoing training has been around the 200 000 mark in recent years (202 000 in 1984, 212 000 in 1983 and 195 000 in 1982). As regards vocational training for young people, a distinction should be made between basic training (which is, in a sense, the traditional or standard activity of the vocational training centres) and advanced training which is generally intended for holders of upper secondary school leaving certificates and is becoming more and more widespread.

An analysis of the figures for the last two training years shows clearly an increase in the volume of advanced training activities (from 7 369 to 11 838 students); the proportions of basic and advanced training have also changed, with a clear swing towards the latter (from 3.4% to 5.9%).

Of course, in this case more than in others, the situation varies a great deal from one region to another, as this activity is more closely linked to the demands of the economic situation; it is however possible that the degree of awareness of this problem varies from one region to another. The vocational training centres also provide training for adults with 85 800 people involved in 1984. Here, too, the situation varies in the different regions : in some, vocational training for adults is a well established activity while in others it is still developing; in any event, almost all regions give specific attention to this activity, albeit to varying degrees.

Coming back to training for young people, it may be observed that, overall, courses for industrial occupations still form the majority (54.4%) compared with those in the services sector (36.2%). The number of staff involved in 1984 was 32 404, of whom 23 076 (or 71.3% of the total) were teachers and the remainder administrative and auxiliary staff.

Luxembourg

87. This year again, a considerable number of pupils opted for commercial training at the end of the observation cycle, whereas the number enrolled for courses in manual occupations is now so low that some apprenticeships offered in industrial and manual skills (locksmiths, certain types of technicians, masons, etc.) have not been filled.

Although it is obvious that this trend can not be reversed by educational measures alone, the Minister for Education and Youth Affairs has taken the following short-term steps :

- a reorganization of the observation and orientation cycle timetables, to raise the number of classes involving practical and manual work;
- the introduction of specific programmes for the corresponding areas of working life; pupils will be introduced to six major occupational sectors (construction, mechanical and electronical skills, health and hygiene, food/retail/clothing, graphics and artistic occupations, administration and commerce);
- entry requirements for apprenticeships were relaxed or tightened up, depending on whether they were in the crafts and industry or administrative and commercial sectors.

Different kinds of training have been introduced in cooperation with industry :

- for workers specialized in production in the iron and steel industry;
- for electronics engineers within the framework of industrial apprenticeships.

The Grand-Ducal Regulation of 1 September, which lays down conditions for admission to the advanced stage of technical training, completes the implementation of the Law of 21 May 1979 governing the organization of vocational training, secondary technical training and in-service vocational training. Technical training provisions currently apply to training in electro-technical subjects, mechanics, civil engineering and fine arts.

1985 also saw the application of the Grand Ducal Regulation of 28 June 1984 on apprenticeships leading to the Manual Proficiency Certificate (CCM). Whereas the CCM originally concerned pupils who had started an apprenticeship leading to the Technical and Vocational Proficiency Certificate (CATP) but who, judging by their results, were unlikely to achieve that objective within the time set by the Law, the above-mentioned Grand Ducal Regulation takes in a much wider range of pupils.

Now, for instance, this type of training is also available to those who do not meet the standards for admission to apprenticeships as laid down by the Grand-Ducal Regulation of 11 August 1982. It should be emphasized that considerable numbers of young people are making use of this opportunity, which gives them access to a partial qualification without jeopardizing their chances of obtaining a full qualification (with a CATP) at the end of it by following a second-cycle course.

88. Although vocational guidance and preparation courses (COIP) have been organized since 1978 - in the framework of Community pilot projects - we mention them again because new rules relating to these courses have been introduced under the Grand Ducal Regulation of 21 February 1978 - the effects of which have become apparent in 1985. These courses are aimed at helping 15 to 16-year-olds to make the transition from education to working life; for this purpose, the education authorities provide training for a period of two years beyond compulsory school-leaving age.

The courses cover metalworking, construction, gardening, restoration and a number of different services, and contain a "school" component (at the training centre's workshops) as well as practical work outside the training centre.

At the same time efforts are made to find jobs for these young people with a highly satisfactory success rate.

A permanent Liaison Committee has been set up, on which the Ministries for Education and Youth Affairs, Economic Affairs and Labour, the employment services and chambers of commerce, industry, labour, etc. are represented. The aim of this Committee is to improve the alignment of what is taught in the schools with the real needs of the labour market. A regular exchange of information and better labour market statistics should help schools to define their objectives more clearly and to react more quickly to developments.

The Netherlands

89. Discussions with authorities in various sectors of training have shown that the Vocational Training Contribution Scheme (BVJ) is functioning satisfactorily. One new departure is that a contribution can now also be obtained for the first year of further training under the apprenticeship scheme. The budget set aside for the BVJ scheme will expand as the intake of trainees rises to twice its original level (the budget now stands at HFL 243 million against HFL 135 million in earlier years).

An evaluation of the School/Work Contact Centres (COA) was carried out in 1985. A final decision concerning the future form and composition of the COA's is expected.

With regard to the transition from education to working life the following specific developments have taken place in the context of agreements which have come out of the "social dialogue":

- efforts to double the intake of apprentices are showing encouraging results : 1984-1985 showed an increase of 22%. A further increase is expected in 1985-1986. The public authorities, in their capacity as an employer, are also making an effort : the aim is to arrive at 11 000 traineeships (an increase of 100%) with the central and local authorities and a number of publicly owned firms and institutions. This will be achieved partly by increasing the number of traineeships, and partly by giving priority to young people when normal vacancies occur;

- an interdepartmental consultative body was set up in 1984 to prepare, coordinate and carry out these plans; it includes

representatives of the Ministries of Education and Science, Social Affairs and Employment, Agriculture and Fisheries, Economic Affairs and Home Affairs;

- the Working Party on the apprenticeship system, which is part of this consultative body, has had a number of meetings with representatives of training funds. The purpose of these discussions was to obtain information regarding the general situation about efforts to double the number of trainees, and any problem that might rise with a view to formulating recommendations to solve these problems. The results of these talks are being studied;

- from August onwards, both sides of industry will be fully involved in all aspects of discussions relating to training. A consultation structure is also being set up at sectoral and regional level, to enable both sides of industry to meet education representatives, reach agreements and solve problems;

- in order to improve the transition between vocational training and the labour market government policy in the field of curriculum development is to stimulate and create the right conditions with regard to the definition of vocational profiles and vocational training profiles, on the basis of which a flexible system of vocational training could be set up (a modulated and flexible exam system). Expected future developments play an important part in this;

- information material is being developed for (potential) trainees and (potential) training firms;

- complementary- and in-service training programmes are being developed for teacher/counsellors at the national training centres, and apprentices' supervisors in training firms;

- the national training centres have obtained an additional 50 development consultants for information and recruitment activities;

- part-time training places and joint training activities in industry are being promoted, for example, via the BVJ scheme.

90. The "School-Leavers into jobs in Information Technology" scheme (IS) is aimed at the direct intake of school leavers by firms and institutions with the necessary knowhow and experience, to train them in a situation which is both theoretical and practical for jobs in information technology. This is a way of meeting the rapidly increasing demands in industry for people with such qualifications. The project has the express support of many firms and bodies. Approximately 5 000 school leavers per year (boys and girls in equal numbers) are expected to take part. It is a temporary project which is expected to last from 3 to 5 years. The normal traineeship scheme will probably then take over and ensure the transition from education to working life, which is why the project has been implemented within the context of the apprenticeship system.

The IS project is related to a number of aspects of government policy, i.e. :

- the fight against (youth) unemployment;
- helping industry to improve its position;
- the extension and strengthening of the apprenticeship system;
- equal opportunities policies;
- the computer studies promotion programme.

The project started in August 1985 with approximately 1000 participants.

On 1 August 1986, after the end of the trial period, the adults' vocational qualification schemes (BKE) will be evaluated. The decision as to whether these projects will be continued will be taken within the context of adult education policy as a whole.

United Kingdom

91. Training policy in the United Kingdom during 1985 was again closely linked to the continued development of the government's New Training Initiative (NTI) which was published in 1981. NTI listed three key objectives dealing with the modernisation of occupational training arrangements: widening access to training opportunities and the introduction of broad based foundation training for all young people and in each area significant developments have occurred. In late 1984 a report jointly funded by the Manpower Services Commission and the National Economic Development Organisation (NEDO) entitled 'Competence and Competition' which highlighted a number of weaknesses in the UK's vocational education and training system has also provided a major impetus for development in 1985.

Youth training provisions were once again the subject of a Government White Paper : Education and Training for Young People which was published in March. This document outlined a strategy to improve work related education and training for 14-18 year olds by identifying three fields of action :

- additional funds were made available to introduce a scheme of in-service teacher training in subjects related to the MSC's Technical and Vocational Education Initiative (TVEI);
- the Youth Training Scheme (YTS) now in its second year of operation as a one year broad-based foundation training scheme would be expanded and developed into a two year programme, starting in April 1986;
- a major review of vocational qualifications with the aim of improving the structure of qualifications, including arrangements for certification of achievement on YTS, was introduced and an interim report produced in September.

In terms of existing provision, the emphasis in the second year of the Youth Training Scheme was on consolidation of the scheme with greater attention being placed on the quality of the training provided. During the year some 240 000 young people joined the scheme and around 11 000 programmes had been approved by the 55 Area Manpower Boards responsible for the local delivery of YTS.

92. In recognition of the problems identified in Competence and Competition the Manpower Services Commission (MSC) launched the Adult Training Strategy in 1984. The strategy seeks to involve all organisations connected with training and the workplace in raising the priority given to adult training and enhancing both its quality and quantity. MSC itself has taken three major steps: First to lead the Adult Training Campaign - which aims to raise awareness of the current problems and secure action. Second to initiate a range of collaborative measures designed to make the training market work better. A key feature of this is the Open Tech programme which promotes the use of open learning. Third to restructure its own adult training programmes into the Job Training Programme, designed to meet known skill needs, and the Wider Opportunities Programme, designed to improve the basic skills of unemployed adults. In 1985/86 some 240 000 people will be directly helped.

Significant progress has been made with the NTI Objective concerned with the modernisation of occupational training arrangements. For example, agreements in the major apprenticeship areas of engineering, construction and road transport have led to the development and introduction of standards based training. Similar progress has been made across other occupations and industrial sectors including agriculture, computing and office occupations, printing and the process industries.

Chapter IVINDUSTRIAL RELATIONSTrends within the Community

93. The European employers' and workers' organizations were regularly consulted at Community level on several aspects of Community social policy. In particular they were associated with various Commission activities in connection with the reorganization and reduction of working time, working conditions, vocational training, new technologies, the internal market, employment and labour market flexibility.

94. The ~~three~~ most outstanding events in industrial relations at Community level were the following.

On 31 January a meeting took place at Val Duchesse with the leaders and top officials of trade unions and employers' organizations in Europe to identify subjects on which Community dialogue likely to produce positive results could take place between the ETUC and UNICE. The main subjects concerned are the labour market, organization and reduction of working time, on the one hand, and the introduction of new technology, on the other hand.

Despite this promising start, direct contacts between UNICE and the ETUC have made little progress.

The second event was the signing on 7 October by THOMPSON GRAND PUBLIC and the EMF of two protocol agreements setting up a TGP-EMF Liaison Committee, and a European Worker Representatives' Committee for TGP Division, thus constituting the first works council at European level.

These bodies were set up on an experimental basis for a two year period and should facilitate the dissemination of information on the economic, industrial and business situation at European level to trade unions and worker representatives of the TGP division.

The TGP-EMF Liaison Committee will meet twice a year. It will contain 15 representatives of bodies affiliated to or associated with the EMF in four countries.

The Committee for the TGP Division will meet once a year. It will have 26 worker representatives, elected by the committees or works

councils of the TGP division in France, the Federal Republic of Germany, Italy and Spain.

These two bodies will be informed before implementation of any major structural, industrial or business changes, and of any measures adopted or envisaged to adapt the organization and the workforce to technological change.

Thirdly, at the end of a further summit meeting at Val Duchesse on 12 November, leaders and officials of the trade unions and employers' organizations in Europe approved the main points of the "Cooperative growth strategy for more employment" put forward by the Commission in its annual economic report 1985-86, and adopted a joint declaration of intent on the social dialogue and new technologies.

They agreed to set up, with the Commission, two restricted working parties : one to follow economic and employment trends, the other to study the feasibility of achieving a common guideline throughout the Community on the social dialogue in conjunction with the introduction of new technology.

95. At a meeting on 10-11 October, the ETUC Executive Committee adopted a declaration on the Commission White Paper completing the internal market¹. The ETUC states that the measures to be adopted to implement the internal market should be accompanied by measures to develop social discussion in Europe, together with economic policy measures to ensure the recovery of economic activity and employment.

96. From 13-17 May, the trade union representatives of 35 organizations affiliated to the European Trade Union Confederation from 20 European countries met in Milan for their fifth Statutory Congress. Participants rejected the liberal, conservative economic model causing the disintegration of society and chaos accompanied by - among other things - ever-increasing unemployment.

The ETUC voted for selective growth through the implementation of new public investment programmes in sectors of general public interest.

¹ Doc. COM(85) 310 final, 14.6.1985.

The large European market which would help to meet the economic challenge from the United States and Asia would be accepted by the ETUC, provided the social dimension was incorporated.

The Congress made it clear that a genuine European market could not be created simply by dismantling national barriers with nothing to replace them under the false pretext that market mechanisms would then take over.

The Community should counteract the poor results obtained in the social field, and develop policies ensuring that economic change was reflected in better working conditions and equal opportunities for all. At the same time steps should be taken to safeguard rights and achievements in the social field acquired after a hard struggle by the workers and ensure they were fostered rather than undermined.

The introduction of new technology should contribute to social progress and not produce massive job losses. It should also be the subject of collective bargaining agreements on employment, industrial restructuring, productivity and working time. The introduction of new technology should be covered by an outline directive.

The ETUC believes that even with optimum growth, and a European market that meets its criteria, European countries will not be able to create a sufficient number of jobs. Therefore the Congress calls for a fund to be established in ECU to combat unemployment. A valid attempt to combat unemployment implies the radical redistribution of the total volume of available work. The 35-hour week is an ancillary and essential means of giving work to all.

The ETUC attaches considerable importance to providing a minimum income for all, maintaining and improving purchasing power and improving working conditions, and to the social protection network which should be extended to victims of the crisis.

If everyone is to participate in carrying out tomorrow's projects, it is necessary to provide basic continuing vocational training to enable the people to take part in decision-making at political, economic and cultural level.

Democracy in economic affairs should take the form of closer association between both sides of industry in the preparation of economic and industrial policy at all levels, including at firm level. Information, consultation and negotiation are the essential means.

97. The problem of flexibility, or more correctly, the adaption of labour law and social relations to promote the more effective operation of the labour market and to increase firms' competitiveness remains one of the main subjects of discussion and confrontation in collective bargaining and government action.

Although discussion of this question varies in intensity from one country to another, it is generally true to say that an overall approach is adopted, and that a number of common topics have emerged. Principal among them are wages, reorganization of working time, the possibility of atypical forms of employment, fewer obstacles to dismissals, vocational training and the question of workforce thresholds for purposes of certain social provisions.

In no Member State does the prospect of an overall agreement between both sides of industry emerge; at the same time partial measures, either statutory or collectively agreed, are adopted, and variety of experiments are taking place within firms.

Development of the situation in the member countries

98. In Belgium, the parliamentary elections of 13 October strengthened the outgoing parliamentary majority so that the government formed after the elections will continue the previous government's policy as regards wage moderation, reducing the budget deficit and maintaining the competitiveness of enterprises.

Employment nevertheless remains one of the prime objectives of economic and social recovery policy; the Government plans to reduce the number of young unemployed by at least 50 000 over the next four years.

The Government continued to intervene in industrial relations in areas which had previously been covered by collective bargaining between the two sides of industry, namely wage policy and working conditions. The trade unions called for a return to collective bargaining and the employers sought a "model of harmony" reconciling social justice and economic performance.

The Government, in accordance with its agreement of 24 November 1985, invited the two sides of industry to conclude a three-year intersectoral agreement by 31 July 1986 on maintaining the competitiveness of enterprises, promoting employment and labour flexibility, and on incomes formation and purchasing power. Failing an agreement, the Government will adopt appropriate measures itself.

The most significant event for industrial relations was the promulgation on 22 January 1985 of a Recovery Law containing social provisions. This Law extended existing wage restraint measures and extended to 1985 and 1986 the Royal Decree of 30 December 1982 creating a fund which allocates wage savings to employment. Under the collective labour agreements concluded pursuant to the Decree, the obligation to recruit and to reduce working time has been extended.

In addition, 1,5 % of the wage bill is allocated to the promotion of employment: procedures for such allocation must be covered by collective bargaining and, in its absence, employers are required to pay a special contribution. New agreements at intersectoral and company level

have been concluded covering over one million workers, the estimated impact on employment being some 18 000.

The Recovery Law also contains provisions on the adaptability of labour laws although the scope is limited compared with the initial proposals following negotiations between the Government and the two sides of industry early in October 1984.

Discussions at intersectoral level followed their normal course within the National Labour Council which delivered unanimous opinions on measures implementing the Recovery Law, payment of wages into bank or post office accounts and implementation of the law introducing a social security card. On 8 October, the Council concluded a collective agreement amending Agreement No. 24 on mass dismissals following the Court of Justice Judgment of 28 March 1985 to the effect that the Agreement was not entirely in conformity with the Community Directive.

No major dispute arose, the social climate was fairly calm, and remained so until the end of the year following an improvement in unemployment and moderately optimistic economic forecasts.

99. In Denmark, the main events were negotiations between the two sides of industry on the renewal of the collective agreements and Government intervention at the end of March.

Negotiations between employers and workers on the renewal of the collective agreements had begun before Christmas 1984 and were still being discussed in early 1985 by a conciliation body. The conciliator, however, was finally obliged to accept defeat after his arbitration proposals were rejected by both parties. As a result, the threatened strikes and lock-outs began in the night of 23/24 March. The dispute affected over 300 000 workers and employees, that is to say nearly all workers covered by the various collective agreements concluded between trade unions and employers.

In the public sector and in agriculture, negotiations also came to a halt and it was expected that strike action would begin on 1 April. However, two days before that date, Parliament adopted a law which put an end to the general strike in the private sector and prevented the other threatened strikes from erupting.

Apart from measures to improve competitiveness between firms and reduce consumption, the compromise between the Government and the Radical Liberals contains provisions regarding collective employment agreements :

- In the private sector, the collective agreements are extended for a two-year period on the understanding that subject to agreement by the two sides wages and salaries can be raised by 2 % of the annual wage bill at the beginning of the first year of application of the extended agreement, and by 1.5 % at the beginning of the second year ¹. In the third month before expiry of the new extended agreement, the working week of 40 hours or more will be cut by one hour, with no change in wages. For every category of employee in the private sector covered by a collective agreement, a joint committee is to be set up to be responsible, if the parties cannot reach agreement, for solving problems arising from the correct application of provisions concerning wage increases.

- In the public sector, the existing agreements are extended, on the understanding that at the same time wages and salaries will be increased by 1.75 % in the public sector in the first year, and by 1.25 % in the second year; three joint committees will be set up to be responsible for determining the allocation to one of a number of specified goals of an amount corresponding to 0.5 % of the wage bill and for determining the dates on which specific and general salary increases are to take effect; in the third month before expiry of the extended agreement, the working week will be reduced by one hour for those working 40 hours or more, thus reducing working time to 39 hours, with no change in wages; as a result of the shorter working week the number of workers in the public sector will be increased with due account being taken of productivity gains in the private sector and a specific evaluation of the situation in each sector; the adaptation clause for the period 1983/1985 will be maintained. In addition to solving the problem of agreements, Government action placed limits on the non-wage income of certain social groups.

¹ Point 141.

The trade union federation (LO) considers this action to be against the tradition of cooperation and a threat to the balance and stability of the labour market. It fears wage-earners will suffer a considerable cut in real income over the next two years with the low paid being the most severely affected.

The employers' federation (DA) regards the new agreement as an improvement in the competitive position of firms thanks to the restrictions imposed on the wage spiral and the reduction in indirect taxation payable by employers.

The representatives of the public service employees are dissatisfied with the solution; they believe it was imposed without any specific negotiation on the fundamental problems of the public service.

At the beginning of the summer, 3 600 workers in the brewing industry went on strike after the failure of negotiations for an agreement on the impact of introducing new technology. In the end the workers had to return to work without obtaining any satisfaction. The labour tribunal imposed a heavy fine on the strikers.

The LO and the DA initiated negotiations with a view to concluding a new agreement on cooperation and technology replacing the two agreements on works councils and technology which had been denounced by the trade unions. The agreements will remain in force while negotiations continue.

Since Government intervention in collective negotiations, relations with the trade unions have deteriorated. The LO plans a vast campaign against government policy. The campaign will contain information on the consequences of and possible alternatives to Government policy. However, several trade unions, in particular the metalworkers, will not participate in the campaign for they fear it will have a counter-productive effect.

In the second half of the year, the question of profit-sharing and economic democracy was extensively discussed.

During the autumn, the trade union movement and the Social-Democrat-party drew up proposals for a statutory profit-sharing system. The aim is to give employees joint ownership rights in increases in value in enterprises and the right to co-determination. A major feature of the proposal is the payment of a certain percentage of the enterprise's profits to a works' fund managed by the staff effectively employed. Several regional funds and a national council would also be created, the latter taking on tasks common to the works' and regional funds. Public sector employers would also contribute to the scheme, paying for each employee an amount corresponding to the average established for the private sector.

Despite opposition from industry, the Government set up a Committee of officials which will present proposals in spring 1986 for amendments to the legislation in order to extend voluntary profit-sharing systems.

100. In the Federal Republic of Germany, the annual economic report published at the beginning of the year showed that the Government expects the economic upswing to continue in 1985 for the third consecutive year, with a 2.5 % growth in real terms in gross national product. For the first time since 1979 a slight decline in unemployment is likewise expected, due essentially, according to the Government, to the moderation which the two sides of industry continue to show in collective negotiations. The Government also believes that the moderation of nominal wages will help to prevent the growth of wages in real terms from exhausting opportunities for redistribution provided by the development of productivity and that it will make the creation of new jobs more economically feasible.

As was forecast last year ¹, tripartite talks between the Government, the trade unions and the employers' associations resumed after the trade unions had boycotted "concerted action" since 1977, in protest against the employers' appeal of the Constitutional Court against the 1976 co-determination law ². An initial tripartite meeting was held on 5 September, where the workers were represented solely by the German Trade Union Federation (DGB). However, the German White-Collar Workers Union (DAG) was represented at a further tripartite meeting held on 16 September.

¹ Social Report 1984, point 89.

² Social Report 1977, point 109.

Even before their new tripartite meeting was decided on, the DGB called for a week of action against the employment and austerity policy pursued by the Government, in which it detected a determination to curtail social achievements. This took place from 14 to 20 October and the 600 000 or so participants mainly accused the Government of failing to take action against unemployment and criticized its measures aimed at reducing social rights. They demanded the setting-up of national employment programmes, and the maintenance of social rights.

Apart from these actions, relations between the two sides of industry were normal during the period under review, for contact was established at numerous levels either in the form of organized cooperation or in a more informal manner. Negotiations on the renewal of collective agreements were in some instances the occasion for 'summit' meetings between sectoral organizations. At the end of July, for example, the horticulture, agriculture and forestry union met with the national horticulture federation to define joint policies for defending the environment. At the end of September, the federation of German journalists met with the national newspaper publishers federation in an attempt to adopt a joint position on problems related to the new media and vocational training.

Collective negotiations generally proceeded without spectacular and costly demonstrations, although there were a number of strikes, token strikes, demonstrations or other action. For the first time there was a strike in the craft metalworking sector in North Rhine Westphalia, which paralysed several firms. Other sectors affected by disputes were the retail trade, the textile and clothing and the building industries.

101. In Greece, a collective agreement of intersectoral scope was concluded on 19 January 1985, raising the minimum wage, including the last sliding scale increase of 8.5 %.

As part of the same agreement the two sides of industry agreed to open a dialogue on the internal regulation of work, the setting up of health and safety committees in all undertakings, and amendment of the 1955 law on labour disputes and compulsory arbitration, equal treatment of men and women and the study of a new wage indexation system.

There was major strike action during the first quarter, reaching particular intensity in the second half of February and again throughout November. The Ministry of Labour several times invoked the compulsory arbitration machinery provided for by law 3229/55 and resorted to "civilian mobilization" of strikers. The Ministry stated that in a large number of industrial sectors such as the textile, clothing, leather-working, metal-working, shipbuilding, ceramics and building industries strikes were making even more difficult a situation already made precarious by the recession. Apart from invoking law 3229/55 (compulsory arbitration suspends a strike already begun), the Government, faced with the threat to its wages policy represented by the strike movement, has

guaranteed the freedom to work of those who disobey their union's orders to strike. However, the public developments in March related to the election of the President of the Republic and the parliamentary elections in June led to a weakening of the strike movement.

102. In France, industrial relations and collective agreement policy were still feeling the effects of the breakdown at the end of 1984 of the intersectoral negotiations on the adjustment of working conditions ¹.

Attempts to resume these negotiations fell foul of the atmosphere of caution, if not mistrust, which has grown up between the two sides of industry. Even where talks were held on specific matters, they came to nothing. An example is the breakdown of talks aimed at extending to all wage earners made redundant for economic reasons the retraining, training and redeployment leave already existing in the vehicle, shipbuilding and steel industries - the matter was finally regulated by legislative action ².

The two sides of industry did, however, conclude two agreements on unemployment insurance : one on 18 July raising the unemployment benefit paid by the UNEDIC following expiry of earnings-related entitlement, the other on 29 October setting up a plan to look for ways of achieving savings on UNEDIC's expenditure on benefits and administration.

¹ Social Report 1984, point 91.

² Point 131.

At sectoral level, there was intense activity in the collective bargaining field : a series of agreements was concluded on vocational training methods and objectives pursuant to the "Rigout law" of 1984, in particular the agreements of 22 January in the metal-working industry and 20 February in banking. An agreement of 5 March on vocational training in the craft industries provides for access to the right to individual training leave, financial contribution by firms not obliged to provide vocational training and the setting-up of training insurance funds in each craft sector. The agreement of 13 May on temporary work constitutes recognition by the trade unions of the legitimacy of this form of employment, provided it is subject to collective agreement and its advisability is monitored by the administrative authority in the case of assignments of lengthy duration. The principles of this agreement were also incorporated into the law of 25 July. The drawback pointed out by the public authorities of the agreement of 28 June on the duration and adaptation of working hours in the public works sector is that, in endeavouring to cover every characteristic of the occupation in question, it is not in conformity with the law. Lastly, the general social protection agreement for the steel industry was renewed on 13 June.

As both sides of industry were still reluctant to enter into negotiations on flexibility, owing to differences of opinion between trade unions on this matter, the Government submitted to the legislative authorities a draft bill on collective bargaining on the adaptation of working time which should make it possible for firms to adapt their work schedules to variations in their activities over the year, to give sectoral negotiations a central role and to control the reduction and organization of working time.

It is noticeable that a major extension of annual negotiations at company level is gradually becoming customary.

Agreements reached in the public sector included : the agreement of 13 February in respect of the civil service (salary increases, adjustment of minimum wage, reduction of working time, payment of pensions on a monthly basis); the agreement of 4 July for the gas and electricity industries (increased worker consultation) and the agreement of 19 July for the railways (on staff representative bodies), etc.

The decline in the number of industrial disputes already noted in previous years continued: the number of days lost through strike action in May fell to the lowest level recorded in 20 years. At the same time, however, there was an increase in the average number of persons involved in each strike.

103. In Ireland, by the end of the year agreements had been concluded covering a high proportion of workers in the private sector with the notable exception of the construction industry.

It would seem that the bulk of the agreements in the private sector were of 12 to 15 months duration, with a few covering a longer period. No progress was made towards a settlement of the pay round claims in the public services though discussions were initiated with public service unions before the end of the year.

Apart from pay claims, there were some claims for a reduction in hours. Collective bargaining was not extended to other areas.

The number of days lost through industrial disputes in 1985 was 437,000 compared with 365,000 days lost in 1984. However, the 1985 figure includes 226,000 days lost in the one-day stoppage in the public service in October and one-day stoppages by teachers.

The Department of Labour continued its initiative on industrial relations reform reported in 1983 and 1984. A further document on Industrial Relations Reform prepared by the Department was issued in April 1985, and has been the subject of working party discussions between the Department and representatives of the Federal Union of Employers and the Irish Congress of Trade Unions. The matters discussed included trade union law, institutional arrangements for industrial relations and minimum wage-fixing.

Participation by the social partners in various tripartite bodies has continued, notably the National Economic and Social Council (NESCC), which issued a number of reports during the year, and the Sectoral Development Committee.

104. In Italy, the main effect of the initiative by the Communist Party aimed at cancelling out by means of a referendum the restriction on wage indexation, decreed by the Government in the wake of the breakdown on 14 February 1984 of the talks on a tripartite agreement, was to paralyze the development of industrial relations.

Immediately after this referendum - which ended on 9 June in a victory for those who opposed abrogation of the Government's measures to restrict wage indexation - the organization of employers in the private industry sector withdrew from the 1975 agreement on wage indexation, so as to oblige the trade unions to negotiate a reform of the wage fixing system before the renewal of sectoral collective agreements. The trade unions presented the Government and the employers with a list of claims which, targeted on the defence and development of employment, concerns the reform of the labour market, reduction in annual working time by 90 hours over three years, sliding wage scale and taxation. The talks broke down at the end of the year on the question of a reduction in working time.

While intersectoral talks prevented the renewal of several sectoral collective agreements, talks at company level, on the other hand, showed a new upsurge, spreading through-out the country on a fairly uniform basis. This development at firm level shows a pronounced capacity on the part of the unions to make proposals and their readiness to become involved in the day-to-day decisions of firms. Even where the agreements are defensive in nature, there is a clear tendency to regard company-level agreements as an appropriate way of setting up procedures likely to master the social and economic problems presented by technological innovation.

The agreements address themselves to three major problems : restructuring, employment and wages, and control of the new technologies. The maintenance of employment is safeguarded by recourse to solidarity contracts, rotation of wage guarantee fund benefits among laid-off workers, reduction, reorganization and flexible management of working hours, part-time working, and in-firm vocational training, while barriers to staff

turnover have all but disappeared. As regards wages, the results of the negotiations, which are - by and large - extremely moderate, show differences of up to 60 % between the growth sectors (foodstuffs and pharmaceuticals) and the sectors involved in major restructuring endeavours (chemical, engineering and textile industries). As regards the monitoring of technological innovations, mixed committees have been set up, which strengthen the information systems established under sectoral agreements.

In the public sector, the talks have ended. They cover employment, working time, the structure and development of earnings, the right to information and negotiation procedures related to technological innovations.

In relation to preceding years a decline can be noted in the number of working hours lost through strike action, in the number of strikes and the number of strikers involved.

105. In Luxembourg, the Grand Ducal regulation of 5 April empowers the Government to take measures to stimulate economic growth and maintain full employment. It sets out the criteria which the Government must take into account in assessing the economic and social situation before convoking the tripartite coordinating committee.

In July, the Economic and Social Council submitted to the Government its annual opinion on the country's economic, financial and social situation, which was adopted unanimously. The following points may be noted :

- As regards its own status and the integration of the general tripartite conference with the Economic and Social Council, the Council, declaring itself in favour of such integration, is of the opinion that efforts must be made to prevent a proliferation of bodies called upon to analyse problems crucial to the country's future and points out that the Council must retain within the existing overall consultative structure the central position due to it through the permanent nature of its functions and its task of providing an overall analysis of the Luxembourg economy.

- In respect of vocational training, the Council supports the Chamber of Commerce plan to organize for company staff a series of seminars devoted to foreign trade techniques, calls on the Government to approve the efforts needed to enable banks to find the staff they need in Luxembourg and recommends that serious thought be given to the education system as a whole and its aims.

- As regards the organization of working time, the Council feels that, in the medium term, a reduction in working time seems to be one of the ways of restoring the balance of the labour market (in particular, by extending the duration of annual leave, introducing sabbatical leave and reducing daily or weekly working time), but it was unable to arrive at specific conclusions on the thorny question of the flexibility of working time, the opinions of the two sides of industry being too divergent on this matter.

- As for the question of family benefits, the Council points out that it is up to the country as a whole to assume responsibility for the State's family policy and that the burden currently borne in this respect by industry should be transferred to the national budget.

At company level industrial relations have remained good and there were no strikes.

Several collective agreements were renewed in 1985, amounting to thirty for blue-collar and a dozen for white-collar workers. These agreements include pay increases of between 1 % and 2.5 % and also raise several pay components (leave pay, production bonuses, end of year bonuses, long-service bonuses, etc.).

After lengthy negotiations agreements were likewise concluded for the banking sector and the iron and steel industry. In the banking sector, talks were held up for a long time by the size of pay claims based on the bank's good operating results; in the iron and steel industry, the matter in dispute was the gradual recovery of the limited pay reductions agreed to in 1983, with the unions citing the improvement in the financial situation recorded in 1984 after 8 years of operating at a loss.

Finally, a wage agreement for the civil service was signed on 28 November: it revalorizes the base index point for salaries and pensions in two stages and comprises specific provisions on career profiles.

106. According to a survey of 70 collective agreements conducted by the Ministry of Labour and Social Affairs, in contrast to earlier years, collective agreement talks in the Netherlands were marked by a relatively decentralized approach. Endeavours in this direction were particularly encouraged by the employers in connection with the reduction of working time, since they felt - and continue to feel - that optimum arrangements in respect of working time and operating time can be achieved only if appropriate agreements are concluded at company, or at most sectoral, level. The survey by the Ministry of Social Affairs revealed an average wage increase of 1.4 %. Two-thirds of the collective agreements retained the principle of cost-of-living adjustments, the majority providing for payment in full, the remainder for payment in another form. Since the end of 1982 when the working week was in general set at 40 hours, new collective agreements have cut it by 4.3 % on average.

A series of collective agreements, which affect some 900 000 workers, lay down that an inquiry shall first be held into whether experiences in this field have proved positive before embarking upon further work redistribution measures aimed at achieving the 36-hour week. A further 12 agreements with a duration of several years provide for an average weekly working time of 36 hours (often on an annual basis), which will mostly come into force in 1986 or 1987. In addition, all collective agreements provide that sickness benefit - following the economy measures pushed through by the Government - will remain at 100 % of the last wage. A similar provision is included in most of the existing collective agreements for invalidity insurance benefit. Specific arrangements aimed at combatting unemployment among young people are included in 25 agreements, a further 20 agreements provide for apprenticeship and vocational training programmes and 12 contain provisions on part-time or full-time jobs for young people.

In this connection, the fact should be mentioned that the arrangement introduced in the metal-working industry in 1982 whereby young people would be offered only jobs providing a maximum of 32 hours of employment a week (with proportionate wage reductions) has again been discontinued from 1 July 1985 since metal-working firms were experiencing some difficulty in finding suitable staff.

Further agreements were also concluded in respect of early retirement, so that most employees in the private sector are now able to retire at the age of 61 or 61.5.

After protracted negotiations between the two sides of industry and the Ministry of Labour and Social Affairs, an agreement was reached in respect of the general cargo sector of the port of Rotterdam, which many see as momentous, which covers a whole series of aspects and is aimed, in particular, at preventing any mass redundancies in the 1985-91 period. Arrangements were made in respect of reductions in working time, pay concessions, early retirement, part-time pensioning, retirement of workers at the age of 57.5 years and the recruitment of young people in an endeavour to counter foreseeable staff reductions. Under the agreement bankruptcies and company reorganizations will not lead to unemployment, since the affected workers will be absorbed by a labour pool for retraining purposes. In addition, there will be a normal labour pool, which is intended to make adjustments for the irregular incidence of work in the direct general cargo handling sector, guarantees workers an assured legal position and continues wage payments (from a fund to which industry as a whole will contribute) even when there is no work. The purpose of this agreement, which is still being contested, is to ensure peaceful industrial relations in this sector, which is highly important for the economy as a whole.

In the public sector, an average working time of 38 hours per week has been in force since 1 August 1985. However, this reduction in working time is being granted in the form of 12 "unworked shifts" a year. Gross wages and salaries were not increased in the period under review and as part of the economy measures decreed by the Government, a wage freeze is also planned for 1986. In view of the pay restrictions in the civil

service and related sectors, which have been in force for two years now, the unions representing this sector are mainly pushing for an improvement in purchasing power, so that efforts to achieve the 36-hour week are shelved for the time being.

There were also differences between the Government and the trade unions over the terms and conditions of employment of workers in the state-subsidized sector, in some cases also involving the immediate employers in that sector. An additional factor was the fact that the International Labour Office issued a critical statement on the system of fixing working conditions in this sector. On 1 January 1986, a new law on terms and conditions of employment (including pay) replaced the existing temporary legal provisions; this new law provides for an annual framework into which changes in working conditions agreed for each sector must be filled. Thus it is the cost of the changes rather than their content that is compared with the financial framework laid down.

The Government has issued a statement on the function and task of the Social and Economic Council, expressing the view that the Council should continue to be its main advisory body in the field of economic and social policy. It took the view that no economic groups other than the employers and the trade unions should be represented on the Council and rejected the idea that the public authorities should be represented on the Council as employers, since this could result in an undesirable confusion of the roles of the State as employer and as guardian of the common weal. Besides, it pointed out, employees of the State were already represented on the Council through their unions.

107. In the United Kingdom, the coal strike described in the 1984 Report came to an end in March, when the NUM decided it was time to call off the strike. It had been unable to negotiate a settlement with the National Coal Board and its members saw nothing to gain.

The Coal Board ended its commitment to an expanding industry and made plans to shed about 50 000 jobs over the next two years.

The situation in the coal industry remained uneasy. In the meantime, a long-term dispute in the schools developed.

In the private sector, the outlook was generally peaceful. The official count of strike levels was very low. Many employers were prepared to concede wage rises over the Retail Price Index and unions were less inclined to rely on their member's militancy to sustain industrial disputes in the aftermath of the coal strike.

Secret ballots before industrial action required by the 1984 Act described below may also have played some part in diminishing industrial disputes, though not all ballots have gone against strike action. The Advisory Conciliation and Arbitration Service (ACAS) logged some 105 strike ballots of which 76 were in favour of industrial action. Ballots before industrial action, once comparatively rare, have now become commonplace.

Closed shop ballots were required by the 1982 Employment Act. About 100 closed shop ballots are known to ACAS, in 75 of which the required majority was achieved. Nearly 9 of 10 of these ballots were in private manufacturing, mainly engineering. Many employers and unions have collaborated to maintain otherwise unenforceable closed shops. The TUC continued its policy of opposition to the use of ballots, and in particular the acceptance of State funds to finance them. However, there was growing support amongst member unions and within the Labour Party Group for a change in policy. The introduction of secret ballot procedures may prove to be the single most important change introduced by the present Government.

Worker representation

108. In Belgium, the Recovery Law of 22 January sets up a system of representation of managerial staff on works councils, but it contains no specific provisions regarding consultation bodies at intersectoral and sectoral level. The National Federation of Managerial Staff, in spite of repeated requests, was not given a seat on the National Labour Council

as the Ministry of Labour and Employment considered it had not yet proved that it was representative and it was advisable to await the results of the works councils' elections in spring 1987.

109. In the Federal Republic of Germany, new proposals are aimed at extending and strengthening worker participation in company management. Thus, on 22 May, the Christian-Democrats and the Liberals put forward a draft law which would increase the rights of minorities in companies and administrations. The SPD submitted on 23 July a draft law aimed at extending and strengthening worker participation in company management. On 11 December, it submitted a further proposal aimed at extending youth representation rights and developing the representation of young workers and apprentices.

110. In Greece, the Parliament adopted on 18 October a law on the health and safety of workers which, among other things, opens the way for ratification of ILO Convention 155, since it provides for the setting up of bodies concerned with improving working conditions at company and national level.

111. In France, according to a list drawn up in April by the Ministry of Labour, 4 000 agreements on implementation of the right to consultation have been signed. These agreements cover more than 4 million workers and roughly 45 % of firms with more than 200 employees subject to the obligation to negotiate. Furthermore, several hundred agreements were recorded in companies with fewer than 200 employees, mainly in those employing between 50 and 200 people. This shows that the actual procedures for exercising the right to consultation are noted for very great variety in line with the different situations encountered in individual firms.

As regards the right to information, consultation and negotiation in connection with the introduction of the new technologies, consultations have begun in the banking sector and initiatives have been launched to get negotiations under way in the building and metal-working industries. Company-level agreements on this matter are extremely rare. On the other hand, the recent provisions of the Auroux laws, which provide for informing

and consulting works councils, are gradually coming into force. In the public sector, a recent expert's report, drawn up after lengthy consultation with the unions, recommends participation by those staff members affected, training and possible recourse to expert opinion by civil service joint bodies when new technologies are introduced.

112. In Ireland, work is continuing on proposals reported in 1984 to extend the Workers Participation (State Enterprises) Act 1977 to a further six State enterprises and to provide for negotiation on sub-board participative structures in semi-State bodies.

In March 1985, the Minister for Labour established an Advisory Committee on Worker Participation 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. The Committee is due to complete its work during the first part of 1986.

113. In Luxembourg, a draft law now under discussion would make two amendments to the workings of the Economic and Social Council. One of these would restore the balance of the interests represented on the Council by bringing in a delegate from the banking and insurance sector, increasing the representation of employees in the private sector and officials and employees in the public sector, and adding a delegate representing the self-employed. The other consists of assigning a new role to the Economic and Social Council as a General Tripartite Conference and setting up links with other tripartite bodies. The Council is called upon to take up and continue to work of the earlier General Tripartite Conference, which had no legal basis. That Conference met hitherto mainly to take cognizance of the results of the meetings of the Tripartite Conference on the Iron and Steel Industry and the meetings of the Tripartite Coordinating Committee and to express its opinion on them. As for the Tripartite Coordinating Committee set up under the law of 24 December 1977 on the maintenance of full employment, the draft provides that the Council shall receive the opinions adopted by that Committee and, in its turn, draw up specific

opinions, but at the Government's express request. The Tripartite Conference on the Iron and Steel Industry, the legal basis for which is the law of 1 July 1981 on the restructuring of the iron and steel industry, is not affected by the draft law. However, it is accepted that in this field too the Government may ask the Economic and Social Council for an opinion within a set period of time.

114. In the United Kingdom, the first results of section 1 of the Employment Act 1982 on annual reports on employee involvement have emerged. The Department of Employment published the results of its monitoring of the Act on 10 June 1985. Company reports required by the Act revealed a wealth of voluntary employee arrangements which the Department grouped under twenty categories. Another survey, by ACAS, also shows a wide range of practices and initiatives designed to further the involvement of employees, particularly among large companies. However, ACAS noted a low level of compliance among smaller companies and a tendency to comply with the letter rather than the intent of the legislation. Both surveys concluded that progress on employee involvement had been slow and that more should be done.

At present there is no Northern Ireland equivalent of the Employment Act 1982 but legislation is expected by late 1986.

Chapter V

WORKING CONDITIONS AND LABOUR LAW

Trends within the Community

Working conditions

115. The same trends that emerged in the last few years continued in 1985. Faced with mass unemployment, the efforts of the public authorities and both sides of industry have focused on the organization and flexibility of working time. The question of reducing weekly working time was no longer a main point of discussion. While unions generally preferred more days off and longer holidays, employers have insisted to link directly the issue of the reduction of working time to the improvement in labour flexibility. This linkage has been opposed very strongly by the unions as they regarded it as an organised attempt to destroy "social rights". The debate nevertheless has been enlarged substantially, as the employers argue that the existing rules are excessively rigid and constitute an impediment to competitiveness and the recruitment of workers.

While the success of the increased labour flexibility and the reduced working time on employment is still a matter of discussion, it seems that all the parties involved had expected more of it, so that stronger actions might be needed in the future.

Labour Law

116. Flexibility was also a central feature of discussions on labour law, although the statutory measures adopted so far continued to be partial. Special attention was given to improving the provisions on part-time work.

In addition, the governments of the Member States continued to adapt their laws to the Community Directives, notably those concerning the protection of employees' rights in the event of transfers of undertakings or the insolvency of their employer, and equal treatment for men and women. Finally, it should be noted that the right to strike was the subject in several Member States of proposed amendments and even of rulings by national courts.

Development of the situation in the member countries

Working conditions

117. In Belgium, the most significant development during the year was the Recovery Law of 22 January¹ containing in particular the following provisions relating to:

- the calculation of working time on an annual basis allowing for maximum daily and weekly working hours to be exceeded;
- the suspension of employment contracts for family or personal reasons with payment of a compensation;
- paid educational leave to pursue vocational training which is a considerable improvement on the old system of time credits;
- the abolition of committees on safety, health and improvement of premises in firms with less than 50 employees.

A draft law designed to simplify procedures for implementing experiments on the reorganization of working time (Royal Decree N° 179 of 30 December 1982) which are tending to multiply, has been put before the Parliament.

The National Labour Council is examining the possibility of adapting the existing legal provisions on working time to take account of the new economic and social situation. Moreover, the Government has put the shortening of working time on the agenda of the social concertation meetings between employers' and employees' organizations.

In recent years, there has been a considerable increase in part-time work (10 % of workers at present against 6 % three years ago). The Government intends to develop this type of work by offering more incentives, e.g. in the public service and especially in education.

118. In Denmark, a recent survey shows that in 1984 the average working week for workers in industry was 33.5 hours. The survey covers both full-time and part-time workers in firms employing at least 6 people. It should be noted that while the average working week has fallen between 1976 (33.2 hours) and 1981 (32.2 hours) it has increased again since, and is now between 31.5 hours and 34.5 hours, depending on the sector.

1 Social Report, 1984, point 105.

A new Community survey confirms that the number of women working part-time (42.4 %) ¹ is declining.

Collective bargaining at national level on, among other things, the reduction and flexibility of working time failed to produce a result and led to intervention by the authorities. The laws adopted by the Danish Parliament extended by two years the existing collective agreements. They provided that three months before expiry of the extended agreements, the duration of the working week would be reduced by one hour for employees working a minimum of 40 hours per week. Employees working between 39 and 40 hours per week would have their working week reduced to 39 hours. There will be no offsetting adjustment in wage rates, except in the case of hourly-paid workers.

As the Government is aware of the extremely difficult situation of handicapped people on the labour market, measures have been taken to increase their employment in the public service, and better information will be provided to increase their awareness of the possibilities created.

119. The reduction of the working week below 40 hours agreed last year in the Federal Republic of Germany in some important sectors ² came into force generally on 1 April 1985. Since then, the average working week under collective agreements is 38 1/2 hours for more than 4 million workers in the metal-working and printing sectors. Taken together with workers in the iron and steel industry in North Rhine Westphalia, Bremen and Osnabrück who had already been working a 38 hour week since 1 October 1984 and other workers in less important sectors, this meant that a total of approximately 4.6 million workers, i.e. approximately one quarter of the total labour force were working an average week under collective agreements of less than 40 hours by the middle of 1985. Furthermore, collective agreements covering more than 2 million workers have been concluded providing for reductions in working time in 1986 and 1987.

The practical application of the collective bargaining provisions relating to an average working week of 38.5 hours in the metal-working and printing industries gave rise to several disputes. According to

1 Social Report 1984, point 106.

2 Social Report 1984, point 107.

available information, it has been agreed for the majority of workers that weekly reductions of one and a half hours may be saved up so as to obtain additional days of leave rather than work 15 or 18 minutes less each day, one and a half hours less each week or in some cases three hours less every two weeks. Overall, the reduction in working time agreed enables workers to take a day's extra leave per year which, when combined with certain holidays, may give rise to new holiday periods.

In other economic sectors, the reduction in working time has also taken the form in practice of granting additional day of leave while maintaining a normal working week of 40 hours. In the forestry, energy and services sectors moreover, the public services collective agreement of December 1984 was adopted providing for the gradual introduction from 1987 of two additional paid days off per year for all workers. In the coal industry, the working week was cut to four days in the first half of 1985: between now and 1989, up to 8 free shifts will gradually be granted to each employee on a personal basis.

The long term goal of reducing the working week to 35 hours poses two problems for states the trade unions : firstly the question of compensation for unavoidable overtime in the form of days off: so as not to call into question the impact on employment of the reduction in working time, the trade unions are forced to ask for a greater number of hours' overtime to be 'remunerated' in the form of compensatory days off, even though many workers would rather have more pay. The second aspect concerns the granting of overtime supplements; many collective agreements provide that despite the reduction in the working week to 38 or 38 1/2 hours these supplements should be paid only from the 40th hour worked.

As the trade unions have increased their demands for a reduction in the working week to below 40 hours, they have postponed their action to increase annual leave. Following the agreements which came into force in 1985, only 2 % of workers in 1985 still had only four weeks annual leave while 5 % had 4 to 5 weeks, 31 % had 5 to 6 weeks and 62 % already had 6 or more weeks annual leave. Moreover, 94 % of workers received additional holiday pay in one form or another.

The question of a shorter working life has, for its part, occupied a larger place in collective bargaining. Apart from the implementation of provisions already adopted in the previous years¹, other major sectors such as the leather, ceramics, glass, foodstuffs, catering and energy sectors have introduced early retirement arrangements. The collective bargaining agreement concluded in the chemical industry is the beginning of a new era in the sense that it offers workers aged 58 and over an opportunity to transfer to part-time work a provision which has since been adopted in other sectors. By the end of 1985, there were already more than 370 collective bargaining agreements laying down early retirement arrangements; the sectors in question employ about 7 million workers, approximately 4 % of whom satisfy the conditions of eligibility for early retirement.

During the year under review, approximately DM 110 million was allocated to a programme of research on ways of reducing strain on workers. The programme was mainly concerned with the effects of the introduction of new technologies on working conditions. The proposals for the realization of the research programme put forward in 1983 were adopted by the Parliament in June; it provides that research will mainly be concentrated on working conditions and the health of workers; the protection of health on the introduction of new production, information and communication technologies; the risk of cancer at the workplace, etc.

120. While the general situation has improved considerably for workers in Greece in 1985, actual working conditions have not evolved to any extent, except in three areas : first, the principle of worker involvement in the management of nationalized enterprises was laid down by law. Second, workers in the private sector are now better protected against rationalization pressures. Lastly, training centres have been set up to prepare welfare workers more adequately for their occupation.

121. In France, following the breakdown in January of the multi-sectoral negotiations at national level on conditions of employment (flexibility), no general measures have been introduced on the legislative or collective bargaining level with the exception of some company or sectoral agreements

¹ Social report, 1984, point 107.

(public works and the steel industry) which are mainly concerned with the reorganization of working time and worker consultation rights. On the other hand, a marked resurgence of company agreements has been noted since the law of 13 November 1982 made negotiation compulsory. In a significant number of cases, the negotiations resulted in agreements on the reduction or reorganization of working time, even if not all existing possibilities for negotiations at decentralized level have been exploited.

The Taddei report requested by the Prime Minister and submitted on 20 July comprises thirteen provisional recommendations dealing principally with the reduction and reorganization of working time to make better use of the production apparatus, to be achieved by sectoral bargaining followed up at company level; it deals also with the easing of certain legal provisions concerning, for example, nightwork by women or teamwork and also financial incentives. A study of the market services sector and an improvement in user access to the public services should be added to the report.

Following the legislative measures of 1982,¹ the number of fixed-duration contracts concluded rose sharply: by 16.2 % in 1982, 6.2 % in 1983 and 7.5 % in 1984, their share of total labour contracts rising to more than 10 % in 1983 and 1984.

The Employment Ministry has published the results of the law of 4 August 1982 on the right to freedom of expression by employees²:

- 4 000 agreements had been noted by 31 December 1984 :
- more than 14 000 firms employing 4.5 million workers have submitted a progress report - 9 388 of them report that at least one meeting for the expression of worker views had been organized.

Finally, according to the latest survey (in 1984) by the research centre for the study of living conditions, 64 % of workers would prefer an increase in purchasing power to an increase in free time.

122. In Ireland, there have been no significant developments regarding changes in working conditions during 1985. Very little progress has been made in reducing the working week for manual workers, at present 40 hours.

¹ Social report 1982, point 128.

² Social report 1984, point 109.

The number of workers involved in work-sharing remains very limited. There would appear to be a continuing increase in part-time employment, mainly by women.

After the Government approved proposals by the Minister for Labour for the adoption of a statement of policy on equality of opportunities between men and women in employment on 15th November 1984, several initiatives were taken in 1985, including in particular, the creation of a working party under the Minister for Labour, comprising officials from the Department of Labour and the Employment Equality Agency, to monitor the effectiveness of equal opportunity initiatives in the State-sponsored bodies.

123. In Italy, the intersectoral bargaining on the reform of the wage indexation system ¹ included a specific demand by the trade unions for a 90-hour reduction in working time over three years (2 hours per week) on the present agreed work schedule (other demands were aimed at increasing part-time, temporary and fixed-duration employment). In the opinion of the trade unions, it was for sectoral bargaining to define reductions in working time and establish new work schedules. The chief means of effectively obtaining a reduction in working time should be a more intensive utilization of plant, and the reorganisation of timetables using various forms of flexibility (shiftwork, flexitime over the week, several weeks, year). Owing to the opposition of the employers - who believe that shorter working time will increase labour costs and reduce competitiveness - the negotiations broke down.

124. In the Grand Duchy of Luxembourg, the principal points in the Economic and Social Council's opinion proposing in the medium-term a reduction in working hours as one of the ways of restoring a permanent balance to the labour market, in particular by extending annual leave, introducing sabbatical leave and shortening the working week or working day will be followed. On the other hand, the Council was unable to reach specific conclusions on the controversial problem of labour market flexibility.

¹) Point 104.

125. The trend in working conditions in the Netherlands was towards greater labour market flexibility and the practical application of the reduction in the average working week included in most collective agreements while retaining the possibility of a flexible adaptation of operating time. With regard to the reorganization of working time in most cases collective agreements had already determined as early as 1983/84 what latitude was to be observed in the average 5 % reduction in working time in 1985 ¹.

Since reduction in working time is not an end in itself, but a means of creating a place on the labour market for unemployed persons and first-time job-seekers or to prevent redundancies, it is important to know to what extent this goal has actually been achieved. A number of surveys carried out in firms show that in general the first 50 % of a reduction in working time lead to an additional recruitment of about 25 %, although it seems possible that in the medium-term this quota may increase if the production apparatus is used more intensively as sales increase. In small firms with fewer than 25 employees a survey carried out by an employers' association shows that the number of overtime hours worked has increased in most cases although here too a favourable impact on employment has been noted.

Flexible-time arrangements were the subject of an opinion issued by the Labour Foundation on the question as to how far the authorities should present proposals and take initiatives as regards the changes in working-time arrangements proposed by the government in the previous year ². Employers' and workers' organizations were, however, unable to agree to what extent an approvals procedure on the part of the authorities should lay down in advance certain fixed limits to be respected in every case.

¹ Social report 1984, point 113.

² Social report 1984, point 123.

The number of people placed by temporary employment business has grown steadily in recent years. It is estimated that at present approximately 300 000 people are occupying 600 000 posts every year. The commercially-run temporary employment business is increasingly concentrating on the temporary placement of highly skilled workers. By resorting to part-time and temporary workers engaged directly or through employment businesses, employers are able to keep potential employees for longer than would be possible if they complied with the statutory probation periods.

The Government Temporary Employment Agency START, found temporary employment for 73 000 people in 1984, an increase of approximately 50 % over 1983. Some 14 000 workers were able to convert temporary jobs into permanent ones.

In a report on health and well-being among VDU it emerges according to the Government that in nearly all cases electromagnetic radiation is well below the maximum permissible level. Further improvements in working conditions at the workplace and more variation with regard to the organization of duties would, however, be desirable. With a view to compiling practical information, health complaints by employees and the working conditions in question are currently being examined closely in 200 workplaces and on the basis of this it may be possible to introduce protective measures.

126. In the United Kingdom, the average normal working hours for manual employees covered by national collective agreements or Wages Councils Orders was just under 39.0 hours per week by December 1985 which compares with averages of 39.2 hours in December 1983 and 40.0 hours in December 1978. Relatively few employees (about 15 per cent) still have basic weekly hours of 40 or more.

Widespread changes in patterns of work continue to take place in the UK as companies organise themselves to react to competitive pressures. Flexible hours, earlier retirement, job sharing, part-time working, home-working and self-employment are increasing. Flexibility has been achieved by varying the size of the work-force (e.g. growth in part-time work and self-employment as well as changes in the contractual basis of employment) and by extending the range of tasks and skills of the workforce (e.g. moves to annual hours, new shift systems and changes in job content).

The Government has developed the Job-Splitting Scheme reported in 1983. This provides a grant of UKL 840 (previously UKL 750) to employers who introduce flexible working arrangements. Employers may either offer two new part-time jobs to persons leaving Government schemes, amalgamate existing regular overtime hours into a part-time job, or split an existing job. In the latter two cases, the employer must take on an unemployed person, a Government scheme leaver, or a person under threat of redundancy. In addition, greater flexibility was built into the hours the part-timers can work: they can now average (over a thirteen week period) between 16 and 29 hours a week. The new, more flexible criteria were introduced in April in response to criticism from industry. However, the take-up before and since the revision has been negligible.

Individual enterprises have used early retirement as a negotiated and acceptable means of reducing their workforces. Some assistance has been provided by the Government's Job Release Scheme which provides an incentive for agreed retirements (a retiring worker receives an allowance until State pension age) and ensures that the older worker (men aged 64, women aged 59, disabled men aged 60-63) is replaced by someone who is or would be unemployed. In addition, the Part-Time Job Release Scheme allows older workers (men aged 62-64, women aged 59, disabled men 60-61) to reduce their hours and have their part-time wages topped up by an allowance. They must be replaced by a part-time worker who was unemployed or on a Government Scheme. Both Schemes will run at least until 31 March 1987 and currently support some 60,000 people.

During 1985, 27 more training bodies were designed under the Sex Discrimination Act (bringing the total to 137) to provide special training for women who wish to enter non-traditional occupations or to return to work after a break for domestic reasons. Between March 1984 and March 1985 the number of women with full-time jobs increased by 180,000.

The trend towards increased entitlements to paid holidays (additional to public or customary holidays) has continued at a much slower rate. At the end of 1985, the average basic holiday entitlement for manual employees subject to national collective agreements or Wage Councils Orders was 22 days. There are 8 public or customary holidays in England, Wales and Scotland and 10 in Northern Ireland.

A new scheme was launched in April under which the Manpower Services Commission can give 'pump-priming' financial support for up to 3 years to voluntary organisations which undertake employment initiatives to help disabled people to get jobs. The existing network of Employment Rehabilitation Centres was extended by three new "ASSET" centres to provide courses for about 300 disabled people per year and offer in-house employment assessment, job counselling and commissioned work experience placement. In the 12 months to 31 March 1985 the number of severely disabled people supported in jobs under the sheltered employment programme increased by over 600 (4%) to just under 15 600. This increase was mainly due to the increase in those employed under the Sheltered Placement Scheme.

Labour Law

127. In Belgium, the Recovery Law of 22 January is essentially designed to introduce a certain measure of flexibility in particular areas of labour law :

- employment contract: relief contracts, previously restricted to certain categories of workers, are now generally applicable; measures have furthermore been introduced whereby legal provisions regarding the duration of the contracts and notice periods can, in certain cases, be waived; in specific cases severance payments can be made in monthly instalments; the amounts of salaries and wages, which are one factor determining the length of the notice period required, have been modified;
- works councils : the minimum number of workers required to justify a health and safety committee now stands at 50; it used to be 20 in certain cases;
- apprenticeships for young people: an apprenticeship contract in a firm can now be followed by a fixed-term contract;
- working time: daily and weekly limits on working time can be exceeded provided a collective agreement lays down specific norms for calculating working time on an annual basis;
- closures: workers who have reached retirement age or who are entitled to early retirement are not entitled to redundancy pay in the event of closure of the firm where they work.

Other provisions of this law concern the voluntary interruption of a career in the private sector (BFR 10 000 benefit per month if the employment contract is completely suspended for up to one year, half that amount for workers who change from a full-time to a half-time job, and paid leave for in-service training). The new law replaces the previous one, which granted credit hours to workers who wished to improve their position through training; it provides for a substantial increase in the number of paid hours and for setting up a properly planned training leave system in firms.

The new Government's programme also provides for a series of measures relating to labour law, including a review of various thresholds (consultation bodies, etc.) and the promotion of job-sharing through additional incentives for part-time work, first and last jobs, shared jobs and breaks in a career.

The Law of 25 January also seeks to reduce the black economy by introducing a social security card, first of all in the construction and diamond-working industries, which workers must present to the appropriate bodies if they are to receive unemployment and other benefit.

Finally, in order to facilitate the takeover of bankrupt firms whilst safeguarding the rights of the workers involved, the Law of 12 April provides for the payment of a transition benefit by the Benefit Fund for workers made redundant by the closure of undertakings.

128. In Denmark, on 29 March Parliament adopted a law protecting wage-earners against being made redundant while on compulsory military service. This measure became effective on 1 July 1985 and is conditional on having been employed for at least 9 months without interruption by the same employer before being called up.

The law on the vocational training funds¹ was amended on 25 April by a regulation exempting employers from paying certain contributions in respect of the first employee. The purpose of this amendment is to alleviate pressure on small firms.

The Dismissals Committee, the body which handles appeals against unfair dismissal, set up under an agreement between workers' and employers' organizations, for the first time obliged a firm to reinstate a worker. This was made possible by an amendment to the agreement concluded in 1981. Hitherto, the Committee had only awarded damages when it found that dismissal had been unjustified.

¹ Social report 1984, point 116.

The Government has proposed an amendment to the law on equal pay for men and women. The proposal is a consequence of the ruling of the Community Court of Justice of 30 January. According to the proposal, equal wages should be paid not only for "equal work", but also for work of equal value. In addition, the proposal means that the law should no longer be restricted to employment "in the same place of work". Both sides of industry agree with the proposal.

129. In the Federal Republic of Germany, the Employment Promotion Law¹, tabled in March of last year, entered into effect on 1 May. Under this law workers not previously employed by a firm, or employed on a temporary basis following training, may be taken on fixed-term contracts (18 months, or two years for newly-established firms) between 1 May 1985 and the end of 1989. The law also contains a number of provisions aimed at improving the conditions governing part-time and temporary work, while at the same time making it more attractive (the maximum allowed period for which a job may be occupied by a worker supplied by a temporary employment business has been extended from three to six months). Other forms of work sharing also benefit. The procedure for drawing up social plans in the event of a disagreement between employer and works council has been amended.

On 26 June the law on fixed-term employment contracts for scientific staff working at universities and research establishments came into effect. It contains provisions complementing existing legal arrangements for concluding fixed-term contracts with temporary academic, medical and foreign language staff at universities and research establishments.

In the course of the year the Federal Labour Court delivered a number of judgments in the context of legislation relating to industrial disputes; there was also a report by the former President of the Court, Professor Müller, in which he emphasizes the need for both sides of industry to reach an agreement themselves. The report contains a number of proposed amendments to the law on industrial disputes, which have yet to be studied in detail. It has been well received by employers but rejected by virtually all trade unions, mainly because it considers lock-outs to be an indispensable weapon in the employers' armoury in the event of an industrial dispute.

¹ Social report 1984, point 117.

The Federal Labour Court has given its verdict on a number of cases involving strikes and defensive action by employers. The judgment of 12 September, for instance, recognized the lawfulness of a short token strike, in the form of "new mobility", organized while collective negotiations were still in progress. Another judgment issued during the same month recognized the lawfulness of setting civil servants to work to clear a backlog caused by strike action; such a move was not seen as constituting a shift in the balance of forces, nor was it considered incompatible with the State's obligation to remain impartial.

The Court had previously issued two other judgements: the first, on 5 March, condemned a strike organized by one trade union in support of a strike by another, on the grounds that striking in support of industrial action elsewhere was incompatible with the right to strike as a way of safeguarding collective agreements. In a second judgment, on 12 March, the Federal Labour Court confirms the lawfulness of a lock-out in response to selective industrial action by the unions.

Finally, two other judgments of the Federal Labour Court should be mentioned: the first confirms works councils' right with regard to new technologies in that they should be in a position to supervise the productivity and behaviour of workers when new technology is introduced; the other confirms the principle of a worker's right to be reinstated while an appeal against dismissal is pending.

In this context, it should also be noted that some of the Federal Labour Court judgments gave rise to protests and complaints by both sides of industry: the employers protested strongly against the recognition of the lawfulness of short token strikes, while the trade unions protested against the ruling on the use of civil servants as strike breakers; the trade union for the post office workers even submitted a complaint against this judgment to the Federal Constitutional Court.

130. In Greece, the Parliament has ratified the ILO Conventions 135, 149, 151, 156 and 159.

131. In France, under the law of 5 August governing leave for training, retraining and reemployment, employers undertake to offer such leave to a specific number of wage earners whose redundancy would have been authorized; during this period the workers concerned will be able to benefit from a number of activities organized to help them find new jobs.

The law of 3 January, moreover, contains measures which open the way to the harmonization or simplification of a number of rules and procedures which apply under labour law, and widen the scope of certain social provisions: encouraging training work experience schemes for young people by setting up introductory apprenticeships; extending the fifth week of annual paid holiday to nursery school assistants.

Law No 85-775 of 25 July containing various social provisions amended the orders of 1982 on fixed-term contracts and temporary work. The law increases the number of cases in which a firm can use temporary workers and relaxes conditions regarding the duration of certain types of contracts; on the other hand, it also introduces changes in the rules relating to the duration of probation periods and makes it harder to re-employ temporary workers in the same job before a waiting period has expired, etc. Under the new law there are 9 cases in which temporary staff may be taken on. It also introduces a new category of employer: the so-called 'employer units', which will enable small firms to form groups, to make it easier for them to take on staff. The purpose of these units is to make workers employed by one member-firm available to others. The workers concerned are regarded as being employed by the firm to which they are 'on loan'; the latter are also responsible for general working conditions (working time, health and safety, etc.).

The Government also submitted to the legislative authorities a draft bill concerning collective bargaining on the adaptation of working time¹. It proposes two major amendments to the labour law on working time, providing for the annual calculation of weekly working hours, defined by extended sectoral agreement, up to 41 or 44 hours without overtime pay or time-off in lieu for more than 35 hours worked, provided that the weekly average does not exceed 38 or 37,5 hours per week worked; the replacement by an equivalent amount of time off, i.e. 125 % for the first 8 hours and 150 % for subsequent hours.

¹ Point 102.

A report on the implementation of new workers' rights (the effect on labour relations of the so-called Auroux Laws) was presented to the National Assembly by the Committee on Cultural, Family and Social Affairs.

This report reflects a new resolve on the part of members of the Assembly to supervise more closely the application of laws which they have adopted and to take corrective action where and when appropriate. The Committee's survey revealed that many employers' and workers' organizations did not have the basic legal texts at their disposal. This applied in particular to medium-sized firms.

The report also notes that, in spite of the Auroux Laws, firms where workers' representation remains a dead letter continue to exist alongside firms where workers' rights have become a reality - and have in certain cases been improved beyond the requirements of the law, through negotiation. It also notes that in firms where union representation is a relatively recent phenomenon workers sometimes fail to make use of legal provisions available to them which predate the Auroux Laws.

132. In Ireland, the Hours of Work Bill ¹, was passed by the Senate and subsequently introduced in Dail Eireann (the Lower House of Parliament) in May 1984. It is still before the Parliament.

On 21st March, the Department of Labour published proposals for industrial relations reform. The proposals suggested the replacement of the system of legal immunities which has formed the basis of Irish trade dispute law since 1871 by a system which would give workers a positive right to strike. The establishment of an independent Labour Relations Commission with statutory responsibility for promoting good industrial relations was also envisaged. A number of other proposals were made regarding codes of practice, trade union structure and Joint Labour Committees which set legal minimum rates and conditions for a number of industries. Discussions with both sides of industry are continuing.

¹ Social report 1984, point 120.

In his speech in the Dail in May, the Minister for Labour indicated that the priority areas for action in the field of labour law were: the Hours of Work Bill, a framework Bill based on the recommendations of the Commission of Inquiry on Safety, Health and Welfare at Work (the Barrington Commission); amending legislation to follow the discussions being held on industrial relations reform, and amending legislation on the review of the operation of the Unfair Dismissals and Worker Participation Acts, as reported in 1983 and 1984.

The Minister stated that early finalisation of proposals on the implementation of the Barrington Commission Report was one of his major legislative targets. With regard to employment equality it is intended to table proposals for amending legislation by spring 1986 on both the Anti-Discrimination Pay and Employment Equality Acts to take into account the need for adjustments in the scope and coverage of these Acts and in the operation of the enforcement and adjudication procedures. Parliament passed the Order reported in 1984 made under the Employment Equality Act 1977 concerning the employment of females in mines. The Order abolished the restrictions on the employment of women at night at mines. It also removed the prohibition on women workers underground in a range of professional occupations which may require practical experience of underground work (e.g. some management or training posts), or involve spending an amount of time underground.

Regulations were made in September which modified the existing exclusion of employment of women in the Garda Síochána (Police), in the prison service, in a private residence or by a close relative from the scope of the Employment Equality Act, 1977.

133. In Italy, upper and middle-management were recognized in law as an occupational category by Law No 190 of 13 May 1985, which laid down that the category of employees is composed of management staff, executive staff, white collar workers and blue-collar workers. It defines executive staff as employees who, while not belonging to the management category, continuously and to a significantly large extent carry out duties aimed at the development and realization of the firm's objectives. Collective bargaining will determine the criteria for inclusion in this category in the light of the characteristics of each sector and the structure of each firm.

A bill has been drafted to adapt the legislation on mass dismissals to the Community Directive. It is currently the subject of consultations between the administrations concerned.

134. In the Netherlands, an Opinion given, at the Government's request, by the Social and Economic Council stated that part-time workers should have the same legal status as full-time workers. This applies in particular to pay scales based on the number of hours worked and to other working conditions. Opinions are divided as to whether this should be fixed at Community level. Whereas most trade union representatives have welcomed the proposed EEC Directive, employers' organizations feel that neither a Directive nor a Recommendation are the appropriate means for the practical application of the principle of equal treatment of full-time workers.

The Government has asked the Social and Economic Council to give its Opinion on an amendment to the legal provisions governing dismissals. The Government believes that the current system is too complicated and time-consuming, and creates too much work for the employment services. The current authorization procedures should either be simplified, or the Director of the regional employment agency should prohibit employers from deciding on dismissals (following a request from the workers concerned). The employment services have meanwhile developed a procedure whereby dismissals applications can be processed within four to six weeks. The parties involved are now consulted only when the reasons given for the dismissal are insufficient.

On 1 June further provisions governing the first phase of the introduction of the Law on the Work Environment became effective; this law governs the comprehensive involvement of workers in the running of firms. Henceforth the articles in question apply not only to the private sector, but also to the public services, including the armed forces. The introduction of the second phase of this law is planned for the second half of 1986.

135. The Labour Foundation, in its Opinion on several aspects of conciliation procedures, found that it was not essential to introduce a code of good conduct for the two sides concerned. Both workers' and employers' organizations also believe that this is primarily a matter for both sides of industry and the courts. They do, however, disagree about other aspects of strike law, particularly as regards payment of wages to those who are willing to work but are prevented from doing so by pickets, and the circumstances in which workers are called out on strike.

The Ministry of Labour and Social Affairs has announced that firms and institutions can be legally bound to employ handicapped persons, if they have not done so within the next three years. This Regulation, which will be introduced in January 1986, aims at a flexible approach to the introduction of a specific quota of handicapped persons in the labour force as a whole.

The Lower House has accepted a draft law abolishing the ban on nightwork for women in industry and introducing an authorization procedure for an initial three-year period. Authorization can be refused when specific legal, organizational and other conditions governing work for women are not met. After the three-year trial period an assessment will be made of the extent to which the obligations regarding equal treatment for men and women at work, as laid down in the EC Community Directive, can be applied in practice.

136. In the United Kingdom, the provisions of the Trade Union Act 1984 on the trade union reform described in the 1983 and 1984 Reports¹ came into force over 1984 and 1985. Part II of the Act, on strike ballots, came into force on 26 September 1984. Trade unions' civil law immunity for organising strikes and other industrial action is made conditional on their first consulting the members concerned in a secret and properly conducted ballot, held not more than four weeks before the action begins. A majority of those voting must vote in favour. By 9 January 1986 at least 115 ballots were thought to have been held with the intention of complying with the Act and 26 employers had taken legal action against unions which had failed to comply with balloting provisions.

¹ Social Reports 1983, point 111; 1984, point 124.

Part III of the Act on trade union expenditure on party political matters came into force on 31 March 1985. Trade unions with political funds must ballot their members at regular intervals of a maximum of ten years if they wish the union to continue to spend money on party political matters. Employers who have "check-off" arrangements for deducting trade unions subscriptions from their employees' pay may not continue to deduct the political levy from any employee who has notified his employer that he has "contracted-out" of paying the levy.

Part I of the Act, on trade union elections, came into force on 1 October 1985. Voting members of executive committees must be directly elected by individual secret ballot at least every five years.

The Trade Union Act 1984 does not apply in Northern Ireland. Consultation on a similar form of legislation for Northern Ireland is now taking place.

As part of the Government's de-regulatory programme, the period of service needed by an employee to qualify for unfair dismissal protection was raised to two years for all employees who commenced employment from 1 June 1985. Previously the qualifying period was two years for employees working for firms with 20 or fewer employees, and one year for other employees. The new standardised period is expected to reduce the overall number of complaints to Industrial Tribunals. The Government has also introduced new regulations for streamlined decisions in order to speed up Industrial Tribunal hearings on unfair dismissals, redundancy and other individual employment protection issues.

The Equal Pay (Amendment) Regulations¹ entered their second year of operation. The latest report of the Equal Opportunities Commission (EOC) showed a dramatic increase in the number of women workers taking legal action to claim equal pay for work of equal value. Since the Regulations came into force in January 1984 more than 200 women workers have made claims. By August 1985 three cases had been decided - all in favour of the claimant - following the appointment of an independent expert to analyse the jobs concerned. Because the number of persons actually benefiting from Tribunal decisions is still very small, trade unions have increasingly turned to using the Amendment as a lever in negotiations; for example, there have been successful claims comparing the work of women clerical workers with male manual workers.

¹ Social Reports 1983, point 111; 1984, point 124.

The Government issued on 19 September 1985 a consultative document setting out its proposals for implementing the judgement of the European Court of Justice of 8 November 1983 (case 165/82). This case concerned the exclusions from the Sex Discrimination Act 1975 of employment in private households and firms with 5 or fewer employees, and the failure of the Act to provide for the annulment or nullity of discriminatory provisions in collective agreements. The Court held that in all these respects the Act was in breach of the requirements of the Equal Treatment Directive (76/207/EEC). The Government proposes to provide for a limited exclusion of jobs in a private household where the job would require the employee to be closely involved in the employer's private life, and to make void discriminatory provisions in non-legally binding collective agreements.

The Code of Practice drawn up by the Equal Opportunities Commission for the elimination of discrimination on grounds of sex and marriage and the promotion of equality of opportunity in employment came into operation on 30 April 1985. The Code received full backing from the Government, the Confederation of British Industry and the Trade Unions Congress. It does not extend the law but is admissible in evidence and may be taken into account by Industrial Tribunals.

¹ Social Report 1983, point 111; 1984, point 124.

Chapter VIWAGES AND INCOMESTrends within the Community

137. Since the growing economic upswing in the year under review has as yet produced no change in the labour market situation, most of the Member States have continued their policies of moderating rises in wage and labour costs. The same applies to the Commission's policy for restoring medium-term growth to promote employment. In its communication of 4 March on the economic situation in the Community the Commission suggested, among others, that the Member States pursue a moderate increase in real wages in order to improve the return on investment and to make the relative rewards to capital and labour more conducive to raising employment.¹

As the following description of trends in the Member States shows, a number of Member States had pursued a policy of wage restraint. In several instances Governments intervened in pay bargaining - generally speaking, the province of the two sides of industry - either through complete or partial suspension of the systems of automatic wage adjustments applied in a number of countries (Belgium, Greece) or by modifying the indexation procedure (Greece, Luxembourg). In other cases, Governments set limits for the wage increases agreed between the two sides of industry (Denmark, France, the Netherlands).

¹ See also point 15.

In view of the fact that in several Member States the minimum wage had in many cases been raised disproportionately, so as to improve the situation of those on low incomes, the question was raised - in France and the Netherlands, for example - whether, in the prevailing economic situation, this was not having negative effects as regards the creation of new jobs, particularly jobs for young people, and whether a reduction of the minimum wage would not, therefore, be advisable.

138. In line with Government endeavours to curb wage and cost increases, wage increases agreed by collective agreements were lower than in previous years : in the Federal Republic of Germany and the three Benelux countries, which have the lowest inflation rates, they remained mostly under 4 %; in Denmark the average wages of blue-collar workers rose by some 4 1/2 %. In France, Ireland and the United Kingdom increases were somewhat higher (up to 8 % in the United Kingdom).

139. Increases in actual earnings were of a similar order of magnitude, in some cases even slightly higher than collectively agreed basic wages. And since the Governments in almost all Member States managed to achieve further reductions in the rate of price increases, there was an improvement in the purchasing power of employees in the majority of Member States. This was particularly noticeable in the United Kingdom.

As a result of tax relief measures and reductions in social insurance contributions on the one hand and improvements in family benefits on the other, the available net incomes of households in several Member States showed a slightly larger increase in real terms than gross earnings.

Development of the situation in the Member StatesBelgium

140. One of the three main measures provided for by the economic recovery law of 22 January is continuation of the policy of wage moderation. In line with that policy the measures taken for the preceding year in respect of restrictions on automatic wage indexation (withholding 2 % of indexation)¹ and a ban on the granting of new advantages are being renewed. The principle of maintaining the competitiveness of Belgian industry vis-à-vis other countries is being upheld in that the country's labour costs may not rise more steeply than the weighted average of the increase rates of wage costs in Belgium's seven most important trading partners. At the same time, the principle of competitiveness has been modified to the extent that it is permitted to use greater flexibility in determining conditions of employment. Where this standard is not observed, the authorities are empowered to take all necessary steps to reduce labour costs.

An important innovation is the provision that 1.5 % of total gross wages may be used to promote employment. Implementation of this provision is left to collective agreements; where such agreements do not exist, undertakings must pay a special contribution.

The agreement of the new government of 24 november provides for continuation of the policy of wage moderation, combined with measures to promote employment. The government wants that this objective could be achieved by agreements between both sides of industry; if this will not happen, the necessary measures will be taken by Royal Decree.

In a number of cases the two sides of industry have attempted to evade the policy of wage moderation by disguised wage increases in the form of meal coupons, purchase vouchers, travel subsidies or profit-sharing bonuses given by employers to their employees. The Minister of Labour has stated that he will not authorize such agreements if they depart from the principle of permissible wage increases. A case in point is the firm of AGFA-GEVAERT, whose employees will not receive a promised profit-sharing bonus until 1987.

¹ Social Report 1984, point 128.

In line with wage moderation guidelines the increase in agreed wages and gross earnings remained limited in 1985 and was lower than in the previous years. In both cases it amounted to less than 3 % between mid-1984 and mid-1985 as compared with an increase of some 5 % in consumer prices. For example, the average gross hourly earnings of industrial workers increased by 2.6 % between July 1984 and July 1985, so that, in view of the 5.1 % price increase over the same period, this meant a 2.4 % decline in purchasing power. However, wage increases picked up again in the second half of the year.

However, this loss of purchasing power will be partly offset by the effects of the two laws of 1th August in the fiscal and social fields (and the implementing decrees) which contain the Government's four-year plan for a reduction of income tax and an increase in family benefits. These laws set out the tax reductions and increases in family benefits to be introduced gradually over a four-year period.

Between late 1984 and late 1985 the monthly minimum income was twice increased by 2 %, amounting to BFR 33.349 for adults on 1 October and BFR 25 845 for young people at the age of 18. This 4 % increase in the minimum wage was lower than the some 5 % increase in prices.

Denmark

141. The laws adopted by Parliament at the end of March to end the running and imminent conflicts over the renewal of collective agreements, concluded for a two-year period¹, provide for renewal of these agreements for two years. Under these agreements nominal wages in the private sector may be increased with the concurrence of the two sides of industry by 2 % in the first year and a further 1 1/2 % in the second. In the public sector such increases may not exceed 1.75 % in the first year and 1.25 % in the second.

Within the aforementioned limits for increases in the wages employers and firms are allowed a degree of flexibility with regard to increases in individual undertakings as long as the increase throughout the sector in question does not exceed the prescribed 2 % or 1 1/2 %.

¹ Point 99.

In the public sector it is likewise permitted to use 0.5 % of the wages as at 1 October 1984 for certain adjustments in pay structures agreed by labour and management. In addition, further increases may be made on 1 October 1985 and 1 October 1986 depending on wage developments in the private sector.

Apart from these guidelines for collective agreements, the measures decided by Parliament also provide for moderation of the incomes of non-wage-earners, a reduction of employers' contributions to the various social security schemes by some 1.5 % of the total wages paid and that 8 % of that portion of taxable total income which exceeds DKR 150 000 per annum must be compulsory saved without interest until 1990/92.

The wages of blue-collar workers in manufacturing industries rose between September 1984 and September 1985 by 4.7 %, while the monthly salaries of white-collar workers rose by 6.1 %. In view of a 3.9 % rise in consumer prices in the same period, blue-collar workers had a little gain in real terms of nearly 1 %, and white-collar workers an even greater of more than 2 %. For the year as a whole, wages and prices have risen with about the same percentage (4.5 %) compared with 1984. Thus, for the first time since a number of years a new decline in purchasing power of the Danish workers could be avoided.

The first notable increase in real terms of available income from employment in ten years is expected in 1986. Furthermore, Government and opposition parties agreed on 19 June on a draft tax reform which will include improvements in family benefits.

Federal Republic of Germany

142. The economic upswing recorded in the two previous years intensified in the year under review. The fact that the real increase in the gross domestic product (+ 2.6 %) was only slightly higher than the expected one may be attributed to the cool weather conditions prevailing in the first months of the year, which had a highly adverse effect particularly on the building industry. The annual report of the scientific research institutes predicts a renewed acceleration of the upswing in 1986 in the form of an increase of some 3 % in the gross domestic product.

Collective agreement negotiations in the Federal Republic of Germany were generally uneventful in the year under review, although agreement was reached in a number of sectors only after certain difficulties were overcome. The wage increases agreed by collective agreements varied between 2.4 and 3.8 % and were thus lower than in the previous years, so that the rise in wages levelled off still further. In a number of cases longer-term agreements were concluded, involving phased increases in collective wages. At the same time, a number of phased increases agreed on in the previous year affected the wage trend in the first half of the year.

Remuneration and other labour conditions for home workers were improved by means of binding stipulations - generally speaking to the same extent as workers in firms but in some areas to a greater extent, particularly those areas where conditions applying to home workers, even taking into account the specific nature of home working, had not been brought sufficiently into line with the conditions agreed by collective agreements and applying to the same work or work of the same value performed in firms.

In comparing rises in collective wages with those of the previous year a distinction must be made between hourly and monthly wages: because of the agreed reductions in weekly working time the latter increased less. Including the phased increases which came into effect between mid-1984 and mid-1985, there was a 3 1/2 % rise in wages calculated on a hourly basis and a rise of only 2 1/2 % for those calculated on a monthly basis. Since the cost of living index rose by 2.3 % in the same period, the purchasing power of hourly wages rose by more than 1 %, while that of monthly wages rose by only 0.2 %.

The earnings largely followed the same trend as agreed wages and salaries. The gross hourly earnings of industrial workers rose by 3.7 % between July 1984 and July 1985, while their gross weekly earnings rose by 2.6 %. The monthly earnings of employees in industry and commerce went up by 4.1 % during the same period. Taking the whole year into account, the increase in the gross wages and salaries of employed persons was roughly 3.3 %. The cost of living index, which rose last year on average by 2.4 %, has risen from 1984 to 1985 by 2.2 % so that there was an increase in real terms of about 1 % in the gross earning of employees.

Despite the adoption of the fourth asset formation law last year¹ no noteworthy advances were made in the year under review as regards the formation of assets by employees. Apart from a number of isolated regional agreements of limited scope, there is nothing to report except the conclusion of an initial nationwide collective agreement on asset formation in the banking sector in early 1985. However, this agreement takes advantage of only half the opportunities provided by the law. The Federal government therefore intends to extend the asset formation law in order to facilitate its application by both sides of industry and to stimulate the undertakings to conclude agreements with their workers on profit and capital participation. It is likely that the government will submit a corresponding proposal in 1986.

¹ Social Report 1984, point 131.

Greece

143. Up to the 1 September in the year under review, three index adjustments of wages and salaries in line with price increases were made : 8.2. % on 1 January, 6.6. % on 1 May and a further 2.1 % on 1 September, i.e. a total of 17.8 %. However, the various increases were applied fully only to those receiving wages of up to DR 50.000 a month; incomes between DR 50.000 and DR 75.000 were increased by one half and those up to DR 100.000 by a quarter. Since the cost of living rose by slightly more than 17 %, this means that there was a slight increase in purchasing power at least for those with low incomes at this date. But then, automatic adjustment of wages and salaries in line with prices was temporarily suspended from 1 September 1985 to 1 January 1986, when a new form of indexation is to be introduced. The new procedure provides for indexation three times a year, whereby increases in collectively agreed wages will be based on the projected price increases of the following four months, no account being taken of the effect of increases in import prices. Monthly incomes of more than DR 150 000 are to be excluded totally from automatic indexation.

Furthermore, given the fact that the economic situation worsened strongly during the second half of the year, the government was obliged to announce, on 11 October, Draconian measures of stabilisation aiming at lowering the national expenditures and at restoring the catastrophic situation of the balance of payment. In this context, a law was enacted shortly after the announcement of these measures which prohibited any increase of wages higher than that of the automatic indexation up to the end of 1987 and threatening with severe punishment any contravention.

The daily minimum wage, which amounted to DR 1.422 at the beginning of the year, was increased to DR 1.548 on 1 September and to DR 1.618 at the beginning of 1986; that means a 13.8 % increase as compared with a 25.0 % price increase in the course of the year.

While already the 17 % rise in consumer prices during the first three quarters of the year was the highest in the Community - all other Member States recorded only single-figure rises - the 15 % devaluation of the drachma decided by the Government on 11 October gave a further impetus to price increases and by the end of the year it amounted, as already said, to 25 %. According to a study carried out by the Planning Centre (KEPE) imported inflation amounts to only 4 % and the major portion of the price increases is to be attributed to higher labour costs, increases in the incomes of the self-employed, capital costs, indirect taxes, etc.

As a result of the above-called measures, the rise in earnings was by far lower than the rise in consumer prices; it is estimated to be some 14 % on the yearly average. In view of a 19 % annual rise in the cost of living, that means a loss in the purchasing power of gross earnings of some 5 to 6 %.

France

144. The wages policy pursued by the Government in the year under review was again aimed at contributing to the stabilization of the economy and promotion of employment. That meant that the wage increases granted were not supposed to exceed increases in consumer prices. The Government based itself initially on the price increase rate of 4.5 % in 1985 and 2.9 % in 1986 projected in the finance law, later using actual price trends.

It appears that the Government's strict criteria were largely observed in the year under review both in the public and private sectors - either through agreements between labour and management in the branches of industry in question or through unilateral decisions on the part of employers.

The statutory minimum wage (SMIC) was increased by 2.2 % on 1 April and by a further 1.96 % on 1 July. In the interim there was an adjustment on 1 May aimed at abolishing the "double" SMIC resulting from the general reduction of weekly working time to 39 hours on 1 February 1982¹. Employees recruited after that date received the 2.56 % increase on 1 May. Since their number is not known, it is impossible to quote the exact average rise in the SMIC for 1985. Assuming that roughly half of them were recruited after 1 February 1982 to work a 39-hour week, this means that there was an average increase of 5 1/2 % in the SMIC between December 1984 and 1 May 1985. In the same period prices rose by 3 1/2 %, so that the value of the SMIC in real terms rose by some 2 % at that date. As since July no further increase took place and as that of July has only compensated the price increase, the win in the purchasing power of the SMIC in 1985 was due exclusively to the abolishing of the "double" SMIC in favour of employees recruited since February 1982. In view of a price increase of 1.4 % between July and December, the weighted rise of the purchasing power of the SMIC to the end of 1985 was somewhat lower than 1 %.

(1) Social Report 1982, point 118.

This new increase in the minimum wage revived discussions about its negative effects on employment. In the past 25 years the nature of the SMIC has in fact changed considerably; in the seventies it served mainly to bring the lower wage levels closer to other wage levels. To that end it was raised as much as other wages and salaries, in many cases more. The result is that it is at present twice as high as if it had been raised in line with price trends. Although this has helped considerably to narrow the wage spread, particularly by reducing the gap between men's and women's wages, it also - in the view of the French employers' association CNPF - inhibits opportunities for creating jobs, particularly jobs for young people.

Since the two sides of industry largely observed the Government's wages policy in fixing wages and salaries under collective agreements, their value in real terms remained all but unchanged. Thus, the index of hourly wage rates rose by 6.3 % between April 1984 and April 1985 and of monthly wage rates by 6.1 %, while the cost of living rose by 6.5 %. A 0.2 % increase in employees' unemployment insurance contributions produced a slight loss in purchasing power of roughly 1/2 %, which was probably offset in the second half of the year by the Government's promise to reduce income tax, though it must be remembered that direct taxation is relatively low in France, so a reduction in this area has only minor effects.

The same applies to earnings. Calculated on a yearly average, they probably increased by some 6 % in the year under review, i.e. about the same amount as consumer prices, so that one may say that purchasing power has, by a large, been maintained, perhaps even slightly increased.

Ireland

145. Agreements negotiated at industry and company level under the 24th Pay Round terminated around March. In April, the Executive Council of the Irish Congress of Trade Unions issued guidelines on the 25th Pay Round to its affiliated unions. The Congress rejected any suggestion of a pay pause after the current pay agreements had expired. The Congress recommended in its guidelines that pay increases be aimed at which protected the real value of pay restored workers' living standards which had been reduced over recent years and that special efforts be made to improve the position of low-paid workers. For its part, the Federated Union of Employers stated that the main objective in 1985 should be to secure pay settlements which generally would be lower than in 1984 and which would not be out of line with those in competitor countries.

In August, the Government issued a statement to the effect that pay negotiations in the year under review should take account of the expected rates of increase in competitor countries, the carryover in 1985 from earlier settlements, the impact of proposed increases on employment and job creation, the financial circumstances of individual sectors and the implications of pay agreements in 1985 for pay costs in 1986. It advocated very low increases in the private sector and no increase at all in the public sector.

Up to the end of the year, a high proportion of agreements covering a great part of workers in the private sector had been negotiated. Most of them were of 12-15 months duration and provided for pay increases in two phases, which have averaged around 7 % calculated on an annualized basis. One notable exception, however, was the building industry, which had not concluded its negotiations by the end of the year. The agreed pay increases were greater than the rise in the consumer price index, which was only 5.4 % between 1984 and 1985, so that there was a real increase of wage rates concluded in private industry by some 1 1/2 %.

Nominal earnings increased by 6 to 7 %, an increase which was probably on the same order of magnitude as increases in basic wages and salaries agreed under collective agreements. That means a purchasing power increase of 1 to 2 %.

Italy

146. In the year under review the sliding scale indexation system was once again the focus of wage policy disputes. In 1984, one of the three trade union associations refused to sign the agreement which the Government and the unions had negotiated, whereupon the Government brought in a law cutting increases, which amounted to a saving of four index points¹; in the year under review the dispute was concerned mainly with the decimal fractions of the increases which were due. Members of the employers' association Confindustria refused to pay these decimal fractions of the index points.

One trade union association thereupon held a poll on whether the reductions in the index adjustments should be restored. The result was a small majority in favour of maintaining the reductions. Before this result was known, the employers' association announced that, whatever the outcome of the poll, it would withdraw at the beginning of 1986 from the present sliding scale indexation system.

This brings up the question of what system might replace the existing system. In an initial joint statement the three main trade union associations recommended that wage adjustments should not be made on a quarterly basis, as at present, but on a half-yearly basis. This idea might well be indulgently received by employers, who are not basically opposed to wage indexation. Thought might also be given to the idea of basing automatic wage adjustments on a much lower wage level than in the past (e.g. up to Lit 600 000 a month) and leaving it up to individual sectors or undertakings to determine the other elements of the adjustment, possibly making these

(1) Social Report 1984, point 135.

apply for shorter periods of time. In this way the old system would lose much of its rigidity. It would also help to reduce inflation and deviations in the wage and productivity trends of individual sectors.

It would also take account of the actual situation, for the year under review saw a wide variation in the level of wage settlements : differences of up to 60 % emerged between wage increases granted in economically healthy sectors such as the pharmaceutical and foodstuffs industries and sectors, such as the chemical, textile and machine manufacturing industries, which are in process of being restructured. Production and other premiums granted by individual undertakings were particularly affected.

After that a new agreement for the workers in the public service was signed on 17 December, the employers made a unilateral declaration according to which they are willing to take over this new system of wage indexation into the private industry. This system foresees that wages and salaries will be brought in line with the price increase twice a year only. It will cover the whole monthly income up to Lit 580 000, but only a quarter of the amounts exceeding this level.

The Italian Government's fight against inflation continued to record successes. The rate of increase of consumer prices, which had been just under 20 % in 1981, is now back to single figures. In mid-1985 it was just over 9 % and, as an annual average, amounted also to some 9 %. The increase in earnings, on the other hand, was somewhat higher - by an estimated 10 % in yearly average - so that there was an increase in real terms of some 1 %. This increase could be still higher in 1986, if the planned reduction in personal taxation is implemented.

Luxembourg

147. While the automatic adjustment of wages and salaries in line with price trends was partially suspended for the last three years, a law of 24 December 1984 reintroduced it with effect from 1 January 1985. The new system is based on the half year average (average of the last 6 months, calculated on a monthly basis) of the price index in September 1984. A 2.5 % adjustment is made when the average of prices during the last six months - regardless of the index of the current month - has risen by at least 2.5 % as compared with the last adjustment. The index adjustments withheld in the past years will not be granted retroactively.

The new price index introduced by the Grand Ducal Ordinance of 24 December 1984 is derived from the family budget inquiry of 1977 carried out in households with modest incomes. A new family budget inquiry will be realized between April 1986 and April 1987. It will cover 3 000 households including households with medium and higher incomes. The figures so obtained will be used for a thorough reform of the consumer price index.

Apart from this the reintroduction of the sliding scale indexation system has occasioned the discussion of other related matters, such as application of indexation only to the lower end of the income scale, the adjustment of net wages and the like. This has induced the Government to submit problems connected with automatic wage adjustment once again to the Economic and Social Council for an opinion.

In its April declaration on the state of the nation, the Government once again voiced its determination to pursue a coherent and balanced overall wages policy, envisaging negotiations every two years on the basis of comparative studies on the evolution of earnings in the public and private sectors. However, for lack of adequate statistical data the first study, published in April, did not permit any incontestable conclusions to be reached.

On 1 August the first 2.5 % increase in earnings and the minimum wage was granted. This brought the minimum wage for an unmarried, unskilled worker up to LFR 161,73 an hour and LFR 27 979 per month as compared with LFR 27 297 at the end of 1984. With effect from 1 August 1985 the minimum monthly wage for an unskilled worker with dependants amounted to LFR 28 828, that for an unmarried skilled worker to LFR 33 575 and for a married skilled workers LFR 34 594.

In contrast to the stagnation of the preceding years the year under review saw the conclusion of a number of collective agreements, which, apart from increases in basic wages and salaries, included increases in other benefits of a small importance such as bonuses, vacation pay and the like.

The development of earnings was influenced not only by the, in many cases belated, conclusion of new collective agreements but also by the reduction in working time, so that the increase in real earnings in the first half of the year initially failed to keep pace with the rise in prices, which amounted to 4.7 % in mid-1985. However, they picked up in the second half of the year while the inflation rate continued to fall, so that, taking the yearly average, there is likely to have been a small increase in purchasing power. A more substantial increase in real wages is expected next year as a result of imminent tax measures.

The Netherlands

148. The adverse labour market situation caused a number of wage policy measures to be discussed or prepared in the Netherlands. For example, a draft law amending the law on the determination of wage rates was put before the Lower House, whose most important change is that it tightens up the criterion for the application of the pay moderation instrument. It would permit the relevant minister only in exceptional circumstances (an acute national economic crisis) to intervene in the determination of pay and other conditions of employment; any such measure could have a maximum duration of only one year and would have to apply to the whole economy.

To improve the situation of those with low incomes the guaranteed minimum wage underwent relatively higher increases in the past years than other wage incomes. However, since this could have a negative impact on the creation of new jobs in the prevailing economic situation, the level of this minimum wage was the subject of an opinion by the Social and Economic Council in the year under review. An international comparison revealed that the minimum wage for adult employees in the Netherlands is high in both relative and absolute terms. The majority in the Social and Economic Council therefore advocated that, while it should be retained, it should also be reduced (by 15 to 20 %). On the other hand, it was found that the minimum wage for young people was no higher in the Netherlands than abroad, so that a reduction could have a positive impact on their employment prospects. The Minister for Social Affairs and Employment has therefore announced his intention of reducing the minimum wage for young people aged between 15 and 18 or doing away with it altogether.

At the same time, the Social and Economic Council advocated the abolition of the provision that the minimum wage guarantee should not apply to work amounting to less than a third of the duration of normal working time; it based this view on the growing importance of part-time work.

It is estimated that less than 4 % of workers aged between 23 and 65 are entitled to the minimum wage. A survey carried out by the Wages Department of the Ministry of Social Affairs and Employment in 1982 in 5 726 firms showed that 0.7 % of their 240 500 employees were receiving less than the minimum wage.

As in previous years, most collective agreements do not provide for automatic indexation adjustments, but have replaced these by one-off payments. Wage increases in the year under review were correspondingly limited.

Because of the adverse employment situation, wage increases for employees in the private sector who earn more than the minimum wage as a result of reductions in working time have been restricted to 2 %. Additional increases in income may arise from tax adjustments and reductions in employees' social security contributions. Civil servants and other employees in the public sector with comparable incomes received no pay increases, nor are any increases envisaged for 1986.

To avoid a reduction in purchasing power - price increases amounted to 2 1/2 % in mid-1985 - it was necessary in the year under review to grant a one-time allowance to households which have had no more than the minimum income at their disposal for at least two years. Other households with minimum incomes which are not entitled to this allowance suffered a 1/2 % loss in purchasing power.

The rise in earnings for the employees, receiving an average income, amounted to 1 1/2 % in 1985. This means that it was 1 % lower than the rise in consumer prices (2 1/2 %). However, as a consequence of the above-mentioned tax adjustments and reductions in social security contributions, the purchasing power of the disposable net income of the employees could have been maintained or even slightly increased.

United Kingdom

149. Pay increases agreed under collective agreements were comparatively high in the year under review. There are several reasons for this. First, manufacturing showed remarkable buoyancy after the difficult situation in 1980-83, which enabled several industries to make high profits. Secondly, the unions attempted to come to higher increases in real wages than in the previous years. In some sectors restructuring also had some impact on increases in agreed pay rates. And, finally, in some sectors and at company level long-term agreements running for two or three years were concluded, some of them involving a wholesale renegotiation of working practices, union recognition and terms and conditions of employment; some of the increases are worth 25 to 30 % over the three-year period. Overall, settlements varied in the year under review from 5 to 7 to 8%.

In the public sector, on the other hand, the Government is continuing its policy of curbing wages by refusing to increase the financial resources available to local authorities, the health service and civil servants. It is acutely concerned about the rate of growth of earnings in the private sector. Successful firms are being pressured to restrain wage rises or at least justify higher settlements by consequent productivity gains.

Pay increases and the improved economic situation, and the concomitant increase in overtime, have caused the earnings to rise substantially faster than prices. The estimated annual rate of increase in the earnings of all industrial workers was around 7 1/2 % throughout the year, and between 8 1/4 and 9 % in the manufacturing industries. Including other sectors, the average gross income from employment is estimated to have risen by 8 % in the United Kingdom in 1985, while there was an average rise in prices of about 6 %. As a result of the tax relief measures included in the March 1985 budget, the available income of employees increased at a slightly faster rate.

The Government and the employers' associations continue to advocate moderation in pay increases. The Government fears that the public sector will attempt to obtain pay increases comparable to those in the private sector, while the employers see pay increases as a threat to their competitive advantages in the world market. The Government takes the view that, if pay is raised irrespective of the effect on costs through a national minimum wage, employment opportunities would be lost. In July, the Government announced its intention of reforming Wages Councils and deratifying ILO Convention No 26. The Government believes its decision will lift excessive burdens from employers and, with the exclusion of those under 21 from future Wages Council provision, improve job prospects for young people.

Chapter VII

LIVING CONDITIONS AND FAMILY AFFAIRS

Trends in the Community

150. The year under review was for an increasing number of E.C. inhabitants a difficult year, as more people found themselves in economic and social distress for a variety of reasons. Apart from the persistence of high unemployment, all governments were faced with the constraints of the public deficit. To ease these major problems, recurrence was made to a reduction of expenditures, in particular those of a social nature. This has had considerable implications for the living conditions of all E.C. inhabitants, although particular groups have been more heavily hit, e.g. large families, the children, the young, the women, the handicapped and the elderly. Governments became gradually aware of this situation, and started to complement their general policies with particular measures in favour of these groups. However, it has to be noted that this additional policy has to be interpreted more as some catching up movement of what these groups have lost in purchasing power during the last years, instead of being a structural improvement of their living conditions.

151. Partly because of the budgetary difficulties in public finance, and partly because of the increasing desire towards decentralisation in a number of Member States, the national authorities have frequently decided to decentralise various parts of the social protection sector. However, the newly established offices were not yet fully equipped for their tasks and have been lacking qualified staff. As a result, the decentralisation trend was taken as an opportunity to cut back drastically the social funds available and to shift the blame on to the lower level authorities.

The austerity policy stays in contrast to the growing needs. An increasing part of the population is falling into new forms of poverty, in particular the long term unemployed whose entitlement to statutory unemployment benefit mostly runs out after a term. Generally, they are then obliged to fall back on social assistance benefits, which frequently involve provisions allowing the authorities to insist that the beneficiary or his close relatives contribute towards his maintenance from other sources of income. Moreover, social assistance benefits have mostly failed

in recent years to keep up with income trends in general. At last, governments begin to realise that the new poverty problem is fastly growing, and that more attention has to be devoted to it. In 1985, only the first limited results of this increased awareness can be observed.

152. The family is another category particularly affected by the economic recession and the concomitant austerity policies. While the financial support is generally under strain, some positive evolutions can be observed on a more qualitative level. For example, a leave for family reasons has almost become general in the E.C., although the specific legal treatment can differ a lot. The growth of public services (e.g. children, care housing) has declined significantly, although different Member States have refused to scrap the intentions of the past completely.

A lot of attention is paid to the elimination of the legal discrimination of the women, within the marriage as well as on the labour market. Also some progress can be noted on the different legal treatment of children born within and born outside the traditional family. Governments are also becoming aware of the persistent and increasing rate of marriage breakdown, and the immense problems this creates for the partners and most of all, for the children involved. Apart from an improved legislation, particular forms of human aid and assistance are developed in some Member States, in favour of families in distress.

Lastly, more attention has been paid for the fastly growing group of the elderly. The same evolution can be observed: at best the purchasing power is preserved, but new evolutions of a qualitative nature are being considered. Partly because of budgetary reasons, in many Member States, more incentives are offered for elderly who want to receive care and assistance at home, instead of in hospitals. In some cases, the principle of a flexible retirement age, open to choice for the person involved, has been proposed or already adopted.

Development of the situation in the member countries

153. In Belgium efforts have been made to attenuate the impact of austerity measures on the most disadvantaged groups, which, however, are becoming larger. The cost of the minimum subsistence benefit - Minimex - is expected to rise from BFR 1 500 million in 1981 to BFR 4 500 million in 1985, while the number of persons involved has doubled in two years up to 40 000.

Under three Royal Decrees of 2 August the amount of the Minimex, the guaranteed minimum income for elderly persons and allowances for the handicapped were increased.

To attenuate the effects of restrictions on the indexation of social benefits, an updating allowance was granted to pensioners, disabled and unemployed persons (Royal Decree of 24 January).

Lastly, the recovery of social assistance benefits from persons with maintenance obligations in respect of beneficiaries was limited.

With respect to family policy, an advisory body on family affairs was set up and is mainly composed of representatives of family organizations (Law of 2 August).

Apart from the index-linked increases in benefit rates, the four year plan adopted with regard to family benefits has had a positive effect. Moreover, under the law of 14 June, boys may now receive the family allowances formerly payable to girls replacing mothers at home who have no other activity.

With respect to family law, to take account of the inherent rights and interests of children, measures have been adopted with the particular aim of abolishing discrimination between legitimate and illegitimate children, including the prevention of cruelty to children and the provision of care for those who have been ill-treated.

In the case of elderly persons, apart from the above measures improving the benefits or allowances to which they are entitled, the French and Flemish communities have put considerable effort into establishing a legal basis for a policy creating an infrastructure for aid to the elderly.

154. In Denmark, as in 1984, families received a special allowance of DKR 800 tax free for children under 10 years. A draft law also provides for increased assistance for families with children under 18 years from 1987. This is part of a greater tax reform changing the basis for calculating income tax and tax rates in favour of families with children.

With effect from 1986, the law on parental authority will make it possible for parents who are unmarried, separated or divorced to exercise joint parental authority.

In future, persons who have finished training courses will be entitled to receive the daily maternity allowance.

The capacity of day nurseries will be increased with 2 %, i.e. 7 000 places, between 1984 and 1988. In addition, more attention will be paid to less traditional and more flexible formulaes, and to children older and younger than the common 3 to 6 year category. Given the decline in natality, the growth figure will make possible to meet an ever increasing part of demand.

A number of changes have been made or are in preparation concerning the financing of the local authorities' social expenditure, the distribution of responsibilities between the local authorities and the central government and the latter's contribution, with a view to transferring certain costs from national to local government.

The Government presented a draft law introducing a partial pension scheme to take effect in 1987 making it possible for elderly workers to opt for phased retirement. The partial pension would be degressive up to the age of retirement and would be combined with reductions in working time up to the statutory retirement age of 67 years. Elderly people who need assistance will receive help more at home, instead of in hospitals. Therefore the expenditures for family assistants have shown the strongest increase of the budget for elderly.

A report by the Social Research Institute concludes that although the law on social assistance operates satisfactorily for most beneficiaries, it does not achieve its goals in one fifth of all cases. This law was reviewed at a conference organized in April by the Minister for Social Affairs.

Lastly, the assistance to people in trouble will be reorganized on the basis of fixed allowances. The underlying intention of this change is to free personnel from administrative tasks, and to charge them instead with human assistance.

155. In the Federal Republic of Germany, family measures (the annual cost of which is estimated at DM 10 000 million in addition to the DM 14 300 million already allocated to family allowances) were adopted or came into effect. Since 1 January 1985, family allowances have been extended to the age of 21 years for unemployed children or children not in training; substantial tax relief is granted in respect of child-minding for single parent families. With effect from 1 January 1986, the normal tax relief for dependent children will be increased and families on modest incomes will receive a family supplement. Periods devoted to bringing up children

will be taken into account for the calculation of the statutory old age pension. Lastly, from 1 January 1986 on, a parental leave (man or woman) of ten months (from 1988 on one year) has been introduced, accompanied by a monthly allowance of DM 600 for the first year of the child's life.

Expenditure on social assistance again went up (from DM 16 300 million in 1982 to DM 17 600 million in 1983 and DM 18 700 million in 1984) although the rate of increase has slowed down (+ 6.7 % in 1984 against + 7.6 % in 1983). There were some 2.6 million beneficiaries of social assistance in 1983 (+ 5.5 %). In 1985, the rate for normal allowances was raised by 8 % and additional improvements were made in respect of single parent families and elderly persons (from 60 years on) who received an increase of 20 %.

In 1984 expenditure on social assistance for children and young people amounted to DM 5 970 million as apposed to DM 5 670 million in 1983, in contrast to last year's spectacular drop in the rate of increase in this type of expenditure. Private organizations received about DM 1 800 million in subsidies.

New regulations for the protection of young people came into effect on 1 April and mainly seek to curb the representation of violence and pornography in mass media and to combat alcoholism in minors.

The Federal Ministry for Youth, Family Affairs and Health launched a campaign "Advantages for the new generation of senior citizens" on 1 June. One of the main aspects of this campaign is the organization of meetings between persons of different generations with a view to carrying out joint activities.

Lastly, on 18 July the Länder adopted an outline agreement concerning the standardization of training in geriatric nursing.

156. In Greece, a remarkable improvement of social services has been achieved, in favour of the family, the women, the young, the handicapped and the elderly people.

A 14-week leave for mothers-to-be, a parental leave, more centers for care of the newborn, and centers for child-minding and protection have been realised. The system of family allowances is revised with the aim of reducing income differences, originating from the family burden. Special family allowances have been introduced for mothers, unmarried or not covered by social security, and for children whose father has died, is disabled or has abandoned the family.

For handicapped persons, the economic support has been increased, while the access to public transportation has been made easier.

For the elderly, numerous programmes have been set up : more day centers, holiday centers, and increased allowances. Moreover, a new policy has been started to keep the elderly in their usual social environment. Also studies in this field are undertaken, and a widescale information campaign for elderly has been started up.

A National Health System has been established, and the recruitment of doctors is under way. However, many doctors are not at all happy with the civil servant status they have been assigned in the system. Especially the prohibition of a supplementary private practice was criticized, and therefore doctors went on strike for a month.

The scale of social housing construction has been significantly enlarged.

Finally, special measures have been introduced to make holidays possible for low-income groups (e.g. large families, low paid workers, young and elderly people), by means of reduced rates for transportation and accommodation.

157. In France, the survey carried out by the Research Centre for the Study and Observation of Living Conditions (CREDOC) revealed the following: general pessimism concerning the standard of living, and an increase in the number of people who are restricting their budget; in the case of prolonged unemployment, 40 % have recourse to their parents, but an increasing number are calling on the social services (36 %); the family is viewed via favourable light (63 %), but family assistance is considered inadequate (66 %); there is no change in the overall rate of membership of at least one association (42 %), while participation in political activities, charity, mutual aid is slightly down as are church attendances.

The family benefits scheme was reformed by the law of 4 January introducing measures for young families and large families.¹

The right to maternity leave has been extended to the father in the event of the death of the mother in child-birth. The father is entitled to post-natal leave and may claim an allowance under the maternity insurance scheme.

¹ Point 170.

The consequences of divorce for the weakest partner, mostly the wife, have been attenuated. Given that almost 50 % of the family contributions is not paid on time by (mostly) the fathers, the office of family allowances has been assigned a role of control and intermediary. Also the social security for divorced women is now extended beyond the usual first year, while the other partner has to pay the contributions.

A law is in preparation to obtain equal rights in financial matters between both partners of a marriage. Only "common goods" can form an additional fund for the creditors of one partner, and no longer also the "own goods" of the other partner. Moreover man and woman have now equal rights over the common fund.

The housing subsidy arrangements introduced in 1982 were extended to the private rented sector and provisions for young households were adopted.

In the context of measures for young people, a special 1985 holiday programme was introduced, directed particularly at young people outside the traditional circuits of organized leisure activities.

Provisions were adopted according new rights to families and users of child social assistance, particularly as regards information and the association of families and children in decision-making. A campaign to heighten awareness of the problem of ill-treated children was launched by the Minister for Family Affairs and will be accompanied by special training and coordination of the social services.

With respect to social and medical/social action on behalf of retired and elderly persons, priority has been given to measures enabling the elderly to remain at home with due regard for their physical and psychological wellbeing, and combatting all forms of isolation.

Lastly, a draft law is being examined with a view to increasing the solidarity contribution payable by employers and workers aged over 60 years in paid employment and receiving a pension.

In the campaign against poverty, provisions have been introduced to help persons and families in difficulty, particularly with regard to accommodation and social rehabilitation centres, and arrangements have been made to meet their requirements for food through the distribution of agricultural surpluses. Funds have also been set up to prevent the expulsion of tenants unable to pay their rent.

158. In Ireland, general living conditions were seriously threatened by the adverse economic situation. However, considerable improvement has been made in supporting particular groups of society.

Apart from substantial measures to improve female employment in public service, various other initiatives were taken to diminish the unequal treatment of men and women, e.g. in social security. A parliamentary committee took the initiative for setting up a Family Conciliation Service, which intends to ease the difficulties of marriage breakdown. This service is helping to resolve disputes, e.g. on parenting of the children, living arrangements, family home, financial support, and division of property.

In favour of the families and the elderly, increased allowances and a better tax treatment have been provided. Measures are under way to abolish the legal differences between persons born outside and those born within marriage. In view of the increased need of family planning, amendments to the Health Bill have eased restrictions on the availability of contraceptives.

Parliament is considering a Children's (Care and Protection) Bill providing for the introduction of a system of statutory registration of day care services for children to be administered by local health. These boards have been given the task of improving the well-being of children in their area and adopting the necessary measures to help parents bring up their children. Moreover, supervision and registration of residential facility for children is to be reinforced.

The establishment of "family resource centers" is gaining momentum. In response to the need of preventive support to families at risk, they offer a wide range of services, e.g. counselling, developmental skills, child management, home management, parental skills, groups for single mothers, play facilities, relaxation groups and adult discussion groups. In fostering the self-help principle, they attempt to bridge the gap between day care and residential care. They start from the view that if sufficient support

is offered to a family, they may manage to care for their own children at home.

Work is in progress on the preparation of a change in the Adoption Acts. In the meantime, as a result of the drop in children available for adoption, the adoption organisations have changed the focus of their services to the single mother who decides to keep her child. They provide day care facilities, after-care counselling services and in some cases houses. Also a volunteer group is set up to help very young mothers in practical matters.

The Combat Poverty Agency Bill was introduced in the Senate in March. The new agency would have a consultative role as regards policy and the task of developing research, and, to a limited extent, its own projects while also playing a part in initiating and assisting in projects developed by other services. One of the basic goals of the bill is to promote the participation of those concerned in decisions concerning them. In October, a bill on Housing was introduced, proposing that local County Managers should provide help to homeless people.

159. In Italy, the search continued for practical answers to the problems created by rising social expenditure and the budgetary imbalance. A series of measures is being planned aimed at controlling assistance policies and related expenditure. The upswing in demand for social and assistance benefits which is due to the extended economic and employment crisis and the growing number of persons eligible for assistance, especially the elderly, is faced with the growing trend towards a freeze on social expenditure.

In the last few years, the criteria for the allocation of free benefits have been revised in several sectors (health, para-education, social housing, social services) - benefits are now allocated only to persons with no income or incomes below a given threshold, while assistance-type benefits are gradually being identified and separated from social security benefits, i.e. contributory benefits.

The draft financial law of 1986 continues to rationalize public expenditure, and also defines a minimum income, calculated according to the number of family members, below which health care is completely free of charge, invalidity pensions and family allowances are increased and schools are free. Other persons contribute to these benefits and services in proportion to their incomes.

This measure follows the report on poverty which found that 2 114 000 families are below the poverty line, i.e. 6 million persons or 11.1 % of the total population. The figure is higher if families living in uncomfortable conditions are included. According to the report, the 16 % of the population traditionally regarded as poor comprises the elderly and a proportion of the workforce whose income has dropped owing to inflation, of which single-income families with young dependent children form the largest group.

The reform of personal income tax provides for reductions in the basic taxable amount and graduated rates of taxation. Persons aged over 65 have benefited from "social increases":

- a) annual pension increase of Lit 975 000 in the period 1985-1987;
- b) increase in minimum pensions of Lit 130 000 in 1985, Lit 260 000 in 1986 and Lit 390 000 in 1987.

The current trend is to relate assistance policy to the family unit and no longer to the individual, by defining a unified minimum family income for all assistance, both national and decentralized.

The 1986 draft financial law thus prejudices persons who do not form part of the social fabric and will abolish several specific aids to pensioners and families, including the first-child allowance, although the supplementary allowance has been retained and increased in proportion to the family income. There will also be improvements to some social services for families and especially the elderly. Day nurseries and nursery schools will be improved. Income thresholds have been set for access to these facilities, with families paying according to their means.

Social services for the elderly continue to be provided by the regional authorities. Priority is given to services which protect the elderly from need, discomfort and isolation and help them to reintegrate into their families or into normal life (home helps, holidays in warm climates, social centres, social integration services, financial assistance, alternative residential services, sheltered housing).

In Umbria and Campania, a decision has been taken to set up regional councils for the elderly.

In the field of family law, consideration is being given to improving the legal situation as regards divorce, rape, housewives, parental leave and adoption. The underprivileged (handicapped, alcoholics, migrant workers) benefit from a number of social measures and services provided at regional level, although not uniformly. Voluntary work is particularly active in the "newly poor" sectors and two draft laws aim at giving it legal status.

160. In Luxembourg, the Chamber of Deputies is considering a draft law on adoption mainly designed to adjust to the provisions of international private law.

With respect to family allowances, the Economic and Social Council recalled that it was up to the nation to carry the burden of family policy which should be financed out of the public budget and not by firms. The family allowances for handicapped people have been modified in order to obtain a more harmonic administration. Moreover, all family allowances are based now on the rights of the child.

In its July 1984 policy statement, the Government established the fight against poverty as its primary goal, and to this effect proposed to introduce the right to a guaranteed monthly income. Under the first project examined, each household legally domiciled in Luxembourg would be entitled to a monthly income varying in accordance with the composition of the household. The State would cover the difference between this monthly guaranteed income and the household's available income. The project has still to be presented to the Economic and Social Council for its opinion.

Finally a new social housing construction program has been set up for the period 1985-1989.

161. In the Netherlands, some important amendments have been implemented with regard to assistance benefits in the framework of the Social Assistance Act. After large discussions in Parliament and in the public the so-called 'frontdoor' rule for social assistance beneficiaries entered into force on 1 June 1985. This provision implies that assistance benefits can be reduced for those who share one residence and who are thus able to save on housing costs. Especially households with older unemployed children and single mothers with children appear to be the most important groups which belong to the 'frontdoor sharers'.

At the end of the first quarter of 1985, 608 000 persons received regular assistance benefits, excluding those living in homes, an increase by 59 000 compared with the same period of last year. In total, the municipalities spent nearly HFL 2 600 million for that purpose in the first three months of the year.

The Social and Cultural Planning Office has published an interesting study on the living conditions for widows, widowers, divorced and other singles. The report gives an overview on the sources of income of these groups, their housing and income situation and contains a number of relevant demographic features of the whole population. It stresses that income differences depend mainly on factors such as age, participation on the labour market, and the presence of children and a living partner.

On 24 December, the Secretary of State of the Department for Social Affairs and Employment submitted a government note on the combination of parenthood and paid work. The document lays down some principles for parental leave and leave for family reasons. As a basic statutory provision parental leave would be granted, in principle unpaid, up to 6 months in the form of part-time leave while maintaining a minimum working week of 20 hours. It is envisaged that collective agreements could lay down additional details.

162. In the United Kingdom, attention is focussed on the trend of expenditure in real terms on social security. Since 1979 it has risen by something over 25 %, mainly on account of unemployment (60 % of total expenditure - a 150 % increase since 1979). The fact that the duration of unemployment is increasing is reflected in the growing number of persons receiving supplementary benefits as opposed to contributory benefits. The high rate of youth unemployment, particularly among ethnic minorities, constitutes the principal source of concern.

In an attempt to control this trend, the Government has set limits on grants and has set local authority targets for essential expenditure; rate capping has been introduced to prevent authorities from resorting to higher local taxes and have been crying out for greater efficiency. This measure has provoked sharp differences between the two public authority tiers. It is difficult to assess the actual impact of these measures but they have probably prevented the local authorities from providing the additional support services to offset the indirect consequences of unemployment, particularly, for example, with housing. Restrictions on housing and the sale to private owners of council housing or failure to maintain the latter has certainly led a number of families to accept rather unsatisfactory provisional solutions.

In regard to social benefits, old age pensions have been raised by an amount in excess of the increase in the cost of living and family allowances are to be adjusted in line with individual incomes and the actual needs of families. Also more qualitative measures have been proposed, such as the parental leave and the leave for family reasons in favour of the family, and a flexible retirement age in favour of older people. Increased efforts have been made in creating jobs for severely disabled people with as a result, last year, a 4 % increase in jobs supported by the sheltered employment program.

A major reform of social security was confirmed in a White Paper in December 1985. The main changes are a reduction in the levels of state earnings-related pensions in the future (to be phased in from the year 2000 to 2010) and the promotion of private pension arrangements; the move to a Family Credit system of benefits, paid on top of wages to the main breadwinner, instead of a Supplement paid to the mother by the State; and the simplification of most welfare benefits. The estimated effect of the

benefit changes would be to cut the amounts paid to some 3.8 million households (mainly pensioner households) but to expand the number of households in receipt of family credits. Social organisations have been firmly opposed to these plans, which they consider as an organised attack on the social security system, and on the protection of weaker groups in society.

Chapter VIIISOCIAL SECURITYTrends within the Community

163. The trend in social security no longer involves the extension of cover to new categories of beneficiaries or higher benefits. Austerity policies barely allow existing levels of protection to be maintained where they do not impose drastic cuts in social security budgets. This chapter contains a number of examples of measures designed to control expenditure or reduce benefits. For all that, however, social security has not ceased to develop. There are other examples which indicate that it has entered a phase where it is adapting to new requirements which in no way call into question the reasons for its existence.

At the various stages in their lives, people's financial security depends on the income provided either by their family, their employment or the State through its social security payments. Of these three sources of income, however, the first two no longer provide an absolute guarantee. Changes in family attitudes are taking place which call into question the interdependent relationships which used to provide security for spouses, children and aged parents. At the same time, there are doubts as to the ability of present-day economies to generate enough paying jobs. In other words, now more than ever the financial security of the individual depends to a large extent on support from the community. As this weakens, there is a corresponding increase in poverty, social deprivation, even delinquency, with all the consequences that these imply for society.

164. Recognizing the importance of social security at the present time does not, however, mean that the need for changes, which is just as immediate, should be overlooked.

These changes result primarily from the uncertainties governing the nature of economic growth.

In the short term, problems of competitiveness during recession lead to cuts in the work force and investment in rationalization measures. In the longer term, there is continuing uncertainty, as new technologies are introduced, as to the size of the labour force required or related to the appearance of new forms of work. In both cases, questions arise in particular with regard to the financing of social security (which is based mainly on wages and hence on employment) and social protection in the case of non-traditional forms of work organization (such as part-time working). In this chapter these new concerns can be seen reflected in the measures adopted in various countries.

Another set of changes is the result of sociological trends. Recognition of the role of women in society and the sharing by couples of occupational and family responsibilities are gradually leading Member States to make equal treatment for men and women an objective of their social policy. More and more legal measures are incorporating this objective into national social security legislation, a process which is moreover in line with the Community's own provisions.¹ The increasing number of divorced and unmarried couples are new factors that the social security systems can no longer overlook. Other innovations concern elderly workers. Some are granted early retirement with a bridging pension. Others who find themselves unemployed are given special treatment. Those who are still working should be given opportunities to make a gradual transition from full-time work to retirement.

Finally, mention should be made of the position of the long-term unemployed, unemployed young people and one parent families,

¹ Directive 79/7/EEC of 19 December 1978, OJ L 6 of 10.1.1979.

whose situation in many cases is still precarious and requires appropriate protective measures.

Another factor which will become even more of a challenge in the future is the demographic trend and the resulting distortion of the age pyramid. Clearly, the ageing of the population will have repercussions, particularly for pension schemes, which should be assessed now. In particular, there should be no relaxation of efforts regarding family policies; they should be pursued and further adapted to the changes in the living conditions of couples and of families.¹

165. At a time when proposals for reforms are being examined in a number of Member States, it is worth reiterating this need to adapt social security systems to changes in society and economic conditions. However, the Commission also feels bound to emphasize that, far from seeking to move away from social security in favour of less secure forms of protection, particularly for the most vulnerable, any changes introduced should first and foremost help, in the very words of the Treaty, to improve living conditions in the Community. It is with this in mind that the Commission has decided to prepare a new communication on social security problems which takes account in particular of all the points raised in the wake of the first communication of 17 November 1982 on the same subject.²

¹ Mention should be made in this connection of the important report adopted by the Economic and Social Committee on 3 July 1985 on population trends in the Community.

² COM(82) 716 final.

Development of the situation in the member countriesBelgium

166. A new agreement between the health insurance bodies and the medical profession took effect on 1 January. Apart from regulating fees, this agreement introduces a number of measures, including the fixing of an overall budget for clinical biology and nuclear medicine and the possibility for doctors to opt for direct payment by the insuring body rather than by the patient in order to control consumption more efficiently. On the same date an agreement with dentists will ensure an improvement in treatment for patients aged between 12 and 21 years.

Among the provisions of the Law on economic recovery of 22 January were measures to ensure that social security is in balance, combat fraud in relation to contributions and maintain the system of bridging pensions. The 6% reduction in some unemployment benefits has also been extended. This Law also introduces a "break in career allowance" of BFR 10 504 per month which enables workers to interrupt their occupational activities temporarily, i.e. for between 6 and 12 months, thus releasing jobs for the unemployed. Their rights to social security (health care, family allowances and pension rights) cover are maintained during this break. It should be noted that half-time working is also a possibility, either during (allowance reduced by half) or at the end of working life (from the age of 50 - full allowance paid to encourage phased retirement).

Health care insurance was extended by a Royal Decree of 4 April to persons not yet covered who have actually been resident in the country for at least 6 months. A further Royal Decree of 12 April lays down the social security provisions applicable to men and women engaged in professional sport.

Progress was achieved on the question of equal treatment for men and women, particularly as regards "helpers" and the surviving spouse under the self-employed insurance scheme. Family allowances previously only paid to "young women in the home" have been extended without discrimination to all young people in a similar situation.

Changes were made to the sickness and unemployment insurance schemes to take account of the situation of part-time workers. Unemployed persons over the age of 55 were exempted from checks on whether or not they are seeking.

Family allowances should be increased from 1 January 1986, particularly for families with more than two children, under the Law of 1 August which also increases pensions dating from before 1968, lays down a number of administrative and budgetary measures and establishes among other things the principle of an allowance for patients choosing to receive treatment at home rather than into hospital.

Mention should also be made of some measures concerning financing : extension of a reduction in employers' contributions when they take as well as on young workers and of the solidarity contribution levied on civil servants introduction of a wage moderation imposed to workers, destined to provide financial cover for the unemployment benefits.

A social security card was introduced by the Law of 25 January allowing checks to be made on whether wage-earners are in receipt of social security benefits, which implies the total or partial cessation of their occupational activities. At present, however, this card only applies to two professional sectors.

Denmark

167. A new agreement was concluded at the beginning of the year between the health service authorities and the medical profession.

Changes were made to the regulations on daily allowances, particularly as regards the calculation of maternity allowances paid to persons who are employed for only a short period after completing their training . Moreover, maternity

allowances are paid for 24 weeks from following birth, and parents may decide which of them is to receive the benefit, and hence look after the child, during the last ten weeks.

On the question of unemployment, under laws adopted on 14 June, people who have been unemployed for two years after their first job may be offered 24 months' training during which they are paid the equivalent of the unemployment benefit.

Mention should also be made of a new measure whereby a part-pension will shortly be granted to all people between the ages of 60 and 67 engaged in an occupational activity (including, therefore, the self-employed). The persons concerned may continue to their activity, but on a part-time basis only. The amount of the part-pension is fixed at the rate of the sickness benefit calculated on the basis of the hours not worked; it is reduced to 80 % after two and a half years and 70 % after a further two years.

Federal Republic of Germany

168. In order to place the financing of pension insurance on a sounder footing, the contribution was increased from 18.7 % to 19.2 % from 1 June, but will be reduced again to 18.7 % from 1 January 1987. The State has planned an exceptional subsidy of DM 1500 million to enable insurance organisations to have a reserve of the equivalent of one month's expenditure. Such organisations have resources of 300 million DM.

Moreover, the sickness insurance contribution for those drawing pensions was also raised on 1 June from 3 % to 4 %. By contrast, unemployment insurance contributions were cut by 0.5 %, and the employer and the worker now pay 2.05 % each instead of 2.3 %.

The most important new measure stems from the law of 11 July which reforms the survivors' insurance scheme with effect from 1 January 1986. From now onwards, widowers, like widows, are entitled to a survivors' pension. This pension, which is calculated on the basis of 60 % of the deceased spouse's pension, may be drawn concurrently with a personal old age pension or with income from other sources of up to a limit of DM 900 per month (with an increase in respect each child receiving an orphan's pension). Beyond this ceiling, a full or partial deduction is made from the survivors' pension amounting to 40 % of that part of the pension or of other income exceeding DM 900. It is applied progressively over a period of five years (no deduction the first year, 10 % the second, 20 % the third etc...). Where the spouse was aged over 50, on 1 January 1986, he or she may opt for the old scheme. In addition to this further steps towards equal treatment for men and women, the law gives mothers, and on an optional basis to fathers, where the parents were born after 1921, a right to an additional pension insurance year for each child raised. This insurance year is calculated on the basis of 75 % of the average income of all insurance persons.

Greece

169. The upgrading of the various benefits was once again accompanied by an increase in minimum pensions for wage-earners and the self-employed (the minimum for farmers, for example, went up from DR 5 000 to DR 7 000 per month). Other improvements were made for specific categories of workers. For example, seafarers will now be entitled to a supplementary pension which will be a percentage of the main pension. People in various occupations will now be able to retire at age 60 if their jobs involve arduous or unhealthy work. The retirement age is reduced to 58 for workers in the building industry because of the unemployment rate in that sector. Special measures were also taken to improve the pension rights of former political dissidents. Finally, Greek war-time political refugees who have returned to the country are allowed to count periods of employment abroad for insurance purposes. Under law 1539/85, entitlement to sickness benefits in kind for dependent unemployed children have been extended from age 18 to 24 and to age 26 for children attending an educational establishment.

New conditions were laid down for the granting of invalidity pensions and the period for which the maternity allowance is paid was increased from 84 to 98 days (or 14 weeks). As announced last year ¹, the amount of family allowance now varies depending on the annual family income.

Mention should also be made of law n.1545/85 introducing a national system of protection against unemployment which lays down more favourable conditions for the granting of benefits and improves the situation of young people and elderly unemployed persons.

France

170. A reform took effect on 1 January, (laws of 22 December 1984 and 4 January 1985), concerning the following family benefits :

- the young child allowance which now replaces the pre- and post-natal allowances and the family supplement paid in respect of children under the age of three; the amount is fixed at FF 736 per month and it is paid from the age of 4 months to 3 years depending on family income ;
- the parental allowance for bringing up children, which is paid to persons who have worked for two years during the previous 30 months and interrupt or reduce their occupational activities on the occasion of the birth, adoption or fostering of a child under the age of three in a family which already has two dependent children; the monthly amount is fixed at FF 1 000 where an occupational activity is interrupted (less where it is rarely reduced); it is paid for a maximum of 24 months;
- the family support allowance which is paid for any child in respect of whom one of the parents has for at least two months failed or been unable to meet their obligation to pay maintenance or alimony; the amount is equal to the orphan's allowance.

¹ Social Report 1984, point 157.

It should be noted, moreover, that the daily maternity allowance has been reduced from 90 to 84 % of the basic wage. Another reduction concerns the so-called "comfort" medicinal products in respect of which only 40 % of the cost will now be reimbursed (instead of 70 %).

A new agreement between the sickness insurance bodies and the medical profession was concluded for four years.

As announced last year, the 1 % levy was not extended into 1985. However, the employees' contribution to unemployment insurance was raised from 1.92 % to 2.12 % of the wage ceiling.

Improvements were finally made to the system of benefits for the long-term unemployed whose rights to unemployment insurance have expired. Subject to certain conditions regarding previous activity and resources, the daily solidarity allowance paid to them was raised from FF 42 to FF 64.50 on 1 April. It may be as high as FF 86 per day for unemployed persons aged 55 and over who can give proof of 20 years' paid employment. Moreover, unemployed persons aged 57 1/2 have to give proof of only ten years' paid employment to obtain this allowance and are not required to look for a job.

Apart from measures to restrict the aggregation of retirement pensions and wages received in respect of an occupational activity, mention should also be made of a proposal which gradually brings the retirement age for farmers down to 60.

Ireland

171. Long-term social benefits were increased by 6.5 % and short-term benefits by 6.0 % from July. However, a change in the calculation of earnings-related benefits (particularly in the case of unemployment) will lead to a reduction of IRL 1.20 per week in the maximum amount of such benefits. Moreover, dental, optical and surgical appliances benefits (i.e. contact lenses, hearing aids) were made available from 11 July to the pregnant wives of qualified insured workers.

In July, a law was adopted establishing equal treatment for men and women in matters of social protection; this law has to be supplemented by implementing measures.

Protection in the case of occupational diseases is extended to development aid workers in respect of infectious or parasitic diseases contracted during time spent working in the developing countries. Moreover, the list of occupational diseases grew significantly longer.

Changes were made to contribution rates and ceilings. Unemployed persons over the age of 55 receiving unemployment benefits who have been out of work for 15 months or more will in future be exempt from certain control requirements.

Italy

172. Subject to certain conditions regarding income, the law of 15 April raises social pensions and minimum pensions for those aged 65 and over with effect from 1 January 1985. In the case of the latter, the increase is in three stages : on 1 January and 1 July 1985 and on 1 January 1987. Other pensions will also be increased in three stages, on 1 January of 1985, 1986 and 1987, in respect of insurance years prior to 1983. This does not, however, apply to pensions for self-employed workers.

The wage ceiling applied for purposes of calculating pensions was also raised to LIT 32 million per year.

The financial difficulties facing insurance schemes have led the Government to take measures to improve the situation. These include a reduction in the fiscalized share of sickness insurance contributions and measures to combat fraud as regards payment of contributions (increases and higher rates of interest in the event of delays in the payment of sums owed etc.). However, mention should also be made of more radical proposals in the field of health care such as increasing insured persons' contributions and making them generally applicable, extending the

highest rate of contribution to categories not hitherto subject to them and even reducing health care cover significantly for people on medium or high incomes. It is too early to say what will become of these proposals.

Luxembourg

173. The measures introduced on 28 June fix the rates of contributions by insured persons to the various sickness insurance funds for the period from 1 July 1985 to 30 June 1986. The rate for benefits in kind remains at 4.7 % and for cash benefits at 3.6 % (manual workers) or 0.1 % (salaried staff and the self-employed).

The Law of 19 June establishes a right on the part of the child to family allowances. It also establishes a single body, the national fund for family benefits, to administer these benefits which will, moreover, be financed in a different way. All employers, including those in the public sector (State, national railway company) must now pay contributions at a uniform rate (1.8 % of wages), subject to transitional measures until 1987.

The Netherlands

174. Legislation on old age pensions was changed by the Law of 28 March in the interests of equal treatment for men and women. With retroactive effect from 1 January, each spouse now has an individual right to the old age pension (50 % of the amount previously laid down for a married couple). In order to avoid a reduction in the pension where one of the spouses has still not reached the age of 65, the new legislation provides for a temporary increase in the pension.

The Law of 24 April, for its part, establishes equal treatment with regard to unemployment benefits, with retroactive effect from 23 December 1984: unemployed married women are now treated in the same way as other categories of unemployed workers. To offset the cost of this measure,

the total period for which benefits are paid has been reduced for all unemployed persons under the age of 35.

Moreover, from 1 January, unemployment and long term disability (total disability) benefits were reduced to 70 % (instead of 80 %) of the individual's last wages.

Sickness benefits will also be aligned on this figure on 1 January 1986 and, with this in view, they were reduced to 75 % from 1 May. Moreover, social security contributions are levied on these allowances.

There was no adjustment of benefits in July in line with wage trends nor were family allowances brought in line with prices. However, a special allowance to compensate for loss of purchasing power was granted to persons whose incomes do not exceed the statutory minimum wage.

Other reforms were announced for 1986.

United Kingdom

175. The Social Security Act 1985 of 22 July introduces a number of new measures, the most important of which concern the following :

- occupational schemes: guaranteed rights for members under the age of 26, possibility of transferring rights from one scheme to another, more information for members;
- financing: abolition of the ceiling on employers' contributions, lower contributions for the low paid;
- equal treatment for men and women: abolition of the special condition applied before 1979 to married women in respect of retirement pensions, married women over the age of 80 granted the same pension as other beneficiaries of that age;
- sickness benefits to be paid by the employer for 28 weeks instead of 8.

Of the other measures adopted over the year, mention should be made not only of the upgrading of various social benefits, but also the right of workers volunteering for redundancy to obtain unemployment benefits. As regards health care, a decision was taken to increase the patient's financial contribution towards certain treatment (dental treatment, hospitalization, etc.) and to require doctors to prescribe only those medicinal products included on a limitative list. Volunteer development aid workers returning to the U.K. were granted improved protection in terms of welfare and in the near future will have their situation improved as regards unemployment benefits.

The major events of the year were, however, the publication of, first, a Green Paper on social security reform at the end of June, and then a White Paper in December. The initial and most controversial proposal was to move away from the statutory earnings-related pension scheme towards occupational schemes or individual private insurance, with the State only paying the flat rate basic pension. The very widespread protests this provoked caused the government to modify its plans. The future scheme as now proposed would retain a reduced earnings-related component of the state pension, which would be based on 20 % not 25 % of earnings and would relate to lifetime earnings, rather than the 20 best years as at present.

Of the other proposals, mention should be made of the following : upgrading on the same date (in April) of benefits, contributions and taxes, abolition of the death grant, restriction of the maternity grant to families on low incomes (the amount would, however, be increased) and new arrangements for the payment of maternity and widows' allowances. Welfare and housing benefits would also be reformed. The same would be true of the 'family income supplement' which would be changed to a 'family credit' paid by the employer (instead of the State) to families whose net income was below a certain level. Finally, management of social security would be extensively computerized.

Chapter IX

SAFETY AND HYGIENE AT WORK

Trends within the Community

176. Member States have continued working to bring their legislation into line with the provisions of Community law on health protection and safety at the workplace.

Work is thus continuing on legislation on the handling of dangerous substances.

A number of technical specifications relating to the safety of the workplace or of installations have been considerably amended to take account of the technological progress made in this field.

In addition major steps have been taken to promote the design and application of production techniques which will improve working conditions.

Finally, a number of steps have been taken regarding training in and information on the problems of health protection and safety at the workplace.

The Commission, for its part, has called together the government experts in order to examine the position regarding the implementation of Directive 82/605/EEC on the risks of exposure to lead, which should have been assimilated into national Legislation by 1 January 1986, and Directive 83/477/EEC on asbestos, due to be assimilated into national legislation by 1 January 1987.

Developments within the Member StatesBelgium

177. The Royal Decree of 1 February 1985 implemented the EEC Council Directive on industrial major accident hazards.

The Royal Decree of 29 May 1985 amended the general rules on electrical installations in order to bring them into line with the provisions of the EEC Directive on the approximation of laws on electrical equipment.

Under the provisions of the Royal Decree of 26 June 1985 a medical service is to be set up for merchant navy personnel in Antwerp.

As regards cooperation at company level, under the Royal Decree of 1 February 1985 companies with 50 or more employees are now required to set up a safety and hygiene committee.

The Royal Decree of 13 February 1985 lays down methods for determining noise levels on construction sites.

Denmark

178. Under the Ministry of Labour Decree of 27 August 1984 on restricting noise at the workplace, the new rules on noise apply to any work done by way of trade whether or not carried out for an employer.

Under the Labour Inspectorate Decree of 21 December 1984 on the declaration of substances and materials regarded as carcinogenic, such products must be declared to the Labour Inspectorate (products register) by 15 August 1985. The substances regarded as carcinogenic include asbestos, benzene, formaldehyde and certain cadmium and nickel compounds. Examples of materials which may contain carcinogenic substances are pesticides, disinfectants, cosmetics and plastic- and wood-based products.

The Labour Inspectorate Decree of 26 March 1985 on epoxy resins, isocyanates etc. states that these substances may not be supplied or used unless the suppliers have informed the Labour Inspectorate of their composition in advance and have supplied proof that they can be used without any adverse effect on safety and health. The supplier must give instructions for use on the packaging of the substances.

In addition a number of decrees are currently being prepared or are to be updated. Among the most important of these are the rules on individual protective equipment, pressurized containers, compressed-air pipes and the application of Community directives on asbestos, lead and lead compounds.

Finally, action has been taken on the following subjects: organic solvents, noise, safety in industry, instructions for use for various substances and materials, coolants, lubricants and other oils used in construction and civil engineering work, laboratories, work in drains, welding (problems of fume emissions), particularly with stainless steel and aluminium, styrene, formaldehyde and narcotic gases.

Action has also been taken on a smaller scale with regard to hairdressers and bakers (problems of eczema and more general ergonomic problems).

Acting on a proposal from the Working Conditions Committee, the Ministry of Labour requested the board of the Labour Inspectorate, when planning its future activities on working conditions, to take into account a report drawn up by the Danish Employers' Organization and the Confederation of Trade Unions, and the comments made on the report by the local councils in their capacity as employers. The report covers subjects such as chemical substances and materials, noise, workplace design, ergonomics, the revision of existing regulations, approaches to monitoring and prevention, safety bodies etc.

Federal Republic of Germany

179. During this one-year reference period a number of aspects of the existing provisions on safety and hygiene at work were amended, added to and revised. By adapting existing systems and methods an attempt was made to take account of the new hazards and health problems which the increasing emphasis on new technologies has brought. In a number of cases, however, it proved essential, given the new working and production processes, to introduce new techniques and new types of protective equipment.

The technical specifications for the decree on dangerous substances were amended, particularly as regards the technical reference concentrations for dangerous substances (e.g. reduction of the technical reference concentrations for benzol and 1,2-Dibromoethane) and the requirements for measuring concentrations of dangerous substances in the air at the workplace.

Furthermore the "dangerous substances" committee published a recommendation on the application of technical reference concentrations to nickel and cobalt. The committee also adopted technical specifications on "the recycling of air when working with carcinogenic substances", the substances in question being certain respirable particulate carcinogenic substances (in the form of fine dust in the case of asbestos).

Similarly, amendments were made to the technical specifications on the general conditions for and on the use of compressed gases, compressed gas cylinders, high-pressure gas pipes and steam generators, oxyacetylene welding sets, calcium carbide stocks and lifts.

In accordance with the decree on workshops, the Federal Ministry of Labour and Social Affairs issued directives on workshops embodying the main generally accepted safety and occupational medicine specifications and the latest ergonomic knowledge. DIN standards have been adapted to the latest developments in standardization in two directives of this type published during September.

The Federal Government approved on 18 December a draft decree on dangerous substances which is modelled on the law on chemical products and contains provisions on the protection of all citizens to be complied with during the sale, manufacture and use of dangerous substances and preparations.

In accordance with Directive 83/189/EEC the draft decree was first submitted to the Commission under the information procedure for new technical specifications designed to prevent trade barriers.

Greece

180. On 18 October, the Parliament adopted Law no 1568 on the "health and safety of workers". This Law was prepared by a committee of Ministry of Labour experts set up on 16 July 1984 and establishes a National Council for the Protection of Workers and Prefectoral Health and Labour Protection Committee. Furthermore, this Law will help to harmonise Greek legislation with Community legislation on the protection of workers exposed to physical, chemical and biological dangers at work (EEC Regulation 1107/80). The draft Law clears the way for the ratification of ILO Convention No 155 on health, safety and the environment at work, and contains 40 articles on agencies for improving working conditions at company level, similar agencies at national level, workplace requirements, the prevention of machine-related occupational hazards and the protection of workers from physical, chemical or biological hazards.

France

181. Law 85-772 of 25 July 1985 amends the articles of the Code de Travail (Labour Code) to bring them into line with EEC Directive 79/781/EEC on the classification, packaging and labelling of dangerous substances.

The Decree of 19 January 1985 lays down a list of work for which the employees of temporary labour agencies may not be employed; the work in question involves exposure to certain toxic agents and special risks for temporary workers for whom it is difficult to provide medical supervision.

The Decree of 5 April 1985 lays down technical instructions to be observed by occupational physicians responsible for medical checks on employees exposed to substances which may cause malignant damage to the bladder.

The scope of the Decree of 12 October 1983, laying down a list of and the conditions for the labelling and the packaging of paints, varnishes, printing inks, adhesives and similar products is extended by the Decree of 5 July 1985 to include enamelling preparations.

On 1 August 1985 the Decree of 2 August 1963 on the lighting of workplaces entered into force, as did, on 1 December 1985, the Decree of 7 December 1984 on the ventilation and sanitation of workplaces.

The following administrative measures were introduced: the circular of 5 March 1985 on the permitted values for the concentrations of certain dangerous substances in the atmosphere at the workplace; the circular of 2 May 1985 defining the role and responsibilities of the occupational physician with regard to pregnant workers; the circular of 9 May 1985 "Technical notes on decrees 84-1093 and 84-1094 of 7 December 1984 on the ventilation and sanitation of workplaces"; and the circular of 14 May 1985 on the training of CHSCT (Committee on hygiene, safety and working conditions in industry) staff representatives.

The circular of 14 May 1985 on the prevention of occupational cancers specifies the roles of the employer, the trade unions and the occupational physician in preventing this hazard, the effects of which

may appear only long after exposure to the agents in question. Two lists of substances are annexed to the circular; one does not specify any exposure limit values, the other gives average exposure limit values the scope of which is explained in the circular.

A number of draft legal instruments are being examined or prepared, including the following: a draft decree specifying the contents of the annual figures which must be submitted to the CHSCT, a draft decree on measures for monitoring ventilation and sanitation at the workplace; a draft decree on the use of explosives on building construction and public works sites (will replace a 1962 decree); a draft decree defining the mandatory hygiene and safety conditions for spraying booths, mixed spraying and drying booths and paint and varnish drying booths and chambers; a draft decree on the protection of persons carrying out paint-spraying work; a draft decree on the protection of workers exposed to benzene, amending previous decrees; and a draft decree on dangerous substances and preparations bringing French law into line with Directive 79/831/EEC of 18 September 1979.

The Higher Council for the Prevention of Occupational Hazards chose safety in building and public works as its priority for 1985 and operations were launched along two lines:

- developing safety training by incorporating it more effectively into occupational training and by reminding employers of their legal obligations;
- developing research into how to integrate safety. This may be applied to new or existing buildings and is intended to improve the safety of workers working on the maintenance of the buildings.

Finally, an information campaign organized by the Ministry of Labour together with the National Agency for the Improvement of Working Conditions and the National Research and Safety Institute was televised in late 1984 and early 1985; a new series of programmes began on 5 October 1985.

Ireland

182. The Hoists and Hoistways (Exemption) Order pursuant to the Safety in Industry Acts, 1965 and 1980, came into force on 1 April 1985. This Order - S.I. N° 100 of 1985 - exempts certain classes or types of hoists and hoistways from compliance with certain requirements of the Factories Act of 1955.

Regulation S.I. N° 244 of 1985, giving effect to Council Directive 83/264/EEC and prohibiting the use of dangerous substances in textile articles intended to come into contact with the skin, as well as restricting the use of certain harmful substances in jokes and hoaxes, came into force on 19 July. These Regulations also prohibit the marketing of articles containing such substances.

Drafts being examined or in preparation include proposed comprehensive legislation on occupational safety and health : the Minister of Labour will shortly seek Government approval for legislative proposals to give effect to the main recommendations of the report of the Commission of Enquiry on Safety, Health and Welfare at Work. The main proposals in this report are for the introduction of a new framework Act for the protection of all workers, including the self-employed, the establishment of a new National Authority with responsibility for the safety and health of all workers, and the organization of a programme of training, education and information at every level.

Proposed legal provisions to extend the present list of scheduled dangerous substances under the Dangerous Substances Act, 1970, will be implemented in the near future.

Legislation nearing completion or currently being prepared includes : a statute for the safety and protection of workers on offshore installations; legal provisions to implement Directive 82/501/EEC on the major accident hazards of certain industrial activities ("Seveso" Directive); Regulations to give effect to Directive 83/478/EEC (prohibiting the marketing and use of dangerous products); and lastly, Regulations to give effect to Directive 84/449/EEC (replacing Annex V of Directive 67/548/EEC relating to the classification, packaging and labelling of dangerous substances).

Italy

183. The Ministerial Decree of 28 May authorizes the use of special equipment for the prevention of accidents when putting up and taking down fixed metal scaffolding.

The Circular of 17 April lays down that the certificate of competence issued to operators of steam generators will expire only on the day when the operator reaches the age of 65.

The Circular of 30 July lays down accident prevention criteria for hydraulic vertical-movement platforms used as goods lifts.

By the terms of the Circular of 10 September self-supporting arch centres for viaducts are subject to the specific requirements (plans and procedures) applicable to dismantling operations, without prejudice to any relevant accident prevention regulations.

With regard to the application of the Community Directive (framework Directive 80/1107) on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work and the application of the Community Directives on the protection of workers from the risks related to exposure to lead (82/605) and asbestos (83/477), an ad hoc working party has been set up, attached to the Prime Minister's office and consisting of technical civil servants from the departments concerned.

The problems involved are complex and are due to the partial application until now of the standards laid down by Law No 833 of 23 December 1978 on safety and health at work. After a wide-ranging discussion the Working Party was of the opinion that a public hearing should be organized and that separate consultations should be held with professional representatives of the employers and of the trade unions directly concerned.

Luxembourg

184. There were no significant new developments in this field in 1985.

The Netherlands

185. On 1 June 1985, in a public administration regulation, the final articles of the first stage of the application of the law on working conditions came into force for employees in the market sector, as did the regulation on working conditions in civilian public

utilities and the regulation on working conditions in defence establishments. The law on working conditions thus applies to both military and civilian personnel.

On 27 September 1984 the Netherlands acceded to the International Convention for Safe Containers. As of 30 June 1985 new containers must undergo, before use, a series of safety tests which are described in detail.

In October 1985 the texts of the Royal Decree and the Ministerial Decree on restricting noise at the workplace enacted by the Council of Ministers of 13 September 1985 were prepublished. The two decrees will probably come into force on 1 January 1987.

On 18 April 1985 the Council responsible for working conditions issued an opinion recommending the application of the second stage of the law on working conditions by 1986 at the latest.

On 26 March 1985 the Economic and Social Council issued an opinion on the public administration regulation, modelled on the law on working conditions, which enables the necessary safety provisions to be introduced for the final category of workers not covered by legislation (approximately 1.4 million persons).

As regards safety at work, Article 5 of the law on working conditions (rules on the obligation to draw up a report on safety at work) will be in line with the 'post-Seveso' EEC Directive on industrial major accident hazards. Nevertheless information policy will have to be adapted to give priority to new installations.

A public administration regulation to amend, on the basis of the law on working conditions, the decision on safety in factories and at the workplace (1938) is being prepared as part of the legislation applicable to activities involving dangerous substances. It should enable framework Directive 80/1107/EEC and ILO contracts 139 and 148, which did not previously exist in Netherlands legislation, to be implemented.

The government is preparing regulations on the risks of exposure to lead metal and its compounds and to asbestos at the workplace in order to be in accordance with Directive 82/605/ CEE and Directive 83/477/EEC.

A policy has been outlined in relation to carcinogenic substances. A regulation on the protection of workers handling DNA recombinations is being prepared. Work is being carried out on regulations governing diving in territorial waters.

In autumn 1985 financial regulations came into force to promote the design, construction and use of production methods to improve occupational working conditions.

A steam equipment development project proposes a total revision of legislation on the inspection of pressure tanks.

A project is being prepared which aims in the long term to extend medical services in companies to any person in employment or following occupational training. Coordination between company medical services and general medical services is now being examined by the appropriate national consultative bodies.

Since 1981 four chairs of Occupational Medicine in the Netherlands have been founded in universities with the help of the Department of Social Affairs and Employment.

Steps have been taken towards establishing a procedure whereby occupational diseases would be reported to and recorded by the Labour Inspectorate, which would then use the information to help prevention.

United Kingdom

186 . The Health and Safety Commission (HSC) continued its policy of establishing comprehensive Regulations, Codes of Practice and guidance on all matters relating to health and safety at work, both within the framework provided by the Health and Safety at Work etc. Act 1974 (the 1974 Act) and, as from January 1984, under the Gas Act 1972.

Regulations which came into force during the year include the Control of Industrial Major Accident Hazards Regulations implementing Directive 82/501/EEC and the final stages of the Gas Safety (Installations and Use) Regulations. Regulations made during the year include the Asbestos (Prohibitions) Regulations which will come into force on 1 January 1986 and which implement in part Directives 76/769/EEC (as amended by 83/478/EEC) and 83/477/EEC.

Action continues to establish HSC Industry Advisory Committees (IACs) for the Mining Industry, the Cotton and Allied Fibres Textile Industry and the Wool Textile and Carpet Industry.

The HSC issued consultative documents containing proposals for safety in mines; for conveyance of explosives by road; for revising the Health and Safety (Enforcing Authority) Regulations 1977; for updating and extending existing controls over the health, safety and welfare of dock workers; for Codes of Practice on the design and construction of road tankers used to convey flammable liquids and for approving the British Standards on Safety Footwear and Shell Boilers. A discussion document was also issued on access to health and safety information by members of the public.

New control limits were introduced for Cadmium Formaldehyde, Trichloroethylene and Glycol Ethers and a complete List of Occupational Exposure Limits was published in May 1985. Guidance was issued on liquid carbon dioxide, trichloroethylene, poisonous substances in agriculture and on the Classification, Packaging and Labelling of Dangerous Substances Regulations 1984. An Approved Code of Practice and guidance note was issued on working with asbestos insulation and coating.

The HSC also agreed upon the basis of new arrangements for reporting of occupational injuries, dangerous occurrences and ill health with a view to implementation in 1986.

Chapter X

HEALTH PROTECTION

Radiation protection legislation

187. The Member States again continued the procedures for the application of the Council Directive of 3 September 1984 (84/467/Euratom) (1) supplementing and amending the Council Directive of 15 July 1980 (80/836/Euratom) (2) on the basic standards for the protection of the population and workers against the risks of ionizing radiation.

They also set in motion the procedure for applying the Council Directive of 3 September 1984 (84/466/Euratom) (1) laying down the basic measures for the radiation protection of persons undergoing medical examination or treatment.

The Commission gave its opinion, pursuant to Article 33, paragraph 4 of the Euratom Treaty, on the following draft texts :

- Order on the use of unsealed sources of radioactive elements in hospitals, laboratories, etc., drafted by Denmark in compliance with the above three Euratom Directives;

(1) OJ L 265 of 5 October 1984.

(2) OJ L 246 of 17 September 1980.

- Grand-Ducal Regulation implementing the Law of 10 August 1983 on the medical use of ionizing radiation, drafted by Luxembourg in compliance with the above three Euratom Directives;
- "Ionizing Radiation Regulations" 1985 and "Approved Code of Practice", drafted by the United Kingdom in compliance with Directives 80/836 and 84/467/Euratom.

During the year, the following provisions were laid down in the Member States in the field of radiation protection, by legislation, regulation or administrative action:

Belgium

- Ministerial Decree of 16.7.1985 amending the Ministerial Decree of 24.4.1964 on the type approval of items of apparatus containing radioactive substances, in compliance with Article 3.1. d/2 of the Royal Decree of 28.2.1963 laying down general rules for the protection of the population and workers against the risk of ionizing radiation;
- Royal Decree of 21 August 1985 amending the Royal Decree of 28 February 1963 laying down general rules for the protection of the population and workers against the risk of ionizing radiation.

Federal Republic of Germany

- Law on the peaceful use of nuclear energy and protection against the risks thereof. Enactment of the new version of the "Atomic Law" of 15.7.1985.
- Special technical standards were laid down for :
 - the handling of sealed radioactive substances in medicine (DIN 6804 - February 1985);
 - radiation protection rules for the installation of medical radiology equipment rated at up to 300 Kv (DIN 6812 - May 1985);

- specifications for, and operation of, technetium generators (DIN 6854 - January 1985),
- image quality guarantee in radiodiagnosis establishments (DIN 6868 - February 1985).

France

- Decree No 85-449 of 23.4.1985 implementing, for basic nuclear installations, the law of 12.7.1983 on the democratization of public inquiries and the protection of the environment,
- Decree No 85-968 of 27.8.1985 amending Article 233-83 of the code of practice and defining the safety and health conditions applicable to industrial radiography apparatus using gamma radiation,
- Circular of 6.6.1985 on mining and prospecting work in radioactive substance mines.

Luxembourg

- Grand-Ducal Regulation of 22.8.1985 banning the fabrication and marketing of lightning conductors comprising radioactive elements,
- Grand-Ducal Regulation of 20.9.1985 amending the Grand-Ducal Regulation of 8.2.1967 implementing the law of 25.3.1963 on the protection of the population against the risks of ionizing radiation.

Radiation protection measuring techniques

188. Basic standards on the health protection of the population and of workers against the risks of ionizing radiation stipulate, inter alia, that measuring instruments must be checked periodically. To this end, most of the Member States nominated a number of pilot laboratories to take part in two instrument comparison programmes coordinated by the Commission. As a result, tests were carried out on the accuracy and reliability of various active and passive appliances used as portable and ambient instruments or designed to record radiation in the environment.

In addition, the Member States have continued with their work on radiation protection instruments.

In Denmark a system for the collection of data on thermoluminescence measuring devices has been developed. The individual doses received by personnel in radiotherapy installations over the last thirty years have been recorded for processing and analysis.

In the Netherlands a fully automatic monitoring system in mixed radiation fields has been developed, and work has continued on the development of a new thermoluminescence device for measuring neutrons and gamma radiation. Thermoluminescence dosimetry techniques have also been developed to measure the X-rays used in dermatological therapy. Finally, a photon calibration process has been introduced.

In the United Kingdom research has continued on the practical application of the new orders of magnitude. New dosimeters for measuring doses to the skin and the extremities have been put into general use. Research is continuing on evaluating the dose to the population in the nuclear fuel cycle and to test the accuracy of measurements of plutonium uptake by workers.

Monitoring of radioactivity in the environment

189.

Monitoring of the radioactive contamination of the environment is carried out in fulfilment of the requirements laid down by Article 36 of the Euratom Treaty.

In all Member States the radioactivity present in the environment (air, water, fallout, food chain) is measured in representative samples. As in the previous year, the results of the analyses have been sent to the Commission, using a simplified model. The measurements carried out show no significant departure from those of previous years.

The problem of natural exposure to radon and its daughter products in dwellings is still being investigated with a view to defining reference parameters and obtaining comparable data in the Member States.

The data currently available for 1985 are not sufficiently significant to be presented in table form. Nor are there any significant epidemiological data on the levels of activity in the geological environment and in dwellings.

As regards monitoring of ambient radioactivity, the Committee on Radiological Protection of the Federal Republic of Germany has drafted a recommendation on the possibilities and limitations of using the collective dose. It recommends that the collective dose should be used not as an instrument of general radiological protection but solely for optimization of radiological protection of workers and for comparison of protective measures.

Radioactive effluents

190.

1) Plans for the disposal of radioactive waste

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 1985 the Commission delivered opinions on the following plans :

Gronau (Germany) : uranium enrichment plant,
Mülheim-Kärlich (Germany) : nuclear power station.

In addition, the Commission received, for information purposes, the preliminary general data relating to the Alto Lazio (Italy) nuclear power station.

2) Transborder emergency plans

A guide has been drawn up on the aspects to be borne in mind by the Member States in negotiating bilateral agreements with neighbouring countries on transborder emergency plans in the event of a nuclear accident.

Public HealthTransmittable diseases - ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)

191. Since 1981 there has been a notable increase in the number of cases of AIDS throughout the Member States. As at July 1985, approximately 1 000 cases were recorded in the countries of the European Community, compared with 10 000 in the USA. In 1985, the rate per million inhabitants was 9.4 for Denmark and 7 for France. The mortality rate is currently around the 50% mark. In almost 75% of the cases the clinical symptoms consist of opportunistic infections and, in 20%, of a Kaposi sarcoma.

Men account for 90% of cases. More than 40% of the people affected by the disease are men aged between 30 and 39. 80% of cases involves homosexuals or bi-sexuals, 5% are drug addicts, 4% haemophiliacs and 2% have received blood transfusions. In 7% of cases no risk factor has been established.

In the countries of northern Europe (Denmark, the Netherlands) an overwhelming majority of cases involve male homosexuals.

In southern European countries (Italy) no one group is clearly in the majority, although drug addicts are particularly affected.

Finally, in Belgium, a large majority of cases involve patients who originate from Central Africa.

Measures are now being taken (or will be taken in the very near future) to screen supplies of blood for transfusion in Belgium, the Federal Republic of Germany, France, Ireland, Italy and Luxembourg.

Owing to the risk factors represented by homosexuality, drug addiction and sexual promiscuity, other preventive measures have been recommended by public health authorities in the different Member States, namely :

- i) the need to give adequate information to medical and paramedical staff;
- ii) the need to monitor information put out by the mass media to check whether it is objective and whether it is compatible with the epidemiological and clinical facts;
- iii) intensifying the fight against the use of hard drugs;
- iv) intensified screening of "healthy carriers";
- v) free routine screening for the disease forming part of the medical examination of :
 - blood donors,
 - homosexuals,
 - drug addicts,
 - prostitutes,
- vi) the test chosen to screen supplies of blood for transfusion must be the one which is the most accurate, i.e. which has the highest sensitivity and specificity;
- vii) accurate epidemiological monitoring of the incidence of AIDS in the population through the imposition of a statutory requirement that all cases of AIDS, and all carriers of viruses and antibodies, be notified to the health authorities, such notification to be in accordance with the rules governing medical confidentiality and individual privacy.

Cocaine

192. Cocaine is like heroin, a hard drug whose use is causing concern inasmuch as it is primarily a drug of the affluent social classes but is increasingly affecting the younger sections of the population. The national police forces have noted an increase in trafficking and a rise in demand for the drug in Europe although there are hardly any figures available on the scale of its use.

The Commission has available the following figures on quantities of cocaine extract and chloridized cocaine seized by the Customs authorities or police in the Member States :

Quantities in kg or g

Country		1 9 8 1	1 9 8 2	1 9 8 3
Belgium		14 kg 76 g	5 kg 220 g	25kg
Denmark		10 kg 441 g	5 kg 617 g	36 kg 263 g
Federal Republic of Germany	police Customs Total	1 kg 526 g 22 kg 500 g 24 kg 026 g	14 kg 785 g 17 kg 900 g 32 kg 685 g	18 kg 262 g 88 kg 024 g 106 kg 286 g
Greece (source: N.U.)			40 g	
France		111 kg 942 g	79 kg 760 g	229 kg 214 g
Ireland (in grams)	police Customs Total	75.59 g 6.8 g 81.67 g	385.66 g 23.41 g 409.07 g	95.95 g 1.36 g 97.31 g
Italy	police Customs Total	50 kg 473 g 13 kg 610 g 64 kg 083 g	46 kg 462 g 58 kg 639 g 105 kg 101 g	137 kg 760 g 85 kg 632 g 223 kg 392 g
Luxembourg (in grams)		10.056 g	-	776.475 g
Netherlands	airport police Total	3 kg 10 kg 13 kg	13 kg 24 kg 37 kg	29 kg 29 kg 58 kg
United Kingdom	police Customs Total	5 kg 400 g 13 kg 597 g 18 kg 997 g	6 kg 600 g 12 kg 117 g 18 kg 717 g	- 71 kg 79 g 71 kg 79 g

Epidemiological assessment methods (other than deaths as a result of an overdose) are being studied :

- quantities of cocaine found in urine ,
- cases of perforation of the septum ,
- psychiatric disturbances ,
- etc.

For the time being it is difficult to draw practical conclusions from the sparse information available.

193. Legislation in the Member States is nowhere near being harmonized as far as the fight against cocaine addiction is concerned. It may be said in general terms :

- that there are not any basic differences in the Member States between attitudes towards cocaine and other hard drugs;

- that Danish, Dutch and Italian legislation, without being lax, is less draconian than that in force in the other Member States in the sense that it gives priority to "understanding", treating and rehabilitating drug addicts. In the other Member States legislation is primarily repressive and provides for heavy sentences for drug traffickers,

- that inasmuch as the use of cocaine is a recent phenomenon it represents a new political problem which will give rise to discussion within the institutions of the Member States, and that there is good reason to expect a change in legislation in various countries, particularly in Italy, the Netherlands and Spain,

As far as patterns of use are concerned a number of marked differences can be identified :

a) as to the quality of the product used. In the case of Germany, the powder inhaled contains between 5 and 10% pure cocaine; in the Netherlands this percentage is 40%. In the other countries the proportion varies between 5 and 50%;

b) various excipients are added to the pure cocaine : mannitol, novocaine and other substitutes, etc.; the degree of purity varies a great deal in the Member States;

c) the prices charged are approximately 20 ECU below the price of heroin and show a downward trend. The following table gives an outline of the retail price of cocaine :

Table of average retail prices per gram of cocaine
("Street cocaine")

<u>Country</u>	<u>ECU</u>
Belgium	Approx. 120
Denmark	Approx. 400
Federal Republic of Germany	80 - 360
Greece	Approx. 250 (Athens)
France	80 - 350
Ireland	150
Italy	Approx. 80
The Netherlands	50 - 120
United Kingdom	150
Spain and Portugal	75 - 200

d) the groups of people involved are :

- affluent middle classes aged between 30 and 40 (mostly by "sniffing") ,
- artists, students and "intellectuals" aged between 20 and 30 (also by "sniffing"),
- heroin addicts (mixed), mostly in intravenous form.

C. STATISTICAL APPENDIX

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

I. Population

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10	
1. Total population												
a) 1.000 - annual average or 30 June												
1960	9119	4581	55433	8327	45684	2832	50198	315	11487	52373	240348	
1970	9638	4929	60651	8793	50772	2950	53661	340	13039	55632	260404	
1980	9847	5123	61566	9643	53880	3401	56416	365	14150	56314	270705	
1981	9852	5122	61682	9729	54182	3443	56502	366	14247	56379	271504	
1982	9856	5118	61638	9789	54480	3483	56639	366	14313	56335	272017	
1983	9855	5114	61423	9850	54729	3508	56836	366	14367	56377	272425	
1984	9855	5112	61175	9896	54947	3535	57005	366	14424	56488	272803	
b) Average annual increase as %												
1960/70	0,6	0,7	0,9	0,5	1,1	0,4	0,7	0,8	1,3	0,6	0,8	
1970/80	0,2	0,4	0,1	0,9	0,6	1,4	0,6	0,7	0,8	0,0	0,4	
1980/81	0,1	-0,0	0,2	0,9	0,6	1,2	0,2	0,1	0,7	0,1	0,3	
1981/82	0,0	-0,1	-0,1	0,6	0,5	1,2	0,2	0,0	0,5	0,1	0,2	
1982/83	0,0	-0,1	-0,3	0,6	0,5	0,7	0,3	0,0	0,4	0,1	0,1	
1983/84	0,0	-0,0	-0,4	0,5	0,4	0,8	0,3	0,0	0,4	0,2	0,1	
c) By age groups (end of the year) as %												
0-14 years	1960	23,7	24,9	21,6	26,1	26,5	31,1	24,5	21,4	30,0	23,3	24,3
	1970	23,6	23,1	23,1	24,6	24,7	31,2	24,4	22,0	27,2	24,0	24,2
	1980	20,0	20,6	17,8	22,5	22,3	30,4	21,7	18,6	22,1	20,8	20,8
	1983	19,3	19,0	15,9	21,5	21,6	29,8	20,2	17,6	20,4	19,6	19,5
15-64 years	1960	64,3	64,4	67,5	65,8	61,9	57,7	66,0	67,8	61,0	65,0	64,9
	1970	63,0	64,5	63,6	64,3	62,4	57,7	65,0	65,4	62,6	63,2	63,4
	1980	65,6	64,9	66,7	64,3	63,9	58,9	64,7	67,8	66,4	64,2	65,0
	1983	67,1	66,1	69,5	65,3	65,5	59,7	67,0	69,2	67,8	65,4	66,8
65 years and over	1960	12,0	10,7	10,9	8,1	11,6	11,2	67,5	69,2	67,0	65,4	10,8
	1970	13,4	12,4	13,3	11,1	12,9	11,1	10,6	12,6	10,2	12,8	12,4
	1980	14,4	14,5	15,5	13,2	13,8	10,7	13,5	13,6	11,6	15,0	14,2
	1983	13,7	14,9	14,6	13,3	12,9	10,6	12,8	13,2	11,9	14,9	13,7
2. Components of population changes												
a) Birth rate (live births per 1000 inhabitants)												
1960	17,0	16,6	17,4	18,9	17,9	21,5	18,1	15,9	20,8	17,5	18,0	
1970	14,8	14,4	13,4	16,5	16,8	21,8	16,8	13,0	18,3	16,2	15,9	
1980	12,6	11,2	10,1	15,4	14,9	21,8	11,2	11,4	12,8	13,4	12,6	
1981	12,6	10,4	10,1	14,5	14,9	21,0	11,0	12,1	12,5	13,0	12,4	
1982	12,2	10,3	10,1	14,0	14,6	20,4	10,9	11,8	12,0	12,8	12,2	
1983	11,9	9,9	9,7	13,5	13,7	19,0	10,6	11,4	11,8	12,8	11,8	
1984	11,8	10,1	9,5	12,7	13,8	18,2	10,3	11,5	12,1	12,9	11,7	
b) Death rate (deaths per 1000 inhabitants)												
1960	12,5	9,5	11,6	7,3	11,4	11,5	9,4	11,8	7,6	11,5	10,8	
1970	12,3	9,8	12,1	8,4	10,7	11,4	9,6	12,2	8,4	11,8	10,9	
1980	11,5	10,9	11,6	9,1	10,2	9,8	9,7	11,3	8,1	11,7	10,7	
1981	11,4	11,0	11,7	8,9	10,2	9,6	9,6	11,2	8,1	11,7	10,6	
1982	11,1	10,8	11,6	8,8	10,0	9,4	9,4	11,3	8,2	11,8	10,5	
1983	11,6	11,2	11,7	9,2	10,2	9,3	9,9	11,3	8,2	11,7	10,7	
1984	11,5	11,2	11,3	8,9	9,8	9,1	9,3	11,1	8,3	11,4	10,4	

Source : "Demographic statistics 1986", EUROSTAT.

I. Population - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
	2. Components of population changes										
	c) Net migration (per 1000 inhabitants)										
1960	+ 0,5	+ 0,7	+ 6,1	- 3,7	+ 3,1	- 14,8	- 1,9	+ 1,7	- 1,1	+ 2,1	+ 1,7
1970	+ 0,4	+ 2,4	+ 9,2	- 5,3	+ 3,5	- 1,2	- 0,9	+ 3,1	+ 2,6	- 0,5	+ 2,6
1980	- 0,3	+ 0,1	+ 5,1	+ 5,2	+ 0,8	- 0,2	+ 0,2	+ 3,7	+ 3,7	- 0,9	+ 1,5
1981	- 0,8	- 0,4	+ 2,5	+ 0,7	+ 1,1	+ 0,1	- 0,3	+ 0,8	+ 1,2	- 0,3	+ 0,7
1982	- 0,5	- 0,0	- 1,2	+ 0,8	+ 0,7	- 2,7	+ 2,1	- 0,1	+ 0,2	- 0,9	+ 0,1
1983	- 0,8	+ 0,3	- 1,9	+ 0,9	+ 0,3	- 2,1	+ 2,6	+ 0,6	+ 0,4	+ 0,1	+ 0,2
1984	- 0,0	+ 0,8	- 2,4	+ 1,0	+ 0,3	- 3,6	+ 1,6	- 0,1	+ 0,6	+ 0,9	+ 0,1

Source: "Demographic statistics, 1986", EUROSTAT.

II. Education

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Compulsory education											
a) Minimum age											
1960	6	7	6	7	6	6	6	6	6	5	5-7
1970	6	7	6	7	6	6	6	6	6	5	5-7
1980/82	6	7	6	5½-6	6	6	6	6	6	5	5-7
1983/85	6	7	6	5½-6	6	6	6	6	6	5	5-7
b) School-leaving age											
1960	14	14	14	13	14	14	14	15	14	15	13-15
1970	14	14	14/15	13	16	14	14	15	14	15	13-16
1980/82	14	16	15	14½-15	16	15	14	15	15/16	16	14-16
1983/85	16/18 ¹	16	15	14½-15	16	15	14	15	15/16	16	14-18
2. Numbers of pupils ² and students											
a) 1.000											
1960/61	1.503	.	7.222	.	8.469	.	6.961	40	2.303	.	.
1970/71	1.902	930	9.866	1.560	10.183	634	9.449	54	2.711	10.515	47.804
1980/81	1.904	1.040	10.912	1.764	11.059	773	10.829	53	3.105	10.928	52.367
1981/82	1.887	1.037	10.742	1.798	11.246	785	10.698	53	3.070	10.713	52.029
1982/83	1.867	1.039	10.466	1.774	11.136	796	10.597	52	3.041	10.475	51.242
1983/84	...	...	10.094	...	10.892	803	10.453	...	3.106	10.166	...
b) Pupils and students as % of the population											
1960/61	16,4	.	12,9	.	18,4	.	13,8	12,7	19,9	.	.
1970/71	19,7	18,8	16,2	17,7	20,0	21,4	17,6	15,7	20,7	19,0	18,3
1980/81	19,3	20,3	17,7	18,2	20,6	22,5	19,2	14,6	21,8	19,4	19,3
1982/83	18,9	20,3	17,0	18,1	20,4	22,7	18,7	14,1	21,2	18,6	18,8
1983/84	...	...	16,5	...	19,9	22,8	18,4	...	21,6	18,0	...
c) Pupils and students by level of education as %											
<u>First Level</u>											
1965/66	57,5	49,3	45,6	.	60,3	72,6	56,9	.	60,1	56,9	55,8 ⁴
1970/71	54,8	48,9	41,4	58,9	50,5	63,0	52,2	60,1	56,3	55,6	51,0
1980/81	45,1 ⁵	41,8 ⁵	26,4	51,2	44,4	55,7	41,1	51,0 ⁵	46,0	45,4	40,7 ³
1983/84	43,5 ⁵	41,6 ⁵	24,2	50,3 ⁵	40,6	53,4	38,9	48,5 ⁵	42,0	42,5	38,4 ⁴
<u>Second Level</u>											
1965/66	37,6	44,1	47,9	.	35,2	24,1	38,0	.	35,0	39,7	39,4 ⁴
1970/71	38,6	41,0	51,8	35,6	41,9	32,9	40,6	39,0	37,2	40,0	42,5
1980/81	44,6 ⁵	47,9 ⁵	62,6	42,0 ⁵	46,3	38,9	49,3	47,4 ⁵	45,0	49,7	50,7 ³
1983/84	45,4 ⁵	47,7 ⁵	61,4	42,5 ⁵	49,1	40,4	51,0	49,7 ⁵	48,1	51,7	51,9 ³
<u>Third Level</u>											
1965/66	4,9	6,7	6,5	.	4,5	3,3	5,1	.	4,9	3,3	4,8 ⁴
1970/71	6,6	10,1	6,8	5,5	7,5	4,1	7,3	0,9	6,5	4,3	6,5
1980/81	10,3	10,2	11,0	6,8 ⁵	9,2	5,4	9,6	1,6	9,0	4,9	8,6 ³
1983/84	11,1 ⁵	10,7 ⁵	14,4	7,2 ⁵	10,3	6,2	10,1	1,8 ⁵	9,9	5,7	9,7 ³

1 From 1984 : at least participation in part-time education.

2 Excluding nursery schools.

3 Estimates EUROSTAT.

4 Excluding Greece and Luxembourg.

5 1982/83.

Source: EUROSTAT

III. Employment

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Working population											
a) 1.000 - annual average											
1960	3.598	2.085*	26.517	3.601	19.792	1.118	22.042	133*	4.232*	24.508	107.626*
1970	3.824	2.380	26.817	3.430*	21.415	1.118	20.886	140	4.795*	25.308	110.113*
1980	4.156	2.662	27.191	3.636	23.387	1.247	22.553	159	5.386	26.819	117.196
1981	4.173	2.671	27.373	3.863*	23.532	1.272	22.820	160	5.563	26.718	118.145*
1982	4.197	2.694	27.465	3.892*	23.753	1.296	22.927	160	5.642	26.663	118.689*
1983	4.213	2.728	27.486	3.993*	23.690	1.309	23.185	160	5.717	26.577	119.058*
1984	4.214	2.779*	27.439	3.996*	23.830	1.314	23.415	161	5.794	27.002	119.944
b) Activity rates (working population as % of total population)											
1960	39,5	45,5*	47,7	43,2*	43,3	39,5	44,4	42,2*	36,8*	46,8	44,6
1970	39,7	48,3	44,2	39,0*	42,2	37,9	38,9	41,3	36,8	45,5	42,3*
1980	42,2	52,0	44,2	37,7*	43,4	36,7	40,0	43,6	38,1	47,6	43,3
1981	42,4	52,2	44,4	39,7*	43,4	36,9	40,4	43,8	39,0	47,4	43,5*
1982	42,6	52,6	44,6	39,8*	43,6	37,2	40,5	43,8	39,4	47,3	43,6*
1983	42,7	53,3	44,7	40,6*	43,3	37,3	40,8	43,8	39,8	47,1	43,7*
1984	42,8	54,4*	44,9	40,4*	43,4	37,2	41,1	44,0	40,2	47,8	44,0*
2. Employment											
a) Total employment (1.000) - annual average											
1960	3.481	2.054*	26.246	3.514	19.553	1.055	20.827	132*	4.182*	24.182	105.226*
1970	3.698	2.363	26.668	3.294*	20.905	1.053	19.775	140	4.708*	24.753	107.357*
1980	3.797	2.489	26.302	3.541	21.916	1.156	20.869	158	5.077	25.306	110.611*
1981	3.721	2.455	26.101	3.714*	21.803	1.146	20.925	159	5.179	24.323	109.526*
1982	3.670	2.461	25.632	3.676*	21.834	1.148	20.875	158	5.118	23.894	108.466*
1983	3.632	2.476	25.228	3.693*	21.729	1.125	20.921	158	5.041	23.593	107.596*
1984	3.635	2.532*	25.174	3.685*	21.511	1.110	21.025	158	5.044	23.972	107.846*
b) Female employment as % of total employment											
1960	30,4	29,8*	37,1	34,0*	32,7*	26,3*	30,1	25,2*	22,0*	32,8	33,0*
1970	31,9	38,6	35,9	26,4*	34,3	26,7	27,5	26,0*	25,7*	35,8	33,2*
1980	35,1	44,0	37,4	28,1*	38,4	28,8	31,5	30,8	30,0	39,8	36,3
1981	35,6	44,9	37,6	29,8*	38,7	29,4	31,5	32,4	31,2	40,1	36,6*
1982	36,1	44,9	37,8	29,2*	39,1	30,1	31,7	32,2	32,0	40,5	36,9*
1983	36,5	45,6	37,9	31,0*	39,6	30,8	31,9	32,8	32,9	40,9	37,3*
1984	37,0	45,6	38,0	31,5*	40,1	30,5	32,1	33,4	33,6	41,4	37,7*
c) Total employment by sectors as %											
Agriculture fishery											
1960	8,6	17,6*	13,6	57*	21,4	37,0	31,7	16,6*	11,2*	4,7*	18,2*
1970	4,7	11,3	8,5	38,8*	13,2	26,9	19,6	9,3	6,1*	3,2	11,2*
1980	2,9	8,0	5,5	28,7*	8,5	18,1	13,9	5,4	4,8	2,6	7,8*
1984	2,9	8,1*	5,4	27,9*	7,7	16,4	11,5	4,6*	4,9	2,6	7,3*
Industry											
1960	46,3	35,6*	47,7	18*	37,4	23,5	33,0	44,8*	41,0*	46,3*	41,0*
1970	41,6	37,1	48,4	23,8*	38,1	29,6	38,4	43,9	38,1*	44,1	41,7*
1980	33,6	28,6	43,3	28,7*	34,9	32,1	36,9	37,9	30,8	37,3	37,2*
1984	29,8	26,5*	40,7	26,4*	32,1	28,8	33,5	35,8*	26,5	32,5	33,8*
Services											
1960	45,1	46,8*	38,7	25*	41,2	39,5	35,3	38,6*	47,8*	49,0*	40,8*
1970	53,7	51,7	43,1	37,4*	48,7	43,5	42,0	46,6	55,7*	52,7	47,1*
1980	63,4	63,4	51,3	42,6*	56,6	49,8	49,2	56,5	64,4	60,2	55,0*
1984	67,3	65,4*	53,8	45,6*	60,2	54,8	55,0	59,6*	68,6	64,9	58,9*

* Estimates.

Source : EUROSTAT.

III. Employment - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
3. Employees in employment											
a) Total (1.000) - annual average											
1960	2.579	1.580	20.256	1.130*	13.844	643	12.252	95*	3.296*	22.417	78.092*
1970	3.004	1.885	22.246	1.500*	16.518	725	13.368	113	4.045*	22.851	86.260*
1980	3.174	2.097	22.986	1.853	18.321	874	15.055	137	4.471	23.295	92.263
1981	3.100	2.084	22.846	1.884*	18.249	877	15.059	139	4.540	22.204	90.981*
1982	3.050	2.106	22.395	1.899*	18.335	876	15.050	139	4.496	21.724	90.069*
1983	3.006	2.099	22.003	1.882*	18.297	850	14.931	138	4.438	21.372	89.016*
1984	2.997	2.162	21.945	1.903*	18.145	839	14.855	139	4.444	21.478	88.907*
b) As % of total employment											
1960	74,1	76,9*	77,2	32,2*	70,8	61,0	58,8	71,4*	78,8*	92,7	74,2*
1970	81,2	79,8	83,4	45,5*	79,0	68,9	67,6	80,4	85,9*	92,3	80,3*
1980	83,6	84,3	87,4	52,3	83,6	75,6	72,1	86,6	88,1	92,1	83,4
1981	83,3	84,9	87,5	50,7*	83,7	76,5	72,0	87,4	87,7	91,3	83,1*
1982	83,1	85,6	87,4	51,7*	84,0	76,3	72,1	87,6	87,8	90,9	83,0*
1983	82,8	84,8	87,2	51,0*	84,2	75,6	71,4	87,8	88,0	90,6	82,7*
1984	82,4	85,4	87,2	51,6*	84,4	75,6	70,7	88,1	88,1	89,6	82,4*
4. Employees in the iron and steel industry (ECSC)											
a) 1.000 - end of the year											
1973	62,4	2,7	228,4	.	151,7	0,8	89,7	23,2	23,3	196,2	778,4 ¹
1979	48,7	2,8	204,8	.	120,6	0,7	98,7	16,4	21,2	156,6	670,4 ¹
1980	45,2	2,2	197,4	.	104,9	0,7	99,5	14,9	21,0	112,1	598,0 ¹
1981	44,1	1,7	186,7	.	97,3	0,7	95,7	13,4	20,9	88,2	548,7 ¹
1982	41,6	1,6	175,9	.	95,2	0,6	91,5	12,4	20,2	74,5	513,6 ¹
1983	39,6	1,6	163,7	.	90,7	0,7	87,1	12,9	19,2	63,7	479,2 ¹
1984	37,2	1,5	152,5	4,2*	85,1	0,7	75,6	12,7	18,7	61,9	450,0 ¹
1985	34,5	1,8	150,8	4,2*	76,1	0,5	68,0	12,6	18,8	59,1	426,4 ¹
b) Average annual increase (+) or decrease (-) as %											
1973/79	- 4,0	+ 0,6	- 1,8	.	- 3,8	- 2,2	+ 1,6	- 5,6	- 1,6	- 3,7	- 2,5 ¹
1979/80	- 7,2	-21,4	- 3,6	.	-13,0	-28,6	+ 0,9	- 9,2	- 0,9	-28,4	-10,8 ¹
1980/81	- 2,4	-22,7	- 5,4	.	- 7,2	-40,0	- 3,9	-10,1	- 0,5	-21,3	- 8,2 ¹
1981/82	- 5,4	- 5,9	- 5,8	.	- 2,2	-14,3	- 4,4	- 7,5	- 3,3	-15,5	- 6,4 ¹
1982/83	- 4,8	0,0	- 6,9	.	- 4,7	+16,7	- 4,8	+ 4,0	- 5,0	-14,5	- 6,7 ¹
1983/84	- 6,1	- 7,6	- 6,8	.	- 6,2	0,0	-13,2	- 1,5	- 2,6	- 2,9	- 7,0 ¹
1984/85	- 7,3	+(20,0)	- 1,1	0,0	- 10,6	- (.)	-10,1	- 0,8	+ 0,5	- 4,5	- 5,2 ¹

* Estimates.

1 EUR-9

Source : EUROSTAT

IV. Unemployment

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Registered unemployed											
a) 1.000 - annual average											
1960	128	31	271	87	131	53	1.546	0	29	393	2.669
1970	80 ¹	25 ¹	149	49	262	59	888	0	59 ¹	612	2.183*
1980	369 ¹	176 ¹	899	37	1.451	102	1.580	1,1	325 ¹	1.591*	6.530*
1981	454	235	1.296	43	1.773	128	1.790	1,6	480	2.415*	8.615*
1982	535	253	1.855	51	2.008	157	2.163	2,0	655	2.792*	10.470*
1983	589	277	2.264	62	2.042	193	2.475	2,5	801	3.047*	11.751*
1984	595	272	2.265	71	2.310	214	2.719	2,7	822	3.160	12.430
1985	557	242	2.305	85	2.394	231	2.959	2,6	761	3.271	12.808
1985	March	276	2.475	102	2.420	230	2.973	2,7	773	3.268	13.090
	June	213	2.160	64	2.223	228	2.955	2,4	738	3.179	12.268
	Sept.	217	2.152	67	2.436	230	2.938	2,4	758	3.346	12.710
	Dec.	228	2.347	125	2.436	240	3.076	2,6	750	3.273	13.019
b) Unemployment rates (unemployed as % of the civilian working population)											
1960	3,6	1,5	1,0	2,4	0,7	4,8	7,2	0,0	0,7	1,6	2,5
1970	2,2	1,0	0,6	1,5	1,3	5,3	4,4 ¹	0,0	1,0	2,5	2,0
1980	9,1	6,7 ¹	3,4	1,1	6,4	8,2	7,2	0,7	6,2 ¹	6,0*	5,7*
1981	11,1	8,9	4,8	1,2	7,7	10,2	8,0	1,0	8,8	9,2*	7,4*
1982	13,0	9,5	6,9	1,4	8,7	12,2	9,7	1,3	11,8	10,6*	9,0*
1983	14,3	10,2	8,4	1,6	8,8	14,9	10,9	1,6	14,3	11,6*	10,1*
1984	14,4	9,8	8,4	1,9	9,9	16,5	11,9	1,7	14,5	11,8	10,6
1985	13,5	8,8	8,6	2,2	10,3	17,7	13,0	1,6	13,4	12,3	10,9
1985	March	10,2	9,2	2,7	10,5	17,7	13,1	2,7	13,8	12,4	11,2
	June	7,7	8,0	1,7	9,6	17,5	13,0	1,5	13,0	11,9	10,4
	Sept.	7,9	8,0	1,8	10,5	17,7	12,9	1,5	13,3	12,5	10,8*
	Dec.	8,2	8,7	3,3	10,5	18,5	13,5	1,6	13,2	12,3	11,1*
2. Structure of unemployment											
a) Proportion of women among the unemployed as %											
1960	25,4	11,7	34,1	.	37,4	11,5	28,8	.	16,9	27,9	28,8*
1970	42,1	18,0	37,6	.	44,4	16,8	30,1	.	21,6	15,3	27,9*
1980	61,6 ¹	50,0 ¹	51,8	40,5	54,6	23,9	46,8 ¹	51,9	35,8 ¹	30,4*	45,2*
1981	56,9	45,7	48,5	39,1	51,5	23,5	48,4	46,8	33,3	28,0*	42,5*
1982	54,6	46,8	44,2	39,7	50,0	24,1	49,1	46,5	31,9	28,1*	41,5*
1983	53,5	49,7	43,6	39,7	49,0	25,0	48,5	46,0	31,3	29,1*	41,3*
1984	54,0	53,5	43,7	41,0	47,6	25,7	48,5	49,7	32,5	30,5	41,8
1985	56,0	56,8	44,1	41,6	48,2	26,2	48,6	48,1	34,6	31,2	42,5
b) Proportion of young people ² among the unemployed as % - October											
1975	43,9*	.	28,6	.	47,7	.	.	.	36,5	.	.
1980	41,4*	30,9*	26,3*	12,8	46,4	25,2	51,4	53,3	41,7	42,6*	42,6*
1981	41,4*	29,4*	26,9*	13,7	46,9	27,5	54,0	51,8	42,9	41,3*	42,5*
1982	40,4	27,5*	28,1*	34,6	46,4	29,5	48,7 ¹	50,9	42,6	41,1*	41,0*
1983	39,0	26,4*	25,3*	34,5	45,2	30,7	50,0	53,9	41,0	40,8	40,1*
1984	36,9	25,1	26,9*	42,8	44,9	30,9	48,4	50,9	39,8	39,9	39,9*
1985	37,3	24,2	24,5*	26,6	40,4	31,0	45,2	50,2	37,6	38,0	37,4*

* Estimates.

¹ New statistical series.

² Aged under 25 years.

³ September.

Source : EUROSTAT

V. Industrial relations - Working conditions

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Trade union membership * (Union members as % of all employees)											
1960	62	60	38	20/25	24	44	50/55	60	38	44	42
1970	66	65	37	25	23	50	50	55	37/36	46	41
1980/82	71/73	75	42/40	30/35	23	50/48	50/45	55	35/33	52/50	43/42
1983/85	74/73	75/80	40/39	30/35	23/22	48/47	45/40	55/50	32/30	50	41/40
2. Industrial disputes											
a) Average number of working days lost per year (1.000)											
1960/69	270	278	219	216*	(17.400)	420	13.993	-	69	3.555	36.420
1970/79	826	507	1.165	.	3.558	585	17.843	1,6	165	12.835	37.485
1980	217	192	128	2.617	1.511	412	13.514	0	54	11.964	30.609 ¹
1981	.	651	60	711	1.442	434	8.664	0	24	4.267	16.253 ²
1982	.	93	15	...	2.251	434	16.243	80	215	5.316	24.647 ²
1983	.	79	41	...	1.321	319	11.648	0	118	3.754	17.280 ²
1984	.	131	6.487	...	1.317	386	7.279	0	...	27.135	...
b) Average number of working days lost per 1.000 employees											
1960/69	99	176	11	195*	(1.167)	607	1.137	-	21	154	472
1970/79	269	260	54	.	211	759	1.310	0	41	570	436
1980	70	90	6	1.570	82	480	932	0	13	521	341 ¹
1981	.	315	3	420	79	503	598	0	5	195	194 ²
1982	.	45	1	...	123	504	1.122	579	49	248	300 ²
1983	.	38	2	...	72	382	811	0	27	178	206 ²
1984	.	61	296	...	73	468	511	0	...	1283	...
3. Hours of work per week											
a) Normal hours of work for industrial workers fixed by collective agreements											
1960	45-46	48	40-45	48	40 ³	44	46 ¹ -48	44-48	45-48	43-44	40-48
1970	42-44	42 ¹ -41 ³ ₄	40-41	48	40 ³	41-42	42 ² -44	41-45	42 ¹ -43 ³ ₄	40-41	40-48
1980	37 ¹ -40	40	40	43-44	40 ³	40	36-40	40	40	39-40	36-44
1981	- " -	40	40	42-43	40 ³	40	36-40	40	40	38-40	36-43
1982	- " -	40	40	41	39 ⁴	40	35-40	40	40	37 ¹ -40	35-41
1983	36-40	40	40	40-41	39	40	35-40	40	38-40	35-40	35-41
1984	36-40	40	38-40	40	37 1/2-39	40	35-40	40	38-40	35-40	35-40
1985	36-40	39-40	38-40	40	37 1/2-39	40	35-40	40	38-40	35-40	35-40
b) Hours of work offered to industrial workers - October											
1966	44,2	.	43,9	43,6 ⁵	47,3	.	44,6 ⁶	45,7	45,9	.	.
1970	42,7	.	44,1	44,6 ⁵	45,9	.	42,5	45,0	44,3	.	.
1980	35,7	.	41,6	39,0 ⁵	40,9	42,3	38,4	40,2	40,8	40,7	.
1981	35,9	.	41,3	39,0 ⁵	40,6	42,5	38,6	41,2	40,7	41,4	.
1982	34,9	.	40,0	37,8 ⁵	39,4	41,6	37,5	41,3	40,6	41,4	.
1983	35,1	.	41,0	...	39,0	41,0	37,4	41,5	40,6	41,8	.
1984	35,7	.	41,2	...	38,9	41,3	...	40,9	...	41,9	.

* Estimates.

1 Excluding Belgium.

2 Excluding Belgium and Greece.

3 Normal hours fixed by legislation.

4 From 1 February.

5 1967.

6 Hours paid for.

Sources: 1., 3.a) National collective agreements.

2., 3.b) EUROSTAT.

v - Industrial relations - Working conditions - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
4. Basic annual paid holidays for industrial workers fixed by collective agreements in days ¹											
1960	12	18	12 -18	6-12	18	12	12	8-18 ²	12*-15*	12	6-18
1970	18	18	16*-24	6-12	24	12 -18	12 -15	18-24	15*-18*	12-18	6-24
1980/81	24	26*-30	21*-30*	10-12 ₃	24	17*-19	20*-24	25*	20*-24*	18-23	10-30
1982	24	26*-30	21*-30*	12-24 ³	30	17*-19	20*-24	25*	22*-25*	19-25	12-30
1983/85	24-25	26*-30	21*-31*	20-24	30	24	25	25*	26*	20-27	20-31
5. Public holidays paid for and not worked (fixed by legislation and laid down in collective agreements)											
1960	10	9 $\frac{1}{2}$	10-13	6-7	4-7	6-7	17	10	7	6-7	4-17
1970	10	9 $\frac{1}{2}$	10-13	6-7	8-10	6-7	17	10	7	6-7	6-17
1980/83	10	9 $\frac{1}{2}$	10-13	6-7	11	7-8	10-11	10	7-8	8	6-13
1984/85	10	9 $\frac{1}{2}$	10-13	6-7	11	7-8	10-11	10	7-8	8-10 ⁴	6-13

1 Working days; where the data have been annotated*, it is question of days of work.

2 According to some works agreements.

3 After one year of service.

4 Northern Ireland.

Sources : National legislation and collective agreements.

VI. Incomes, wages, labour costs

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
	1. Gross domestic product per inhabitant at current prices and purchasing power parities										
1979	7292	7860	7962	3948	7753	4646	6067	8402	7483	6822	7053
1980	8535	8805	9065	4492	8786	5344	7091	9453	8439	7505	8007
1981	9291	9654	10039	4906	9704	5993	7836	10262	9199	8174	8813
1982	10383	10940	10983	5355	10822	6572	8562	11363	9935	9138	9728
1983	11172	12048	12027	5758	11691	7024	9154	12528	10772	10162	10587
1984	11984	13240	13089	6210	12475	7702	9906	14193	11536	10920	11414
1985*	13112	14242	14145	...	13295	8244	10810	14109	12344	11955	...
	2. Average compensation of wage and salary earners as % of average gross domestic product per head of occupied person (rectified wage quota)										
1960	62,5	.	60,8	91,1	61,9	75,6	72,1	60,2	60,3	63,7	65,3 ¹
1965	63,2	.	62,8	81,2	62,4	75,4	72,6	63,8	65,3	64,0	65,7 ¹
1970	61,8	66,7	63,8	76,2	61,6	75,7	70,6	58,0	65,7	64,6	65,3
1975	69,6	68,9	66,9	69,9	65,6	79,2	79,5	75,5	69,7	70,5	70,1
1980	72,1	67,0	65,2	75,2	66,1	79,9	75,3	74,7	67,5	65,1	67,9
1981	72,8	66,2	65,4	78,6	66,9	76,7	77,8	76,4	65,7	64,2	68,3
1982	71,4	64,7	64,6	79,7	66,4	75,3	77,8	73,7	64,8	63,1	67,7
1983	70,8	62,7	63,2	78,9	66,3	73,9	79,2	71,2	63,9	62,7	67,3
1984	70,8	61,1	62,5	84,5	65,1	72,0	78,4	68,0	61,4	63,3	66,8
	3. Average gross hourly earnings of industrial workers										
	a) Converted into current purchasing power standards										
October 1975	2,89	3,50	2,77	1,24 ²	2,02	2,49	2,48	3,44	2,96	2,80	.
October 1980	5,61	6,20	5,14	2,76 ²	3,90	4,57	4,65	6,04	5,13	4,43	.
October 1981	6,46	6,90	5,76	3,26 ²	4,43	5,17	5,39	6,42	5,66	4,87	.
October 1982	7,01	7,49	6,31	3,92 ²	4,90	5,60	5,89	7,03	6,28	5,51	.
October 1983	7,41	7,77	6,84	4,14 ²	5,46	6,02	6,40	7,42	6,77	6,06	.
October 1984	7,77	8,17	7,27	4,54 ²	5,70	6,53	...	7,60	...	6,48	.
	b) In national currencies - average annual rates of increase as %										
Oct. 75/ Oct.80	8,6	10,0	6,4	22,9 ²	13,8	16,2	20,4	7,9	7,1	13,6	.
Oct. 80/ Oct.81	9,6	10,8	5,7	27,5 ²	15,1	19,7	24,1	5,2	5,3	12,1	.
Oct. 81/ Oct.82	6,8	9,7	4,3	36,0 ²	13,1	14,4	17,0	8,1	6,8	9,0	.
Oct. 82/ Oct.83	4,5	4,1	3,3	18,5 ²	12,9	11,3	15,9	7,9	1,9	7,9	.
Oct. 83/ Oct.84	4,3	5,1	2,5	24,1 ²	6,1	10,4	...	3,5	...	7,0	.
	c) Development in real terms (indices, October 1980 = 100)										
October 1975	87,7	103,1	88,7	76,3 ²	87,1	92,9	87,1	89,9	94,7	100,6	.
October 1980	100,0	100,0	100,0	100,0 ²	100,0	100,0	100,0	100,0	100,0	100,0	.
October 1981	101,7	99,0	98,5	101,7 ²	100,8	99,7	106,1	96,6	98,2	100,4	.
October 1982	97,7	98,3	97,8	115,3 ²	104,2	97,4	106,0	94,7	100,1	102,4	.
October 1983	96,7	97,1	98,4	112,8 ²	106,7	98,6	108,6	94,3	99,5	105,2	.
October 1984	95,3	96,3	98,7	118,7 ²	105,8	100,8	...	93,1	...	107,1	.

* Estimates.

1 Denmark excluded.

2 Manufacturing industries only.

Sources : EUROSTAT.

VI. Incomes, wages, Labour costs - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
4. Labour costs in industry											
a) Average hourly costs in Ecus											
1975	5,96	5,74	5,76	1,68 ¹	4,59	2,68 ²	4,20	5,61	6,45	3,02	.
1978	9,31	7,87	8,49	2,85 ¹	6,44	3,77 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 ¹	.
1983 *	12,28	10,09	13,34	...	10,41 ³	6,83 ²	9,41	9,97	13,14	7,94 ¹	.
b) Country with the highest level = 100											
1975	92	89	89	26 ¹	71	42	65	87	100	47	.
1978	100	85	91	31 ¹	69	40	54	91	97	41	.
1981	100	80	91	32 ¹	80	50	61	80	89	62	.
1983 *	92	76	100	...	85 ³	51	71	75	99	59 ¹	.

* Estimates.

¹ Manufacturing industries only.

² Excluding construction.

³ 1982.

Sources: EUROSTAT

VII. Standard of Living

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Dwellings											
a) Existing dwellings per 1.000 inhabitants - end of year											
1960	350	328	288	242	349	240	278	309	248	315	302
1970	372	353	341	280	376	244	319	332	295	346	331
1980	386	422	412	354	436	263	380 ¹	383 ¹	343	382	394
1982	400	427	423	363	437	271	389 ¹	382 ¹	354	388	405*
1983	402	470	438	...	444	271	...	...	361	391	...
1984	404	475	438	...	...	276	...	...	367	...	...
b) Completed dwellings per 1.000 inhabitants											
1960	5,3 ²	6,1	10,4	6,5 ²	7,0	2,1	5,8	6,0	7,3	5,8	7,1
1970	4,8 ²	10,3	7,8	13,0 ^{2,3}	9,3	4,6	7,0	5,2	9,1	6,6	7,8
1980	4,8 ²	5,9	6,3	20,2 ^{2,3}	7,0	8,1	4,5	5,6	8,1	4,5	6,9
1981	3,4 ²	4,3	6,0	11,1 ²	7,2	8,4	3,7	5,6	8,2	3,6	5,6
1982	3,0 ²	4,1	5,6	...	7,0	7,7	5,1	4,6	8,8	3,5	5,4
1983	3,0 ²	4,3	5,5	11,5 ²	6,8	7,4	3,7	...	8,0	3,9	5,1
1984	2,6 ²	5,2	6,5	...	...	9,9	...	...	8,0	...	...
2. Durable consumption goods - end of year											
a) Passenger cars per 1.000 inhabitants											
1960	83	89	78	5	121	61	40	114	45	108	81
1970	213	218	230	26	254	133	190	278	195	210	212
1980	320	271	377	89	343	215	310	352	322	281	317
1981	325	267	385	94	349	226	330	366	324	303	325
1982	328	265	391	102	374	205	346	378	325	311	337
1983	331	272	400	109	372	206	345	385	332	318	345
b) Television sets per 1.000 inhabitants											
1960	68	119	83	.	41	17	43	23	69	211	90
1970	217	274	275	19	216	149	181	208	237	294	237
1980	298	362	337	156	297	231	234	247	399	331	290
1982	304	366	354	174	369	239	409	258	421	457	376
1983	303	369	360	173	375	239	...	255	450	479	...
c) Installed telephones per 1.000 inhabitants											
1960	125	234	108	21	95	57	77	163	88	156	108
1970	211	342	228	119	173	104	175	241	169	270	209
1980	366	641	464	290	460	190	337	361	346	496	427
1983	417	719	570	336	544	236	406	587	382	521	495

* Estimates.

1 1981.

2 Buildings started.

3 1979.

Source : EUROSTAT.

VII. - Standard of Living - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
3. Consumer prices											
a) Index 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
1981	107,6	111,7	106,3	124,5	113,4	120,4	117,8	108,1	106,7	111,9	111,7
1982	117,0	123,0	111,9	150,5	126,8	141,1	137,2	118,2	112,8	121,5	123,0
1983	126,0	131,5	115,6	181,4	139,0	155,8	157,3	128,4	115,9	127,1	132,4
1984	134,0	139,8	118,4	214,6	149,3	169,2	174,3	135,7	119,6	133,4	140,7
1985	140,5	146,4	121,0	256,3	158,0	178,4	190,3	141,3	122,3	141,5	148,6
b) Annual average rate of increase											
1980/81	7,6	11,7	6,3	24,5	13,4	20,4	17,8	8,1	6,7	11,9	11,7
1981/82	8,7	10,1	5,3	21,0	11,8	17,2	16,5	9,4	5,7	8,6	10,1
1982/83	7,7	6,9	3,3	20,5	9,6	10,4	14,7	8,7	2,7	4,6	7,6
1983/84	6,4	6,3	2,4	18,3	7,4	8,6	10,8	5,6	3,2	5,0	6,3
1984/85	4,9	4,7	2,2	19,4	5,8	5,4	9,2	4,1	2,3	6,1	5,6

Source : EUROSTAT

VIII. - Social protection

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
1. Total social protection expenditure as a % of the gross domestic product											
1970	18,7	19,6	21,5	13,6 ¹	19,2	13,2	17,4	15,9	20,8	15,9	19,0 ³
1975	24,2	25,8	29,8	14,3 ²	22,9	19,7	22,6	22,3	28,1	19,4	24,7 ³
1980	28,1	28,7	28,5	...	25,9	21,0	22,8	25,9	30,4	21,4	25,8 ³
1981	30,0	30,1	29,4	...	27,4	21,9	25,3	27,8	31,4	23,4	27,2 ³
1982	31,4	30,3	29,4	...	28,5	23,8	25,8	28,9	33,3	23,0	27,6 ³
1983	31,9	30,2	28,9	...	28,8	24,6	27,3	29,3	34,0	23,8	28,0 ³
2. Social protection benefits											
a) Benefits per inhabitant at 1980 prices and purchasing power parities											
1975	1780	2130	2200	.	1680	860	1210	1730	1990	1300	1640 ³
1980	2270	2460	2510	.	2160	1060	1480	2290	2470	1560	1980 ³
1982	2430	2650	2490	.	2380	1180	1710	2360	2580	1680	2110 ³
1983	2440	2780	2480	.	2430	1220	1790	2320	2620	1790	2170 ³
b) Benefits per function as %											
1970							4				
- Sickness	22,1	29,2	27,7	.	26,9	28,7	26,3	17,2	29,8	26,3	.
- Invalidity, employment injuries	12,6	14,1	12,6	.	9,9	10,2	21,3	7,8	12,1	9,2	.
- Old age, survivors	40,6	36,3	45,6	.	41,1	36,9	34,8	63,0	40,4	46,9	.
- Maternity, family	20,0	14,1	0,2	.	16,8	17,1	12,9	11,5	14,0	10,8	.
- Unemployment, vocational training, placement	3,7	2,8	2,0	.	2,0	5,7	1,1	0,0	3,3	4,5	.
- Other	0,9	3,6	1,9	.	3,4	1,4	3,5	0,6	0,3	2,3	.
	100,0	100,0	100,0	.	100,0	100,0	100,0	100,0	100,0	100,0	.
1983											
- Sickness	21,9	23,5	27,0	.	24,9	29,0	22,5	22,8	25,6	20,3	.
- Invalidity, employment injuries	11,4	8,5	11,4	.	8,5	7,2	21,3	20,6	18,5	9,7	.
- Old age, survivors	39,1	34,7	43,5	.	40,8	31,8	45,1	44,0	31,5	42,4	.
- Maternity, family	10,4	10,4	7,4	.	11,3	12,1	7,6	9,2	8,4	12,0	.
- Unemployment, vocational training, placement	15,8	17,5	9,3	.	10,4	14,7	3,3	3,3	12,7	11,4	.
- Other	1,4	5,3	1,5	.	4,0	5,1	0,2	0,1	3,2	4,2	.
	100,0	100,0	100,0	.	100,0	100,0	100,0	100,0	100,0	100,0	.

1 1969.

2 1977/78.

3 EUR 9.

4 Data from the 2nd European social budget.

Sources : SESPROS, EUROSTAT

VIII. - Social protection - continued

Year	B	DK	DE	ELL	F	IRL	IT	LUX	NL	UK	EUR-10
	3. Receipts according to nature (%)										
<u>1970</u>							<u>1</u>				
- Employers' contributions	51,0	11,2	47,1	.	59,2	19,3	54,9	36,0	43,3	33,6	.
- Contributions from protected persons	21,2	6,4	24,2	.	18,9	12,4	15,4	24,9	35,8	18,0	.
- Contributions from public funds	23,5	79,6	23,7	.	18,6	67,5	23,3	30,3	12,5	38,4	.
- Other	4,3	2,8	5,0	.	3,3	0,8	6,3	8,8	8,4	10,0	.
	100,0	100,0	100,0	.	100,0	100,0	100,0	100,0	100,0	100,0	.
<u>1983</u>				<u>2</u>							
- Employers' contributions	39,2	10,0	40,2	37,4	52,8	23,0	53,3	33,1	31,1	31,8	.
- Contributions from protected persons	16,8	3,7	29,6	37,3	23,6	12,5	13,9	25,6	36,8	15,9	.
- Contributions from public funds	39,8	81,5	26,8	21,7	20,5	63,3	30,6	32,8	18,6	43,4	.
- Other	4,2	4,8	3,4	3,6	3,1	1,2	2,2	8,5	13,5	8,9	.
	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.

2 1977/78.

Sources : EUROSTAT