



CONSELHO ECONÓMICO E SOCIAL

***MINUTES OF THE IVth INTERNATIONAL MEETING
OF THE ECONOMIC AND SOCIAL COUNCILS AND SIMILAR
INSTITUTIONS***



Series "Documents and Internal Studies"

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***MINUTES OF THE IVth INTERNATIONAL MEETING
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INTRODUCTION NOTE

INTRODUCTION NOTE

1. The idea underlying the International Meetings of the Economic and Social Councils and Similar Institutions is owed to a small nucleus of people whose merit lay in their persistence in holding these meetings, providing them with a degree of continuity which went beyond what might be called the «pioneering cycle».

The idea was first put into practice in Paris during 1989. The second meeting was held in Canada (Quebec) in 1991 and the third in Burkina-Faso (Ouagadougou) in 1993.

2. These three events were in keeping with the salutary principle of holding each International Meeting in countries of different regions or sub-regions of the world, the better to symbolise the international nature of these Meetings. However, in none of them did more than fifteen Councils or similar organisations take part.

It was thus essential to carry out innovative preliminary work with a view to determining the existence of new Councils, to establishing the necessary contacts with them and to carrying out as full a survey as possible of the legal status of the various Councils. This was required so as to perfect the model of organisation of the International Meetings and to arouse wider interest in the participation of delegations, guests and observers in the Lisbon Meeting.

3. In the wake of these concerns, the Follow-up Committee – consisting of myself and the presidents of the Economic and Social Councils that had organised the previous meetings – sent out a questionnaire designed to obtain a photograph, as it were, revealing the status and operations of the Economic and Social Councils. The replies to the questionnaire and a summary of the comparative information were published by ESC Portugal in Portuguese and in the original languages and sent out in advance to all the delegations taking part in the Lisbon Meeting.

On the other hand, the members of the Follow-up Committee worked hard to disclose the ideas and advantages underlying the creation of the Economic and Social Councils in those countries in which they were beginning to bud, and also to strengthen the links between the existing Councils.

The President of the French ESC, Jean Mattéoli, and the president of the Burkina-Faso ESC, Philippe Ouedraogo, were tireless in achieving these aims. For my part, I endeavoured to co-operate with them, fostering participation in the Lisbon Meeting by the Councils of the Portuguese-speaking countries of Africa, of Macao and of Brazil. I was honoured to be invited by president Philippe Yacé to be present at the ceremony marking the creation of the *Union of African Economic and Social Councils* at Abidjan, and I directed an appeal to all the known Councils to come to Lisbon in order to make the 4th International Meeting the turning point, the qualitative step forward so desired by the «pioneers» of these International Meetings.

4. Did the Portuguese ESC manage to satisfy the ambitions of the «pioneers»? Did it manage to meet the expectations of the many Councils that answered to the call and took part in the Lisbon Meeting? Such was my desire.

5. For us here at the Portuguese ESC it is important that documentary records be kept of an event that marked us to a considerable extent. Indeed, within the European Union we are still one of the «youngest» of the Economic and Social Councils. We organised this Lisbon Meeting fully aware that the operational and budget resources available to us were very limited; we perceived, however, that we were able to count on the tremendous goodwill of the ESCs that had taken part in the previous International Meetings and on the benevolent expectations of the new Councils and Similar Institutions which, for the first time, were to take part in these Meetings.

Perhaps for these reasons, it was gratifying to see that the 4th International Meeting was attended by about forty delegations from countries from Africa, Asia, Latin America and Europe, and by the respective sub-delegations. The Meeting was marked by an open and friendly climate of understanding of the future lines of action, that is, that it is worthwhile to provide a better definition of the outlines and to set out the role to be played in the international arena by the ESCs as effective, representative socio-professional assemblies, credible spokesmen for the various sectors of collective interests that have a seat on these Councils, whatever the model (provided that it is democratic) adopted for the legal «architecture» of each Council.

6. The practice adopted in each of the foregoing International Meetings laid down guidelines to the effect that «Minutes» be drawn up of the Meetings and that these should be published. The Portuguese ESC would like to continue this tradition and this is the reason for this present publication.

These «Minutes» are therefore a reproduction of all the documents produced and of the principle speeches made during the 4th International Meeting, whether prepared in writing in advance for the debates or whether made verbally during the working sessions. In this edition, the documents are published in their original languages.*

However, these «Minutes» are not simply a mechanical reproduction of the 4th International Meeting, which, it seemed to me, would have been quite useless; they are, rather, a faithful repository of the reflections that dozens of participants wanted to bring to the Lisbon Meeting.

7. As President of the Economic and Social Council organising this 4th International Meeting, I cannot help but express, in this introduction, my profound gratitude to the presidents of the ESCs that organised the previous International Meetings; to the presidents,

* The ESC of Portugal will endeavour to publish these Minutes in French and English with the support of the Economic and Social Councils of the European Communities.

the heads of delegations and participating members observers and guests – for, after all, without them, without the stimulus with which they provided us, without the «spirit of Lisbon» that they so amicably created among us all, it would hardly have been possible to advance along the path set out in the final «Recommendations» that were approved.

These «Recommendations» introduced several profound alterations into the model of the organisation of future International Meetings. These alterations are aimed, with prudence and in keeping with democratic procedures, at providing the means for the Economic and Social Councils and Similar Institutions to assume, in the international arena, an expressiveness corresponding to that which, at each internal level, we would wish for our own Councils.

8. Will we be able to comply fully with the mandate received from the 4th Meeting?

This is not a personal mandate: rather, it is an institutional one. The personalities that have a seat on the «Follow-up Committee» and the «Supreme International Meeting Council» – of which I was made president in my capacity as president of the Portuguese ESC – are fully aware that their appointment was made in keeping with objective criteria. The delegations that gave them their mandates expect a useful and satisfactory result for all from the preparatory work leading up to the 5th International Meeting to be held in Venezuela in 1997.

I would therefore like to express my sincere wish that the 5th International ESCs and similar institutions Meeting be the success that we expect it to be and we shall do everything in our power to see that such success is achieved, following in the wake of the spirit of the Lisbon Meeting.

Lisbon, December 1995.

H. Nascimento Rodrigues
President of the Economic and Social Council of Portugal

I

OPENING SESSION

(Parliament, Senat Room, 26th may 1995)

HENRIQUE NASCIMENTO RODRIGUES

President of the Economic and Social Council of Portugal

The President of the Portuguese parliament has declared this ceremonial session open and has handed the proceedings over to me. The work of this IVth International Meeting of ESCs and Similar Institutions has thus begun, and I address you with a great feeling of satisfaction at the notable presence of an unusually high number of delegations from countries all over the world. I also feel deep gratitude for the participation of so many eminent figures who honour us by their presence.

Welcome, everyone, to Portugal! Welcome to Lisbon!

As President of this Meeting, it is only fair that I should recall those who paved the way for it, those who with great enthusiasm put the idea together and pressed ahead with admirable commitment to ensure that these periodic international meetings take place.

On behalf of the «young» Portuguese Council, I pay homage to the Presidents and to the organising Councils, as well as to the delegations which took part in the three previous International Meetings, for the merit they have earned in being the «pioneers» on the trail which today reaches Lisbon.

This assembly well illustrates the intercontinental and inter-regional position occupied more and more by our institutions everywhere. And it is with great joy that I say that!

The presence of so many Councils and Similar Institutions – whether they be from western or central and eastern Europe, north Africa, or the sub-Saharan African nations, or from Latin America or Asia – is significant and noteworthy. Many of them are taking part in one of our international meetings for the first time.

From Slovenia to Brazil, from the Chinese Popular Republic to Greece, from Algeria to Hungary, from Austria to Angola, or from Slovakia to Mozambique, what a rich «caeleidoscope» of new participants our Meeting represents!

Unfortunately, I cannot list them all here, simply because there are so many of them. But what more could we hope for than that now there are many and that there will be even more at the next International Meeting?

Welcome, once again, to you all! And, begging your indulgence, please permit me to give a special greeting to the Portuguese-language delegations. This is their language and it provides the root for this kind of «human complicity» from which springs the deep feeling of sharing a common home. This special greeting can be explained not just by the fact that this Meeting is being held in Portugal but also, and principally, by the fact that this is the first of the ESC International Meetings at which the seven Portuguese-speaking nations, as well as Macao, have been represented.

Here we are, then, come from all over the world to meet in this chamber of such deep traditions in the history of Portuguese politics and in this building which houses the most genuine expression of our democracy – the Portuguese parliamentary assembly.

This choice was deliberate, and the President of the parliament wished to give it a special significance, illustrated in his honouring us by presiding over this opening session.

I say that this choice was deliberate because at the end of the day our Lisbon Meeting is focussing in no small measure on the discussion of topics which must be considered within the broader context of how regimes and democratic societies function today.

Democracy starts out, essentially, as representative. But it does not end with political parties, it does not withdraw into parliaments, nor does it limit itself to periodical and free elections.

The collapse of totalitarian regimes, which many had viewed idealistically as the dawn of a new world, has forced representative democracies to look at themselves in the mirror. And there are worrying shadows in the face which is reflected in the mirror. We are not afraid of saying it. On the contrary, it is our duty to do so, exactly because we defend our right to exist and to act only within a democratic framework.

The subjects of the two «Round tables» at this Meeting cannot genuinely be removed from a more global, profound and complex reality which, in the end, is the way people nowadays feel and live. Democracy considered in its political, economic, social, cultural and environmental aspects – each of them necessarily linked to the others.

Indeed, the «Statute of Councillors» theme will lead us to take up once more and renew the discussion – launched at previous Meetings – about the true representative nature and the concrete ability of our institutions to make themselves heard by the legislative and executive powers.

Do our Councils and similar institutions, at their heart, embrace all and the most influential socio-economic and other organisations of their country, or does the designation process permit decisions based on less clear criteria? Are the Councillors selected by the various organisations their top-level leaders or, on the contrary, do they possess limited power? Should they act in accordance with criteria based on the legitimate defense of their organisations interests, without harming the convergence or consensus they seek in their interaction with others, or, on the contrary, is it natural and legitimate for them to take with them into their respective Councils attitudes and stances which are primarily party-political in character?

These questions lead to others, and it is up to you to find answers to them in your discussions. If I refer to these issues now, it is simply to underline my understanding that representative democracy must involve committed participation by citizens. Democratic participation can also be cemented through socio-professional assemblies, such as our

Councils. They must take the lead, in their specific areas of influence, by making a decisive contribution towards enriching democratic systems. If we look into our own mirror, what do we see?

It is true, on the other hand, that if the system of party representation begins to give way, if the confidence that citizens place in the political leaders they chose is shaken, if worrying tears appear in the social fabric, repercussions will be felt in the way our Councils work and in the results of their activities. That is why I say that the subject of the first «Round table» meshes with fundamental aspects of how democracies work.

Also, the subject «youth unemployment» illustrates, basically, this questioning **not of the fundamental values of democracy - because they are enduring** – but of the conditioning factors, the behaviour, the visions and the responses that our societies are allowing to spread, frequently – I would say – without any sign of lasting success.

Youth unemployment is simply one aspect of the more global problem of unemployment in general. A lot of attention should be paid to it, but I believe it would also be correct to consider the affect on young people of the long-term unemployment of their parents. Parents themselves are affected, especially in post-industrial societies, by waves of unemployment caused by the technological revolution, by the internationalisation of competition, by the globalisation of economies, by the lack of synchronisation in government policy between operational measures and time-frames, on a national level or supra-national scale.

In some cases, showing causes that are not always identical, with structural profiles that occasionally do not match, and with different prospects for their evolution, the truth is that almost all our societies, however economically advanced they are, come up against persistently high, if not worsening, levels of unemployment.

The Secretary-General of the BIT, through his representative, has provided us with a report on this issue which is so enlightening that it would be redundant at this time to attempt to add anything to it.

This is the first time that the BIT has been present at one of our Meetings – an undeniable sign that we all understand that the huge size of the unemployment problem on a world, continental, supra-regional, national or local scale requires better coordination between measures and a broad and operational partnership, because this is not a scourge that can be tackled in isolation.

I do not intend here to refer to the variety of measures and programmes which have been launched to fight unemployment. They are well known to you all. I am merely giving a summarised consideration which seeks to probe the basic tensions underlying the complicated issue of unemployment.

Much has been made of the paradox of economic growth without a matching rise in job opportunities when discussing failures in the fight against unemployment. Is that the only paradox? There may be others.

The human consequences of unemployment are obvious. The social repercussions resulting from the progressive loss of personal identity and of community bonds have been diagnosed: a break-up of the family unit, an increase in crime, of prostitution, entry to the world of drugs, failure at school or leaving school early, an increase in the incidence of psychiatric or physical illness – to mention just a few. And these imply, or are implied by, other less serious consequences: xenophobia and racism, the various fundamentalist outbreaks – basically, a lack of tolerance towards «others».

The backdrop to all this is an emerging **battle between men**, which has been given the technical description of «social duality».

On the one hand, this is a clash between those with qualifications who are mobile in the job market (though this cannot be generalised) and those with lower qualifications who are vulnerable to unemployment, unstable jobs or are destined for the market in informal or clandestine activities.

Even within the stratum which can expect to be employed, already another split is emerging: between a clever «elite» and a band of mere executants, though skilled.

And, on the other hand, a clash which is beginning to appear between those who pay into social protection schemes and those who benefit from the respective pay-outs. The number of the latter is increasing, spurred by demographic trends in family structures, or due to the «flow» of people excluded by structural changes. Here the issue arises of the increased cost of financing this spending – not just a technical problem (though it is difficult), but also a social issue and, therefore, a political one.

In western European societies, that which may be described as a common «social model» is generally regarded as an historic step forward. Without corrective obstacles, in accordance with democratic choices, what is certain is that the citizens of these countries would refuse to surrender the essence of European social protection. And, in other countries, I am convinced too that wealth to be created cannot be obtained at the expense of social oppression. **There is no wealth in a nation with an environment of social degradation!**

But how to resolve the conflict between goals which becomes a crisis of public deficits, the need for companies to be competitive without turning into «unemployment volcanoes», the State's obligation to guarantee security and justice without becoming omnipresent, bureaucratic and castrating people and civil society itself?

How to let each person's freedom to realise themselves develop when, in the end, the growing individualism of citizens – triggered by the loss of the values of authentic social

solidarity – calls for «more and more» State which, on the other hand, is immediately mistrusted, criticised and evaded – while at the same time demanding more involvement?

How to affirm the inspiring autonomy of institutions, organisations and private representative associations, which are the «face» of the social «body», when it is not uncommon for them also to be dependent on State subsidies and support and when they not infrequently demand from the State that it act on behalf of the groups or sectors they represent, though the cost is inevitably shouldered by public budgets?

I do not wish to imply that this is always the case in post-industrial societies, because different peoples have different cultures. There are those which have greater Civil Law traditions in some cases, while there are social habits more dependent on the State in others. That is, on the one hand civil society takes a more dynamic and independent approach to public powers; on the other, that same society lacks State support when it does not take a more subservient stance. The values and behaviour of both the citizens and their representative organisations vary a lot depending on these contexts.

However, in societies which are not yet industrialised the problem also arises, perhaps characterised by different causes, such as the foreign debt, endemic poverty, in some cases the need to erect a State where before there was a gregarian area which was carved up or which was subject to outside interests, or fashions that lead to a weakening of cultural identity values: in a word, the insecurity felt by those who begin to forget their roots and who lose the direction which ought to spring from those roots.

In this way, I have the feeling that the problem of unemployment, including youth unemployment, calls for an **individual and social change. And this brings with it the challenge to reconcile the State with the citizen, the economic with the social, the values of historical identity with the discovery of new rights and duties which can place man in the central role of freedom and the realization of himself and others.**

In summary: **there is a need for a different and working harmony between the political, the economic, the social, the cultural and the ecological, which creates lasting values for civilisation and not just passing fashions.**

This is a key political issue at the moment. It is not just a problem of sectorial policies and of their obvious need to be linked up.

If it is as I believe, then approaching, discussing and arriving at solutions to this issue will have to include men and women, the young and the old, entrepreneurs and workers, white-collar and blue-collar workers – that is, every last one of us. **I repeat this and stress it: every last one of us.**

As authoritative voices have underlined, we are faced with the Gordian knot to produce a **cultural change**. Without it, it is said, there will be no social solidarity in respect for freedom.

I prefer to put it another way: **freedom means social solidarity, social solidarity means freedom. Cultural change means conscientiously assuming and responsibly practising the values which are implicit in this vision.**

Our institutions must assume the role of «wise councillors» to the executive and legislative powers.

But we will not achieve this if we are not clear in our perception of the causes of the social crisis, if we are not wise in our considerations and prudent in our proposals – in a word, credible agents in the process of change for which we are jointly responsible.

In this **joint responsibility of all lies the key to success in this great challenge.** Because it – this individual and mutual responsibility – is the **breeding ground of national cohesion**, without which there will be no economic progress, social justice or well-being for all. A national cohesion which is not nationalist, not protectionist, not xenophobic – on the contrary, a solid national cohesion with others and which thus demands fraternity and a balanced share of the benefits and sacrifices required from everyone on our planet, all peoples, all States.

Otherwise, I fear that our «global village» will be no more than some kind of media image, a slogan for the consumption of only those who can consume, never put into practice.

We, the Economic and Social Councils and Similar Institutions, have the legitimacy and the duty to make our voices heard. I am confident that we will.

ANTÓNIO BARBOSA DE MELO

President of the Parliament

On behalf of the Parliament of the Republic and the Portuguese people, and personally, I should like to greet the delegations to the IVth International Meeting of Economic and Social Councils and Similar Institutions: it is an honour for us to host you in our Parliament, which represents the Portuguese people in the full plurality of its currents of political opinion. Distinguished leaders from every continent and from peoples of widely varying traditions, cultures and languages are here with us today: I should like to reaffirm to them the Portuguese people's commitment to work to create a world order in which international relations are increasingly marked by peace and justice.

Great care has evidently gone into planning the agenda of this IVth Meeting. Among the preparatory documents distributed to participants, I should like to highlight the quality of the study on the various models for this kind of institution employed around the world. The study clearly reveals the role assumed by economic and social councils in the contemporary political process.

Comparison of the **various approaches adopted points to the need**, inherent to actual political systems, for constitutional or semi-constitutional bodies with an advisory capacity on legislation and a consultative capacity in the area of labour and economic relations. In the absence of such bodies and functions, the legislative process is left crucially impoverished and industrial harmony is increasingly fragile. Although their institutional forms vary from country to country, economic and social councils everywhere pursue similar objectives: to convey to the highest levels of State the economic, social and cultural demands of organized society, a characteristic feature of many parts of the present-day world. The society of individuals – traditionally represented as a bloc by Parliament – is nowadays less and less able to reflect the reality of society in full. This new social dimension poses new challenges to the institutional ordering of democracy. The urgent need to overhaul the classical model of the democratic State is beginning to be met, albeit hesitantly, by economic and social councils. Such is the picture provided by the preparatory study, which figures among the documents for this IVth international meeting.

Mr President of the Economic and Social Council of Portugal, ladies and gentlemen, it is my hope that the discussion and exchange of views on this issue, to take place here in the Palácio de S. Bento over the next few days, will be fruitful. May your work prosper. Welcome!

II

PANEL ON THE PORTUGUESE EXPERIENCE IN SOCIAL DIALOGUE

(Parliament, Senat Room, 26th may 1995)

INTERVENTIONS

MIGUEL CADILHE

Moderator, former Minister of Finance, former President-in-Office of the Standing Council for Social Dialogue of Portugal

Portugal's experience of social dialogue is one of the most positive among the countries which have attempted it: this has been so, in my view, for the last ten or twelve years. Thanks to social dialogue, a number of objectives relating to balance and a relative industrial harmony have been achieved in Portugal which I believe would not otherwise have been possible.

Social dialogue began by concerning itself solely with incomes policy which is, after all, one of the most important aspects of macroeconomic policy. I remember that the first agreement on incomes policy, signed by the then Standing Council for Social Dialogue, was reached in 1986. We were attempting to bring inflation down: as inflation fell, agreement was needed for pay negotiations to be concluded on the basis not of **past** but rather of **expected** inflation, in order to boost this trend. The aim was achieved thanks to the intelligent approach of the social partners – in this case on the trade union side – to the social dialogue. I recall how breakthroughs were made in thinking, how ideas were discussed and then put into practice concerning per capita labour costs, productivity and the Portuguese economy's competitiveness: in the final analysis, a social dialogue where these variables – however much they may appear a matter of arithmetic – are not prominent does not constitute substantial social consultation.

Since then, the dialogue has grown and extended to touch upon solidarity between **job holders** and **job seekers**. Reducing unemployment and, at the same time, inflation is extremely difficult, if not impossible. We will only succeed in this dual objective of bringing down unemployment and inflation if there is serious social dialogue. Fortunately, this has been the case in Portugal since the second half of the 1980s.

Social dialogue has since branched out into other important areas. Its scope has broadened to encompass training policy, private investment support policies, hearings on the major planning options and so on.

Social dialogue in Portugal, as in other countries, demands both time and patience. Patience often runs short – but this is sometimes exactly the way to break deadlock. Determination sometimes falters, but commitment, flexibility and a grasp of overall balances is essential to all parties. This was one of the most rewarding experiences of my more than four years as Minister of Finance – from all points of view, in terms of what was attempted and achieved and even what we failed to achieve through social dialogue, and also the pleasure at reaching the first agreement on incomes policy, concluded in 1986. It was even more rewarding on account of the people I met.

At this point, I should like to pay tribute to the memory of an outstandingly intelligent, constructive and open-minded man, who contributed enormously to social dialogue in Portugal: Dr. Agostinho Roseta. He is unfortunately no longer with us, leaving an unfillable gap, but I am convinced that he is and will remain a key figure to whom all those responsible for establishing social dialogue in Portugal will turn.

I should like to call for a few seconds on silence in memory of Agostinho Roseta.

In Dr. Agostinho Roseta, the General Workers' Union of Portugal had an outstanding leader. Dialogue can only be between individual men and women: social dialogue in Portugal is the poorer for his loss.

I cannot conclude, ladies and gentlemen, Mr President of the Economic and Social Council, without touching upon the theme under discussion. We are **concerned for social justice**, but at the same time are bound by the **constraints of economic rationality**. To forget these is a recipe for later social injustice, as occurred in Portugal in 1974. As you are aware, our system of government changed that year. The joy was universal. Everyone thought they could get everything, but the dream was followed by disappointment.

1974 and 1975 witnessed the economic barbarity of a spectacular rise in real earnings, just as productivity fell dramatically. This was, of course, a combination which flew in the face of economic rationality. Something, inevitably, had to give.

In 1978 an extremely stringent macroeconomic stabilization policy was introduced which put the Portuguese economy back on its feet. There was no social dialogue: neither was any possible, under the circumstances. It emerged, as I mentioned earlier, a decade later.

What is social dialogue anyway? It is a path, a method, a sort of non-mechanical mechanism, a gradualist and intelligent attitude on the part of the social partners and Government; involving, in other words, three parties. Its basic aim is to pave the way for greater social justice, less social conflict, more economic growth and more solidarity, but always **within the bounds of economic rationality**. This rationality must be evident at the **business level** – a firm exists to make money – and at the **macroeconomic level**, where variables such as inflation, productivity, real earnings, competitiveness, unemployment, consumption, the trade balance, the goods and services account, the balance of payments on current account, etc., meet.

JOSÉ ERNESTO CARTAXO

Councillor of the Economic and Social Council of Portugal, member of the Executive Commission of the General Confederation of Portuguese Workers National Intersyndical (CGTP-IN)

1. Introduction

Our role here at the IVth International Meeting of Economic and Social Councils and Similar Institutions is to outline the views of the CGTP-IN on social consultation as experienced in Portugal, and to attempt to address questions relating principally to the operation and practical outcome of this consultation process as we, as an organization representing workers, see them.

A number of initial questions inevitably arise.

Has social consultation helped to enhance workers' conditions and social progress as a whole? Has it reinforced the various levels of dialogue and negotiation? Has it helped strengthen the democratic system, particularly from the point of view of participation? Has it led to workers carrying greater weight in economic and social decisions, particularly those most directly involving them? Has it brought Portugal closer to matching the best conditions to be found in Community countries, in an attempt to harmonize progress? Has it served to improve industrial relations at all levels, ensuring the respect and exercise of legal and contractual rights? Has it helped to involve all the social partners in seeking solutions to the country's economic and social problems?

2. Assessing how social consultation works and how it has developed recently

We shall attempt to make a brief critical analysis of what are, for us, the most significant aspects of consultation over the last eleven years. We shall attempt to set out the CGTP-IN assessment of the practical outcome.

It needs to be said at the outset that the ESC's official involvement has been confused with its activity, the latter being reduced to the social consultation function. This is a restrictive and inaccurate view. As far as we are concerned, consultation would benefit if it involved a broader degree of participation, encompassing collective bargaining and the various areas of involvement in official decisions.

The substance of involvement at institutional level should be put on a more official footing and made more efficient. Since this involvement is not a gift from the powers above, we feel it should not be made dependent upon trade unions' acceptance of prevalent political strategies.

Secondly, social consultation itself has focused too narrowly on wage or incomes policy agreements and on changes to labour law.

CGTP-IN has viewed these agreements and changes critically. Where wages are concerned, this is because their purpose has been to set wage ceilings which, in addition to being lower than is possible and desirable for many sectors, in fact put constraints on the free exercise of collective bargaining. And where the «concerted» labour law changes are concerned, it is because their basic thrust has been dictated by moves to deregulate employment relationships. The result has been increasing insecurity of employment, with which we cannot agree.

CGTP-IN has therefore not signed these accords. We do, however do so in other cases against our better judgment, as the case of the Agreements on Vocational Training and on Health and Safety at Work. This point needs to be stressed, because a number of garbled versions of our stance on social consultation are circulating.

Thirdly, undesirable government interference in the process of social consultation has occurred. Using the powers their chairing of the committee gives them, government representatives have operated as a blocking force, bending the procedures and substance of social consultation to their own interests and timetables, even where this has meant reneging on existing commitments and agreements.

Such was the case with the strong pressure exerted on the trade unions to reach an agreement restricting pay rises, in the same way as the implementation of the Agreements on Vocational Training and Health and Safety at Work was «overlooked», as was the establishment of the 40-hour working week.

Recent developments are ominous, as illustrated during the last two social consultation exercises of 1993 and 1994.

Firstly, because the content of the proposed accords failed to recognize the various interests involved, assuming a markedly «worker-unfriendly» cast and lacking an acceptable economic justification.

Secondly, because the discussion process exceeded its institutional bounds, with a drift towards practices contrary to the framework of discussion.

3. Collective bargaining, social dialogue and institutional involvement

Lastly, I should like to draw attention to a number of general aspects concerning collective bargaining, the social dialogue and institutional involvement.

Firstly, we do not believe that social dialogue should seek to make us jointly responsible to public opinion or, more particularly, to workers for political measures over which we have no actual control and with which we disagree.

Secondly, we do not believe that institutional involvement and social dialogue are incompatible with labour disputes, which are the natural expression of varying interests.

These interests remain however open to negotiation, as history shows. This does not imply that they are no longer being pursued, but rather that they are being recognized.

This leads to my third comment, that social consultation should not be placed in opposition to the constitutional right to collective bargaining.

We wish to state quite clearly here today that we acknowledge the value of institutional involvement, but that we do not consider it to replace other forms of negotiation and collective bargaining.

Nor do we believe that a genuine social dialogue should lead to the erosion of social and employment rights.

In conclusion, we would stress that in our view, dialogue and negotiation – at all levels – offer possibilities and potential which must be fully harnessed in the interests of progress and social justice. This requires a democratic policy, based on widespread active support.

JOÃO PROENÇA

Vice-President of the Economic and Social Council of Portugal and General Secretary of the General Workers Union (UGT)

It is a great pleasure for me to be part of this panel today, and to discuss the current state of social dialogue in Portugal before such a distinguished assembly of people whose business it is to pursue dialogue, negotiation and consultation in their own countries.

Social dialogue can be clearly stated to be consolidated in Portugal. It is a structure of great importance, recognized as such by Government and Parliament, the political partners, public opinion and workers. Events in this arena are closely followed by the media, and the benefits and costs of the decisions emerging from it are discussed at company level.

When I refer to the importance of the social dialogue today, it is worth remembering what it was 11 years ago, when the then Standing Council for the Social Dialogue (CPCS) was set up.

We have a relatively positive tradition of collective bargaining in Portugal. Hundreds of collective agreements now exist at sector or company level, but negotiations between the employers' and trade union confederations – and even between the trade union federations – were then at a virtual deadlock.

The first meeting between trade union and employers' federations after 25 April 1974 was held at the initiative of the UGT in 1982 – some two years before consultation began.

Getting this process under way was not at that time a simple task, given the wide ideological divergences. Two points in particular are worth recalling.

Firstly, the law establishing the CPCS represented the outcome of a dialogue between the social partners and Government: it was not drawn up by Government and imposed on the social partners.

Secondly, it was decided that the Government and the social partners should be represented on the Standing Council at the highest level: the Government would therefore be represented by six ministers, including the Prime Minister, and the confederations by their leaders. The strength of social dialogue was based, to a certain extent, on this principle. The social partners were able to secure access to the most important economic and social data before decisions were taken. Opinions could be issued on these questions and, above all, agreements could be reached.

Immediately after the Council began work in 1984, structural policies under the Financial and Economic Recovery Programme were discussed. In the meantime, the Government fell and another took office, and discussion commenced on other policies. It became established practice for the Council to debate not only incomes, but also employment, company restructuring, social security and ways of improving workers' living conditions.

This is what gave the Standing Council its real strength: the opportunity to discuss short-term policies, such as incomes policy for the coming year, together with medium- and long-term policy.

Numerous agreements were concluded. Some years there was an incomes policy, others not. Agreements of clear medium-term impact – such as the 1991 Economic and Social Pact – were concluded.

On balance, it may be stated that Portuguese workers experienced less industrial unrest and enjoyed higher pay rises in those years when an incomes policy was in force. Social dialogue has proved to be of benefit to workers.

It should be emphasized at this point that these Social Dialogue Agreements are not prescriptive: in contrast to collective bargaining, they are binding only upon those who subscribe to them. It is up to members to implement them subsequently – the Government by promulgating the agreed legislation or taking the agreed decisions; the social partners by putting the results of the negotiations into practice in their collective bargaining, particularly where reference pay levels are involved. In the years when they have existed, agreements have been effectively adhered to in subsequent collective bargaining, in spite of opposition from some quarters.

The UGT has always stood for dialogue, negotiation and consultation, and is profoundly committed to them.

We recognize that dialogue and consultation mean reconciling economic and social policies. This inevitably involves reconciling differing interests. A tripartite social dialogue entails reconciling the interests of employers, workers and Government.

However, at the same time as a dialogue is under way, trade unions may also be staking claims or taking industrial action. But such claims or action must be aimed at securing a better dialogue or collective agreement – never conflict for its own sake.

In our view, dialogue is essential if medium-term problems are to be tackled. Employment policy, education and training policy, social security reform and the gradual alignment of Portuguese workers' living conditions with average EU conditions will all depend on this tripartite dialogue.

Social dialogue is a well-established practice in Portugal. Government and Parliament, together with the political parties, are currently stating their intention to launch strategic debates in the country, a medium-term consultation in particular. The social partners as a whole are committing themselves and, despite some doubts among certain sectors of the population, social dialogue agreements are seen by the vast majority as worth continuing.

However, the consolidation of the social dialogue in Portugal should not lead us to overlook the continuing process of considering the problems which still beset it, and of making it function more effectively.

Three basic problems arise here:

Firstly, how it ties in with the Economic and Social Council. The economic and social partners were strongly in favour of setting up such a body in Portugal. They succeeded in winning complete freedom for the way the social dialogue was to proceed within the Council.

There is a need in this respect to enhance compatibility between the social partners and the vast range of interests and organizations represented on the Council. It has so far been possible to pursue a fruitful dialogue, in a climate of excellent relations. This approach must be maintained, in order to reconcile the dialogue and role of the Economic and Social Council, by simultaneously developing the role of the social partners and of the other organizations emanating from civil society which are represented on the Council.

The second question concerns the fact that the social partners are represented at the very highest level, including Government. Its presence, together with the level at which it is represented, creates an excessive dependence on Government initiatives with the effect, most significantly, that governments are not always equally committed to consultation. The process then grinds to a halt. This is what is happening at present, with the Government being, in practice, preoccupied with day-to-day matters. This is a problem which merits discussion in greater depth: the social dialogue must be on a permanent footing, and must not be allowed to depend on attitudes or electoral strategies which do not concern it.

The third major question – which we feel requires detailed consideration – is how to link the social dialogue at national level with participation and dialogue at other levels of society. More specifically, there is the lack in Portugal of structures for dialogue on a sector-by-sector basis, and the low level of worker participation, especially at individual company level.

I should like to finish by expressing my appreciation at the opportunity to set out the UGT's position, which is one of a clear undertaking to strengthen the dialogue, negotiation and participation. These are the main planks – although not the only ones – of trade union action.

RAÚL ROSADO FERNANDES

Vice-President of the Standing Committee for Social Dialogue and President of the Portuguese Farmers Confederation (CAP)

I should like to talk about the impact which the creation of another body to discuss employers' and workers' interests has had in Portugal – a country which is heavily dominated by central government. The creation of this body marked the end of a lengthy process. Four decades under an authoritarian regime were ended by a revolution which attempted to install another authoritarian regime. The Portuguese, who had never known real democracy or freedom, then found themselves with an even stronger regime. This has happened in other countries which topple an authoritarian regime, for instance France after the French Revolution, where centralization was even greater. I am not saying that revolutions are fought so that things can stay the same, but at a certain point we had to accept the establishment of another body that would ease the strong animosity between capital and labour (I shall not mince my words) and, by meeting and talking, discuss issues at national level. It was a worthy attempt in which people who had been bitter adversaries during the revolution could sit around the same table and discuss the key issues facing Portugal and its people without calling into question ideologies – although some were obviously present – but endeavouring instead to find ways of making Portugal a viable, free country able to take its place among democratic nations. Portugal joined the EEC (now EU) in 1986. It is a small country, with a questionable level of schooling but with good workers (at least for the countries to which they emigrate – and Portuguese workers have traditionally solved the unemployment problem by emigrating). Historically, Portugal has never faced up to its situation and developed its human resources to withstand competitors. I see the Standing Committee for Social Dialogue (which, by agreement among the partners, remained largely unchanged after the establishment of the ESC) as a moderating influence on socio-economic affairs, although it has not done enough to close the gap which separates us from the most developed countries in terms of education, especially at intermediate level.

I feel that Mr Proença gave an accurate description of the history of this organization. Although in the agriculture sector we have been less involved in wage negotiations, we have always been at pains to defend a principle that has been called into question by fashionable economists, that agriculture is a key factor in national balance. Many economists, influenced by the comparative advantage theory of the English economist Ricardo, have argued that countries with no comparative advantage had no option but to give up their efforts and import, and become a depository and consumer for the richer countries which did have the requisite advantages.

In the ESC and the social dialogue, we have always opposed this view. We have never accepted the economists' view of the consumer as a kind of mythical beast with only a

stomach and a wallet, neither a fullscale citizen nor tax-payer, but a sacred cow to be appeased through cut-throat competition.

Since joining the EU we have made gradual progress, and I should like to emphasize the role which we can play in discussing these problems in the light of economic globalisation. The globalisation process is highlighting the imbalances between the major powers. Even in Europe, the balance is not stable. But if we look further afield, we see that balance is lacking there too. Anyone with any knowledge of world history knows that the balance of powers, or between powers, is vital for economic, social and human life to proceed peacefully. So the absence of such a balance is cause for serious concern.

We have seen the emergence of serious threats, from religious fundamentalism to extreme nationalism and pathological violence on the part of people who feel alienated from society. The lack of stability in the world today – and in the west in particular – means that we cannot afford not to play a full part in resolving the problems of daily life.

I believe that economic and social councils should also take a global view which embraces the most modest country, so that the stronger do not exploit the weaker; and so that multinationals, which have become supernational powers more important even than governments, and which are a totalitarian form of capitalism (I say this even though I believe in capitalist society), do not overstep their role and take advantage of those who are less well prepared.

Such is the role of the ESCs and such is the call which I make to you – to pay constant attention to this most pressing problem of our world today.

RUI NOGUEIRA SIMÕES

Vice-President of the Economic and Social Council of Portugal and Vice-President of the Confederation of Portuguese Industry (CIP)

I shall divide my speech into three parts:

In the first part I shall clarify some aspects of the subject under discussion; in the second part I shall discuss the question of consultations at an intermediate and micro level; and in the third part I shall discuss the matter in a macro context before terminating with a few general comments.

1. Preliminary considerations

I should first like to stress three points:

- i) Firstly, experience has taught us that it is important to know something about other countries' models for social dialogue and how they have developed. Some of these models provide a forum for consultations, while others do not. Nevertheless, they always reflect each country's distinguishing features (historical, cultural, social, political and economic).

Such models generally provide a framework for relations between the social partners that reflects the varying degrees of trust established over the years.

It would therefore be unrealistic – and is not desirable – to import foreign models for social dialogue without adapting them.

- ii) Secondly, I shall not be discussing Portugal's experience of social consultation at a transnational or worldwide level, i.e. the consultations held within the framework of the International Labour Organization (ILO), which culminate each year in the annual session of the International Labour Conference.

However, I must emphasize in this context the full and total independence of the social partners when they act and take decisions as part of the ILO's work and in accordance with the ILO's statute.

- iii) Thirdly, I shall not be assessing tripartism and social dialogue within the European Community framework, despite the increasing importance, especially in the field of social policy, of the social partners' role in defining Community guidelines and policy measures (and especially legislative measures).

The EU Treaty has also, in theory, institutionalized a more active and important role for the social partners in the field of social policy.

However, two years after the Treaty's entry into force there is still no visible proof of this greater role. The Community bodies (and especially the

Commission) are continuing to monopolize social policy, with Community-level rules and regulations being adopted in many areas.

2. Consultations at an intermediate and micro level

Consultations at an intermediate (i.e. sectoral or regional) level normally take the form of collective bargaining and the signing of collective work contracts. They are without a doubt the most widespread and traditional form of «intermediate» consultations in Portugal.

Statistics confirm this, with about 82% of workers being covered by collective work contracts, about 4.5% by collective work agreements and only about 7% by company-level agreements (the rest are either covered by the decree regulating work (DRW) – about 4.5% – or are not covered by any instrument whatsoever for the collective regulation of work).

The reason for this situation is clearly that most firms in Portugal are SMEs.

Thus, about 77% of firms have less than 10 workers, 18% have between 10 and 49 workers and only 4% have more than 50 workers.

This being so, it is natural that collective bargaining in Portugal mainly involves employers' associations. Company-level negotiations (i.e. so-called micro consultations) are reserved for situations where this is required by the scale or, in a few cases, the special nature of the activity.

In this context – and this is a matter which has received the Confederation of Portuguese Industry's growing attention – it should be pointed out that there have been a number of major hiccups in the collective bargaining process. These have concerned adaptation of the texts of agreements to firms' new organizational requirements, as the agreements were signed at a time when the political and socio-economic climate was different.

Thus, the blinkered attitude of the unions, together with the absence of adequate legal machinery, have made it impossible to adopt a new approach to bargaining on such important matters as multi-skilled staff and flexitime and have done considerable damage to firms' competitiveness.

Social dialogue in Portugal has traditionally been non-institutionalized – or conducted via voluntary machinery on which agreement has been reached – since it is felt that the more informal the dialogue the greater its effectiveness.

In addition, unlike collective bargaining, the social dialogue has proved to be more successful at a lower level. This is particularly true of the company-level dialogue between the employer and his workforce.

These factors strengthen the CIP's opposition to certain Community proposals to set up obligatory, formal and rigid structures for worker information, consultation and participation

at company level, such as the Directive on the European works council and the Directive on worker participation in the European company.

In truth, such rigid standardized arrangements are totally out of place in Portugal – and also elsewhere in Europe – and have been strongly contested by employers.

3. Macro consultations

This means consultations involving umbrella or top-level employer and trade union organizations, such as – in the case of Portugal – the CIP (Confederation of Portuguese Industry), the CCP (Confederation of Portuguese Commerce), the CAP (Confederation of Portuguese Farmers), the UGT (General Union of Workers) and the CGTP-IN (General Confederation of Portuguese Workers).

Macro consultations are a relatively recent phenomenon in Portugal and have become established in fits and starts. After the 1974 Revolution the social dialogue was deadlocked, but this is now a thing of the past.

In the period immediately following the change in regime in Portugal, when the right of private individuals to own means of production and take initiatives was called into question, life in Portugal was particularly difficult for businesses and their representative associations.

Not until the mid-1980s, about ten years after the Revolution, did the social partners start to have regular top-level contacts.

Law No. 74/84 of 2 March, which established the Standing Council for Social Dialogue (CPCS), undoubtedly represented a milestone in the development of tripartism in Portugal.

The CPCS which institutionalized the participation of the social partners in economic and social policymaking at the highest level.

However, it should be borne in mind that the CGTP-IN, faithful to the principles of social conflict and the class struggle and therefore shunning the social dialogue, did not take part in the work of the CPCS initially; the CPCS was not attended by all of its statutory members until the middle of 1987 when the CGTP-IN concluded that its isolationism clearly weakened its role as a social player.

The upsurge in activities and the many tripartite agreements reached within the CPCS reflect the growing importance of the social dialogue and social consultation in Portugal in recent years.

In an initial exploratory phase contacts were bilateral and the aim was simply to establish a social dialogue, but this gave way to tripartite contacts aimed at effective social consultation.

The changing form and content of the six main documents agreed on by the CPCS are symptomatic of this trend. These documents are:

- Recommendation on incomes policy for 1987
(signed by: Government, UGT, CAP, CIP and CCP);
- Agreement on incomes policy for 1988
(Government, UGT, CAP and CCP. The CIP did not sign while the UGT signed but backed down later);
- 1990 economic and social agreement
(Government, UGT, CIP and CCP);
- 1991 agreement on occupational safety, hygiene and health
(signed by the Government and all the social partners);
- 1991 agreement on vocational training policy
(signed by the Government and all the social partners);
- Agreement on incomes policy for 1992
(Government, UGT, CAP, CIP and CCP).

This is not the place to analyse each of these six agreements.

However, at the very least we should pick out the 1990 economic and social agreement as the high point in Portuguese social consultations, bearing in mind the sweeping changes in Portuguese labour legislation stemming from this innovatory document (especially as regards the sacking of workers because of their inadaptability, the establishment of «service commission» provisions, early retirement, the new concept of trial periods and the introduction of collective bargaining in various areas, including the adjustment of working time).

These innovations made labour legislation more flexible and brought it much more, (albeit not sufficiently), into line with the legislation in other EU countries.

It should also be stressed that each agreement, and notably the 1990 agreement, was preceded by hundreds of hours of negotiations (both tripartite and bilateral) to align the different sides' highly divergent and often diametrically opposed views.

No social agreement has been reached since 1992. The lengthy negotiations held in 1993 and, more recently, between July and October last year came to nothing.

Although the social consultations established at the highest institutional level in Portugal have been generally worthwhile, people are rightly becoming concerned about the future of the consultations. This is despite the fact that the most recent attempts to hold consultations failed more for party political reasons than for reasons to do with the social partners.

At all events, the CIP agrees that it will not be possible to successfully conclude a future agreement unless it includes key factors for ensuring the competitiveness of industry, e.g.

flexible working arrangements, employment of multi-skilled staff and the adoption of provisions for increasing productivity.

It is naturally hoped that the Economic and Social Council – that is to say, its Permanent Commission for Social Consultation – is able to confirm its role as the preeminent body for social dialogue at a macro level.

It is therefore vital that the social partners act on the basis of the real socio-economic interests they represent and do not let their decisions be influenced by party-political pressures or pipe-dreams.

It is also crucial for the various parties involved in the consultations to be duly aware of the economic challenges facing European firms in an increasingly competitive world where their shares of the markets are on the decline.

VASCO DA GAMA

Vice-President of Economic and Social Policy Committee of the Economic and Social Council of Portugal and President of the Portuguese Confederation of Trade and Services (CCP)

1. The institutionalization of the social dialogue and social consultation constitutes one of the most important events in the process of restoring Portugal to democracy, which began on 25 April 1974.

In a country where politics were once dominated by the class struggle and confrontation and the totalitarian vision of the State as the sole interpreter of national interest, with free speech being denied to civil society, social consultation underscores the legitimacy of pluralism and the possibility of engaging in dialogue to reach agreement and find solutions.

The ongoing institutional dialogue has reinforced the belief that specific concerns are best defended by satisfying the global concerns of the economy and the society in which we live. Or, in other words, no solution will be effective unless it furthers economic progress, the modernization of production and the improvement of living conditions.

While social consultation is vital for economic progress in that it creates trust, reduces conflict and makes policies credible, it is equally true to say that it is only by making economic progress – or creating wealth – that the legitimate concerns of the different partners can be satisfied.

2. Before the ten years of tripartite social consultation in Portugal is assessed in terms of the agreements reached (of which there have been a good number), consideration must be given to the fact that it has helped to create a climate for social dialogue and relaxed State control of public life in Portugal. Thus, it has been possible:

- to address problems not by disregarding interests at stake but by adapting them to an overall scenario, which naturally leads to demands being toned down;
- to improve the climate for discussion by putting an end to the idea that agreement would be seen as a form of capitulation, and by providing a strategic overview of issues which extends beyond their immediate effects;
- to force the political powers (Government) to give closer consideration to the real interests of the economy and business by seeing policy measures in the context of their effect on the socio-economic fabric.

3. From the institutional point of view, the type of consultation adopted had and has, in our opinion, a number of strong points and a number of weaknesses which we would like to mention.

First of all, the more positive aspects:

- the institutionalization of the **tripartite dialogue**, which, given the fact that the State has always been closely involved in the economy and that a bipartite

dialogue has never taken root, has proved to be the best solution and has contributed to the signing of a number of agreements between 1987 and 1991.

- the functioning of the former Permanent Council for Social Consultation, which brought together representatives of the Government, the three employers' confederations and the two trade union organizations and, assisted by working parties and commissions, was systematically involved in the main economic and social policy issues.
- the constructive attitude and growing maturity shown by most partners, which prevented the Council from being partisan.

Notwithstanding this, there are other aspects which restrict the proper functioning of social consultation, especially after a number of years of inconclusive negotiations.

These are:

- the fact that the Council's work still depends – sometimes excessively – on the Government and that its activities are somewhat overpoliticized, especially in the way it is used as a mediator.
- the creation of an Economic and Social Council with wider membership and duties, within which social consultation in the proper sense has been assigned to a commission; although the latter has its own statute vis-à-vis the ESC, there is some overlapping of duties and several levels of intervention, which occasionally makes administration and participation difficult. The social partners do not always have the requisite resources for this.

4. As regards the agreements signed, the efforts that have been made to extend their scope and duration should be highlighted.

Following a number of agreements on incomes policy which set out recommendations for collective bargaining, an agreement was signed in 1990 covering a wide range of subjects such as labour law, occupational safety, hygiene and health, social security, education and vocational training, etc., while negotiations were conducted in 1994 for an agreement lasting several years and covering an even wider range of subjects. Unfortunately no agreement was forthcoming.

This wider approach – which the CCP has defended for many years as a basis for strengthening the role and importance of social consultation – involves recognition of the fact that consultation must be based on the achievement of major strategic objectives (which in the present case means the modernization of productive machinery and the creation of employment) and that the Government cannot act simply as an arbiter in negotiations (except when public sector pay is being negotiated).

This means that without modern competitive firms it is not possible to create jobs and guarantee higher wages and that, unless we take a backward view of trade unionism, the

problems involving the competitiveness of firms are bound to be of concern to workers' representatives, too.

In this context, I would stress the bilateral negotiations (social partners/Government and social partners among themselves) within the framework of the 1994 negotiations, in which wide agreement was reached on labour legislation, working conditions and the fight against illegal practices. In the wake of this, the CCP and the UGT were able to sign a major agreement in 1995 on labour law, employment and training, which constituted the first agreement signed in Portugal between an employers' and a trade union confederation.

In conclusion, let me voice my faith in the future of social consultation and underscore the CCP's commitment to the forthcoming signing of a Medium Term Agreement (legislative period), which should stimulate the modernization of our economic fabric and create conditions for Portugal's further economic and social development.

III

ROUND TABLE ON THE STATUTE OF COUNCILLORS

(Cultural Center, Quedá Room, 26th may 1995)

**SUMMARY OF THE ANSWERS TO THE QUESTIONNAIRE
ON THE ECONOMIC AND SOCIAL COUNCILS
AND SIMILAR INSTITUTIONS¹**

During its preparatory meetings, the Comité du Suivi defined the three major aims of our meetings:

- to pinpoint our institutions' place in our individual countries;
- to reflect together on one or more issues of general interest;
- to get to know each other better.

The questionnaire, sent to you in the first half of 1994 concerns the third aim: to get to know each other better.

This seems to be important for everyone, as I received answers, in good time, from most of you, and was able to prepare the summary, which has now been distributed to you and which I do not propose to read out.

Let me begin by thanking you for answering the questionnaire. A compendium of those answers has been prepared by the Portuguese Economic and Social Council in three languages, Portuguese, English and French, a copy of which you will find among your documents. Answers received after the compendium was published will be distributed to you and will be inserted into a second compendium which will include a synoptic table, prepared by the Italian Council.

These compendiums are a mine of information that will make all researchers on constitutional law and human sciences happy.

They will also be of great interest to governments or legislative assemblies who are thinking of setting up a consultative body comprising the major players in the social and economic spheres.

What have your replies revealed about our institutions?

1. They are young. Three times more Councils were established in the nineties than in the fifties.

2. They are consultative bodies. Except in a few cases where Councils have a parliamentary role, our Assemblies are consultative bodies only.

¹The questionnaire and the answers received from several Economic and Social Councils and Similar Institutions were published by the Economic and Social Council of Portugal: "The Economic and Social Councils and Similar Institutions - Comparative Data", CES, Lisbon, 1995.

3. They do not wish to be seen as an opposition force, but rather as a kind of «guardian of the nation», lighting up the way, pointing out the obstacles and suggesting ways forward.

4. Their composition, mission and relationship with the government may differ, but they all have one point in common: to obtain, on matters of general interest, the consensus of all the major players in civil society.

5. In my opinion, no one model emerges from this survey of our institutions. The composition of our Assemblies, the method for appointing the presidents, the duration of the mandates ... all that depends on the way our countries are organised in constitutional, economic, social and cultural terms – and that is how it should be.

To put forward rules in this regard would have more drawbacks than benefits.

A Council's success depends on the active participation of the social and economic players and on the authorities taking an interest in its opinions.

6. Our institutions have not yet found a magic formula for, on the one hand, group stability within our Councils, a pre-requisite for steady, good quality work and, on the other, keeping up with social changes which affect those groups (some emerging and others disappearing).

We have two options: either the composition of our Assemblies can be easily changed by means of a simple decree (and this would generate a feeling of insecurity, hardly conducive to meaningful work, or it is very difficult to change – a basic law, for example – and then we run the risk of having, in a few years, an Assembly whose composition bears little relation to the society it represents.

7. Finally, I should like to say a few words about members' status. Our survey clearly shows that material compensation for services rendered by members is a secondary matter and has hardly any bearing on the respect that members' enjoy.

This respect, which does exist most of the time, is linked to members' representativeness.

The office is respected because it is held by people who have positions of responsibility in their country's economic, social and cultural life.

If our members are the leaders of unions or of organisations representing employees and employers, and farmers and craftsmen, then the office will be respected and sought after, and members will be listened to.

If the men and women appointed to the Council by the organisations and the government hold minor jobs, then they will not have any more influence in and through the Council than they had in civilian life.

The Round Table that is to follow will give us a better idea of the role of an Economic and Social Council member.

This debate will further expand your answers to the questionnaire. In other words, it will show that the most dynamic Councils are those whose members are both representative and responsible: representative of the organisations which appointed them; and holding positions of responsibility in their respective organisations.

It is because most members throughout the world are representative and responsible that consultative bodies appear to be increasingly necessary for our societies' equilibrium and dynamism and for democracy.

A) COMMUNICATIONS

Topics for discussion:

1. A discussion of the experiences of the economic and social councils (ESCs) and similar bodies might consider certain key aspects: their duties (consultative, social dialogue, involvement in socio-economic development plans, etc.); their membership; the cases in which governments (or other bodies such as parliaments) are obliged to consult them, and those where consultation is optional; the cases and conditions in which they have a right of initiative; the degree of public awareness of their activity; and the influence of their opinions and pronouncements.

2. However, it might be more useful to focus our attention on those aspects which are likely to affect ESCs' intervention capacity. This capacity may depend on:

- a) the **representativeness of the interest bodies** which comprise the ESCs;
- b) the **procedure for appointing** interest bodies to the ESCs;
- c) the **status of the individual members** who represent these interest bodies on the ESCs.

3. It is clear that the representativeness of an ESC will be greater if the interest bodies (be they trade unions, professional associations, employers' organizations or other groupings) represented on it are truly representative of their group's interests. If they are not, that representativeness and the institutional and practical importance of the ESC will be reduced accordingly.

For this reason, many ESCs pay special attention to the concept of «most representative» body. However, this raises the question of which is the best way of assessing representativeness, and of whether this objective is catered for in the membership of the different ESCs.

This is undoubtedly a topic which is worth discussing.

4. Another key aspect is **how the organizations to be represented on the ESCs are selected.**

The process must be democratic and transparent, to ensure that the membership of the ESC (be it joint, tripartite or wider) fully reflects the relevant interests.

So who chooses them? Under what conditions? Is there any right of appeal against their decisions?

In most cases, the ESC's founding legislation or regulations specify which organizations should be represented. In other cases, there is specific legislation establishing a system whereby organizations can apply for membership and determining the body on whom the decision rests. In still other cases, the appointing body is the government. These are just a few examples of the various possibilities, and it is important to consider whether they provide an effective, democratic way of expressing the interests that should be represented on an ESC.

5. Another related aspect is the status of the individual members.

If ESC members come from the highest ranks of their organization and thus have decision-taking powers within it, their role will be stronger and so will that of the ESC.

This aspect is also important in the case of government representatives who belong to an ESC. Here too, only involvement at the highest level is a guarantee of effective representation. Failing this, there is a risk that the positions adopted by government representatives do not receive concrete follow-up, or that these representatives simply play an observer role rather than the active role for which they were appointed.

However, a high level of representation can also mean that members often miss ESC meetings because their responsibilities require them to be elsewhere. This problem has sometimes been addressed by appointing alternates. However, this solution is not perfect if members can delegate their powers to alternates who are technical specialists rather than decision-makers.

ESCs have adopted a variety of solutions, and it would be interesting to discuss their respective merits and disadvantages.

6. An analysis of the membership of the various ESCs shows that many of them include persons selected for their special competence or experience. Such people are generally independent but may sometimes be appointed by government, socio-occupational organizations or even the plenary assembly of the ESC itself.

This is quite justified, given the complexity and the sometimes highly technical nature of many of the issues considered by ESCs. Their members need to be independent and have specialist knowledge when dealing with representatives of management and labour or other groups who are naturally concerned to protect their own interests.

However, a balance has to be struck between the need for objective, technically sound opinions and the need for decisions to be taken by people with effective decision-taking power. In other words, representativeness has to be reconciled with technical accuracy and effectiveness.

One way of ensuring this is by allowing ESC members to be assisted by technical experts who, although not allowed to vote, improve the quality of discussions and hence of opinions and reports. Experts are also sometimes brought in from outside bodies.

The quality of an ESC's work can greatly enhance its prestige; opinions and reports can have a great influence not only on decision-makers but also on the public who read about them in the media.

7. Another problem which we might discuss is the **advantages and disadvantages of making ESC membership incompatible with other duties** (generally governmental or parliamentary duties).

Whilst this might be justified by the fact that ESCs' role is to advise the authorities, many countries allow ESC members to continue to carry out their professional duties without restriction. Indeed, in some countries, members of the government are also ESC members by law. In others, they attend meetings but without the right to vote; this can be useful during the debates which precede a decision, as they can provide clarifications.

Different considerations have clearly led different countries to choose different solutions, and it would be worth discussing their relative merits.

8. Another area in which ESCs differ is the **term of office** of their members.

The length of this term varies greatly. In some cases it is renewable, sometimes with no limit. In others, maximum terms are specified such as no more than one or two terms.

It would be worth discussing this matter, and the related issue of the circumstances under which a term can legally be revoked.

9. One final issue which might be discussed is not related to the representative or democratic nature of ESC appointment procedures.

The answers to the questionnaire sent out by ESCs shows that their **membership** is extremely varied.

In some cases, members come only from trade unions and employers' organizations. In others, membership is tripartite, and includes government. In still others, it is much wider, and includes craft workers, family and consumer organizations, regional bodies, academics, etc. In this third case, government is also sometimes represented.

Does this differing membership affect the profile of an ESC and its statutory role? Why does membership vary so much?

It is not a question of representativeness, but may reflect the goals of each ESC and hence the legal form underpinning it.

In the final analysis, here too there is more than one solution and a wealth of possibilities.

As a recent study noted: There is no ideal model for an economic and social council. It varies not only according to the history and traditions of each country, but also of that country's socio-economic structures.

How the Economic and Social Council of the Province of Córdoba (Argentina) operates

Background:

Argentina became democratic again in 1983. As a result, in the following few years the federal Argentine government and the provincial governments developed a range of instruments to consolidate the Constitution, which had frequently been suspended in the past.

From this time on, a number of provinces brought their own constitutions up to date. Their aim was to improve the instruments for public participation in the – amended – Basic Laws.

This resulted in the creation of economic and social councils and similar institutions in Salta (art. 75)/86, Catamarca (art. 16C)/88, La Rioja (art. 58)/86, Córdoba (art. 125)/87, San Luís (art. 84)/86, Río Negro (art. 1045)/88, Formosa (art. 152)/91, Tierra del Fuego (art. 75)/91, Neuquén (art. 249-252)/94, and so on.

Although these bodies were important from the legal point of view, they did not take their place immediately in the institutional set-up.

In the province of Córdoba the authors of the constitution included the Economic and Social Council (ESC) in the constitution. It was set up in 1987 to advise the provincial government, with members from industry and labour and occupational and socio-cultural associations. Regulations for its operation were established in 1988 in Law N°. 7763.

When a structure was given to this body, account was of course taken of other similar organizations abroad, together with its counterparts in other provinces of Argentina. More importantly, in a desire to take account of its own particular situation, Córdoba embraced the participatory process which had been developing in the province since 1984.

As a result of a labour dispute (that concerned the whole of the country, but which affected Córdoba in particular given the very industrial nature of the province), a commission that comprised representatives of the social partners – the Negotiations and Advice Board – was set up and convened at once by the provincial government.

At the beginning the Board was particularly marked by reluctance and suspicion on both sides, but the end result was an improvement in what is an ideal instrument for solving this and other disputes, since defensive and partisan approaches are abandoned in favour of the community's wider interests. Slowly but surely, the government and the social partners began to discuss subjects that were of importance to the province. This resulted in significant joint action at a low administrative cost.

As the Board was so well administered, when the lawyers were drafting the provincial constitution in 1987 – and the law containing its implementing regulations in 1988 – they found that this experience had provided them with the necessary ingredients for structuring Córdoba's ESC. All that was needed was to adapt them to the new situation as the texts were drafted.

This made for a degree of simplicity in its current organization, in which it differs from other similar ESCs. The Córdoba ESC is not a body founded on a welter of rules and regulations.

Role of the members:

The members' current task is to advise the government and authorities. Their recommendations can be included when decisions are taken, but are not binding.

In their role of opinion-formers they have made recommendations which have on occasions been supplemented by more in-depth analyses and studies that have resulted in more wide-ranging working documents. These have sometimes had an impact at national level, prompting action by the federal government as well as the provincial authorities.

It has also been the ESC members' intention not only to take up the concerns of the groups which they represent – acting as their spokesmen – but also to contribute to forming public opinion in various subjects which are of vital interest to everyone, using the appropriate tools to spread such information. This has particularly been the case at times of crisis, for instance when there has been hyperinflation and socio-economic emergencies.

As has been shown, however, it would be incorrect to judge our ESC on the number of proposals that it issues, on the vigorous work of its commissions, the amount of published material, the size of its data bank or its (non-existent) research teams. It would also be unwise to deny that our model is in need of a number of essential changes. Some of the most important are, in short:

- making relations with the decision-making bodies as smooth as possible;
- increasing the attention paid to ESC recommendations before decisions are taken;
- extending the work of the Council's statutory sections;
- revamping the admission of new members; and
- spreading information about ESC work and raising its profile in society.

Members have often assessed their own and the Council's activities. Such criticism from within the organization has, at times, been severe. It must, however, be recognized that, in ten years of uninterrupted activity, except for reasons of *force majeure*, there has always been the necessary quorum to hold a session (at the meetings that are held once a week from March to

December; in addition there are extraordinary meetings and the work of the commissions). Furthermore, members are not paid any kind of salary for their work.

It should also be mentioned that the ESC does not have its own equipment, staff or budget, but is funded centrally by government which provides it with the premises which it needs to operate and vital administrative support.

Conclusion:

The financial crisis that erupted in Mexico – a fellow Latin American country – shook the whole region. We can use this example to show how an organization such as the ESC can achieve its aims. What happened in Córdoba was that a range of measures were studied by government and the social partners in the ESC to see what action could be taken to offset the negative impact of the socio-economic upheaval. Again, as before, civil servants and ESC members found that they needed to reassess how the recurrent social tensions could act as a catalyst – without altering the Council's customary consultative and advisory role.

JO WALGRAVE

President of the National Employment Council of Belgium

I wish to thank Portugal for the warm welcome extended to the 42 countries present. I am pleased that more and more of us are taking an active part in these discussions, not only because we have so much to say to each other but, most of all, because we have so much to learn from each other.

I. I do not wish to brag about the Belgian version of social dialogue based on consensus – a consensus springing from our pragmatism and eagerness to find solutions in a country where different cultures and languages exist side by side. We may quarrel from time to time, but we do not come to blows.

The rules governing our members' status and powers, and the National Employment Council's influence on the country's political, social and economic life are explained in the note you received before the conference. I shall not read it out, but simply make a few comments:

1. Following a long, bitter struggle, a social pact was concluded after the Second World War. This pact led to the establishment of the National Employment Council and the Central Economic Council. The fact that these two councils are required by law is of major importance as this legitimises social dialogue.
2. Our councils are organised on a joint, not tripartite, basis. Government representatives take an active part in our discussions, but decisions are taken by the social partners.

The National Social Council (CNT) has 12 members representing the three trade unions and an associate member, and 12 members representing the Federation of Belgian Enterprises, small firms and the farmers, plus one associate member representing the non-trade sector.

The organisation of the Central Economic Council is similar but, in addition, experts are appointed by the organisations. Their task is to ensure that members have a clear understanding of the questions under review and to draw up a half-yearly report on Belgian firms' competitiveness in the export market.

3. **Responsibilities:** The Councils produce opinions on social and economic policy at the request of the Government and the Parliament or on their own initiative. Moreover, the CNT has very broad responsibilities in the legal sphere: the government is required to refer to it on matters concerning the enforcement of social laws, but it may also negotiate its own collective labour agreements covering the whole of the private sector; for instance, the minimum wage is set under a CNT collective agreement.

It should be noted that 80% of CNT opinions are approved unanimously and it is difficult for the government not to take account of this.

II. It would be more useful for our discussions if I mentioned a few general rules which are not tied up with individual countries' culture and social traditions.

In some councils, the social partners, with or without government involvement, discuss and take decisions on social and economic policy; in others, all the powerful interest groups in the society are consulted by the government on policies concerning them.

A. Basic rules to be respected simultaneously.

1. Social dialogue can only operate in a multi-party, tolerant, political democracy.
2. For the sake of stability, council structures should be established in accordance with the law, i.e. by the parliament and the elected representatives, to ensure that they are not dismantled with the coming to power of each new government.
3. The right of association and mutual respect among organisations are a *sine qua non*.

B. Our councils' rules of operation

4. Members (and the organisations they represent) must be representative of the persons or firms that will be affected by the results.
5. There must be a balance of forces around the negotiating table, otherwise the solutions will not be appropriate in the long term.
6. Members should be able to act independently; they must not be accountable to those who refer to them.

C. The rules governing members' attitude.

7. Members must keep their word after reaching an agreement, obey the rules and, above all, respect each other.
8. Members must respect their culture and traditions even if the current economic and social context suggests that power today is in the hands of the financial markets. These financial markets are invisible, but always waiting to surprise us (remember Mexico), knowing that there are always others, e.g. governments or the Bretton Woods institutions, to get us out of trouble!

Increasingly these people ignore the rules on social and economic matters that we have drawn up.

But that is another challenge, another story, a debate which will have erupted on the international stage before our fifth meeting in two years time.

There too, all of us and our members will have a major role to play, beginning by ensuring that the rules governing social and economic life are preserved for the benefit of each and every human being.

I think that this is one good reason for repeating the rules under which each Council and each Council member should operate.

The Spanish Economic and Social Council: its membership and impact on the drafting of socio-economic and labour regulations.

Summary:

- 1. Introduction. Official representation of economic and social interests: the Spanish Economic and Social Council**
- 2. Council membership and status of members**
 - A) Membership. Representative nature of socio-occupational organizations**
 - B) Main aspects of members' status**
- 3. Practical effect of Council recommendations in the process of shaping socio-economic and labour regulations**
- 4. Conclusion**

1. Introduction. Official representation of economic and social interests: the Spanish Economic and Social Council

In Spain the constitutional foundations of the representation of economic and social interests – and, consequently, of the Economic and Social Council – lie firstly in the mandate given to the public authorities «to promote the conditions for the freedom and equality of individuals and the groups to which they belong to be real and effective; to remove any barriers or obstacles to their full development, and to facilitate the participation of all citizens in political, economic, cultural and social life» (Article 9.2).

The second element is the specific provision for the establishment of a council, which is allocated a consultative role in possible government economic planning policy. The membership and functions of the council were to be determined in a subsequent law, although the constitutional text did in fact mention the trade unions and other occupational, business and economic organizations (Article 131.2).

Following a wide-ranging debate on what form the Council should take, its membership and functions, the Economic and Social Council came into being with Law 21 of 17 July 1991 and began work in 1992. I shall briefly outline the main features of the Spanish Council.

- a) Firstly, it is a *participative* body. As the explanatory memorandum of the legislation put it, the Council reinforces the participation of the economic and social partners in economic and social life, reaffirming its role in the development of a social and democratic State governed by the rule of law. In this regard, the

Council's creation is a response to the instruction to the public authorities contained in Article 9.2. of the Constitution and put into practice in other binding constitutional arrangements.

- b) Secondly, it is *consultative*. Its advisory function is discharged firstly in relation to socio-economic and labour legislation. It is required to issue a non-binding opinion on draft legislation of socio-economic and labour relevance prepared by the Government for submission to Parliament. The CES thus serves as a consultative body directly for the Government and indirectly for the Parliament. Secondly, it plays a consultative role on government action in general. It therefore issues Opinions which may be submitted to the national Government or its members. Lastly, it may on its own initiative express the views of the economic and social partners on matters within its sphere of responsibility, through reports and own-initiative opinions.
- c) Finally, it acts *independently in preparing and issuing its opinions*. To this end, Article 1.3 of its founding law grants it legal personality and organizational and operational autonomy in fulfilling its purposes. Article 2.6 on its members provides that they shall act in full autonomy and independence in discharging their duties. Other factors which guarantee this independence are, firstly, the absence of any Government representation and, secondly, its wide organizational powers. Lastly – but no less importantly from this point of view – comes the arrangements for appointing its President: he is nominated by the Government, following consultation with the representative Groups on the Council. In any event, the candidate must be supported by at least two thirds of the Council's members in order to be appointed.

2. Council membership and status of members

A) Membership. Representative nature of socio-occupational organizations

Concerning the membership of the future body, the Spanish Constitution in principle left a broad margin of freedom to the legislator with regard to the type of organization which should make it up and the proportion of members to be appointed for each of them, although it could fail to acknowledge the specific constitutional recognition afforded to the trade unions and employers' organizations.

The law setting up the Council stipulated a membership of 61, including the President, divided into three Groups: the First Group, with twenty members representing the trade unions, the Second Group, also with twenty members, representing employers' organizations, and the Third Group, with a further twenty members as follows: three from the farm sector, three from the marine-fisheries sector, four from consumer and user groups, four from the cooperative, mutual and non-profit sector and six Government-designated experts. These

latter, who must be specially trained and with recognized experience in socio-economic and labour matters, are not Government representatives: their task is to ensure that the Council's deliberations are of the necessary high technical quality.

The most important immediate problem lay in defining the criterion, or criteria, for selecting organizations entitled to appoint representatives to the Economic and Social Council: which unions, amongst all those on the Spanish labour scene, which employers' federations, farm organizations, etc. should be afforded the right to official involvement.

The Law of 17 June 1991 brings together a series of criteria and methods which already existed in the Spanish legal system or the case law of the Constitutional Court, derived from the labour relations system, and in which the concepts of representativeness and degree of presence are particularly deeply-rooted.

The criterion of *representativeness* is applied in electing First and Second Group members. First Group members are nominated by those *trade union organizations which are the most representative*. Similarly, Second Group members are nominated by those *employers' organizations which have the greatest capacity for representation*. In each case, the number of members is in proportion to the representativeness of each organization.

The Organic Law 11 of 2 August 1985 on Trade Union Freedom provided comprehensive, systematic regulation of the degrees and effects of the concept of greatest trade union representativeness. Its effect is, as the Law states, to grant a special legal position to certain union with a view to their institutional involvement and trade union action.

A trade union is considered to be «most representative» on the basis of its electoral base – in other words, it depends on whether it secures a specific percentage of members on the workers' bodies in each company through the «trade union elections».

Law 21/1991 on the Economic and Social Council refers to the regulation by Articles 6.2 and 7.1 of the Organic Law of Trade Union Freedom of greatest trade union representativeness. These provisions together establish that the unions which may sit on the Council are those which are: a) most representative at national level, ie. with an electorate of 10% or more of the total of individual representatives of private and public sector workers, and b) most representative at autonomous regional level, ie. with an electorate of at least 15% of individual representatives, subject to a minimum of 1,500 representatives.

Four trade union organizations are currently represented in the First Group: UGT (Unión General de Trabajadores: General Workers' Union) and CC.OO (Comisiones Obreras: Workers' Commissions) from the national level, and ELA-STV (Solidaridad de Trabajadores Vascos: Basque Workers' Solidarity) and CIG (Confederación Intersindical Gallega: Inter-union Confederation of Galicia) from the autonomous region level.

The system for gauging the representativeness of employers' organizations is regulated in the Sixth Additional Provision to the Workers' Statute. According to this provision, in order

to claim official representation in defending the general interests of employers in relation to public administrations or other State or autonomous regional bodies and organizations, employers' organizations must be representative of 10% or more of companies or workers at national level. Second Group membership is derived entirely from the CEOE-CEPYME (Confederación Española de Organizaciones Empresariales-Confederación Española de Pequeñas y Medianas Empresas: Spanish Confederation of Employers' Associations-Spanish Confederation of Small- and Medium-Sized Firms).

The *criterion of degree of presence*, on the other hand, has never been positively regulated by the Spanish legal system, although the Constitutional Court has made considerable use of it in the field of industrial relations, specifically in the field of strikes and collective disputes. From its earliest judgments the Court, which is the most authoritative interpreter of the Spanish Constitution, has seen it as a constitutionally acceptable mechanism or criterion for distinguishing between trade union organizations for the purpose of deciding whether to grant them specific rights. It is however a concept of made up of widely-used profiles in determining which indicators should be used to signify clear or adequate presence and activity. Some Constitutional Court judgment in the field of trade union law have pointed to markers such as the level of membership or trade union activity. Specialist theory, in contrast, has highlighted other factors, such as the number of collective agreements negotiated, independence or autonomy, etc.

This criterion is used by the Law in designating members from organizations present in the farm and marine-fisheries sectors.

Lastly, remaining members *are proposed* by:

- the Council of Consumers and Users, a national-level representation and advisory body, made up of representatives of consumer and user associations. It is regulated by General Law 26 of 19 July 1984 for the defence of consumers and users;
- associations of cooperatives and worker-owned enterprises for the cooperative, mutual and non-profit sector. The right of association of these bodies is regulated by General Law 3 of 2 April 1987 on cooperatives; and
- the six experts appointed by the Government, following consultation with the organizations represented on the Council.

B) Main aspects of members' status.

Among the aspects composing the personal status of members, reference should first be made to the *level of responsibility* they occupy in their own organizations, in order to measure to degree to which their views and stances are an adequate reflection of the aims and means of the socio-occupational organizations. The law establishing the Council gives full

freedom to the organizations represented on it in this regard, respecting their freedom of action and organization.

However, the real membership of the Council safeguards the objective expressed earlier since the members from all the socio-occupational organizations are either their leaders, or belong to their highest joint decision-making organs. Among the trade union members, for instance, are the executive secretaries of CC.OO and UGT, while the ELA-STV and CIG members are from those bodies' executives. Members from the employers' organizations include the Secretaries-General of the two main national confederations, CEOE and CEPYME, and those of certain regional-level confederations. The Presidents or Vice-Presidents of sector federations are also among this Group's members. Lastly, the organizations making up the Third Group are represented by their leaders.

The high level of responsibility of the Council's members in their respective organizations also raises two questions relating to how the working committees function:

- a) the need for arrangements for members' alternates. Here, the Council's Rules of Organization and Procedure provide that each organization may at any time replace any of its members on the working committees, at the same time appointing an alternate (Rule 21). In application of this possibility, appointed alternates sit on both the Standing Committee and the various working committees. The alternates mechanism has, nevertheless, been designed to deal with occasional absences only, given that – as will be seen in a moment – the principle of incompatibility regulated by the Law on members prevents simultaneous exercise of membership and any other office or activity which might hinder or jeopardize the discharge of the functions of such membership;
- b) the need to ensure that, together with the high level of responsibility of the Council's members, its work can also rely on technical advice in those areas where it is necessary on account of their diversity and complexity. The activities of the working committees have demonstrated, in this regard, that the help of expert advisers from the organizations represented on the Council is appropriate, accompanying and assisting members at meetings.

The Council's Rules of Organization and Procedure (Rule 36) also provides that Rapporteurs for opinions or reports may seek the advice of outside experts. This must be approved by the Standing Committee following a request from the working committee in question, and always provided that this is essential to the Council's work.

A further important aspect is that of *members' incompatibilities*. The Law establishing the Council here opts to regulate a broad system of incompatibilities, the main provision consisting of a general statement of incompatibility to the effect that Council membership is incompatible with the exercise of any office or activity which might hinder or jeopardize the discharge of the functions of such membership (Rule 4).

The Law goes on to lay down a series of circumstances which are incompatible with Council membership. These fall into three types: political office, membership of other constitutional bodies, and high office in a public administration. These latter are those contained in Law 25 of 26 December 1983 on incompatibilities of high office. The Law provides a general definition of high office together with an exhaustive list of situations deemed to fall within this definition. Holders of high office are thus considered to include members of the Government, Ministers of State, and occupants of directly-appointed posts which, because they entail particular confidence or responsibility, are classified as such by the Law.

Lastly, another important element of the statute concerns *members' mandates*, in two aspects particularly: duration and reasons for cessation.

Article 3 of the Law on the Council fixes a period of four years for members, including the President. The mandate may, however, be renewed for equal periods, without stipulating an upper limit on the number of mandates possible.

The Law also lays down strict grounds for ending Council membership or presidency (Article 3). These can be terminated by Government decision, on a joint proposal by the Ministers for Labour and Social Security and Economic Affairs and Finance. However, if the Government decides to remove the President, Article 7 states that the Council must first issue its own opinion on the question, in keeping with the principle of the Council's autonomy and with the broad support of the socio-occupational organizations represented on it, as required by the Law for the President's appointment.

Other Council members may cease to be members on the grounds set out in the Law: expiry of mandate, proposal of the organizations which promoted the appointment, resignation, death, breach of the confidentiality inherent in the post, or conviction for a criminal offence (Article 3).

The Law establishes that an organization whose member leaves the post before expiry of the corresponding mandate may provide a replacement.

3. Practical effect of Council recommendations in the process of shaping socio-economic and labour regulations

Before attempting to evaluate the ESC effect on the shaping of socio-economic and labour laws, I feel I should emphasize that the issues so far covered by Council opinions and reports are of the greatest importance for society as a whole. So as not to prolong my brief statement too far, I would mention only the examples of legislative activity such as the reform of the legal framework governing the labour market, the updating of the convergence programme (concerning the progress of Spain's economic convergence with Europe) or, on a different scale, the reform of urban land title.

Only confirmation of the significance of the issues on which its activity has focused can provide a clear picture of the importance of pluralist, democratic arrangements to involve social and economic organizations in the process of shaping the legislation which affects them.

Since its creation in November 1992 and the appearance of its first opinion in March 1993, the Council has succeeded in ensuring that a large number of its recommendations and suggestions have been reflected in the final text of the laws submitted to it, as can be seen in the follow-up studies prepared by its technical services. Its level of influence may thus be judged to be satisfactory, both in terms of quantity – the number of its suggestions which have been taken up – and in terms of their quality and importance in striking a final balance between the complex interests to which laws of an economic or social nature usually give voice.

It should be pointed out in this regard that in addition to Government acceptance of Council recommendations, its opinions have a substantial impact on Parliamentary debates, often being used in support of amendments tabled by opposition groups.

4. Conclusion

The best definition of the Economic and Social Council's role is provided in the preamble to Law 21/1991 establishing it. The Council does indeed serve as a permanent platform for dialogue and discussion between socio-occupational organizations. But it also serves as a channel of communication – similarly permanent – between the economic and social partners and Government, facilitating relations between them.

The Council's capacity to influence Government and Parliament – in other words, its political relevance as an institution – will be tied in above all with the way in which it projects the interests it represents, and the activity and strategies of the organizations making it up.

This probably means giving priority to reinforcing the balances of interests in the legislative texts to which the opinions refer, as a principal negotiating strategy, and boosting the practice of compromise as a general trend in drawing up opinions. This is in the belief that texts on which the Groups have reached a consensus, or which enjoy broad majority support, gain in legitimacy in terms of whether they should be accepted by Government or Parliament.

IOANNIS KOUKIADIS

President of the Economic and Social Council of Greece

1. The Economic and Social Council of Greece was established as a corporate body governed by private law in order to ensure its full autonomy *vis-à-vis* the authorities and those who define its sphere of operations.

It is a consultative body whose activities cover a wide range of economic and social matters, including employment, social security, income tax, economic development, investment and consumer protection. Its opinion has to be sought before a bill on one of these topics is tabled. However, the Council may, on its own initiative, express its opinion on any economic or social matter of general interest.

It comprises three groups, each with 16 members. It is not as large as some other councils and is, therefore, more flexible. At the same time, it is more representative than other small bodies.

2. The three groups are organised as follows:

- Group 1 comprises the employers' association representatives: 4 members, appointed by the Industrialists Association, the Craftsmen and Traders General Federation and the Union of Greek Trade Associations. Each of the following bodies appoints one member: the Bank Union, the Panhellenic Hoteliers' Federation, the Ship Owners' Union, the Association of Technical Limited Companies and Limited Responsibility Companies.
- Group 2 comprises workers' representatives: 11 appointed by the General Confederation of Greek Workers and 5 by the Senior Civil Servants' Organisation.
- Group 3 comprises the representatives of the various occupations or professions: a) seven for the farmers' unions; b) one for each of the professions, appointed by the Bar Association, the Panhellenic Medical Association, the Greek Technical Chamber, the Greek Economic Chamber and the Greek Geotechnical Chamber, respectively; c) one consumer representative; and d) three representatives of the Local Authorities Central Union.

Each Council member is appointed by the institution he/she represents (union, association or chamber, etc.) without interference by the authorities. As all these institutions operate democratically (i.e. members elect their own representatives), their members can be sure that their interests are well-represented.

3. All the organisations required to appoint members are considered to be the most representative in their field.

However, given that legislation determines which organisations are entitled to appoint members, provision has been made for questioning members' representativeness before the Council's Plenary Session.

4. Members are chosen from among their organisations' most senior officials – the aim here being to highlight members' political role. This is why there are no experts among Council members. However, the Council is aware that expert advice is needed when preparing opinions and may call in experts to serve in an advisory capacity.

5. Members' mandates are for three years, renewable an unlimited number of times. They may not be removed during their three-year mandate. It is also expressly stipulated that members should act independently, in accordance with their own opinions (Art. 4 and 5).

6. So as to ensure that the Council is fully independent of the authorities, the appointment of the Council president is mainly in the hands of the Plenary. Indeed, the Plenary elects two candidates by a qualified majority of 2/3 and the Minister of the Economy then has to choose one of these two candidates as president. The same procedure applies to the appointment of the Secretary-General. The Council is, therefore, not tripartite in the traditional sense of the term: members of the government are not Council members.

The Government may be invited to the Plenary Session to defend its points of view. Council members are not expected to have the same role in Council as they have in their own institution. This ensures that the Council is not identified with union interests or seen as competing with the unions. Members are no longer paid for their work on the Council, but there are plans to pay them an allowance of 30,000 dr per meeting, plus travel expenses.

7. The Council's three groups constitute the Plenary which is empowered to issue its opinions. For an opinion to be adopted, the Plenary must have a quorum of at least half its members, and a majority of them must vote in favour. A majority cannot be less than one third of Council members. It is interesting to note that the law has assigned certain rights to minority opinions. Thus, a minority opinion receiving one third of the votes is included in the Council's decision.

The Plenary is responsible for all matters of principle, including those having to do with procedure. The Plenary may also be authorised by an *ad hoc* decision to take decisions in separate groups.

8. These rules show that the Plenary is run along democratic lines and that the interests represented are equally balanced. The Council has been designed as a political institution, but must ensure that its opinions are fully justified and clearly stated. It represents the interests of the working population, but its role is distinct from that of the unions. It is fully independent of, but free to work with the government, and does so on equal terms.

The law-makers' determination that the Council would not become an institution merely validating government policy is clearly reflected in a number of legal provisions. The law governing the Economic and Social Council was prepared by a joint committee of workers', employers' and government representatives. The project, prepared by them, was adopted by the Parliament without comment and, thus, the social partners' arguments in favour of a fully independent Council put paid to an idea based on government control.

GUILHERME LUÍS MAVILA

President of the Consultative Commission on Employment and Minister of Labour of Mozambique

Today, as in the post-war period, cooperation between governments, workers and employers in the framing of policies is vital for keeping the social peace and for the sustainable development of societies worldwide.

The methods and mechanisms for such cooperation differ from country to country, and will only be effective if they fit in with the wider social system, past experience and local customs. The ILO has recognized this and incorporated it in the legislative instruments which it has adopted for tripartite consultations both internally and in the member states.

Foremost among the preconditions for applying tripartite consultations are the legal recognition and implementation at national level of the right of workers and employers to free association, and of mutual recognition of the representative nature of their respective organizations.

In Mozambique we are still developing and consolidating these conditions in the light of our new political and constitutional machinery and of recent legislation designed to meet the increasingly insistent social pressure to institutionalize tripartite consultations in key policy areas within a multiparty democracy.

This pressure is right and fitting. We therefore consider it vital to define the form and level of tripartite cooperation and consultation, particularly as the technical and scientific side remains unclear for many of those involved as regards such areas as the management and control of the macroeconomic indicators needed to provide basic data on unemployment, without overlooking the key principles of social justice and individual dignity.

At the same time, we consider it essential that the social partners accept the sacrifices that are needed in order to bring such problems as inflation down to an acceptable level so that we can work towards a social pact worthy of the name. Such a pact should accommodate the demands and positions of the social partners on basic issues such as pay and taxation which have a bearing on employment and incomes.

Lastly, ways must be found of ending the «dialogue of the deaf» and securing real social dialogue.

The entry into force of Mozambique's new constitution, the publication of legislation on industrial relations and, more recently, Mozambique's accession to ILO Conventions 87, 98, 122 and 144, have obliged us to establish a tripartite body with a specific social dialogue remit on labour and employment issues, business restructuring and socio-economic development. Decree 7/94 set up a consultative commission on employment which is responsible for its own rules of procedure.

The fact that the agenda of the consultative commission on employment is largely determined by the government, and its position *vis-à-vis* the public authorities, demonstrate the fragility of the mechanisms for dialogue between the government and social partners. We feel that this is normal in a society such as ours, where multiparty democracy and the market economy are still at an early stage.

It will be necessary to verify and develop the principles and rules that will guide the commission's operation, the scope and level of its activity and the professionalism of its members, so that they can play an appropriate part in debate about the changing society in which their representative organizations operate.

By statute, the commission is chaired by the Minister of Labour. Its members are government ministers and senior representatives of trade unions and employers' organizations. The selection of individual members of these organizations (OTM, SLIM, AEPRIMO, AIMO, ACM) and of other bodies with an interest in the commission's activity is made by the organizations themselves following a request from the chairman.

As the role and impact of social dialogue in Mozambique are still modest, the status of commission members needs to be clarified so as to allow them to play a constructive and balanced part in national reconciliation and in the improvement of political stability and socio-economic development, within the framework of social peace. Here we hope to be able to learn from the experience of the longer established ESCs.

Taking as our point of departure the common features of ESC-type bodies in Africa, it is worth taking a brief look at the concept of «representativeness» of employers' and workers' organizations. This issue is crucial when defining the status of members.

We believe that the representativeness of the members of such organizations will depend on the legitimacy of the collective interests (trade unions, employers, etc.) represented on the councils.

This question has yet to be addressed by the consultative commission on employment, given our relative lack of experience of wider issues related to the structural changes taking place at a time of growing democracy; these issues are bound up with social conditions and the organization and operation of an economy that is still suffering the effects of the recently ended conflict and still depends on foreign investment.

Collective bargaining at company and sectoral level, and hence social dialogue, will lead to greater understanding and more effective public handling of social problems; it will allow joint action by the social partners with wider concern for the parameters which should guide their demands and their stance towards the public authorities.

The issue of representativeness also ties in with how organizations are appointed to the councils.

In Mozambique we have chosen to have a consultative commission on employment whose composition and deliberations should allow it to have an impact on government decisions. Given the legitimacy of the collective interests represented on the commission, it is natural that its members should have a direct and sometimes irreversible influence on the tenor of the decisions taken by the relevant state bodies.

The commission's assessment of potential government policies, strategies or measures, and of those put forward on the initiative of the social partners, are generally endorsed by the administration.

We believe that in the final analysis, whatever the nature of the consultation bodies and the binding or non-binding nature of their decisions, it is vital that the decisions adopted by ESCs and their member organizations reflect a free and democratic consensus on key economic issues, with due account for the technical complexity and social impact of the issues involved.

Otherwise, we believe that we would merely be continuing the dialogue of the deaf which I mentioned before – a dialogue which is a feature of times of serious crisis and does nothing to further the national interest.

Another area of commission activity worth mentioning is its very necessary discussions and cooperation with economic research and study institutes. Such contacts help to improve the commission's work in the social sciences and on technological and economic issues.

Here and in other matters related to the nature and remit of the commission, we place great reliance in the experience and knowledge of other countries as we strive to develop and consolidate our own social dialogue.

These are the experiences and concerns which we bring to this conference.

ABDERRAZAK KÉFI

President of the Economic and Social Council of Tunisia

My comments on the subject of our discussion are based on my knowledge of the Tunisian Economic and Social Council, established in 1961, which, in many ways, resembles others throughout the world. I shall leave aside the descriptive aspects of the subject and focus my remarks on general considerations that I have observed and experienced.

First, the rights and duties of Economic and Social Council members who, in some countries are referred to as «conseillers», are not covered by a single text. In Tunisia, the broad lines of these rights and duties may be drawn from provisions contained in Act N°. 88-12 of 7 March 1988 on the Economic and Social Council as amended and completed by Act N°. 90-75 of 7 August 1990, from decree N°. 88-1805 of 21 October 1988, establishing the Council's system of organisation and operation, and from the Council's rules of procedure and practice stemming from the day to day operation of this consultative, constitutional assembly. They cover:

- 1) the appointment of members;
- 2) immunity;
- 3) mandate;
- 4) incompatibilities;
- 5) advantages;
- 6) obligations;
- 7) duties;
- 8) comments on the changing role of Council members.

1. APPOINTMENT OF MEMBERS

In some countries, such as France, members have to be at least 25 years of age and must have worked in the sector he/she represents for at least two years. The aim is to grant Council membership to persons actually holding responsibilities in a wide range of activities.

In Tunisia, seniority is not required under the rules and regulations, although in practice it is. However, a potential member is required to enjoy full civic and political rights.

Members are all appointed by decree. The method of appointment differs depending on the occupation represented. Those appointed by the organisations they represent are:

- 1) members representing the trade associations: the General Union of Tunisian Workers, the Tunisian Union of Industry, Trade and Crafts, the Bank Employees

Association, the Tunisian Federation of Insurance Companies and the National Agriculture and Fisheries Union;

- 2) representatives of national organisations (the Tunisian Women's National Union and youth organisations), economic, technical, cultural and family associations and representatives of the professions.

These organisations are not required to fulfil any prior conditions and are free to choose their own representatives.

The members representing the various governorates are elected by the Regional Council from among the members representing the local communities and rural councils.

The appointment of members representing the public service and public enterprises is based on a proposal by the Prime Minister. Finally, members qualified in the economic, social, technical, education, cultural and legal fields are appointed by the President of the Republic on the basis of their experience and competence and in order to reflect the diversity of opinion in the society.

Members' profiles vary. Members are all men and women in responsible positions in trade organisations, unions or associations, who are designated or proposed by their peers.

2. IMMUNITY

Unlike members of Parliament, Economic and Social Council members do not enjoy any immunity whatever.

3. MANDATE

The members of the Tunisian Economic and Social Council are appointed for a period of six years, renewable. Half the Council is renewed every three years.

Moreover, the law covering Tunisia's Economic and Social Council stipulates that when a seat becomes vacant owing to death, resignation or any other reason, a new member shall be appointed for the balance of the mandate under the same procedure as for the member being replaced. Any member who loses the position on the basis of which he/she was appointed shall be considered to have resigned from office and shall be replaced, for the remainder of his/her mandate under the same procedure as that used for his/her predecessor.

Finally, the Tunisian Council's rules of procedure stipulate that any member who, without a valid excuse, does not respond to three consecutive notices to attend Council plenary sessions may, after being heard by the Council president, be forced to resign.

4. INCOMPATIBILITIES

In the absence of express, written provisions (which have not yet been shown to be necessary), the following occupations have been deemed, through usage and the appointment procedure, to be incompatible with the duties of a member of the Economic and Social Council:

- member of government;
- member of Parliament;
- governor, senior delegate and delegate;
- member of the Constitutional Council;
- magistrate;
- member of the revenue court;
- diplomat;
- members of the armed forces, the police, the national guard, customs and civil protection officers.

5. ADVANTAGES

In principle, members are not paid, but they do receive a daily allowance to cover expenses up to an amount fixed under Prime Ministerial order. A travel allowance is also paid, where appropriate, to members who live outside the capital and its suburbs.

For every question submitted for review, the Standing Committee designates one of its members as rapporteur. After the adoption of the report he/she has prepared, the rapporteur receives a lump sum, in line with procedures established by Prime Ministerial order.

The principle of non-payment (although members do receive a daily allowance and, where appropriate, other supplementary allowances), stems from the fact that the members continue to exercise their professions or carry on their occupations.

This system of non-payment of members, which is not common to all countries, cannot continue indefinitely. It would be appropriate for members to be remunerated on the basis of the work they do: to have a system that took into account each country's characteristics and possibilities.

A small proportion of members (5% to 10%) should also be allowed to work full-time to provide support for the Council's efforts and ensure continuity. In our opinion, an amount equivalent to 3/4 of an MP's salary, as in France, would be appropriate.

6. OBLIGATIONS

The Tunisian Council is a consultative body, obliged to make its opinions known only to the Executive and the Parliament, and plenary and committee meetings are not open to the public. Members are obliged to respect the confidentiality of the debates. Because of their strong sense of responsibility, competence and experience, confidentiality has never been breached.

7. THE DUTES OF MEMBERS OF THE TUNISIAN ECONOMIC AND SOCIAL COUNCIL

A/Position:

Members can choose the Committee they wish to serve on, but cannot serve on more than two out of the Tunisian ESC's five standing committees.

A member may be appointed as rapporteur for a question submitted for review, by the Committee on which he/she is serving

However, members' main task is to take part in committee and plenary debates, and in the preparation and adoption of Council opinions.

B/Regular attendance:

The Council's rules of procedure attaches particular importance to regular attendance by members. As mentioned previously, failure to attend three consecutive plenary sessions may result in their being forced to resign. Of course, the fact that many of the matters discussed are of particular concern to most members, plus the high quality of the debates, are factors in favour of regular attendance. Another factor is the importance that the legislature and the executive attach to Council opinions.

C/ Rights:

Members are entitled to vote in the Committees and in the plenary session. This is a personal right and is non-transferable.

During the plenary session members may table amendments or submit counter-projects provided they are in writing, signed and submitted to the Council bureau prior to or during the session.

Members may also table «questions préalables» or «motions préjudicielles» during the Plenary Session.

A «question préalable» is a request whose aim is to decide that there is no need for deliberation. It is put to the vote prior to any discussion and, if adopted, the relevant item is withdrawn from the agenda.

However, a «question préalable» may not be tabled during discussions on opinions requested by the government.

The «motion préjudicielle» is a request, whose aim is to obtain a conditional postponement of the debate on the question on the agenda, or to introduce a condition at the commencement of the debates. The motion is put to the vote after the draft opinion is read by the Rapporteur and prior to the commencement of the debates.

Members have a say in Council management in their capacity as members of the bureau. The bureau of the Economic and Social Council is headed by the Council president and comprises two vice-presidents and the five standing committee presidents.

The bureau meets once a month to establish the committees' programme of work. It can convene a plenary session, adopt the Council's draft budget and examine all matters concerning the organisation of the institution's activities.

D/ Independence:

In the exercise of their duties, Council members are fully independent, relying on their consciences alone.

8. A FEW COMMENTS ON CHANGES IN MEMBERS' RIGHTS AND DUTIES

Thanks to the Council's competence, integrity and objectivity, and the freedom of expression afforded the sectors represented, its opinions are increasingly respected by the legislature and the executive.

Members help strengthen and promote this consultative body's role. The changes now taking place in the world and the challenges stemming from them are a further confirmation of the need for this kind of institution – a place for study and reflexion, a place where ideas and actions take shape. It is also a testing-ground for developments and a link between the political and the socio-economic sectors.

The Council makes a useful contribution to the parliament and the executive thanks to its reliability and the objectivity of the work prepared by its members, which helps forge closer links and greater understanding among the social partners.

Members' duties confer upon them a special status as representatives of the country's social, economic and cultural sectors. Members should have a strong sense of responsibility and be above any group partiality, at the same time, continuing to abide by their convictions. This increases their influence and strengthens their image.

Generally speaking, a member's status depends on the Economic and Social Council's influence in its country, developing as the country develops politically, socially and economically.

In the words of President Zine El Abidine Ben Ali, in his opening address to the new session of the Economic and Social Council on 26 October 1988, the Council is the appropriate forum for dialogue between all the groups in our society, aimed at achieving a national consensus, ensuring true social harmony, vital for our economic and social development.

B) INTERVENTIONS ON THE BEBATE

ZHU XUN

*Secretary-General of the National Committee of the Consultative Conference of the Chinese People,
People's Republic of China*

I am pleased to attend the IVth International Meeting of the ESCs and similar institutions in the beautiful city of Lisbon. This meeting of the leaders of the ESCs and similar institutions in the various countries to discuss the major social and economic problems confronting the world at large is a major event. On behalf of the National Committee of the Consultative Conference of the Chinese People (CCPPC) and on behalf of the people of China, I would like to thank you for convening this meeting and to warmly congratulate the preparatory committee on its work. I would also like to express my sincere thanks to our host, the Economic and Social Council of Portugal, for its warm welcome.

I have the honour and great pleasure to have been appointed by Mr Li Ruihuan, president of the National Committee of the CCPPC, to attend this session in an observer capacity and to meet our friends from all over the world. This meeting is an opportunity for us to better understand the various ESCs and their activities. We also hope that our friends will better understand the institution that I represent.

The CCPPC, a Chinese People's United Patriotic Front organization necessary to promote cooperation between the parties and political dialogue, under the guidance of the Chinese Communist Party, plays a major role in developing socialist democracy and is an important aspect of political life in China. It comprises representatives of the country's 34 parties concerned, including the Chinese Communist Party, the eight democratic parties, the major people's groups, the various ethnic groups, the religious community, the various social groups and the members of the Taiwanese, Hong Kong, Macao and Chinese communities who have returned from abroad. The members of the CCPPC National Committee are recommended by the various groups and appointed following a consultation process. The first plenary session of the CCPPC was held in September 1949, about 46 years ago. The National Committee has been headed by China's major leaders: Mao Zedong, Zhou Enlai, Deng Xiaoping, Deng Yingchao and Li Xiannian. The current president, Li Ruihuan is also a major Chinese leader. Today, the CCPPC exists at all levels, from central to district level. It has 470,000 members altogether throughout the country. The National Committee has 2,100 members and meets once a year. Between sessions, day-to-day matters are dealt with by its standing committee of 310 members and the «presidential meeting» consisting of 27 persons.

The CCPPC's main tasks are to encourage political dialogue, exercise democratic control and encourage the political parties and political groups, ethnic and other groups, belonging to the CCPPC, to take part in discussions on and the management of affairs of State. By political dialogue we mean dialogue on major policy matters and on political, economic, cultural and social questions and on ways and means of implementing the decisions taken. Democratic control is the control of the implementation of the country's Constitution, laws

and regulations, important policies and measures and of the activities of government departments and their staff, exercised through suggestions and criticism. Discussions on and management of public affairs is an extension of political dialogue and democratic control.

The activities of the CCPPC's National Committee may be summed up as follows: a plenary session once a year, at which members are invited to listen to and discuss reports on major affairs of State and government; and regular quarterly meetings of the standing committee. The National Committee has established 8 special standing committees, in charge of organising visits, surveys and inspections, putting forward comments, opinions and proposals to the government and the relevant services, preparing recommendations on questions of major importance, adopting an advisory and supervisory role, participating in discussions on and the management of public affairs and working actively to promote the country's reunification and friendly exchanges with other countries.

In line with further reform and easier access to Chinese markets for foreigners, the CCPPC attaches greater and greater importance to trade and other links with foreign countries, aimed at increasing mutual knowledge and friendship between the CCPPC and similar foreign institutions, and between the Chinese people and other peoples. The CCPPC has already established ties with 62 institutions in 51 countries, and this meeting is a further opportunity to multiply its links with similar institutions throughout the world. The CCPPC is willing to develop different kinds of exchanges with you with a view to further cooperation in a spirit of mutual respect and understanding. We shall be happy to welcome you to China: this would be an excellent opportunity for you to learn more about our country.

To conclude, I hope that our friendship will continue to grow and that our meeting will be crowned with success.

ABDESLAM BOUCHOUAREB

President of the National Economic and Social Council of Algeria

I am particularly proud and pleased to be here today in my capacity as President of Algeria's young National Economic and Social Council. On behalf of the Council and of all the interest groups represented, I wish to thank you for allowing me to participate in my first meeting of the Economic and Social Councils, whose membership has been increasing with every meeting.

On behalf of my delegation, I wish, first of all, to thank the Portuguese ESC, our host country, for its warm welcome.

I referred earlier to our «young» Council. This was because we celebrated the first anniversary of its establishment on 10 May this year but, already, our record is more than satisfactory, and our contribution to a national debate and to social consensus has borne its first fruits.

Indeed, you only have to see the radical changes that the Government introduced in its bill on the privatisation of public enterprises. This was inspired by the opinion expressed by the Council at its plenary session on 25 April 1995.

The national press carried full reports of members' commendable efforts on that occasion.

Also, the social pact project that the government submitted to the social partners (unions, employers and government) for discussion is almost a direct transcription of the recommendations passed by the Council at that session.

Before describing the rights and duties of your Algerian counterparts, I would like to take advantage of this gathering to clear up any misconceptions you may have about Algeria's economic and social situation, which is considerably distorted in the press.

I am not going to tell you that everything is rosy; that would not be true. What I can say, however, is that the people of Algeria are as hard working and industrious as ever at their jobs, day in day out, in the factories, in the fields, at school and in the offices, despite threats, traitors to their country and people and despite the crimes that these traitors commit.

Acts of sabotage, attacks against workers, Government representatives, journalists and women have not prevented schools from teaching, factories from producing, newspapers from being published and scientists from holding symposiums and other scientific conferences.

A glance at the daily newspapers would give you an idea of the number of social, cultural and scientific events taking place each day in Algerian towns.

Therefore, although the people of Algeria are required to show considerable bravery every day of the week, they are not aware of being heroes; they just go about their daily business, making sure that services and industries continue to run. Yet, sometimes, they feel they are

under attack; in any event, they feel misunderstood when they read the media's alarmist reports of life in Algeria, making many out to be supporters of the Islamic fundamentalism that is the sworn enemy of modern, democratic societies.

It is true, of course, that good news does not sell papers, but the situation in Algeria is not always as bad as the papers make it out to be.

I have been asked to convey to you the greetings of the hard-working people of Algeria. But I also wish to say that for those whose job it is to create wealth in Algeria, the country is in the throes of a major crisis, but it is managing and relies on your support to win through.

If there is a message to be conveyed to you here today, it is that Algeria is undergoing radical change: economic and social, of course, but, especially, cultural change and a change of mentality. How else can I explain my own election, by a unanimous vote of the Bureau, as head of this national institution, bearing in mind that I represent a private employers' association and was, only a short time ago, head of a private enterprise.

Those of you who knew Algeria three or four years ago can assess the importance of what I have just said. In fact, only a short time ago, the private sector in Algeria was not very highly respected.

I would now like to look at the question of the status of the Council members, bearing in mind that this will affect the credibility of their work.

I would first like to stress that the establishment of an ESC was a major demand of the social partners now represented therein. The General Union of Algerian Workers, the employers' associations and community associations spared no effort to bring it into being.

Between the first draft bill establishing the Council and its actual establishment on 10 May 1994, four governments came and went.

Today, the National Economic and Social Council comprise 180 members representing the economic, social and cultural sectors, distributed as follows:

90 are appointed by the economic and social partners and sub-divided into 6 socio-professional groups:

- the trade unions' group (30 members);
- the civil associations' group (21 members);
- the «public sector industries» group (9 members, public sector managers' unions);
- the «private sector industries» group (12 members, employers' associations);
- the «agriculture» group (9 members, cooperatives);
- the group representing the Algerian community abroad (9 members). This group has been accepted as an autonomous, special interest group.

The government departments are represented by 22 members (11 for the economic and social institutions and 11 for the economic departments). This is quite a reasonable number, given that the government is the country's main employer.

The local communities are represented by 23 members covering all the regions of the country.

Finally, 45 members are chosen by the Head of State and the Head of Government for their competence and expertise. They strengthen the Council's competence and expertise potential.

There are nine women members. Whilst it is true that women are still under-represented, women members play a major role within the Council where they hold major responsibilities as members of the Bureau or as chairpersons of standing committees (population and social requirements). The fact that they have been elected to these posts is an indication of their dynamism and of the respect they command among their peers on the Council.

Of course, the importance, within the State system, of the status of members and, through them, of the Council itself, did not escape our notice.

Indeed, we made this one of the key aspects of the legal provisions governing the Council's system of operation (I must point out that the Council's rules of procedure were drawn up by members and approved in plenary session).

Valuing their prerogatives and determined that there should be no doubt as to their respective roles, the members strongly insisted that their status should be clearly set out in order to prevent any political or other undue type of pressure being brought to bear on their debates or other proceedings.

A number of general principles were therefore set out in the rules of procedure; they were passed and formally confirmed and are now in force.

These general principles are:

1. All senior Council officials shall be elected to their posts:

The president is elected by members of the bureau, comprising members appointed by the interest groups they represent, the bureaux of the standing committees are elected by committee members; the socio-professional group leaders are elected by their peers.

The Secretary-General of the Council – a Council official – is elected by the bureau and his appointment is then confirmed in accordance with the regulations.

2. The principle of collegial leadership and the adoption of Council decisions by a vote of the membership.

3. The principle of Council independence:

The Council has its own budget, and expenditure is authorised by its president. Also, all Council officials are chosen by the bureau and appointed by the President. The rules have to be obeyed, but the Executive must not interfere or bring its influence to bear with respect to members' recruitment or career development. Any interference in Council operation is thus avoided.

4. The principle of members' independence:

In order to ensure that a member's personal status does not affect debates or voting in any way whatever, a very strict incompatibility system has been established and is currently in force.

Thus, under Article 10 of the rules of procedure, a member cannot:

- be a political party leader;
- hold a government post;
- hold a legislative post.

5. It is possible to exercise a mandate and pursue a career:

The aim here is to prevent Council members from losing contact with the organisations that appointed them so as to ensure that do not become «apparatchiks», far-removed from the concerns of their respective organisations.

In order to strengthen this link, one third of the Council is renewed every year. This gives the organisations the opportunity to renew their trust in their representatives.

6. Protection for members in the exercise of their mandate:

The first step is to recognize that they are entitled to some kind of immunity and legal protection during the exercise of their mandates. Article 20 of the rules of procedure grants them State protection: the State shall protect them against threats, insults, libel, attacks or aggression of any kind, stemming from or occurring during the exercise of their mandates, repairing any damage that may occur.

Likewise, whatever Council members' legal status at the time of their appointment to the Council, they shall continue to be governed by the Statutes of, and depend for administrative purposes on their parent institution or body.

They are, therefore, assured of retaining the job or grade, where applicable, and are entitled to all the rights and benefits provided for under the laws in force. The Council reimburses their employers during their absence and covers the excess expenditure that their Council activities are likely to generate.

7. Free access to information:

Under the rules in force, the institutions shall provide all useful information or data required by the Council in the exercise of its duties.

The only reservation the rules and regulations allow the public institutions is contained in article 50 of the rules of procedure which recognises the right of the authority detaining the information to ask Council members to treat that information confidentially. Under no circumstances can confidentiality be a reason for refusing to provide information.

On the other hand, any Council member who divulges confidential information shall be considered to have breached a moral obligation and shall be punished in accordance with the Council's rules of discipline.

8. Publishing debates and proceedings:

The rule is that Council proceedings shall be published (in the Official Journal of the Republic and in the Council's official bulletin). Members' plenary session debates shall also be published in a Council bulletin.

There is one reservation to the publication of Council proceedings: the Prime Minister has 20 days to expressly withhold publication.

This procedure enables members to be sure that the request has indeed come from the head of the government and is not due to the fact that the Prime Minister's administrative services are being slow in having the proceedings published.

However, use of this prerogative is mainly theoretical as Council debates are public and receive a good deal of media attention: the Council's plenary sessions are fully covered by both the independent press and the public sector press and there is no indication that this will change in the foreseeable future.

9. The principle of plurality of opinion:

Article 22 of the rules of procedure acknowledges members' right to express their points of view. They cannot be pursued in the courts for opinions expressed during debates in the Council and in committees.

Under Article 23 they may acknowledge in their speeches or publications that they are Council members provided that they respect the authority of the institution and the dignity of its members.

To put it plainly, they may express their opinions publicly even if the opinions are not those of the Council.

10. Last but not least, the final principle: respect for the minority socio-professional groups:

The groups who have failed to have their views accepted either in the Council's main proceedings or through the amendment procedure may always make them known in two ways:

- first, by reading their statements during the plenary session, just prior to the vote;
- second, in the published proceedings which, in accordance with Article 33 of the presidential decree establishing the Council, should mention, where appropriate, the positions and/or reservations of the various parties, especially the minor parties.

Ladies and Gentlemen, Colleagues.

My intention has not been to deliver a dissertation on how an independent Council should work, but to give you a specific example.

You are now probably thinking that the theory and the practical do not always coincide, but let me say that our experience has shown that members value their independence so highly that they do not hesitate to remind the authorities, present at their meetings, of this.

However, Council meetings are open to the public, as I mentioned earlier, and I should be pleased and honoured if you would come and see for yourselves.

HABIB EL MALKI

Secretary-General of the National Council for Youth and the Future of Morocco

President, Mr Chairman, Colleagues. Having listened to the overview, presented by Mr Duruflé, and to the various reports on national experiences, and in the light of the conclusions arrived at at Ouagadougou two years ago, I would like to make the following three comments:

The first concerns the fact that the International Meetings of the ESCs and similar institutions have now become a tradition. Over an eight year period, these meetings have slowly, but surely, laid the groundwork for a new kind of economic and social culture, extolling the virtues of dialogue, openness and tolerance. I am of the opinion that given the very wide geographic area represented here, it would be appropriate to reflect on new ways of strengthening the Economic and Social Councils' ties and maintaining closer relations with each other in the time between our biennial meetings. These meetings have to become genuine working sessions. This has been the case here today. But I think that we can go even further. How exactly? I have no precise proposals to make, but I am convinced that we have to seek practical, flexible ways to ensure that our meetings become genuine working sessions.

My second comment concerns the signs we have seen here today that more importance is being given to civil society. We have also noticed that new needs are emerging in several parts of the world. People have new expectations. These expectations, these new needs are virtually ignored by our leaders and law-makers. We have seen new types of conflicts very badly handled, often giving rise to situations that I would call unmanageable. I feel that this is an historic opportunity for the Economic and Social Councils and similar institutions to give a better definition of the most advanced form of consultative body in our respective countries. And this leads to my third and last comment which recommends action along three lines.

First, we need to give more weight to civil society. This is unexplored ground. An ESC should reflect civil society. It should also be ready and willing to listen, and be capable of responding to its needs.

I fully share Mr Duruflé's view that our institutions should not be designed as nor seen to be an opposition force. But they should not just be empty shells either. We must protect our identities and we can only do that if we protect our institutions' independence. We must therefore hold out our hands to our leaders and law-makers without letting ourselves be taken over by them. I think our institutions' future lies in an ongoing search for an identity, so that we may preserve our original place in civil society.

Finally, the third line of action and, here our task is difficult. Several of our institutions are not known to the public. Why? Because despite the quality of the work they do, despite the

value of the opinions they issue and of the reports and papers they submit, the Economic and Social Councils and similar institutions have no follow-up activities in the field. And without follow-up, our work is not seen by our respective public opinions. How can we ensure this follow-up? There is no ready-made answer. I think answers lie in our respective experiences, in our institutions' different backgrounds. Also, raising these questions will, perhaps, help us, in the light of our experiences, to find the most appropriate answers.

Honourable President, Mr Chairman, colleagues, these are some of the thoughts that occurred to me as I listened to your excellent contributions. Thank you.

President of the Economic and Social Council and Minister of Labour, the Family and Social Affairs of Slovenia

The Economic and Social Council of Slovenia was established on 25 April 1994 by the Republic's social partners i.e., the Government, the trade unions and the employers organisations, in accordance with the industrial wage policy agreement for 1994. The Slovenia ESC is a tripartite body, comprising representatives of the Government, the four trade union confederations and the three employers associations.

The tripartite arrangement means that the workers, the employers and the government are represented equally. The Slovenia ESC has 15 members: 5 appointed by the Government, 5 by the employers' associations and 5 by the trade union confederations. The President of the ESC is designated by the Council from among its members on a rotational basis: each of the social partners therefore holds the Presidency for one year.

The ESC was established to discuss economic and social policy issues and to propose ways of resolving them. It also participates in talks between the social partners and can issue its opinions and take any stance it wishes.

The ESC's fields of action are social agreements, the rights and obligations stemming from compulsory social security insurance, such as old age, invalidity, social assistance and benefits, as well as employment issues and labour relations, trade union negotiations, prices and taxes, the economic system and economic policy, legal protection, trade union rights, cooperation with the International Labour Organisation and the Council of Europe.

As part of its activities, the ESC participates in the drafting of laws, giving its opinions and recommendations; it initiates the adoption of new laws or of amendments of existing laws; it gives its opinion on regulations, decree-laws and laws, as well as on the budget memorandum and on the State budget. It communicates its opinions, recommendations and proposals to the Parliament, the National Council and the public.

The ESC also monitors the implementation of the social agreement and the wage policy agreement, proposing amendments where necessary.

The ESC puts forward proposals to the relevant authorities and institutions on matters within its sphere of competence.

Matters may be referred to it by one of the social partners but it may also handle matters on its own initiative.

The social partner negotiations in April approved the social agreement for 1995 and the policy on industrial employee wages and other income.

The results of the ESC's work have shown that its establishment was necessary and timely, but numerous questions about its structure and powers remain and will have to be addressed in the near future.

JOSEF KALMAN

President of the Social and Economic Council and Deputy-Prime Minister of Slovakia

Following the fall of the Communist regime in the former Federal Republic of Czechoslovakia in the late eighties, the Social and Economic Council of the Slovak Republic was established as a joint body representing the Government, the trade unions and the employers during the period of reconstruction and transition to a market economy. It is covered by the agreement signed on 30 October 1990 by the Government, the Confederation of Trade Unions and the Council of Employers' Unions and Associations. As no provision is made for it in the Constitution it is governed by its own statutes.

The President of the Social and Economic Council is a member of the government, the Deputy-Prime Minister, in charge of social and intellectual development, of questions concerning minorities and of European integration. The Council has two vice-presidents, one from the Trade Union Confederation and one from the Association of Employers' Unions and Associations. It comprises seven members representing the respective parties. The government party is represented by four permanent members and three ministers, operating in rotation, depending on the matter under discussion. The Government appoints its members. The trade union confederation representatives are appointed by the highest level of the Trade Union Congress (Vice-President and Presidents of the various unions). The Association of Employers' Unions and Associations is represented by the presidents of the various unions, who are approved by its General Assembly.

Council members cannot be dismissed; on the contrary, they are appointed under an agreement between the three partners. The ratio of Members of Parliament to Council members is 150:21.

Within the Council there are permanent and temporary working groups who rely on advice from experts. The Council president is appointed by the Government and his mandate is of unlimited duration.

The Council meets regularly once a month, but extraordinary meetings may be held if necessary. It follows an approved Plan of Work. Council members are unpaid and do not receive any salary supplement.

The General Agreement is a document setting out the Council's activities, based on mutual respect of the responsibilities, rights and obligations of the contracting parties.

The General Agreement covers:

- general provisions;
- economic policy;
- employment policy;
- social matters;

– joint and final provisions.

The Council is governed by its own statutes. In accordance with article 13 of those statutes, it draws up the rules governing its activities, the deliberations of its various bodies and the method for adopting the conclusions of its meetings.

EDMOND OKEMVELE N'KOGHO

President of the Economic and Social Council of Gabon

Mr Chairman,

In his address, our Moroccan colleague pointed out that institutions are dynamic because their members are dynamic.

Pursuing the same line of thought, the driving forces in our young democracies are the workers' associations and trade unions. But these organisations still have to confront two problems: the legal environment and the lack of facilities and funds.

The legal difficulties arise from the total lack of legislation or the inappropriateness of existing trade union legislation. As a result, these organisations are not recognised by the authorities. Even when recognised as legitimate by their members and the authorities, they are looked upon as opposition forces by the latter and are unlikely to gain the State approval which would entitle them to State funds.

Their material and financial problems affect their operations, including their development activities. Because their members are poor, they cannot raise any significant funds through membership subscriptions.

European NGO's receive State subsidies and financial aid and facilities from other donors such as corporate bodies, firms, foundations and local authorities.

They therefore have the means to carry out field operations and give the people what they expect. In this way, they increase their credibility and the credibility of the institutions they represent, such as the Economic and Social Councils.

It is our wish that the southern NGOs may, one day, be able to work under similar conditions, in particular, with young people, in order to eradicate unemployment.

There is an NGO co-financing fund in the European Union, but it is not easy for southern NGOs to have access to it. Indeed, they have to be specially sponsored by the northern NGOs, which are expected to put up 25% of the cost of the proposed project. Added to this is the lack of information in the south about northern NGOs.

It would be desirable if the southern NGOs could have direct access to the fund through local EU representatives. Then the southern NGOs could put up the required 25%.

As regards the European Development Fund (EDF), the funds raised by governments for their people have not always reached the intended beneficiaries. As a result, our northern partners opted for a decentralised cooperation arrangement. I would suggest that 20% to 25% of the aid granted to southern governments be assigned to the NGOs to fund micro rural and urban development projects.

These are just two of a number of ideas I wished to share with you on how the trade union movement could help to curb youth unemployment.

IV

ROUND TABLE ON UNEMPLOYMENT AMONG YOUNG PEOPLE

(Cultural Center, Quedá Room, 27th may 1995)

A) COMMUNICATIONS

Topics for discussion:

The following text from the moderator of this Round Table simply attempts to list topics and points of reference which are common to all contributions. These topics will have to be considered afterwards in greater detail in the light of specific socio-economic contexts. We propose the following issues for consideration:

- nature of the problems at hand;
- consequences of the problems;
- determining factors;
- possible solutions;
- possible role of Economic and Social Councils and similar bodies.

1. Nature of the problems

- 1.1. The scale of youth unemployment:** volume, importance in relation to total unemployment, rate and breakdown of youth unemployment (social class, sex, educational qualifications, ethnic group, etc.).

Problems and indicators relating to youth employability, equality of opportunity for, access to work, and vulnerability to unemployment.

- 1.2. Entry onto the labour market at an early age** and the role played by the family, business and schools. The legal definition and social aspect of child labour. Failure rates at school and exclusion from schooling.

- 1.3. Low-quality jobs:** precariousness and irregularity of employment, prolonging of the transition to working life, underemployment, poor pay, lack of social protection, non-motivating work, pressure to emigrate.

2. Consequences of these problems

- 2.1. Difficulty of integration into society,** stagnation of living standards and social exclusion (in terms of everyday consumption, housing, access to culture), anxiety and loss of identity, marginalization, anti-social behaviour, drugs.

- 2.2. Overburdening** of families and the welfare system.

- 2.3. Underemployment of human resources** whose education/training has cost money.
- 2.4.** Links between entry onto the labour market at an early age and inadequate qualifications, resulting in **low wages and/or long-term structural unemployment.**
- 2.5. Loss of social cohesion,** exacerbation of crisis factors.

3. Determining factors

3.1. The macroeconomic environment and investment and job-creating incentives:

- the conditions for expanding demand, both private and public, including the new needs that could be catered for;
- national and international financial support;
- the prospects afforded by the expansion of international trade and the globalisation of economies.

3.2. Structural economic policies and the recruitment of young workers:

- sectoral policy (agriculture, industry, services) and R&D policy, creation of new competitive advantages, creation of new firms, technological modernization, more modern organizational methods and recruitment of young people. The role of young people in the modernization and creation of firms;
- regional development policy and the implementation of partnerships, new synergies and new approaches to civil society's responsibilities, helping to create of a more stimulating environment for young people's integration into society and working life.

3.3. Employment policy and improvement of the quality of work and employment:

- regulation of the age of entry into working life;
- regulation of young workers' conditions of pay, job stability and career profiles;
- incentives for the adoption of new forms of work organization which provide young people with greater motivation.

3.4. Social protection policy and the employment of young people:

- retirement schemes and replacement of workers;
- size of social security contributions and recruitment of young people.

3.5. Active employment policies and young people's entry into working life:

- quality of vocational guidance and counselling services. The potential of regular support for career plans;
- financial and technical incentives for the recruitment of young people.

3.6. Education and training policy and the improvement of young people's employability:

- access to education and training on an equal footing;
- general introduction of a broader-based basic education, which permits lifelong retraining and covers new skills that can be adapted to technological innovation and the modernization of industry;
- relative importance and upgrading of technical and vocational instruction;
- spread of schemes combining work and training;
- matching of supply and demand in the field of training;
- quality of vocational training available for teaching basic and specialist skills.

4. Possible solutions

The solutions considered in different countries in all the areas listed in point 3. The progress made and difficulties encountered in improving the solutions adopted.

5. Possible role of Economic and Social Councils and similar bodies

The sharing of responsibilities for youth employment between the government, the social partners and civil society in general.

The identification of areas of intervention in the private and third sector and how ESCs can help to encourage and coordinate this intervention. Examples of areas of intervention:

- debate on public policy guidelines;
- job creation;
- organization of job and training partnerships at regional and supra-regional levels;
- combating of child labour;
- quality of work available;
- support for the young unemployed: guidance and counselling, integration into society;
- organization of schemes combining work and training;
- increasing supply in the field of training;
- better matching of supply and demand in the field of training.

PHILIPPE YACÉ

President of the Union of African Economic and Social Councils (UCESA) and President of the Economic and Social Council of Ivory Coast

Mr Chairman, fellow Presidents, Colleagues, Ladies and Gentlemen.

Before our Round Table talks commence, let me, on behalf of all the African Economic and Social Councils, extend our thanks to our hosts, especially our Portuguese colleague, Mr Nascimento Rodrigues, for the kind attention we have received since our arrival and for the perfect organisation of this meeting. We have been made to feel very welcome here in Portugal, a country whose traditions of hospitality are similar to those of Africa and with which we share a long history. Ladies and Gentlemen, my purpose, at the present time, is to introduce the Union of African Economic and Social Councils, established on 26 November 1994, in the presence of two illustrious sponsors, President Jean Matteoli, President of the French Economic and Social Council, with us here today, and our host today, President Nascimento Rodrigues. Our intention, in establishing this association, of which I am the president – an honour conferred on me by my peers – was to strengthen our institutions and confirm their role as the preferred instruments of democracy. We shall continue to press for the establishment of sister institutions in all African countries where they do not yet exist.

The second major aspect of our activities will, of course, be to compare views on the major economic and social events taking place on our continent. Exchanging information on our experiences will, no doubt, be useful for us all. We would also like to engage a useful dialogue with the Economic and Social Councils of the better-off countries and with the regional institutions, especially the European Economic and Social Committee and all European institutions.

We believe that our force lies, precisely, in our union – part of a movement seeking to establish sub-regional and regional bodies. Within the framework of the OAU and the economic institutions, African Heads of State have launched a debate in which we would like to participate fully. Ladies and Gentlemen, since our time is short, I do not wish to prolong further my presentation of our Union, within which every major African region is represented. I thank you for your attention and will now give the floor to President Philippe Ouedraogo, from Burkina Faso, who will present the African institutions' view on youth unemployment.

PHILIPPE OUEDRAOGO

Reporter of the Union of African Economic and Social Councils and President of the Economic and Social Council of Burkina Faso

INTRODUCTION

Unemployment is the most crucial problem in almost all developed and developing countries at the present time. ILO's most recent report (1992) showed 32.3 million unemployed in the OECD countries and unemployment in the urban areas of sub-Saharan Africa affecting 15% to 20% of the economically active population, i.e. more than 14 million persons.

Since young people are a country's driving force, youth unemployment is a major cause for concern. It is of even greater concern in Africa where young people form the majority of the population.

The chosen theme for this international meeting is an indication that Economic and Social Councils throughout the world are aware of the scale and gravity of the situation. It also shows their willingness to draw the authorities' attention to the problem and to help find long-term solutions.

Definitions

Before going into detail, it may be useful to define what we mean by «economically active population», «unemployment» and «young people».

The economically active population comprises those persons who have reached the minimum age to be able to work. In Africa this is usually about 15 years.

In line with the ILO definition, the jobless or job-seekers are those old enough to work but who do not have a job even though they are available for and effectively seeking work. We call them job-seekers.

Job-seekers may be separated into two categories:

- those with no work experience, seeking their first job. These are usually young people;
- those who have work experience and who find themselves on the job market for various reasons.

In Africa there is underemployment as well as unemployment. There is underemployment where:

- the economically active population is unemployed for part of the year;

- a worker's skills are under-utilised;
- the work being done is unrelated to the worker's initial training.

The «young» age group varies from country to country: 15-35 in Senegal and Burkina Faso; 15-30 in Ivory Coast; 18-40 in Benin, 14-40 in Mali, 18-29 in Tunisia, 15-29 in Cameroon and 15-30 in Mauritius - in other words, within the 14 to 40 years range.

Available data show that young people account for a large proportion of the total population: about 30%, i.e. 50% of the economically active population.

Proportion of young people in the population

Country	Age group	% population
Benin	18-40 years	50%*
Burkina	15-34 years	28.39%*
Ivory Coast	15-30 years	28%*
Mauritius	15-30 years	50%*
Senegal	15-35 years	30%*

* % of the economically active population.

Below, we shall try to analyse the youth unemployment situation in UCESA member countries, pinpoint its main causes and consequences, recall the programmes introduced to combat unemployment and, finally, put forward new proposals to deal with the situation.

I. – YOUTH UNEMPLOYMENT: QUALITATIVE AND QUANTITATIVE DATA AND TREND

All the African countries have established institutions to monitor employment: the Employment Monitoring Centre (Observatoire de l'Emploi) and the Programme to assist SME/SMI in Benin, the National Employment Agency (Office nationale de l'Emploi – ONPE) in Burkina Faso, the National Employment Fund (Fonds national de l'emploi – FNE) in Cameroon, the Employment Review and Promotion Agency (Agence d'etudes et de promotion de l'emploi – AGEPE) in Ivory Coast, the National Employment Agency (Office nationale de l'emploi – ONE) in Gabon and the National labour and employment agency (Office nationale de la main d'oeuvre et de l'emploi – ONMOE) in Mali.

However, these institutions often lack the human and financial resources they need, with the result that employment and unemployment figures are often incomplete and disparate.

1.1 The employment situation

Little is known about the labour market. The major trend indicators, such as reliable, comparable quantitative data, past findings and projections do not exist.

Sub-Saharan Africa's economically active population may, generally speaking, be broken down into three major sectors of activity:

- the modern sector, including the government departments, the mining and manufacturing industries, building and engineering and services. The labour authorities know a good deal about this sector; most people here are in paid employment;
- the rural sector, comprising mainly traditional jobs such as crop and livestock farming, fisheries and crafts;
- the informal sector, comprising all the services where initial capital investment, the level of organisation and productivity are low. It usually attracts self-employed people, employing few assistants. The labour authorities know little about this sector;
- the rural and informal sectors provide the most jobs, as the table below shows:

Country	Rural sector	Informal sector	Modern sector
Benin	about 69.3%	25.7%	5%
Burkina Faso	about 84%	12.5%	3.5%
Ivory Coast	about 70%	23%	7%
Gabon	about 38.75%	37.93%	23.32%
Senegal	about 70%	more than 20%	less than 10%

The job market has been getting steadily worse since the seventies. In Mali, the overall percentage of job seekers and persons who were not gainfully employed, was 1.81% in 1976, 0.82% in 1987, rising to 45.63% in 1993. In Cameroon, unemployment rose from 6.1% in 1976 to 7.7% in 1987 and to 10% in 1993 – a 57.6% increase in the number of job-seekers between 1976 and 1990, equivalent to a 4.4% annual rise. In Senegal, urban unemployment rose from 16.3% in 1976 to 23.4% in 1988 and 24.4% in 1991. In Ivory Coast, the overall unemployment rate is 13%, however urban unemployment in Abidjan rose from 8% to 23% between 1977 and 1986. Unemployment in Gabon stood at 13.33% in 1994. In Tunisia it was 15% in 1992. In Burkina Faso, the active rural and urban populations account for 84% and 91% of the total population respectively, representing an overall unemployment rate of 3.3%.

In Mauritius, however, unemployment declined from 20.2% in 1983 to 1.6% in 1994.

Underemployment is common among employed rural people, especially in the Sahelian countries. For instance, in 87.6% of jobs people work for only six months of the year. In Burkina Faso, employed rural people are underemployed about 30% to 40% of the time. In Senegal, underemployment is a growing problem in the towns, especially in the informal sector.

1.2. Unemployment and young people

Because young people represent a very high proportion of the population, unemployment has taken a heavy toll amongst them over the past 15 years. The figures below bear this out:

- in Cameroon, 67% of job-seekers are in the 14 to 29 years age group and 85% of these are first- job seekers;
- in Abidjan, Ivory Coast, 38.8% of those in the 18 to 24 years age group are unemployed (60% of job seekers);
- in Senegal, 31.9% of young people are unemployed;
- in Mali, 83% of unemployed people are between 20 and 39 years, and two thirds of the unemployed are first-time job seekers.

A study on employment in sub-Saharan Africa, conducted by the International Labour Office in 1993, came to the same conclusion. It shows that young people in the 15 to 24 years age group account for only one third of the actively employed population, but represent two thirds to three quarters of the unemployed.

The disparity between supply and demand in the modern sector was measured in some countries:

- in Mali, job seekers numbered 8,194 in 1984, 18,433 in 1987, 13,762 in 1990 and 7,020 in 1993. Vacancies for the same years were 1,906, 1,700, 1,577 and 1,954 respectively;
- the number of job-seekers in Burkina Faso was 35,324, 41,989 and 27,784 in 1987, 1990 and 1992 respectively, with vacancies for the same years numbering 5,202, 3,989 and 3,128 respectively;
- one characteristic of the unemployment situation is the growing number of qualified people on the job market;
- in Mali, the proportion of managerial staff and engineers among the job-seekers was 2.8% in 1985, 4.6% in 1992 and 7.8% in 1993, while highly skilled technicians accounted for 9.2%, 6.1% and 7.3% of job-seekers in 1985, 1992 and 1993 respectively;

- in Cameroon, graduates account for 4.4% of job-seekers and more than 5,000 join the job market each year;
- in Ivory Coast, of the 73,000 first time job-seekers registered with OMOCI in 1992, 2% were graduates, 5% were qualified technicians and 2% had secondary school leaving certificates;
- in 1992 in Burkina Faso, 4.2% of job-seekers were university graduates, 1.1% held a vocational training certificate and 5.5% held secondary or middle school leaving certificates.

The ILO also noted the increasing number of better educated job-seekers. The study on employment in sub-Saharan Africa found that unemployment was particularly high among young people who had completed two years of university... and an increasing number of young graduates fail to find work in the modern sector. Between 1986 and 1992, the numbers of qualified job-seekers in Burkina Faso rose as follows: middle and secondary school certificate holders from 892 to 1,652 (+85.20%); vocational training certificate holders from 203 to 330 (+62.56%); and graduates and post-graduates from 774 to 1,263 (+63.17%).

II. — YOUTH UNEMPLOYMENT: CAUSES AND CONSEQUENCES

2.1 The Causes

There are many different causes due to endogenous and exogenous factors:

2.1.1 Causes due to endogenous factors

– The structural economic factors

The African countries' funding policy encourages consumption more than it does production and the creation of business undertakings. Loans are often short-term, subject to high interest rates and mainly geared to the import-export trade. On the other hand, the SME/SMIs create the majority of permanent jobs.

Industrialisation in Africa is not at a very advanced stage. There are also few links between the various sectors of the economy, so the corresponding jobs do not exist.

In Africa good business tradition, usually a factor which makes for the creation and good management of business undertakings, is lacking, with the result that encouragement is given to trading activities producing less added value and fewer permanent jobs than the SME/SMIs and the modern sector.

– Geo-climatic conditions

Poor geo-climatic conditions (drought, floods and fires) have hampered economic development and, thus, job creation, causing huge numbers of people to flee the African countryside, increasing the numbers of job-seekers in the towns.

– *Public affairs management*

Ineffective public affairs management for several decades jeopardized our countries' economic development for a long time.

– *Training/job mismatch*

Young qualified people's situation is made more difficult by the fact that the job qualifications awarded by the education system do not meet job market requirements. Thus, in Ivory Coast, 3,000 job vacancies remained unfilled for lack of suitably qualified candidates despite 4,200 qualified technicians seeking their first job.

– *The widening gap between population growth and economic growth*

Population growth in Africa is between 3% and 4% annually, whereas GDP in most countries has only risen by about 1% to 2% per year in recent years, although some have seen their GDP decline. This relative fall in GDP growth slows down investment and stems job creation.

This imbalance between economic growth and population growth has widened the gap between available economic resources and the population's requirements, jeopardized investment opportunities, economic recovery and, consequently, job creation.

– *Employment information*

Poor dissemination of information about jobs and the lack of appropriate structures may lead to some job opportunities or vacancies not being taken up.

– *Administrative red-tape*

Administrative red-tape does little to help the creation of job-generating SME/SMIs.

– *Taxation*

In addition to low economic growth, the burden of taxation and an inappropriate tax system further seriously hampers private sector activity. Greater efforts are made in the private sector to get round the law (fraud and corruption) than to modernise and create new jobs.

– *Trade and industrial legislation*

The trade and industry laws are inappropriate and do not encourage entrepreneurship.

2.1.2. Causes due to exogenous factors

– *The dependency of African economies*

African economies do not always meet their peoples' needs nor support their interest. Economic players control neither the prices nor the distribution of their exports, nor do they usually control the prices or the origin of their imports. This lack of flexibility means that the

slightest stir in the economies of the industrialised or «preference» countries affects African production and consumption and, consequently, the job market.

– *Price and currency fluctuations*

African exports mainly commodities or low value added products. However, it imports petroleum products and manufactured goods. Although petroleum prices have been relatively stable for more than ten years now (sometimes even falling), the prices of manufactured goods have risen steadily in real terms.

The price of many raw materials exported from Africa have, unfortunately, fallen in real terms on the international market, resulting in a decline in overall export income, a trade imbalance and growing indebtedness in the African countries.

Export incomes and imports are expressed in foreign currencies, which means that currency fluctuations can make it difficult to accurately estimate export income and import costs and disasters have been known to occur.

– *Structural adjustment programmes*

The establishment of structural adjustment programmes in the late seventies resulted in:

- public sector undertakings being put into receivership or privatised, with the loss of numerous jobs. In Ivory Coast, 10,700 jobs were lost in this way between 1982 and 1988, while in Burkina Faso 4,098 jobs were lost in the private and public sectors for the same reasons;
- a halt to recruitment in the public sector. The public sector in most African countries absorbed all candidates prior to 1980. The need to cut expenditure closed the door of the public sector to all qualified young people, except in the health and education sectors;
- state cutbacks in expenditure had a recessionary effect on services, especially trade, and this slow-down in activity led to job losses.

2.2. The consequences

Youth unemployment has economic and social consequences.

At the economic level, the lack of purchasing power of a large proportion of young job-seekers has led to a drop in demand for goods and services and, consequently, in production. What we have is a vicious circle where the lack of purchasing power of a proportion of potential consumers is preventing the production side of the economy from running at full capacity - a state of affairs which has a negative effect on job creation.

In addition to these mainly economic consequences, youth unemployment also causes:

- migration from the countryside: young rural job-seekers often migrate to the towns to find work, thereby swelling the ranks of the urban job-seekers;

- emigration within or outside Africa for the same reason as above;
- the break-up of the traditional support networks: pressure on steadily dwindling incomes to support the economically weak young job-seekers gives rise to unrest as accepting support without giving anything in return is perceived as social parasitism;
- qualifications lose their value because they no longer automatically entitle those who hold them to a job;
- «brain drain»: the very highly qualified go abroad in the hope of better incomes or jobs;
- social deviancy: young people of working age are vulnerable to stress and despair which can lead to social unrest, the break-up of the family unit, violence, lack of respect for law and order and the loss of traditional values;
- uncontrolled urbanisation brought about by the influx of young rural people to the towns, with its consequences, including lack of sanitation, lack of security, poverty, marginalisation, accelerated infrastructure degradation.

III. — PROGRAMMES TO COMBAT YOUTH UNEMPLOYMENT

The authorities have introduced programmes to combat youth unemployment and under-employment, sometimes immediately after attaining independence:

- the Rural Civic Service (SCR) and the Production Cooperative Units (UCP) in Mali. The people's lack of interest in these units explains why there were for a long time much fewer of them than initially expected;
- the «Vacatariat», established in Mali in 1991 to recruit young qualified people on temporary contracts. These young people often lack practical experience or training, hence the need for further training courses;
- the programmes in Benin and Mali to give unemployed young qualified people some degree of work experience to help them be more competitive in the job market. These programmes should be reviewed as they do not offer young people permanent jobs;
- the national civic service in Ivory Coast, launched in 1962, is no longer in operation: too little attention was paid to finding jobs for the young people on the programmes, and management problems and falling numbers of participants put an end to what had been a very promising experiment; educated young people were not keen to become farmers (they preferred paid jobs) but also found it difficult to obtain land and credit;

- Burkina Faso's People's National Service (now the National Development Service) is being reorganised as it encountered many difficulties and failed to achieve the expected results.

Some governments, assisted by ILO, introduced special, highly labour-intensive, public-interest, public works programmes. However, in Benin and Burkina Faso, few jobs were created compared to the size of the target population.

Under the structural adjustment programmes, agencies such as AGETUR (Urban works management and implementation agency) and AGDSD (the Social Dimension of Development Management Agency) in Benin and Faso Baara in Burkina Faso, AGETIP (Agency for the implementation of public interest works) in Senegal, AGETIPE (Employment Agency for the implementation of public interest works) in Mali, were established to revive the SMEs, provide jobs and rehabilitate community facilities.

Steps were taken to bring the schools and the production sector closer together to help young school leavers find jobs more easily. Subjects such as crop and livestock farming and forestry were introduced into the curricula. Unfortunately, a shortage of good teachers and appropriate teaching tools and the fact that these subjects were often introduced too late meant that the results were not convincing.

The appearance of qualified people among the ranks of the job-seekers prompted the authorities to take several types of measures:

- they liberalised the job-placement system, until then run exclusively by the state, to give job-seekers a better chance of finding a job;
- they created special funds or facilities to encourage qualified young job-seekers to consider self-employment: the «operation maitrisards» in Senegal; the operation designed to settle young university graduates in the Sourou valley in Burkina Faso; the programme for the creation of micro-enterprises in Ivory Coast, the Revolving Fund for Employment (FAPE) in Mali; the Development and Expansion Fund (FODEX) and the Gabon Development Support Institute (IGAD) in Gabon; and the National Employment Support Fund in Benin.

Many different types of measures have been introduced by the authorities or by NGOs to deal with youth unemployment, but it is still too soon to tell what impact they have had on solving the problem.

IV. – PROPOSALS TO DEAL WITH YOUTH UNEMPLOYMENT

Since development in Africa depends on the countries eradicating unemployment, it is vital for them to take particularly strong measures against youth unemployment. It is therefore essential they pursue the following objectives:

- identify the scale of the problem;
- revive the economy;
- tailor training and education to the needs of the economy.

For each of the above objectives, the following measures have been put forward:

4.1. Identify the scale of the problem:

- *the creation of employment monitoring centres and the creation or strengthening of national employment agencies.*

The monitoring centres should collect, process and disseminate the data, and carry out surveys in the employment and vocational training sectors. The national agencies and regional offices could register the persons seeking work and distribute job vacancies.

- *Inter-state cooperation in matters concerning employment so as to control the migratory flow in the context of free movement of goods and persons.*

4.2. For economic revival

The following short-, medium- and long-term measures have been put forward to revive the economy:

4.2.1. Short-term measures

- *establish, strengthen and finance special funds for young businessmen;*
- *create or strengthen facilities for the supervision and assistance of new businessmen;*
- *adopt flexible laws and regulations and a flexible tax system to encourage self-employment and youth employment;*
- *make access to credit easier for young people;*
- *make access to farm land easier for young people.*

4.2.2. Medium- and long-term measures

- *organise our states' economies within an overall comprehensive framework designed to meet existing circumstances, capable of controlling changing parameters and covering economic reforms;*
- *obtain the support and respect of all those involved in development and international cooperation for the above plan;*
- *develop sub-regional, regional and continent-wide economic areas.*

4.2.3. Adapting training and education

- *bring the education system and vocational training programmes into line with the needs of the economy, self-employment and technological changes;*
- *promote technological research to develop appropriate technologies to meet the needs and characteristics of our economic environment (natural and human resources);*
- *organise a workshop or on-the-job training system and establish a system for the award of certificates for different types of training, in accordance with minimum standards.*

CONCLUSIONS

Although youth unemployment is a serious problem worldwide, it is particularly acute in Africa because young people represent the majority of the population and economic growth is at a standstill. Causing still further concern is the fact that a new category of job-seeker has appeared on the scene in recent years – qualified people. The consequences of this are extremely harmful economically and socially. Today, youth unemployment is identified with Africa's future.

The measures taken so far by the authorities have not always produced the expected results. So, for some years now, employment has become a matter for coordinated action by all those concerned.

The Economic and Social Councils can and should play an active role in finding ways and means of coming to grips with youth unemployment and enhancing the awareness of all those concerned – decision-makers, educators and trainers, businessmen and young people – of the need to give this matter all the attention it deserves.

Thanks to the spirit of consultation between employers' organisations and unions that has always existed within the Economic and Social Councils and similar institutions, they are in a better position than any other to identify the major economic, social and cultural questions.

1. YOUTH UNEMPLOYMENT IN THE EU: THE CHALLENGE

1.1. The unemployment rate among young people (under 25) in the European Union is around 21%, double the adult rate. About 32% of the total number of unemployed are young people.

1.2. Whilst compared to the peak in 1985, when 43% of the total numbers unemployed were under 25, the rate of youth unemployment relative to adult unemployment has hardly changed. The problem of youth unemployment remains particularly acute among young women and in most of Southern Europe and Ireland where respectively 50 and 36% of young people are without jobs.

1.3. Not only is one out of every five young people in the European labour market today unable to find work, many are trapped in low-paid, unstable and sometimes dangerous jobs.

1.4. Youth unemployment and under-employment represent a dramatic waste of human resources and a potential threat to the social and economic cohesion of Europe, and possibly to democracy itself. The young unemployed have been deprived of being able to contribute to society. In too many instances a «generation» has been «lost» and would appear to be permanently condemned to unemployment and exclusion from the mainstream of society. Job uncertainty, marginalization and exclusion are creating a breeding ground for juvenile delinquency, drug abuse, extreme nationalism, intolerance, xenophobia and racism. Youth unemployment is a problem for us all and must not be ignored by the European Union.

1.5. Too many young people in the European Union leave school without the necessary qualifications to follow a course of further education or training, or to get a job.

Some 10 %leave school with no qualifications at all.

1.6. The failure of education and the persistent inadequacy of training remain key factors impeding young people from access to jobs and becoming properly integrated into working life. In this context, the White Paper on Growth, Competitiveness and Employment highlighted the need for more systematic and comprehensive basic training strategies, better linking school education and working life, particularly as regards:

- more initial vocational training centres as possible alternatives to higher education establishments, with shorter, more practical forms of training linked to apprenticeship and inservice training in firms;
- anticipating skill needs more correctly and in good time;

- reorganising educational and training resources in association with employment services;
- generally involving businesses, the social partners and public authorities more in the development of «genuine» training policies and with possible fiscal and legal incentives.

1.7. The recent Brussels, Corfu and Essen European Council Summits all identified the fight against youth unemployment as a key priority for the European Union. The Council Resolution of 5 December 1994 on the quality and attractiveness of vocational education and training¹, drawing on the White Paper proposals, established a basic framework of principles necessary for the development of effective and efficient vocational training policies which should help combat youth unemployment. In the meantime, Objective 4 priorities have been clearly set out in terms of anticipated labour market trends, training and guidance. The LEONARDO and SOCRATES programmes should also help to improve and rationalise access to training and jobs and avoid the proliferation of previous schemes.

1.8. The Economic and Social Committee has already commented extensively on such matters. It has also registered, in the more general context of growth and employment, that in the final event, whilst improved training is vital, it is the number of real jobs open to young people which ultimately counts.

1.9. In addition, the Committee in its opinion on The White Paper on Growth, Competitiveness and Employment specifically endorsed a range of measures in the context of «national» education and training structures, including:

- **a Community-wide guarantee** that no young person may be unemployed under the age of 18: they should be guaranteed a place in the education and training system or in a linked work and training placement;
- the **elimination of basic illiteracy** and lack of other basic skills among school leavers;
- raising the status of **initial vocational education and training**, developing entrepreneurial skills and ability to use new technologies;
- extending the **scope and range of existing apprenticeship schemes**;
- improving the **co-ordinated provision of guidance and placement services**;
- encouraging universities and other higher education institutions to **collaborate more intensely with industry and commerce**;
- **examining tax incentives for firms and individuals** to invest in their continuing training;

¹ OJ No. C 374 of 30.12.1994, pages 1-4

- encouraging the social partners to set up collective agreements, including at European level, to **extend access to, and participation in, continuing training**, drawing appropriately on Objective 4 of the European Social Fund and placing a strong emphasis on **anticipate training**;
- **strengthening efforts to integrate or re integrate the young and long-term unemployed by providing clearer stepping stones to the formal labour market** and to find worthwhile alternatives to inactivity.

1.10. The Committee is also currently examining the concept of a Community-wide guarantee, that no young person may be unemployed under the age of 18.

1.11. Further proposals for other European Union schemes, programmes and actions – which the Economic and Social Committee is looking into – as an integral part of a comprehensive European Union employment policy include:

- at least 50 % training in employment;
- promotion of vocational and social integration;
- improvement of work placement opportunities;
- measures geared towards disadvantaged groups who have particular difficulties in gaining access to the labour market or training;
- programmes like «Education for all», etc. in Denmark;
- e.g. Flemish Builders' Association: combining training with a new way of organising work.

1.12. It is also the intention of the Economic and Social Committee to specifically explore the idea of a **voluntary European «Community Service Scheme»** open to all under 25-year old.

1.13. The starting point for such a scheme could be a **social contract between** the public authorities, businesses, the social partners and young volunteers in order to combine, as touched upon in the White Paper proposals, in «Public/private **partnerships**, part work and part income support models, to engage unemployed people, voluntarily, in actions which close the gap between people wishing to work and unmet social needs».

1.14. This could include the same sort of public/private partnerships envisaged in **Youth start**, but within a more comprehensive European framework, involving the Economic and Social Committee, the Committee of the Regions, the European Youth Forum and voluntary agencies able together to identify, encourage and select commendable «community service» pilot projects and transnational exchange schemes, both among urban and rural areas, with the view to engaging young unemployed people in a tangible, identifiable and worthwhile European-wide community project for:

- environmental protection;
- urban and rural regeneration;
- restoration of cultural heritage;
- caring and service activities not properly catered for by the traditional labour market.

2. FINAL REMARKS

2.1. The discussions held and conclusions reached at his IVth Meeting of our Assemblies will clearly be of great assistance to the Economic and Social Committee in its current task of preparing an own-initiative opinion for adoption at the October Plenary Session which will be almost exclusively devoted to the question of unemployment.

2.2. Lastly, subject to the approval of those attending this IVth Meeting, we intend to give in-depth coverage to the activities of this Round-Table – and in particular to the «Final Recommendation» to be adopted by the Assemblies this afternoon – in all the Committee's reports and publications on this topic in the coming months.

**STATISTICAL APPENDICES TO THE WORKING DOCUMENT PRESENTED BY THE
ECONOMIC AND SOCIAL COMMITTEE OF THE EUROPEAN COMMUNITIES ON
YOUTH UNEMPLOYMENT IN THE EUROPEAN UNION**

**YOUTH UNEMPLOYMENT IN THE EUROPEAN
UNION²**

1. CHANGES IN YOUTH UNEMPLOYMENT AND THE LABOUR FORCE

The trend in youth unemployment in recent years needs to be judged in the light of the change in numbers of young people which has occurred. Over the Community as a whole, the number of young people of 15 to 24 – i.e. those of working age - declined by around 1% a year between 1985 and 1992 – the latest year for which data are available (at a slightly higher rate for women than for men). The decline has been most marked in Germany, where the number of young people in this age group fell by an average of around 3% a year over this period, while in the UK it fell by over 2% a year. By contrast in Italy, Spain, Greece and Ireland, the number increased, though by a relatively small amount, while in France, it declined only marginally.

As a result, the proportion of working-age population (15 to 64) represented by young people of under 25 fell from 23% in 1985 to 21% in 1992 over the Community as a whole. In Germany, however, it fell from 23% to 18% and in the UK from 24% to 21%. Only in Italy was there no decline in the proportion over this period, though in Greece, Spain, Ireland and Portugal - i.e. the less developed countries of the Community – the reduction was less than 1 percentage point.

At the same time, rates of participation of both men and women in this age group have also tended to fall, as noted above, resulting in a reduction of some 2% a year in the numbers of people under 25 in the labour force between 1985 and 1992. The fall in participation was such as to offset the expansion in population in countries where this occurred. In Italy, the labour force under 25 declined by 10%, over this period, in Portugal by 20%, in France by 23% and in Belgium by 24%. Only in the Netherlands, where there was a substantial growth in participation, did the labour force in this age group increase (in this case, by 17% over the period).

The result of the fall in the number of young people who are economically active is a decline in the proportion of young people under 25 in the labour force. In the Community as a whole, this fell from 20% in 1985 to 16% in 1992, with all Member States showing a reduction. In Germany, the fall was from 20% to 14%, in France from 17% to 12%, and in the UK from 24% to 19%. Even in the Netherlands, where the youth labour force increased, there was a reduction of 1 percentage point over this period.

2. YOUTH UNEMPLOYMENT IN RELATION TO TOTAL UNEMPLOYMENT

The decline in the numbers of young people is reflected in the proportion of the unemployed who are under 25. In the Community as a whole, around 32% of the total numbers out of work in May 1994 were young people, some 2 percentage points lower than in 1990 and some 10 percentage points lower than in 1985, when the figure was 43% and the problem of youth unemployment was most acute.

The importance of youth unemployment and the extent to which it has changed vary markedly between Member States. It remains most acute in Italy, where just over half of the unemployed were under 25 in May 1994. This, however, was considerably less than in 1985, when it was over 60%. The only other Member State where the figure approaches that in Italy is Greece, where some 45% of the unemployed were under 25 at that latest count which is in this case 1991. In Italy and Greece, therefore, the problem of unemployment is much more a problem of young people than anywhere else in the Community.

Of the other Member States, only in Ireland, where the figure was around 36% in May 1994, was the share of young unemployed in the total more than a third. Here, moreover, the proportion had increased since 1990, the only country apart from the Netherlands and Luxembourg where this was the case.

At the other extreme, those under 25 accounted for only just over 10% of the total unemployed in Germany, where the proportion had come down from almost 30% in 1985. In no other Member State apart from Denmark was the figure less than 20%.

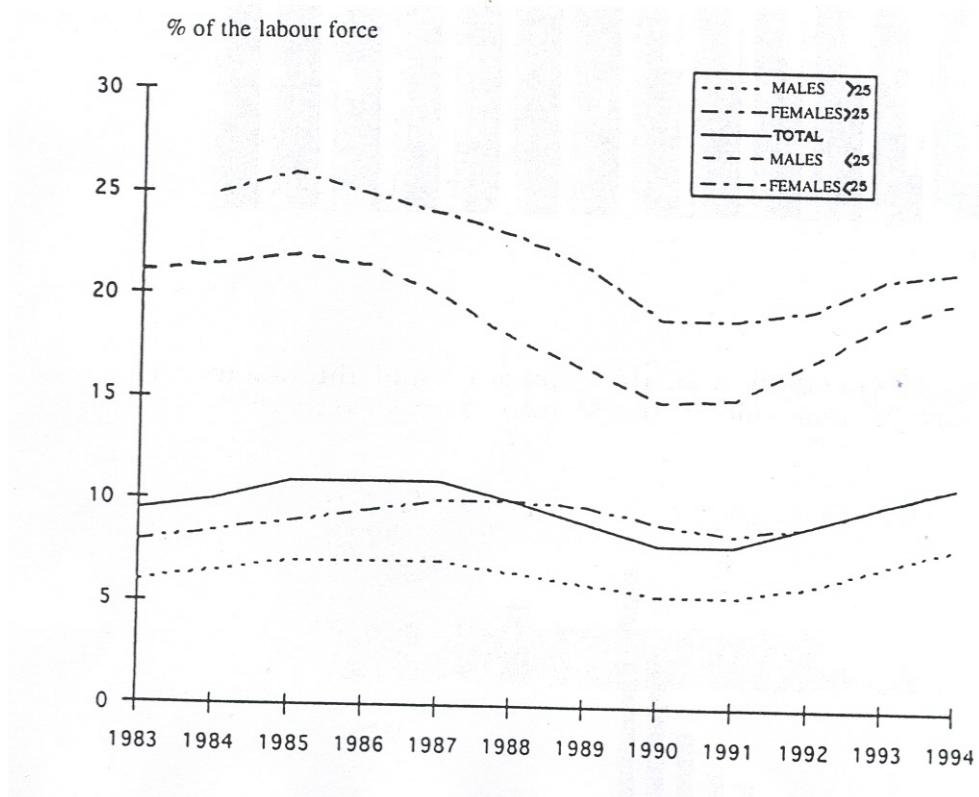
3. EXPENDITURE IN MEMBER STATES

Public expenditure on labour market policies aimed at improving the functioning of the market, supporting those who cannot find work or, more pro-actively, increasing their employability, amounted in total to around 3% of Community GDP in 1992 for the Member States taken together. Over half of this sum went on paying income support to the unemployed and another 10% on funding early retirement schemes aimed at encouraging older people to stop working so as to increase the jobs available for younger people.

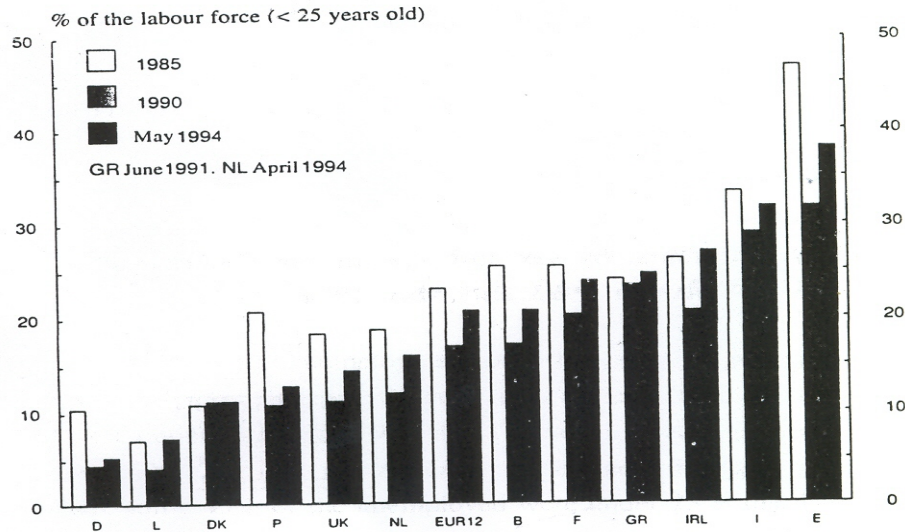
Under 40% of public expenditure – not much more than 1% of Community GDP – went on active measures aimed at getting more people into work. Of these, training schemes and programmes specifically intended to tackle the problem of youth unemployment accounted for around half of total spending on active measures – around 0.5% of GDP altogether (not an Member States distinguish between these two items so it is difficult to separate them at Community level) – while job subsidies, payments to the disabled and expenditure on the public employment services accounted for the remainder.

² Sources: European Commission - Eurostat

Unemployment mats, by sex and age, in the Community between 1983 and May 1994



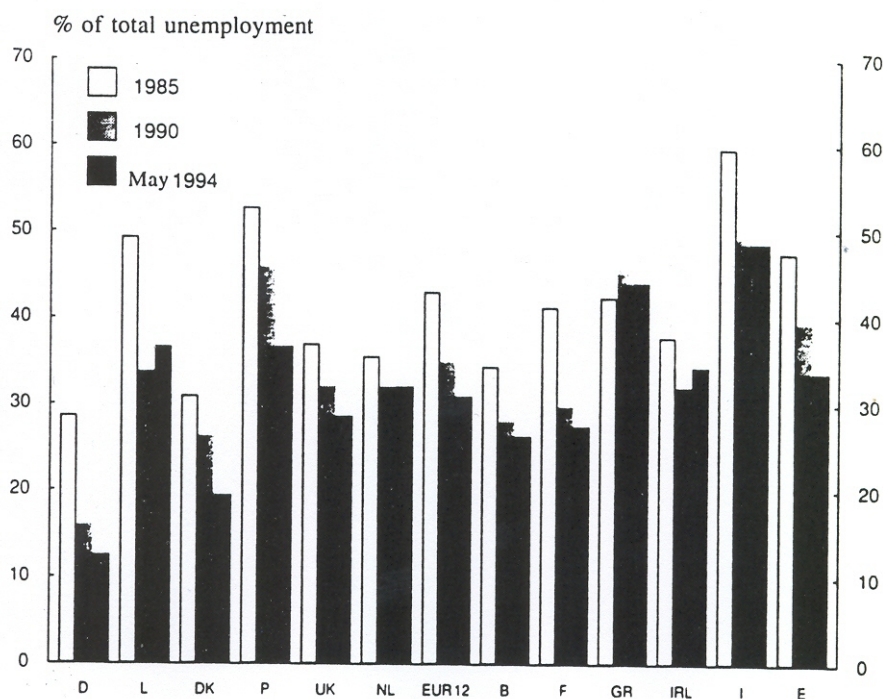
**Youth unemployment rates (under 25 years old) in the Member States,
1985, 1990 and May 1994**



**Percentages of unemployed in the population and the labour force
under 25 years old in the Member States, May 1994**

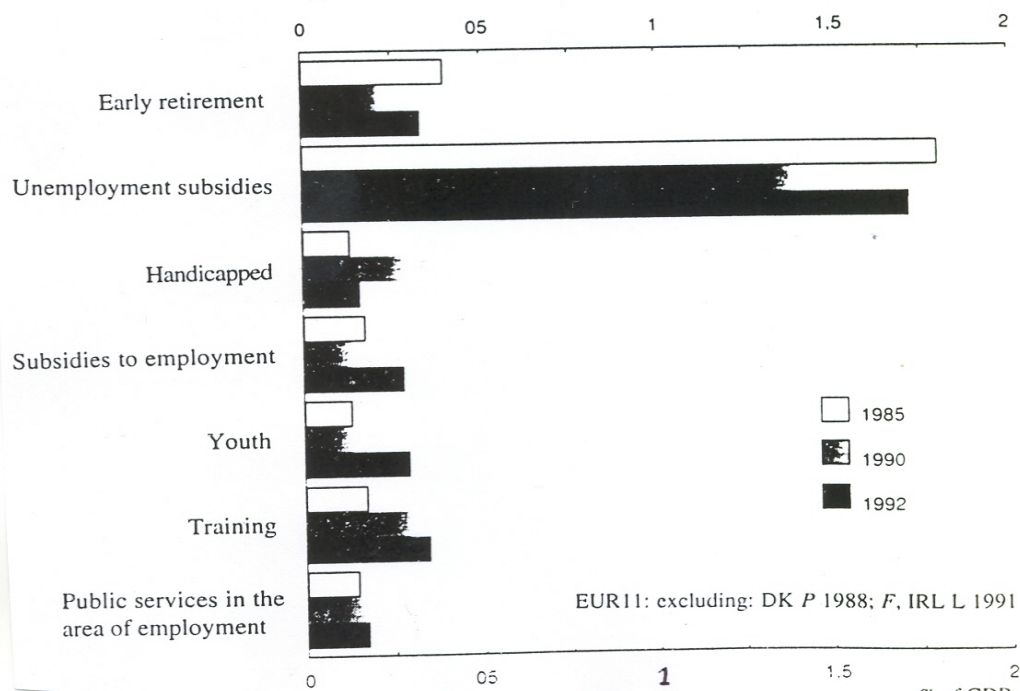


**Proportion of youth unemployed (under 25 years old) in total unemployment
in the Member States, May 1985, 1990 and May 1994**



GR 1991: NL April 1994

**Public expenditures in labour market policies
in the Community (EUR11), 1985, 1990 and 1992**



% of GDP

Director of the Employment Department of the International Labour Office (ILO) and representative of the General Director of ILO

YOUTH UNEMPLOYMENT

Since ILO was founded in 1919, unemployment has been one of its major concerns. Its first Conference adopted the Convention on Unemployment (No. 2) which called upon Member States to provide information on the steps they had taken to combat this evil. A special Recommendation (No. 45) on Youth Unemployment, listing the bulk of the measures that we have become accustomed to in recent years, was adopted as early as 1935. **In 1944, the ILO Conference adopted the Philadelphia Declaration, setting governments the objectives of full employment and a steady rise in living standards – objectives which are still valid today. In the late fifties, following a review of the world employment situation** and employment objectives in economic development, the ILO grew increasingly concerned about this matter and began focusing its attention on the developing countries which were the ones particularly affected. It was against this background that in 1964 the Convention (No. 122) on Employment Policy, ratified by more than 80 countries, was adopted. However, it was not until 1970, with the Recommendation (No. 136) on Special Youth Employment and Training Programmes for development, that special attention was again focussed on youth unemployment. Fourteen years later, in 1984, the Recommendation (No. 169) on Employment Policy, strengthening the measures first proposed in 1964, devotes a long chapter to youth employment. A general discussion on the subject took place during the International Labour Conference in 1986 when the ILO published a full report on «Youth», putting forward a number of suggestions for future action by the Organization on behalf of this population group. Whilst the debate has continued these past nine years, the ILO has not really adequately adjusted its activities in this field which has perhaps not been given the priority it deserved. Finally, only very recently did ILO propose that its Governing Body introduce a special Action Programme dedicated to youth unemployment. The Programme is scheduled to commence in 1996 and extend over an initial period of two years. Its aim is to help member states tackle the problems that young people are likely to encounter on entering the labour market for the first time. If it is to succeed it will be necessary to examine the advantages and drawbacks of the major activities planned. In other words, the ILO shares the bewilderment of many governments which have started ambitious programmes (such as apprenticeship contracts, subsidized training courses and encouragement for employers hiring staff) to come to grips with the problem, often with limited success.

Before taking a more detailed look at the measures and policies used in an attempt to curb the rise in youth unemployment over the past twenty years, it may be well to better define

this segment of the labour market and determine how many people are involved. For statistical purposes, youth comprises the period between 15 and 24 years (even though, as the saying goes, «youth is ageless») and corresponds to the time when a person passes from the stage of dependency and vulnerability to one where he/she enjoys the rights and exercises the duties of an adult. It is essential for young people not only to be integrated in the society, but to take an active part in social changes and development. Unfortunately, they are very often, refused this legitimate request. But why should we focus particular attention on youth unemployment when we know that, in the industrialised countries, the percentage of long-term unemployed, mostly middle-aged people, is rising steadily? Simply because, whatever the type of society, a country's basic problems and hopes are reflected in its young people, who hold the key to social change. Young people are the healthiest, most dynamic, optimistic, creative and enterprising sector of the population. Whilst the eyes are the mirror of the soul, young people are the mirror of society. Today, the problems encountered by young people seeking to enter the labour force are further complicated because the world is undergoing radical technological change and is exposed to the strain of international competition. On the one hand, the industrialised countries have entered headlong into a wild race to maintain or increase their growth by improving productivity and modernizing their industries (sometimes by relocating them). On the other, the Third World countries have to cope with the inescapable challenge of development, the effects of which are not easily apparent to the younger generations.

In 1990, young people between 15 and 24 years numbered about 1.01 million worldwide, accounting for more than 19 percent of the world's population. The trend in the average annual growth rate of the young population is as follows:

1980-85: 2.2 percent

1985-89: 1.4 percent

1990-95: 0.6 percent

2000-2025: 1.0 percent.

These figures are interesting in that they show that we are entering a long period where the young population will remain stable in relation to total world population. As the table below shows, however, the proportion of young people living in the developing countries will continue to grow until 2025:

Year	% of young people living in developing countries
1985	80%
1995	83%
2000	84%
2025	88%

These figures should be considered in the light of the ageing of the population, more noticeable today in the advanced economies. It should be noted that between 1985 and 1990, the young population of the developed regions fell, in absolute terms, from 187 to 179 million. Two major conclusions may be drawn from these figures. (a) First, in the industrialised countries, the levelling off, not to mention the decline, of the young population in absolute terms should, in principle, allow these economies to better cope in the years to come with the problems of integrating young people into the workforce; (b) as regards the developing countries, the numbers of young people will continue to rise somewhat over the next thirty years. This means that they will find it even more difficult to play an active part in the destiny of their respective countries. For all these reasons, in the remainder of this document, special emphasis will be laid on youth unemployment in this second group of economies.

Before going into greater detail about the extent and causes of and the possible remedies for youth unemployment, it would seem appropriate to mention some of the many dangers constantly facing today's young people. These dangers are all the more aggravated and the likelihood of falling prey to them all the greater if the young people are unemployed. Having a job, having an income and being useful to society is still the best way of combating them. Below are a few of the most extreme examples:

- *Social rejection and alienation:* Long-term unemployed youth are often those who have spent their adolescence in families already alienated or excluded from the labour force and who have the least amount of training because they are school dropouts. The fact that Asian youth have an inferior social status automatically leads to a certain degree of marginalization. In Africa, the flight of young people from the countryside to the towns is often the result of the hierarchical organisation prevailing in traditional rural societies. This migration often has disastrous consequences, as the young people find themselves completely alone. This type of exclusion of course affects many young second generation immigrants, especially when they find themselves in a strange cultural context, in a labour market that is not very dynamic.

- *Delinquency*: Whilst it cannot be said that unemployment is the sole cause of delinquency, there is no doubt that it aggravates the situation, especially in the most deprived urban areas. Delinquency is particularly rife in Latin America.
- *Drug abuse*: The descent into this world of dreams and nightmares is often due to a combination of failures such as exclusion from the family, poor quality of life, failure at school and lack of support. Surveys conducted in Hong Kong, Malaysia, the Philippines, Thailand and South Vietnam in 1986 showed that the increase in drug use might be linked to family breakdowns, rural drift, failure at school, unemployment, delinquency and the influence of Western culture – many of these the same as those most often cited in the OECD countries.
- Another factor preventing young people from entering the workforce is *early pregnancies or early parental responsibilities*. This is true in many African and Asian countries, as well as in the United States, where the black people in the ghettos are hardly any better off. Finally, physical or intellectual weaknesses are not often corrected by society in a «positive» way and only serve to further exclude those affected. It has therefore to be acknowledged that young people's integration into employment, as opposed to being unemployed, can only be defined within the wider context of social integration. There can be no economic integration without social integration.

Youth unemployment has only become a major concern for the governments of the industrialized, market-economy, OECD countries since the late eighties. The table below (figures provided by OECD) compares the unemployment trend (1979-1993) for adolescents (15-19 years) and young adults (20-24 years) with that for adults (usually 25-54 years).

Non-weighted average

15-19 years	20-24 years	Year
4.5	2.6	1979
3.7	2.5	1983
2.9	2.2	1989
2.8	2.1	1993

In the late eighties and early nineties, in all the OECD countries except Germany, the unemployment rates among young people were higher than the adult unemployment rates – more than three times higher in some countries for the period under review. Generalizing somewhat (because the situation varies widely from country to country), we find that young people remain unemployed for shorter periods than the unemployed population overall. Even though young people form a rather heterogenous category (due to differences in training), it would appear that they are easier to re-employ in other jobs than adults. Over the past 15 years, most of the OECD countries have set up a whole range of special programmes and

introduced institutional changes in an attempt to better integrate young people into the world of work. It would be difficult at the present time to give more than a very tentative assessment of these programmes. It is true that if we ignore Italy, Spain and Finland, where in 1993 the unemployment rate among young people (15-25 years) was still over 30%, the unemployment figures have, on the whole, improved somewhat in a context of slow economic growth. Bearing in mind a general decline in youth employment and a drop in the number of young people entering the job market, one is tempted to wonder whether current trends are not misleading!

In the Central and Eastern European countries now moving toward a market economy, the number of registered jobless, a virtually unknown category in 1989, now exceeds the average in the OECD countries. (A noteworthy exception here is the Czech Republic). There are large numbers of long-term jobless and a small rotation of job-seekers. In general, unemployment frequency by gender, age and level of schooling does not appear to differ much from that in Western countries with similar unemployment rates. In this type of economy, young school-leavers who do not manage to find an acceptable first job within a certain period of time (ranging from one month in Bulgaria to four months in Poland) are entitled to receive unemployment benefit. This usually represents a percentage of the minimum wage (75% in Hungary and 90% in Bulgaria) and is treated as a job seeking allowance rather than a subsistence payment. Also, such payments do not continue for as long as regular unemployment benefits. The fact that young people's problems are treated fairly effectively in these countries' education systems would partly explain why, given the very difficult socio-economic context, the youth unemployment situation is not more critical than it actually is. It is, in fact, fairly comparable to that in the OECD countries.

As the table below shows, the increase in the proportion of young people in relation to the total population between now and 2025, will occur mainly in Africa:

Year	Total African population (in millions)	Percentage of young people between 15 & 24 years
1990	642.1	19.1
1995	746.8	19.1
2000	866.6	19.4
2025	1600.0	20.6

The percentage of young people will, therefore, not only increase – albeit only slightly – over the next thirty years, but numbers will rise by more than 2.5 times in absolute terms in a continent which already has great difficulty coping with disasters: ethnic wars, famines and increasing loss of interest on the part of the richer countries. The population policies that have been put in place have not always managed to check the rising birth rate. Indeed, the

population is expected to increase by 3.3% in the year 2000. It is virtually impossible to estimate, with a minimum of plausibility, African unemployment rates, particularly among young people. This is due to the inadequacies of the statistical infrastructure and to the size of the informal sector, in both the countryside and the towns. There is furthermore, a problem of underemployment in the countryside, related to the cropping seasons. In fact, the levels of poverty give a fairly accurate idea of living standards! According to estimates, by the year 2000, more than 40% of sub-Saharan Africa will be living below the poverty line. There has been much talk in Africa – and rightly so – about unemployment among young graduates. It is usual for the jobless young people in Africa to be split into two groups: those who have received higher education and those who have received only minimum schooling. In the early nineties, unemployed former students posed a real threat for a number of governments. One of these was the Kingdom of Morocco, where 50% of the unemployed in the towns are reported to be under 25. This is why the National Council for Youth and the Future (CNJA), established in 1991, took a number of steps to reverse this trend. In the African countryside, young people, in particular, suffer from job instability and underemployment, and graduates have great difficulty entering the job market.

Young people represented about 20% of the total Latin American and Caribbean population in 1990, but this percentage is likely to fall to 18.9% in 2000. A few exceptions will be Bolivia, Guatemala and Haiti, where young people could account for up to 35% of the total population by the year 2000. Some 75% of young people live in the towns. In this region, steadily rising levels of education has gone hand in hand with sharp social changes and serious economic recessions over the past fifteen years, particularly with the introduction of a number of structural adjustment programmes which have had painful social consequences. In the more advanced Latin American countries education and school attendance levels are comparable to those in the industrialized countries. Unfortunately, in the lesser developed countries of the region, the proportion of young people classified as illiterate (i.e. those who have between zero and three years' schooling) remains high. Unemployment rates are high and comparable to those of the OECD countries. This is real economic wastage, as the young people often have to look for a job very early in life, to the detriment of their studies, future productivity and aptitude to earn a living. Equality between boys and girls is no more than an illusion. In reality, higher education prepares girls mainly for «feminine» jobs, such as primary school teaching, nursing and secretarial work. The salaries paid to young men and women also differ widely (by as much as 2/3), even though the gap has narrowed in recent years because of the effect of the economic recession on middle incomes.

The table below shows the population trend for young people between now and the year 2025 in the Middle East and the Gulf:

Year	Total African population (in millions)	% of young people between 15 & 24 years
1990	123.0	18.7
1995	142.3	19.0
2000	163.3	19.7
2005	186.1	20.0
2025	282.6	19.1

Whilst the percentage of young people in the population should remain fairly stable in this part of the world, the doubling of the total population over the next 30 years will be accompanied by a significant rise, in absolute terms, of the young population – from 23 million in 1990 to 37.2 million in 2005! This region still has a very high illiteracy rate (about 50%). In the seventies, the departure of huge numbers of migrant workers from the countries where economic expansion was relatively slow, such as Egypt, Jordan, Lebanon and the Yemen, to the Persian Gulf, oil-exporting countries, seriously affected the young people. It should be noted that the illiteracy rate among young women is still considerably higher than among young men. The recession of the eighties and difficulties experienced in the Gulf area forced many young migrants to return home, with the result that unemployment in the countries that are traditionally labour exporters, such as Egypt and Jordan, rose.

In Asia and the Pacific as a whole, it is clear that, between now and 2025, the percentage of young people in the population – 20.5% of the total population in 1990 – will continue to decline in relation to the total population. This trend is reflected in the table below:

Year	Total Asian population (in millions)	% of young people between 15 & 24 years
1990	2,983	20.5
1995	3,264	18.5
2000	3,542	17.1
2025	4,626	15.2

If we take the Asian developing countries alone, we note that more than half the jobless are young people in search of their first job. Increasingly, these are educated young people. In India, for instance, about 18% of the population have completed secondary school and 45% of these are unemployed! In this type of economy, there are two main reasons for this high rate of unemployment among the young: a) too few jobs are created for the number of young people coming into the labour market, and 2) the training the young people have

received does not meet the labour market's requirements. The gap between the traditional type of school and the world of work is continuing to widen. The number of jobs is not rising in proportion to the rising number of qualified young people. But this is not all: of the region's 800 million poor people, 700 million are illiterate despite the growing number of enrolments in primary schools. These rough figures do not take into account the high dropout rates or the fact that education opportunities differ depending on gender, habitat (urban or rural), environment (middle class or poor), whether one lives in areas of high or low population density and, finally, the ethnic group or caste to which one belongs. Young women form the largest of the many sub-groups of young people living in marginal conditions. They are particularly likely to be victims of discriminatory attitudes, practices and traditions. At best, young women reap little benefit from the immense contribution they make to the economy and the society. They are also often refused the opportunities for training and paid jobs that are offered to men. Many other sub-groups of young people live on the edge of the Asian and Pacific society. The huge numbers of young people living in very precarious conditions in areas deprived of basic services, without accommodation or security, have increased by leaps and bounds. There are also young immigrants, refugees or other young people struggling to earn their living by pursuing marginal activities, and young handicapped people, who come up against special difficulties when seeking to play a more active role in their society. Finally, there are those who, because of circumstances, turn to delinquency, alcoholism and drug abuse and trafficking.

The situation is very different in Asia's newly industrialised economies, where unemployment rates are low overall and where youth unemployment is only a fraction higher. This is frictional unemployment corresponding to the time it takes young people to find their first job.

Over the past twenty years, a whole range of employment programmes for young people have been implemented both in the OECD and the developing countries. The least one can say is that there is rarely general agreement as to their effectiveness. In principle, the vocational training methods and the traditional education systems should enable most young people to join the labour market. However, as we saw in the preceding paragraphs, with few exceptions, the unemployment rate among young people has usually been higher than that for other sectors of the population. This state of affairs has also affected young qualified people. Most countries decided it was better to invest in special, well-targeted programmes, despite the high cost involved, than to have an idle, dissatisfied young population. However, these programmes, which started as a temporary measure, now appear to have become permanent fixtures.

The various measures taken to assist young people usually come under one of the following three major categories:

a) measures influencing supply

The aim here is to provide a whole range of measures to improve young people's technical competence and qualifications and make them more «employable». The types of programmes adopted by governments are therefore:

- short-term training for employment in a specific sector, usually requiring little skill, but where demand is high (e.g. manufacturing industries or electronic components);
- specific job training, carried out with the help of the employers. The training is completed «on the job» in the company. The two-pronged German system, where training is provided by both the employer and the vocational training establishment, is one of the oldest and best ways of integrating young people into employment. After finishing secondary school, a young person is taken on as a trainee in a firm, factory, the civil service or any other activity, including the professions. Most of the training is done in the workshop, the office or behind the counter in a bank, not in a teaching establishment;
- training under a «qualification contract» is aimed at young people who cannot find a paid job for lack of training. This type of programme is widely used in France. Thus, a company recruiting a young person undertakes to provide him/her with training leading to a diploma or equivalent qualification for at least 25% of his/her contract duration, which may be up to two years. The theoretical side of the training may be provided at the company itself or at an appropriate school or college and, if the qualification being sought is a diploma, the company should ensure that the young person sits the required examinations;
- the system of training loans is an original one used in the United Kingdom. These loans allow young people leaving full-time education in order to enter the labour market to obtain training that meets approved standards. These «career development loans» are designed for young people over eighteen who may borrow the funds they need to finance whatever type of vocational training they choose.

b) measures influencing demand

These are usually subsidies or tax deductions designed to have a knock-on effect on demand and should encourage public and private sector companies to recruit. Employment programmes financed with public funds or by decentralised authorities are also included in this category.

- The programmes based on a system of grants for jobs are designed to help private sector employers, for an initial period, to recruit young people with some disadvantage (be it in terms of training, a physical handicap or being a member of a minority). The «Targeted Jobs Tax Credit Programme» in the United States is a good example of such temporary grants.

- Providing aid to self-employed young people is very useful in economies (developing or in transition) where the formal sector is small and where opportunities for salaried jobs are few and far between. These are multi-purpose, global operations. As well as providing the young people with training in crafts or agriculture, they give them a chance to set up or modernise their own business, farm or workshop. A whole range of services, such as technical support, market information, credit access and basic equipment, is provided to make this possible.
- Special public works and community services are some of the options which have been and continue to be widely used in developing and developed countries alike, to rapidly create a number of additional jobs for young people. These programmes have been criticised, sometimes deservedly, for not meeting emergency situations and for postponing the time when the young people will have to find a longer term job. In fact, we should not be so severe in our judgement, as most of these programmes have a training component and often lead to the creation of new infrastructures, in turn a source of more permanent jobs. The fact is, though, that this type of programme is rather costly to implement and usually emerge when governments have to choose between setting people to work rapidly for a fixed period or running the risk of serious socio-political tensions. This is a dilemma to which there is no easy answer especially as traditional market solutions have little chance of creating a sufficient number of jobs within a reasonable period of time.

c) Institutional support measures

Young people need to have information about the labour market to help them choose appropriate training courses and find jobs. Such information should be made available to school advisers, the managers of job programmes specially designed for young people and the young people themselves. The CIOPE (Employment Information and Guidance Centres), recently established in Morocco are worth mentioning here. Their main aim is to help young people (especially qualified people) to find work. In the developed countries where the labour markets are rather complex, young people are offered training in seeking work, even when they have the required qualifications.

In a study published in 1992, the ILO attempted an in-depth review of the role of employment services in helping young people. The document examines the various government strategies, analyses and objectives with respect to youth unemployment. It also looks at (and ranks) the many measures that have been tried, those responsible for implementing them and the techniques and methods used, and concludes by evaluating the programmes. This clearly shows, if there was still need to do so, that an extremely wide range of policies, programmes and special measures geared to unemployed young people have been drawn up and implemented throughout the world, in line with the many different situations and degrees of development of the countries involved. We are, therefore, all the

more surprised, even concerned, to see that these job market-oriented policies geared to young people have done little to ease the situation. Apart from a few exceptions already mentioned in the OECD and the newly industrialised Asian countries, unemployment among young people is a persistent, long-term phenomenon. It is not restricted to Third World countries alone, although its consequences are more serious there than in the industrialised countries where benefit and social protection systems make its effects easier to bear. A matter causing even greater concern, despite the special measures taken, is the fact that the percentage of young jobless is often significantly higher than the average percentage of the working population. It is, therefore, difficult not to draw a parallel between the special policies designed to break the youth unemployment trend and the more general, so-called «active» labour policies. We know that these policies, first implemented in the early seventies in northern Europe, but later adopted in many other countries, have not always given the expected results, despite the high cost involved. This has led us to look at youth unemployment within the context of overall unemployment. In its first report on «World Unemployment» (1995), the ILO noted widespread unemployment in the industrialised countries and great under-employment and poverty in the developing countries. It also noted that part of the solution could lie in inter-governmental plans, given market globalisation and the growing internationalisation of the economies. The organisation would like to see Ministries of Labour and Social Affairs play a greater role in drawing up employment policies, so that more emphasis may be given to the social side of economic strategies. The young people's action programme, soon to be introduced by the ILO, is one aspect of the organisation's determination to put more effort into analysis and research on employment and unemployment.

Based on the frankly pessimistic picture painted in this paper, the aim of the young people's action programme will be to increase the awareness of those who have given ILO its mandate of the problems faced by young people entering the workforce for the first time. They will have to better assess the advantages and drawbacks of the main measures, which could form the basis for the strategies. To this end, an in-depth review of the measures taken by the various countries, will be undertaken, with all the reports and practical assessments made at national level being consulted. In this way, the trend in the labour market for young people will be examined from the angle of the employers and companies as well as the ministries of labour and the employment services.

Following the relatively brief post-war period (1945-1974), referred to as the «Thirty Glorious Years», the world has rediscovered, with concern, persistent unemployment. At the same time, the people's expectations have increased and social exclusion is particularly painful, especially in the industrialised countries. Given the governments' difficulties in finding long-term solutions to unemployment problems, renewed job precarity, more flexible labour policies and «disguised» employment for young people are now quite common. It is high time to realise, and this is true for youth unemployment, that long-term unemployment,

be it in the industrialised or Third World countries, has deep-seated structural causes. In the absence of a very strong economic revival, which is difficult to predict, only very specific employment policies can hope to have any effect on current marginalisation rates. For its part, the ILO, following the recommendations of the recent Social Development Summit, held in Copenhagen in March 1995, is determined, in the coming years to step up its analytical work and efforts vis-à-vis the governments so as to give employment, particularly youth employment, its rightful place in the process of national economic and social development.

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YOUTH UNEMPLOYMENT IN MOROCCO

situation and action plan

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Introduction

Youth is a country's major generator of change, indeed of economic, social and cultural development. It is the regenerator of the country's identity and national authenticity and the force preserving value systems, traditions and customs from generation to generation. In a word, it is the country's most important resource and should be cherished and carefully nurtured.

Young people also play two complementary roles that are the expression of continuity and social change.

They may reflect the economic, social and cultural progress achieved over the years and, in this respect, are an indicator of past and recent history.

They may also help promote qualitative changes in the society and, in this respect, can play a major role in shaping the future.

Youth is therefore a country's potential wealth which may be made to thrive through pertinent, well-targeted measures in terms of education and the transmission of knowledge and knowhow, and better social, cultural and economic integration.

Moroccan youth, accounting for a large proportion of the population, is a source of considerable concern for the nation's leaders, a state of affairs reflected in their statements and programmes.

The establishment of the National Council for Youth and the Future is the best expression of the importance attached to young people's present and future role.

The Council, representing civil society and all the country's interest groups, is a new school, founded by His Majesty the King and designed to stimulate new ideas, develop new proposals and provide fresh impetus, based on new approaches and methodologies: «We have resolved to create a National Council for Youth and the Future which, through research activities, studies, surveys, think-tanks, opinions and proposals, will help us to define and implement, together, the ambitious policy that we intend to put into effect in the interest of our nation's youth and future»¹

In line with these objectives, the Council worked out a coherent action plan designed to bring young people into the workforce, using a common approach covering all the issues to be dealt with at its various sessions: «integrating young qualified people into the workforce», «youth employment in the countryside», «bringing the education system into line with the world of work» and «industry and youth: new challenges».

The adopted methodology is a pragmatic one, based on the opinions expressed by the various partners, taking into account all the constraints to be overcome and the expertise available to enable concrete, innovative, realistic and achievable proposals and measures to be put forward.

In line with its decisions concerning the monitoring and implementation of its action programmes, the Council has launched pilot activities to test the proposed methodologies, covering some of the measures to be undertaken by the various partners concerned.

This report comprises a description of the economic and demographic situation, the situation with respect to and characteristics of unemployment in general and youth unemployment in particular, and the action plans developed by the National Council for Youth and the Future.

¹ Preamble to the Crown decree establishing the National Council for Youth and the Future.

I. The economic and demographic contexts

The Moroccan economy presents the major characteristics of a developing economy. Its population is relatively young, its productive sector is dominated by agriculture, its foreign trade shows a chronic deficit and investment, although sizeable, still cannot meet economic and social development requirements.

The productive sector has not yet been sufficiently diversified despite large-scale structural changes over the past 25 years and agriculture continues to play a leading role in the national economy. The agricultural sector has not developed homogeneously, however. Although modern agricultural methods are used, traditional, subsistence farming, often on very small plots, is still very common. Mining also contributes to the country's development, generating income and, increasingly, skilled jobs. The service sector continues to attract new capital, contributing significantly to job creation.

In other respects, the authorities have promoted the development of a relatively efficient national manufacturing industry. Several measures have been adopted to promote export or import substitution activities and mining or agricultural development.

Finally, the country has a chronic trade deficit (50% to 60%), due to the fact that exports are always subject to fluctuating raw material prices, and imports cannot be reduced.

As regards the economy, four major phases were distinguishable over the period 1970-1995:

- the first (1970-1976) was a period of relatively balanced growth;
- the second (1977-1983) saw the commencement of persistent and worrying imbalances, due mainly to an unfavourable international economic situation;
- the third (1983-1990) saw the implementation of the structural adjustment programme which helped ease the effects of the imbalances referred to above.

These improvements, however, led to other imbalances, especially in the social

- the fourth (1991-1995) was characterised by the will to ease the abovementioned negative effects and several measures were launched in 1991 to deal with employment in general, and unemployment among young qualified people in particular. Indeed, the establishment of the National Council for Youth and the Future was one of these efforts.

From 15 million in 1971, Morocco's population had risen to over 26 million by the end of 1994. The growth rate, however, appears to be slowing down, slipping from 2.6% between 1971 and 1982 to 2.06% between 1982 and 1994, with a slight rise in the female population (which now exceeds the male) and a significant rise in the urban population (which accounted for more than 51% of the total in 1994 as against 35% in 1971). This may be

explained by the increased migration from the countryside to the towns since the early seventies and the expansion of the urban centres. Finally, a slight aging of the population is to be noted, due mainly to later first marriages, a decline in the fertility rate, urban development and improved levels of schooling and living standards.

Table 1: **Population trends**

	1971			1982			1991		
	M	F	B	M	F	B	M	F	B
Urban	17.1	17.9	35.0	21.0	21.5	42.5	2.6	24.3	46.9
Rural	32.9	32.1	65.0	28.6	28.9	57.5	25.5	27.6	53.1
100		50.0	50.0	100	49.6	50.4	100	48.1	51.9
Thousands			15,321			20,260			25,608
< 15 years	7.1	45.2	45.2	42.9	41.4	42.1	39.2	36.2	37.7
15 to 24	16.4	16.4	16.4	20.5	20.9	20.7	20.2	21.1	20.7
25 to 44	20.4	24.0	22.2	21	22.3	21.6	23.0	23.9	23.3
45 to 59	9.0	7.6	8.2	9.0	9.3	9.2	9.5	10.6	10.1
60 and over	7.1	6.8	7.0	6.6	6.1	6.2	8.1	8.2	8.2
Total	100	100	100	100	100	100	100	100	100

Sources: 1971 and 1982 population censuses and survey on household living standards (1990-91)

(**M**: Male, **F**: Female, **B**: Both sexes, **T**: Total)

II. Employment and unemployment trends

A steady rise in the number of people gainfully employed regardless of class, sex or age is the overall trend. This indicates a decline in the number of dependants per working person and could result in improved living standards.

Table 2: **Trend in the labour force participation rate**

	1971			1982			1991		
	M	F	B	M	F	B	M	F	B
Urban	46.0	6.5	26.4	48.9	9.3	29.0	55.3	32.9	43.7
Rural	42.4	10.8	26.3	46.5	14.7	38.5	45.4	17.2	33.2
Total	44.7	8.0	26.4	47.9	11.6	29.6	53.1	25.5	38.8
< 15 years	-	-	-	-	-	-	8.7	9.3	9.0
15 to 24	69.4	15.2	42.2	68.0	19.7	43.1	68.3	34.3	50.3
25 to 44	96.3	11.2	50.2	97.1	17.8	55.5	97.1	38.7	66.2
45 to 59	92.2	18.0	58.1	93.6	14.4	53.4	93.9	38.6	63.6
60 and over	43.1	5.2	24.4	51.9	7.6	30.5	58.5	19.3	38.0

Sources: 1971 and 1982 population censuses and survey on household living standards (1990-91)

(M: Male, F: Female, B: Both sexes, T: Total)

II.1 – The labour force

The labour force, representing overall demand for labour, changed significantly during the period under review.

Its main characteristic is, without any doubt, the steady rise in the number of women gainfully employed – an average of +6% annually over the period 1971-1991. Working women are, on the whole, somewhat younger than the men – an indication that women, especially young women, have only recently come into the job market.

The workforce's level of schooling is also steadily improving: the unskilled labour force is decreasing whilst the numbers of post-graduates, intermediate-grade supervisory staff and skilled workers are increasing.

II.2 – Unemployment

It is not easy to accurately estimate the number of jobless because there is no benefit system and people move directly from employment into unemployment. Sometimes, an improvement in the economy may, paradoxically, increase the number of registered job seekers, due to a rise in employment opportunities. Inversely, the return to unemployment may be due to a decline in the economy accompanied by a decline in the number of registered job seekers. This should be seen as one aspect of having a surplus labour force; another is under-employment.

In volume terms, the unemployment figures follow the population trend, with fluctuations in unemployment overall and by sex.

Table 3: Trend in unemployment indicators

	1971			1982			1987		
Indicators	U	R	T	U	R	T	U	R	T
Volume (thousands)	215	134	350	322	320	642	482	267	749
Proportion of female workers	26.2	12.0	20.8	28.1	11.1	19.6	31.7	11.0	23.7

Unemployment (%)

Males	14.5	6.7	9.7	11.6	15.7	14.7	13.4	13.0	14.6
Females	21.2	11.8	17.0	15.4	23.1	19.5	18.5	8.5	18.2
Both sexes	15.8	7.1	10.6	12.7	16.3	15.5	14.7	12.3	15.3

Unemployment (15-24 years)

Males	33.7	10.1	17.1	24.7	19.3	21.3	29.4	12.2	17.9
Females	35.3	9.5	23.8	20.3	14.2	17.9	26.6	2.2	9.5
Both sexes	34.1	10	18.3	23.2	18.5	20.5	28.4	8.0	14.8
Young people	58.1	52.1	55.8	54.2	59.3	56.8	46.9	45.7	47.8
Young unemployed women	29.3	12.2	18.1	33.6	14.2	23.5	32.4	42.1	23.9

Sources: 1971 and 1982 population censuses and surveys on employed urban and rural populations in 1987 and 1986/87 respectively.

The main features here may be said to be the predominating number of unemployed young people (15-24 years), the steady rise in the number of unemployed young women, the appearance of qualified people among the jobless and the rise in long-term unemployment.

Also, more young job seekers now tend to prefer working in the private sector than the public sector.

Finally, it should be noted that young job seekers are prepared to accept jobs a long distance away from their homes and some consider emigrating to other areas or abroad to seek employment.

Youth unemployment based on research by the CNJA

The census conducted by the CNJA among unemployed young qualified people confirms the above. Indeed, the table below shows that half the unemployed have a secondary school leaving certificate. 21.6% hold degrees and 20.8% are technicians.

Also, according to the findings of a Council survey among a representative sample of young people (15-34 years), 15.3% of registered unemployed young people live in the towns and 8.9% in the countryside, with unemployment rates in the urban and rural areas standing at 36% and 18.6% respectively. It should be borne in mind, of course, that this survey was conducted in January and February 1993, the low point of the drought.

Long-term unemployment is more frequent among young people in general, particularly girls.

Only 15.2% of unemployed city-dwellers and 4.8% of jobless rural dwellers did a training course in the past.

Some 75% of urban and 55.8% of rural unemployed admitted to actively seeking a job during the previous six months. The table below shows how they went about this:

Table 4: **Job-seeking methods**

%	U	R	M	F	Both
Direct contact with firms	45.7	26.7	40	40	40.1
Contact with relative, friend	34.9	45.3	36	43	38.0
Meeting with employer	24.2	47.5	39	14	31.0
Applications to the public or private sector	22.2	11.7	15	28	19.1
Competitions	21.2	9.7	16	17	16.6
Placed advert in newspaper	18.6	2.3	12	17	13.8
Visit to employment bureau	7.6	8.5	7	10	7.9
Replied to job ads	8.3	0.1	5	7	5.9

Source: National Youth Survey, CNJA, 1993

Those who did not seek a job during the previous six months gave the following reasons:

Table 5: Reasons for not looking for a job

%	U	R	M	F	Both
Despair of finding a job	66.2	64.3	65	66	65.3
Economic situation not good	31.2	30.4	34	27	30.8
Saturated job market	25.0	17.0	22	20	21.0
Weather discouraging	5.4	19.8	9	16	12.5

Source: National Youth Survey, CNJA, 1993

Following their contact with employers, the young people explained their failure to find a job as follows:

Table 6: Reasons for difficulties in finding a job

%	U	R	M	F	Both
Unfavourable economic situation	46.3	50.3	51	42	47.7
No qualification	28.1	24.9	28	25	27.0
No contact with employer	20.8	21.0	16	29	20.9
No job available in job-seeker's field	9.4	11.1	10	10	10.0

Source: National Youth Survey, CNJA, 1993

As regards the future, 42.4% of young job-seekers (45.9% in the towns) expect to find a job before long, 24.9% think the contrary, and one third do not know.

Most young job-seekers (79.4% in the towns and 84% in the countryside) said they were prepared to work a long distance from their homes.

More than one fifth of the young people surveyed (24.7% in the towns and 16.7% in the countryside) intended to emigrate to find a job.

II.3 – Disguised under-employment

Registered unemployment cannot, alone, reflect the under-utilisation of the labour force. In Morocco, as in most developing countries, under-employment and disguised unemployment are widespread. However, it is not easy to assess the extent of the problem as available data are unreliable.

III – Action Plans

In accordance with its mandate and general operating principles, the Council drew up coherent action plans using a common approach covering the issues to be dealt with at its various sessions: integrating young, qualified people into the workforce, youth employment in the countryside, bringing the education system into line with the world of work, and industry and youth: new challenges.

In addition to implementing its approved action programmes, the Council has prepared pilot measures to test the proposed methodologies covering some of the framework measures to be undertaken by the partners concerned.

III.1 – Integrating qualified young people into the workforce

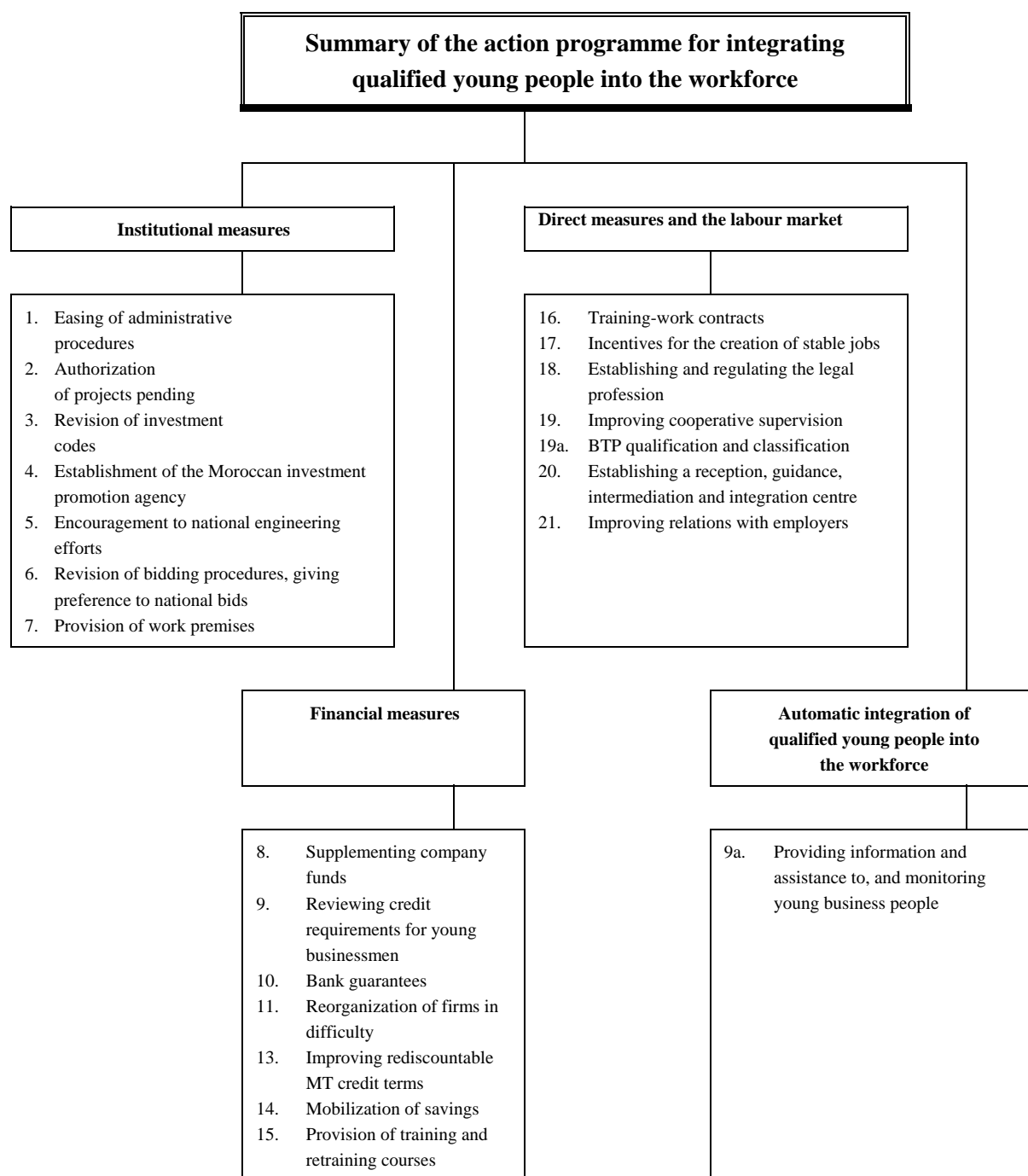
The Council's first challenge was to find ways to bring qualified young people into the workforce. The top priority given to this group is justified by the need to make the most of the investment in human capital, which is likely to devalue rapidly as further scientific, technical and technological progress is made.

The causes of this type of unemployment, which has increased over the past ten years or so, are many: the increase in the number of people qualifying each year, the relatively slow growth of the productive system's absorption capacity, failure of the teaching establishments to turn out people meeting the requirements of the job market and the fact that no efficient ways have been devised to keep the partners concerned up-to-date of the situation and to improve the interaction between the education/training system and the productive system.

The most appropriate solutions here would be medium or long-term ones. However, because of the urgency of the situation, short-term measures have been adopted.

All the solutions together formed the Council's emergency programme, whose main aim is to change the industrial environment by creating conditions conducive to modernisation.

The programme comprises 21 measures focusing on the relationship between industry and the authorities, the funding agencies, investment promotion, the education/training system and facilities for information exchange with the job market.



The implementation of this emergency programme hinges on:

- direct recruitment by the public, semi-public and local authorities;
- intermediation efforts, through the national and provincial or prefectural commissions to bring young people into the private sector labour force. This involves trying to find job-openings and informing the young people of those openings through the use of posters and, especially, the «Carrefour de l'emploi»;

- assisting young businessmen to enter the workforce through the Programme for information and help in establishing businesses (programme d'information et d'assistance a la creation de l'entreprise – PIACE), designed to meet the needs expressed by the young people surveyed;
- monitoring the implementation of the laws on the legal aspects of the 21 measures;
- re-training under the National Training for Jobs Programme which seeks to provide further accurately-targeted training to qualified young people whose skills are not in demand in the job market.

III.2 – Youth employment in the countryside

In accordance with its action plan, the National Council for Youth and the Future chose rural development as the special medium for promoting rural youth employment.

For this purpose, it worked to create a suitable environment for the development of productive farm and non-farm activities. The Council's efforts come within the scope of the following two measures:

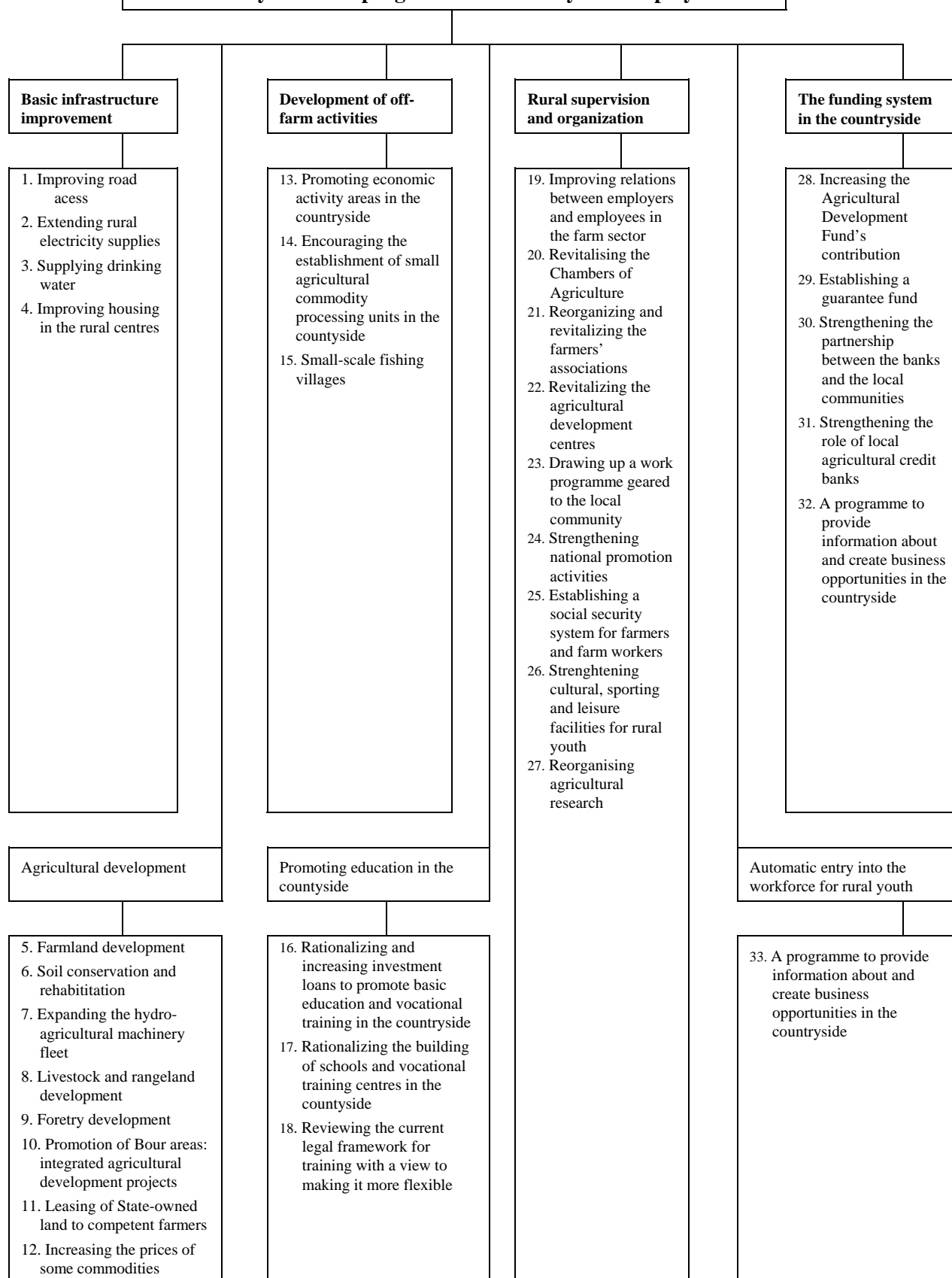
- seeking a better spatial breakdown of economic growth in order to ease the disparities between regions in terms of economic and social development;
- establishing ongoing dialogue and cooperation between the partners concerned in order to find ways and means of boosting private initiative, especially through the provision of incentives to small and medium-size undertakings, particularly well-suited to conditions in the countryside.

The measures chosen by the Council are demonstrable at every stage of their development: design, definition, practical formulation, implementation and monitoring. These are realistic, easily implemented and replicable measures, which complement each other, forming integrated local development programmes.

The plan comprises a short, medium and long-term action programme that takes account of the countryside's special features and seeks to go beyond institutional, economic and social constraints. The programme's major components aim to improve:

- the productive environment;
- the vocational and socio-educational framework;
- the information mechanism, and
- the funding system.

Summary of action programme for rural youth employment



The programme is made feasible through an integrated, regionalised approach based on the concept of land use planning, geared to a more appropriate distribution of persons and activities.

Indeed, given the scale and availability of required technical and financial resources, the various measures under the programme will have to be staggered in time and space. Account will also have to be taken of the strategic objectives sought, of existing constraints and targeted priorities:

- the major strategic objectives are the overall development of the countryside, job creation and the stabilising of the rural population;
- the existing constraints (limited resources) makes it necessary to define priority areas and stagger measures over time, bearing in mind their urgency and the effects they are expected to have;
- priority may be given to certain areas as well as to types of operation.

When choosing the areas to which priority should be given account should be taken of population size and density, the scale of out-migration, unemployment and under-employment, economic and social infrastructure development and the level of inputs available.

It is essential that private sector measures be taken alongside those by the public authorities and local communities, as they are a vital component of the proposed action programme. The Council has, therefore, developed a methodology for the Promotion of Economic Activities in the Countryside (PROMAR) whose aims are to: create economic activities, promote jobs in the countryside, ensure the cost-effectiveness of public sector investment and provide facilities to attract private investors.

Of course, these objectives can only be achieved if the local authorities support the measures. This requires:

- pinpointing local capabilities and needs and using this information to propose small-scale projects;
- taking a broad-based approach as part of a local strategy to promote and develop economic activities;
- closer cooperation links with the other local partners concerned.

In other words, PROMAR seeks to accelerate the pace of decentralisation and gradually encourage the local authorities, best acquainted with the community's problems, to take charge of shaping and reinvigorating the local economy.

The proposed methodology was tested in the field as part of a pilot operation in some twenty rural communities, before being extended to a further fifty. It will eventually be implemented throughout the country.

III.3 – Tailoring the education-training system to the needs of the production system

Since its establishment, the CNJA has focused its attention on promoting investment, hence on promoting economic growth. The third Council session is to focus on tailoring the education system (in the widest sense) to the productive system.

By matching up the needs of the economy and the products of the school system, the action programme seeks to pinpoint the inadequacies of the training and productive systems and to determine how to ensure that the one meets the needs of the other.

The aim of the action programme is to identify ways and means of doing this.

The attention given to education and training during the third session is part and parcel of the same scheme and is an indication of the CNJA's broad-based approach and multidimensional nature. Of course, employment hinges on several key parameters, especially population and economic growth. But, to what degree can economic growth sustain population growth? Sound and sustainable economic growth is always dependent upon three factors:

- the implementation of an appropriate policy aimed at gradually achieving a sustainable balance in the long term between human resources and economic resources;
- the establishment of an economic policy with employment as a key variable and the restoration of external equilibrium (reduction of the trade deficit, debt servicing, etc);
- continuing investment in human capital, making it an economic and technological development factor.

Employment also depends on the extent to which the education system meets the needs of the economy. Moroccan industry requires the labour market to provide trained workers that are immediately operational. On that basis, the potential demand for workers would appear to be difficult to meet in the short term; the conclusion being that there is a mismatch between training and employment needs.

The proposed action programme is also based on three factors which should be interpreted as indications of the need to develop the education system in terms of quantity and quality and to promote skilled jobs in the productive system:

- the Moroccan productive system seems to be running out of steam in a radically changing economic climate. The resulting need to overhaul the system means that training and skills will form the basis of any comparative advantage in future;
- job creation projections show, paradoxically given the above comment, that skilled jobs account for only a small proportion of total jobs;

- a change in the education system marked by a high proportion of people with no schooling and dropouts from secondary and higher education.

This leads us to think that improving the education system will not only involve continuing investment in human resources, but also taking steps to improve productivity by means of streamlining management with due account taken of the socio-economic environment.

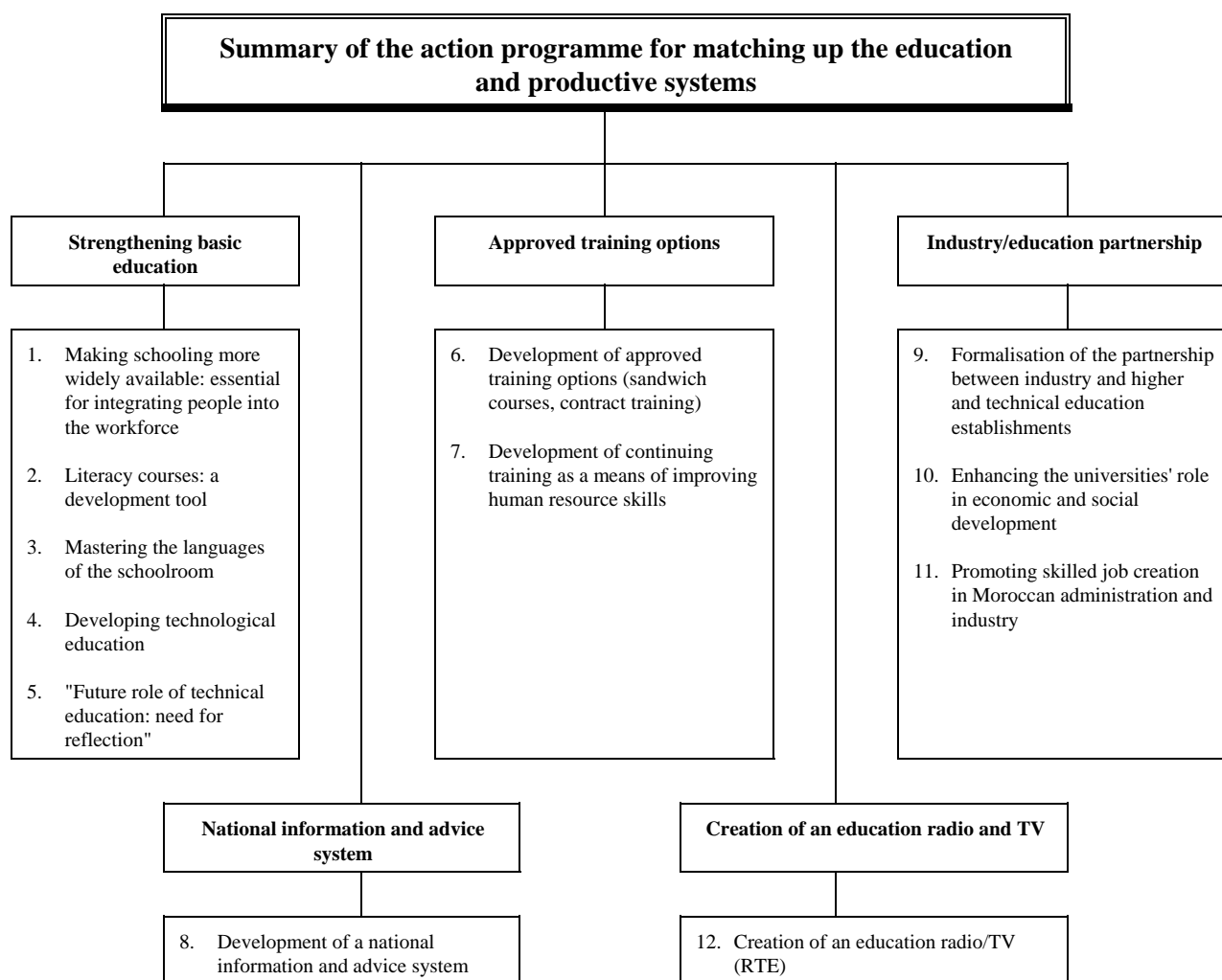
Also, making the most of human resources in the productive system means that firms will have to be made aware of the need to increase productivity, in particular, through the promotion of skilled jobs.

Under the approved action programme it was necessary to adopt «framework measures» because the problems are complex and cannot be dealt with unless awareness-raising efforts and consultation between the partners concerned are maintained. This means that the programme's major objective is to define general criteria to help find appropriate solutions.

There is need for energetic action on a wide scale to help our education system meet the needs of the economy. The ultimate objective is to provide training for the future: training that will help boost production and be useful for the younger generations. Education and industry should work together and employers should take a more active role in the training itself.

The priorities of the adopted action programme are:

- to develop basic education by making schooling more widely available, providing literacy courses for people with no schooling and ensuring that the languages of the classroom are mastered;
- to establish an information and advice system through which information would be transferred between the education and productive systems so that users would be able to make informed choices from available options;
- to strengthen the partnership between the education system and the world of work through the development of agreed training options (continuing training, sandwich courses and contract training), consultation on the role and future of technical education, the formalisation of the partnership between industry and higher education establishments and, finally, to enhance the role of the university in economic and social development;
- to create an educational radio-television which could play a major role in promoting the arts and training and providing advice to help decision-making.



III.4 – Youth and industry: new challenges

Industry has been one of the Council's major concerns ever since its establishment. Through action programmes adopted at its various sessions, industry has always been at the heart of the problem of job promotion in Morocco. Steps are to be taken to: improve the general industrial climate, establish appropriate infrastructures to promote rural development and adjust the education system to meet the needs of industry.

The Moroccan economy is currently undergoing radical change: economic adjustment and reform have been undertaken to ensure that the productive system is able to play an active role in the global market. The challenges brought about by these changes have transformed the national and international context: numerous constraints now face the players in the economic and social sectors, suggesting the need for a strategy geared to competitiveness, offering new opportunities for the whole of the national economy.

In such a context, employment – especially skilled employment – appears to be the major challenge for the future, particularly as the chances of Moroccan industry becoming

competitive have been undermined by poor organisation and the lack of skilled workers.

The chosen theme for the fourth session, «youth and industry: new challenges» therefore sought to promote a general discussion on employment as the logical conclusion of an economic policy based on the reorganisation of all the units comprising the productive system and encourage cooperation with a view to promoting the use of skilled workers and the creation of new industries, especially by young people.

The refocusing of economic policy on the role of the private sector has led to a strong movement in support of the pulling-out of the State and of economic and financial liberalisation. The private sector, with its own idea of performance, is now in the process of taking over. As a result, attention is increasingly focused on the private sector's ability to meet the population's growing requirements in terms of jobs and quality goods and services.

Furthermore, in order to cope with the rapid changes brought about by the internal and external liberalisation of the economy which commenced with the structural adjustment programme and reached a zenith when Morocco signed the GATT agreement, the private sector will have to take up a number of major challenges:

- define appropriate strategies at national, sectoral and branch level in order to maintain or obtain competitive advantages in the sectors where Moroccan industry is most capable;
- determine what is needed in terms of investment, technical capacity, and human resource organization and development. Indeed, competitiveness increasingly depends on product quality, productivity and keeping up with changes in production technologies and labour organization. We must accept innovation in the widest sense;
- assume its responsibilities, not only in terms of economic development, but also with respect to employment and the integration of young people into the workforce, especially in the light of the State's role as employer and economic operator.

Despite its many assets, Moroccan industry's ability to promote growth, create jobs and cope with the challenges of economic and financial globalisation will depend on a number of constraints being removed.

Furthermore, even if existing private firms improve their performance, they will not, alone, be able to meet the rise in job demand – especially by young people. Only a genuine industry creation policy is likely to have a positive impact on job creation.

Some of the measures under the proposed action programme, therefore, seek to improve the performance of established private business concerns in terms of human resource development and competitiveness, while others are geared to industry creation, a step which ensures that young people will be assured of a place in the job market.

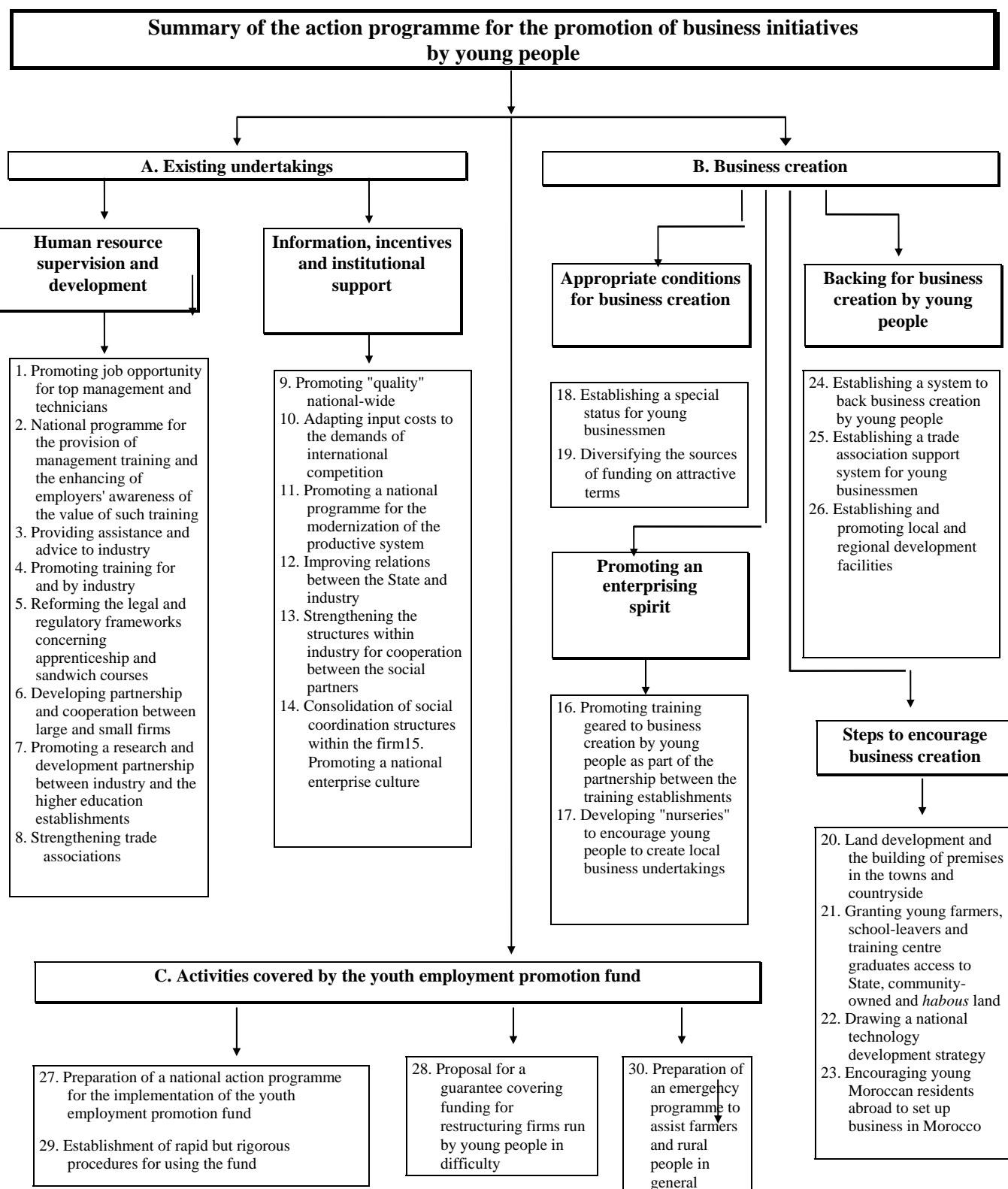
Two types of measures meet the objectives set for existing private firms:

- *—measures designed to improve organisation and develop human resources within those firms: stepping up the recruitment of top management and technical personnel, ensuring that employers are keeping up with changes in management systems, stepping up external supervision using technical assistance/advisers, promoting appropriate training by and for the firm, promoting cooperation between small and large firms, encouraging cooperation in research/development between the universities and industry, and strengthening trade associations;
- *—measures designed to create the appropriate institutional, administrative and work environment to: bring input costs in line the demands of international competition, establish a national programme to modernise the productive system, improve and define new links between the State and industry, adapt industry's legal status to its new context and strengthen dialogue and consultation within each industry.

As regards the national policy of lending support to the creation of new industries by young people, the following skeleton measures have been put forward:

- *—measures to encourage an enterprising spirit in terms of generating project ideas and having the will to see them through. The adopted measures include: the promotion of a national enterprise culture, the establishment of decentralised structures and a system of continuing education geared to the creation of new businesses and the development of «nurseries» to encourage young people to set themselves up in business locally;
- *—a system to encourage the creation of new businesses: young businessmen will be given a special status, lines of funding for young people creating new businesses will be diversified, local authorities will be encouraged to develop land and build small premises at special prices and make them available to young businessmen, firms using new technologies will be encouraged, young Moroccans living abroad will be encouraged to set up businesses at home and access to State-owned and community land and *habous* granted to young agricultural school graduates;
- *—special support facilities will be set up for young businessmen: nation-wide support facilities will be put in place, encouragement will be given to trade associations to help young businessmen, and regional development facilities will be established and promoted.

The organisation chart below sums up the action programme.



DIEGO LUIS CASTELLANOS

Secretary of the National Economic Council of Venezuela, Ambassador

YOUTH UNEMPLOYMENT

Summary

There have been changes in the labour market in the last ten years in many Latin American and European countries. This is evident in, for instance, the increase in the number of jobs that lack security – and that set different groups of workers apart – and the erosion of employment guarantees. The outward sign of this is the «informal» sector. Another factor which has made young people in Latin America even more frustrated about their future is that more education is translating into ever-lower real incomes. This has been the consequence of the crisis that has afflicted the region since the 1980s and the adjustment policies that have been applied. A third feature of these changes is the increasingly unequal opportunities among different classes of society regarding access to studies and work. This has resulted in the fact that higher incomes are mainly only benefitting the privileged classes.

Generally speaking, young people are one of the population groups most affected by these tensions between aspirations and real purchasing power. Reduced purchasing power excludes them from consumption and participation as citizens.

This is part and parcel of young people's lives in both developed and developing societies, and is hampering attempts to consolidate democracy.

These features are present in society in Venezuela, and other additional features have been identified in a government-backed survey carried out by the Ministry for Family Affairs and the Central Statistical and Information Office (OCEI). Its results were published in a General Report on youth in Venezuela¹.

In 1993 the number of young people in Venezuela between the ages of 15 and 24 rose to 4,024,406, i.e. 19.5% of the total population (20,600,475 inhabitants). This shows that one out of every five people living in Venezuela is a young person. Of these, 51% are male and 49% are female.

Over half of these young people are adolescents (between the ages of 15 and 19), i.e. 52.9% of this group (2,131,309 people). Young adults between the ages of 20 and 24, comprise the remaining 47.1% (1,893,097 people).

Young people's socio-economic position reflects the overall trends in Venezuelan society: 57.4% of young people (2,313,215) live in poor households (below the poverty line –

¹ General Report on youth in Venezuela. This summary was produced by Angélica Nãñez of the Ministry for Young People's Affairs, October 1994.

hereafter, BPL), whereas 39.8% (1,601,857) live in households which are not classified as being poor and are above the poverty line (APL).

Thanks to action to increase literacy, 97.1% of young people can read and write. In comparison, however, only 40.5% of young people are registered as attending secondary school. Thus, four out of every ten young people are in education and the remaining six are not.

Only one third of young people living in BPL households (818,056) attend formal education establishments: the remaining two thirds (1,488,821) remain outside formal education. As far as young people in APL households is concerned, 48.8% attend such establishments and 51.6% do not. There is, therefore, a slender majority of young people in the latter category outside the education system.

Roughly speaking, five out of every ten adolescents and two out of every ten young adults study formally.

Only ten per cent of young people in Venezuela have studied for one year or more in higher education or obtained an equivalent qualification. Almost one third of young people who are not studying stopped their studies altogether before the age of 15 (dropped out as children). If you add to this the number of young people who dropped out between the ages of 15 and 19, then 91% of young people who are not studying stopped their studies before the age of 20. The situation in respect of young people from poor households (BPL) is more serious: for this category, 47.7% are outside the education system.

The survey attempted to find out why young people did not study. Its results are a cause for concern:

- a) one in 24 had completed his/her studies;
- b) 27.5% lacked the resources;
- c) 23.1% needed to work;
- d) 13.6% felt that studying was not important;
- e) 11.3% thought that it was not worth the trouble;
- f) 8.8% cited limits in supply in education (not enough places);
- g) 3.3% because of health problems and
- h) 5.7% because of pregnancy.

Of the young people who study, 63.1% attend state educational facilities, while the rest attend private institutions.

There are 1,960,646 young people (48.7%) in the youth workforce, i.e. are classed as being economically active. This means that 2,059,244 young people are not economically active. In real terms, half of all young people are not in work.

26.1% of the total Venezuelan workforce is made up of young people, i.e. 1,969,646 (between the ages of 15 and 24) out of a total of 7,519,107 ranging from 15 to 65 years and more. Only eight out of ten young people who made up the total youth workforce were actually in employment, however, when the employment survey was carried out in the first half of 1993. As the national unemployment rate is officially estimated as 6.9%, youth unemployment at 17.4% is 2.5 times higher, and affects women (21%) 5.2% more than men (15.8%).

From the socio-economic point of view, APL youth employment stands at 10%, while for the BPL category it is 13.2 points higher (23.2%).

In general, this overview of education reveals the gravity of the situation: schooling in Venezuela is defective and limited, since 55.5% of young workers can only boast between one and eight years of schooling.

It is estimated that 45% of all young people who work do so in the informal sector, and their precarious work position excludes them from the benefits of the Venezuelan Social Security System.

The findings of the national survey on youth in Venezuela confirm the precariousness of youth employment, unequal opportunities to enter the world of work, the growing frustration of young people about their future, and the combination of these factors with others that merit particular attention.

The inevitable consequence of youth unemployment is that it seriously hampers assimilation into society and the reaffirmation of cultural values. This exclusion conspires against the family as an institution and affects the cost of living and the quality of life. Its influence is felt in the loss of values, anti-social behaviour and the drift into crime, and its impact on the vital productive transformation of the country is incalculable.

There are many factors that cause youth unemployment; their origins are cultural, economic, political and social. These factors are interlinked and reinforce each other, varying from transculturalization caused by the process of globalisation and the rapid growth in communication technologies, to social exclusion and the economic constraints that are characteristic of underdevelopment and political patronage and its effect of creating exclusive cliques.

It is particularly worth mentioning the external debt crisis, with its effect of limiting resources for productive and social investment. The adjustment policies that were adopted also contributed to economic, social, political, cultural and institutional change and affected production and the chances of creating new jobs. Another factor in this exclusion has been the attraction exerted by rich countries which fascinate young people and encourage them to emigrate.

The crisis has definitely made people reflect on and look for alternatives for survival and development. In this connection, the action taken by civil society led by a number of young business people has encouraged people to overcome their difficulties by their own efforts.

There is no lack of projects and organizations in Venezuela dedicated to providing training for young people. There is also a Ministry whose aim is to draw up and coordinate policies connected with this important part of the population.

Although there has been a will in Venezuela to do something about youth unemployment, there has not apparently yet been any of the vital planning and coordination to go with it, judging by the meagre results that have been achieved.

The problem of youth unemployment is actually the result of the interplay of many factors and needs to be seen in a much wider context. This means finding a solution to underdevelopment itself, not by increasing growth but by improving the level of human development. This in turn means a happy balance between the economic and the social, based on sustainability.

The Venezuelan National Economic Council has claimed that the country has relatively little to show for all the effort that has been put into human development. For this, a different reading of the economic and social processes in human development is needed, and it suggests that the focus should be on education, nutrition and giving people security. These are the three major shortcomings affecting young people especially. Education, in particular, incorporates many of today's and tomorrow's problems, taking as a starting point a definition of human development as a process whereby the individual is given more political, economic and social freedom, as well as scope for creativity, productivity, self-respect and the enjoyment of his human rights.

The economic and social councils and similar institutions cannot duck their responsibilities faced with the problem of youth unemployment, and since they are plural in make-up they have many and varied opportunities, particularly if they tackle youth unemployment in the broad terms of human development.

I. Introduction

In most Latin American countries, including Venezuela – as in many European countries – there have been a number of marked changes in the labour market over the last ten years. One of these is the increase in jobs which lack security and which do not correspond in part or at all to the norm and do not take account of normal pay scales set by labour legislation or general contractual practice.

A lack of security sets different groups of workers apart and erodes the guarantees that are usual in a labour relationship. There are a range of factors involved: less job security; lack of control, by the individual or group, over working conditions; social security cover; wages.

Such precarious employment takes on the characteristics of part-time or temporary work: high labour mobility between firms, contracting through cooperatives and employment agencies, self-employment, and so on. It is part of the whole informal sector which, due to the deteriorating employment situation, is the only option for more and more young people².

On the subject of young people and employment, another area of interest is the position of young people with respect to the relationship between job and income. Studies by the UN's Economic Commission for Latin America (ECLA) have shown that the region's educational, training and science and technology systems have grown noticeably over recent decades in most of the countries of the region, although this process is still incomplete. There are, however, obvious deficiencies as far as the quality of their results is concerned, how well they satisfy with the demands of the economic and social environment and how fairly the different social groups are able to make use of them.

A negative consequence for the nation's youth of the crisis in the 1980s and the political adjustment policy has been that although they are better educated, they have lower real incomes. This has an adverse effect on young people who, according to one report, are being increasingly thwarted in their hopes³.

A third feature is the increasingly unequal opportunities for access to study and work among young people from different social groups. The same report also concludes that when there is an improvement in young people's income in Latin America, only the best educated benefit⁴.

Generally speaking, young people as a group are among those most harmed by the tensions that have arisen recently between aspirations which are increasingly shared by all – access to goods, services and modern institutions, for instance – and lower purchasing power. Young people have less opportunity to buy goods and services, meaning that in practice they are left out of consumer activities and participation as citizens. The ECLA takes the view that this is another area in which desires are thwarted as a result of, among other things, the recent imbalance between levels of pay and education.

Up to a point, young people in developed and underdeveloped societies alike are thwarted in the same areas, and a number of these need to be resolved given the aims of consolidating democratic forms of coexistence. This makes the subject of youth unemployment, chosen as a key topic for discussion at this meeting of economic and social councils, a pertinent one.

² Marcelo P. Sanchés: **Polarización del empleo y actores sociales**, in the Nueva Sociedad magazine No 117, February 1992, pp 120-130.

³ ECLA/UNESCO, **Educación y conocimiento: eje de la transformación productiva con equidad**, Santiago, Chile, March 1992; and ECLA: **Panorama Social de América Latina**, 1993.

⁴ CEPAL, *ibid.*

II. The problems in detail

The references made to job insecurity, the job/income relation and the increasingly unequal opportunities as important features of Latin America's youth unemployment problem give a useful background for a more detailed examination of the complexities of the subject under discussion with specific reference to the case of Venezuela.

With this in mind, the demographic data contained in the General Report on youth in Venezuela⁵ in a version that summarizes the results of the survey of the nation carried out by the Ministry for Family Affairs and the Central Statistical and Information Office (OCEI), is a suitable starting point.

According to the OCEI's official figures, in 1993 Venezuela had a population of 20,600,475 of which 4,024,406 were young people between the ages of 15 and 24. Young people in this age group make up 19.5% of the country's total population; in other words, one in every five people living in Venezuela is young. Of these, 2,053,594 (51%) are male and 1,970,812 (49%) are female.

More than half of the young people belong to the young adolescents' category (from 15 to 19 years of age). In absolute terms, there are 2,131,309 young people in this group, i.e. 52.9% of all young people, and 1,893,097 so-called young adults between the ages of 20 and 24, making up 47.1% of the total.

According to the report, it is important to point out that the survey identified a total of 2,313,215 young people living in poor households below the poverty level (BPL), i.e. 57.4% of the total. This leaves 1,601,857 young people living in households above the poverty level (APL – 39.8% of the total). Young people are therefore affected by the general trend towards poverty besetting Venezuelan society as a whole.

As far as education is concerned, 3,905,926 young people (97.1%) can read and write, which reduces illiteracy in this group to 103,675 (2.5%). These figures contrast with those for registration in secondary school: only 1,631,396 (40.5%) of the total of 4,024,406 young people are students. The remaining 2,320,966 (57%) do not attend educational establishments and 64,753 (1.6%) have never attended such establishments. The figure for both groups taken together is a worrying 2,385,719 (59.3%), which does not include the 7,291 young people who gave no reply. This shows that only four out of every ten young people take part in formal education, meaning that six out of ten are excluded.

⁵ **La Juventud Venezolana - Informe General**, Venezuelan Ministry for Family Affairs, summary by Angélica Ñañez, Caracas, October 1994.

Table 1
Venezuela - Youth enrolment in education

Categories	Study	%	Do not study*	%	Total**
Young people	1,631,396	40.5	2,385,319	59.3	4,024,406
Men	760,126	37.0	1,288,410	62.7	2,053,594
Women	871,270	44.0	1,097,309	55.7	1,970,812
BPL	818,056	35.4	1,488,821	64.4	2,313,215
APL	774,774	48.4	826,130	51.6	1,601,857
15-19 yrs.	1,146,734	53.8	952,927	44.8	2,131,309
20-24 yrs.	484,662	25.6	1,368,039	73.0	1,893,097

* Includes young people who left school and those who never attended.

** Includes those who gave no answer.

BPL Below Poverty Line

APL Above Poverty Line

Source: National survey of Venezuelan Youth, CSIO, Ministry for Young People's Affairs, 1993.

As far as their standard of living is concerned, the report states that out of all the young people living in BPL households, only one third (818,056, i.e. 35.4%) attends formal education establishments, while 64.4% (1,488,821) do not. 774,774 young people living in APL households (48.4% of the group) are students and 826,130 (51.5%) are not. This shows that there is a slender majority of young people in both groups outside the educational system. This pattern is repeated in the age groups: only 25.6% of young adults between the ages of 20 and 24 (484,662) study, and 73% (1,368,039) do not. As far as young adolescents (15 to 19 years) are concerned – and here a large majority of students might be expected – according to the figures only 53.8% (1,146,734) regularly attend a formal education establishment, while 44.8% (952,927) do not. This shows that only five out of every ten young adolescents are in formal education.

The level of young people's education gives considerable cause for concern. In the survey, 232,821 young people (5.8%) stated that they had successfully completed no more than the equivalent of the first stage of primary school education, i.e. a very elementary level. The figures (see tables 2 and 3) reveal two of the most serious problems in education: an early and drastic exclusion from schooling (83.1%) at the first stage of primary education, and the relatively advanced years of the young people who continue studying (16.3%).

Table 2
Level of young people's education

Level of education	No. of young people	%
1	232,821	5.8
2	987,017	24.5
3	1,299,901	32.3
4	957,629	23.8
5	408,076	10.1
6	138,962	3.5
TOTAL	4,024,406	100

Table 3
Attendance at an educational establishment, according to education level

Education level	Study	%	Do not study	%	Total
1	371,977	16.3	193,569	83.1	232,821
2	145,502	14.7	837,570	84.8	987,017
3	587,552	45.2	709,094	54.5	1,299,901
4	504,145	52.6	451,956	47.2	957,629
6	339,470	83.2	68,606	16.8	408,076

1. Basic education, 1st stage (kindergarten-3rd grade, i.e. infant school)
2. Basic education, 2nd stage (4th-6th grade, i.e. primary school)
3. Basic education, 3rd stage (7th-9th grade, i.e. up to age 15)
4. Secondary school and various equivalents (years 1-3)
5. Further education
6. Special courses, no level/undeclared.

Regrettably, this situation continues into the second stage of primary education. Of the 987,017 young people (24.5%) who stated that they had successfully completed fourth and sixth grade, 84.8% had stopped studying, which goes to show that an overwhelming number of young people who had reached this level of schooling have stopped studying for good. The remaining 145,502 who continue to study (14.7%) blame the fact that would-be students are getting too old.

Similarly, 1,299,901 young people (32.3%) stated that they had been educated to between seventh and ninth grade. 45.2% of young people (587,552) in this group continue studying, which is the highest attendance figure seen thus far. Over half of them (54.5% – 709,094) have, however, stopped studying for good. This means that although this drop-out rate is proportionally lower than that for the previous stages, this is still a significant figure since only about five out of every ten young people who have reached one of the third-stage primary school grades continue studying.

The survey also shows that 23.8% (957,629) of all young people have reached a secondary school grade. In this group, 47.2% (451,956) do not attend an official educational establishment, while 52.6% (504,145) continue to study.

Only one tenth (10.1%) of young people in Venezuela (408,076) have completed at least one year of further education or obtained an equivalent qualification. According to this report, it is worth pointing out the number of young people who, having reached this level,

continue to study compared to those at other education levels, since only 16.8% (68,606) of those who had successfully completed a year or more of further education stated that they were not following a course of study.

Almost one third (32.2% – 747,609) of the young people who are not studying have not done so since before they reached the age of fifteen; in other words, they stopped studying as children. If the number of young people who had stopped studying before the age of fifteen is added to the corresponding figure for the 15 to 19 age group, then a total of 2,116,984 young people (91%) are not studying and dropped out of formal education before the age of twenty.

This situation is all the more serious in the case of young people from poor households (BPL). For this group, almost half (47.7% – 579,565) drop out of school as children. The survey reveals that the following reasons, among others, were given for not studying:

- a) 4.2% (101,162 – one out of 24) had already completed his/her studies;
- b) 27.5% lacked the resources, i.e. the recession caused 659,525 young people to drop out;
- c) 23.1% (551,923) said that they needed to work;
- d) 13.6% (325,937) felt that studying was not important. The report takes the view that the poverty that is affecting many Venezuelans and its particular effect on young people's education has undermined the image of education as a means of moving up in society. It is probably also the case that the unemployment and job insecurity from which people with formal qualifications frequently suffer fosters an increasingly negative view of education among young people as a vehicle for upwards social mobility;
- e) 11.3% (275,275) took the view that it was not worth the trouble because they might need to repeat a year, they were too old, training difficulties, etc.;
- f) 8.8% (210,077 young people) cited limits in the education that was provided, namely an absence of grades or advanced levels, that there were not enough places, the educational establishments were too far away or that they would need to move away from home;
- g) 3.3% (77,966) because of health problems; and
- h) a total of 5.7% because of pregnancy (136,795); 21.7% (132,270) of the women dropping out cited pregnancy.

63.6% (1,038,376) of the young people who study attend official educational establishments. The rest (32% – 591,389) attend private institutions.

According to the survey, the reasons for studying were, in order of importance: individual improvement (84.4% – 1,383,270), to get a job (9% – 148,541), in the hope of finding work

(1.1% – 18,980), out of duty to one's family (3.3% – 56,452) and other reasons (1.3% – 21,937).

The report notes that the youth workforce – the group of young people who are classed as being economically active since they are either working or are looking for work – amounts to 48.7% (1,960,646) of all young people. The result of this is that the remaining young people (51.2% – 2,059,244) are considered as being economically inactive, i.e. not part of the workforce. This means that out of every ten young people, roughly five are part of the workforce or are economically active and five are inactive and not part of the workforce.

The estimated figure for the workforce in the first half of 1993 was 7,519,107. Young people therefore make up more than a quarter of the total Venezuelan workforce, given that there are 1,960,646 young people who are economically active, i.e. 26.1% of the national total. Out of every ten workers in Venezuela, roughly three are aged between 15 and 24.

At the time of the survey, 17.4% (340,677) of all young workers had no job, and 82.6% (1,619,969) were in employment. Four out of every twenty young people classed as being part of the workforce were therefore unemployed.

Youth unemployment

	Young people	Men	Women	BPL	APL
Young people unemployed	340,677	216,285	124,392	241,669	86,098
Unemployment rate	17.4	15.8	21.0	23.2	10

The breakdown of the Venezuelan workforce for the first half of 1993 was as follows: 93.1% (7,001,319) were in work and 6.9% (517,788) were looking for a job or were unemployed. Only one in twenty of the workforce was thus unemployed. This comparison of results shows that the rate of youth unemployment or inactivity (17.4%) is 2.5 times higher than the overall unemployment rate (6.9%).

Youth unemployment among females stands at 21%, meaning that 124,392 young women are fully unemployed. This is 5.2% higher than the corresponding figure for young men (15.8% – 216,285). Youth unemployment among females is 3.6% higher than the aggregate figure for youth unemployment.

While 10% (86,098) of the APL youth are unemployed, for the BPL group the corresponding figure is 23.2% (241,669), which is the highest of the youth unemployment rates.

As has been shown, there are over 1.6 million young people between the ages of 15 and 24 on the labour market. These 1,616,969 workers represent 40.3% of young people as a whole and give a youth employment rate of 82.6%.

55.5% (898,562) of young workers have only invested between one and eight years in schooling, which means that they have not even finished their secondary school studies, the level which has been set as the minimum qualification for choosing to work in the formal sector. The young workers who have spent between nine and eleven years at school, however – and have thus completed basic secondary school education – make up 31.6% (512,394) of the total working youth. Only 8.9% (143,929) of all young workers have a further education qualification, and scarcely 1.3% (21,263) are educated professionals or have an advanced technical qualification.

The very serious reality of education generally is that schooling in Venezuela is markedly insufficient and limited.

Of all the young people who work, 45% (731,618) do so in the informal sector, 52.3% (847,850) in the formal sector. There are therefore very many young people in the informal workforce whose insecure working conditions deprive them of the benefits of the social security system, such as the support of trade union and labour organizations, welfare benefits, health assistance, saving arrangements, going on holiday and having normal working hours, and in general the range of advantages enjoyed by those working in the formal sector.

The survey shows that 29.3% (472,864) give as their main reason for working responsibility for supporting a family, while 32.9% (533,306) work because they need to increase their family's income. This means that 62.2% of young workers are active in the labour market because their family relies on them totally or in part for financial support. 32.9% of young people (533,564) cited the need to cover their personal expenses as the reason for working.

Workplace satisfaction

Workplace satisfaction with:	Yes	%	No	%
Salary	1,211,987	74.8	389,113	24.0
Use of knowledge	1,346,045	83.0	252,779	15.6
Scope for learning	1,311,859	81.0	285,531	17.6
Working hours	1,388,094	85.6	210,914	13.0
Human relations	1,512,244	93.3	85,691	5.2

Levels of job satisfaction among young people are very worrying and are clearly associated with the rise in apathy and resignation on the part of young people towards the world of work. The aggregate figure for young people's satisfaction with five crucial aspects of working life – income, hours, training opportunities, application of knowledge and human relations – stands at 83.1%.

Only 18.5% (300,219) of working young people study at the same time. This shows that one out of every eleven young people who work are attempting to become better trained. Roughly one in four young people (1,065,848 – 26.5%), however, neither study nor work. There are more women than men in this category (763,386 – 71.6%).

71.4% (761,493) of all unemployed young people live in BPL households, i.e. seven out of ten unemployed young people come from poor family backgrounds.

When the serious problem of youth unemployment is considered in terms of educational level, it is quite clear that there is a majority with poor schooling, since around two thirds (63.8% – 680,092) have not even completed basic secondary school education.

76% (356,934) of young people stated that they needed to go on training courses in order to give themselves a better chance of finding a job or, if they were in employment, to move up the ladder. Even so, although roughly 76% said that they needed training for their work, only 21% (848,176) stated that they had been on any kind of training course. Considering this important contrast and the high number of young people who neither study nor work, it would seem to be an urgent priority for the state to draw up and implement policies to train young people and place them in employment; such policies should be tailored to both current trends in the labour market and the demands of young people themselves.

This overview makes it clear that the problem of youth unemployment requires urgent attention since both its scale (a youth unemployment rate of 17.4%, i.e. 2.5 times higher than unemployment as a whole) and its specific features are such as to threaten present and future stability and economic and social development.

III. Consequences

The inevitable consequence of youth unemployment is that it hampers the proper integration of young people – an important section of the population – in society. It is also a hindrance to cultural values, i.e. dignity and self-respect, and threatens a loss of identity.

Exclusion also conspires against the family – one of civilization's most valuable institutions – in that it places great limitations on the setting-up of new households. This in turn contributes to overcrowding and puts a strain on family budgets and Venezuela's own resources, as well as adversely affecting the cost of living and quality of life of its people.

Growing frustration caused by the process of exclusion is bound to foster the phenomena of social decay and loss of values, antisocial behaviour and rising crime, and the scourges of corruption and drugs.

Another important effect of the exclusion of young people is on the vital transformation of the productive economy in a developing country, which is always characterized by the lack of human resources with proper technical training. This lack of skilled workers results in higher social costs and widens the gap between developed and underdeveloped nations.

IV. Causes

Youth unemployment is caused by many different factors. In no particular order their origins are cultural, economic, political and social. These factors are interlinked and reinforce each other. Cultural factors are vitally important and include, in particular, elements of transculturalization to which young people are subjected, namely the never-ending messages of the media that promote unbridled consumerism and the lifestyles of wealthy societies. All this contributes to the erosion of individual identity and self-respect.

The economic factors are both external and internal. They are external in the sense that revenue which the country earns from its exports is limited due to difficulties in access to international markets, the value of such exports is constantly falling, and the serious problem of external debt. Internally, Venezuela lacks investment resources which restricts the creation of new employment opportunities, and its markets are segmented as a result of a complex range of factors, such as unequal income distribution and the resulting wide differences in purchasing power.

The most significant political factors are political patronage and the relative ease with which privileged sections of society gain access to power. Both these factors contribute to exclusion.

Socially, the phenomena of exclusion and self-imposed exclusion are both present. The first type derives from the distribution of property, while the second is a consequence of an attitude of self-imposed segregation, which is often rooted in the traumatic experience of being discriminated against. Fortunately, racism is not an important factor in Venezuela which, in this respect, is a quite open society. Venezuelans also tend towards an egalitarian approach that has enabled the country to consolidate its democracy.

Macroeconomic issues and recent developments in Venezuela in this area deserve particular mention. These have been important changes in the development model which, for many years, was founded on oil exports and straightforward import substitution. Difficulties on the international markets and the resulting drop in the value of hydrocarbons contributed to the relative reduction in importance of oil as the main source of external revenue. The import substitution model, meanwhile – which was adopted rather later than in most Latin American countries – soon proved its weakness since it was not properly planned and was not accompanied by an effort to switch over to exports as in a number of Asian countries. On top of this there was the problem of the external debt: the burden of servicing the debt deprived the country of resources that could have been used for investment in the productive economy and in society. The rather hasty introduction of an adjustment policy – from which the market has benefitted in terms of deregulation, trade liberalization and openness – has to an extent contributed to the gradual changes in the country's economic, social, political, cultural and institutional position. All this has led to a greater dependency on other countries as regards both vital supplies of products and financing. Much capital has left the country,

there has been a banking crisis of unprecedented proportions, and a process of deindustrialization has been unleashed, all of which has reduced the chances of creating jobs.

These factors promote exclusion and combine with the appeal of higher living standards, better working conditions and pay, and a general fascination with developed societies, to entice young people to emigrate in the hope that their ambitions will be realized. The result for Latin America is, however, that we are deprived of our human capital – the most valuable resource of all.

This crisis has prompted a debate on the urgent need to frame appropriate policies and seek a national consensus regarding a specific programme to solve the difficulties. More importantly, however, the crisis has sparked civil society's adoption of a range of initiatives to find viable alternative ways of surviving and developing. Most of these initiatives are promoted by young business people and have introduced the feeling in communities that they can overcome their difficulties by their own efforts.

Venezuela has not lacked plans and institutions for the training of young people. In the early 1960s, the Educational Training Institute (Instituto de Capacitación Educativa – INCE) was set up, which drew together the government, the business community and the labour organizations to provide courses for manual and technical workers in a range of industries. The Gran Mariscal de Ayacucho Institute was set up in the 1970s, to honour Antonio José de Sucre. Its aim is to provide scholarships both at home and abroad for Venezuelan students in various areas of study that are required for the country to develop. There are many private educational establishments, centres and foundations for technical training in agriculture, industry and the service sector. There has been progress in educational planning, and in the ninth National Plan to be implemented during the coming four years the accent is on education.

As far as labour policy is concerned, a new Organic Labour Law was enacted at the end of 1990, which gives the National Economic Council the power to issue an opinion on the level of the minimum wage. This Law regulates labour relations generally but does not, however, make special provision for young workers.

The importance of youth in Venezuela is shown by the fact that there is a government Ministry for Young People's Affairs, which is responsible for drawing up and coordinating national policy for this important sector of the population, implementing measures to protect young people, and ensuring that they play their part in the country's economic and social development.

V. Possible solutions

The nature and size of the problem of youth unemployment, as seen in the preceding chapters, is so complex that it calls for a major effort and a commitment from all the social, political, business and labour interest groups.

It has been shown that Venezuela has not lacked the willingness to tackle the problem. It would appear, however, that this willingness has not been backed up by first establishing adequate and well-defined planning and appropriate coordination. This is why the results have fallen considerably short of expectations. Moreover, it has been shown that youth unemployment is the result of a combination of many factors and elements and therefore demands a wide-ranging and sufficiently comprehensive approach.

In Latin America this means that to solve the problem of youth unemployment you have to solve the problem of underdevelopment. Here, it is not simply a question of attaining a level of growth that is high enough to draw underdeveloped countries closer to the developed world. What is needed is a rate of development which maintains a happy balance between the economic and the social, based on sustainability, i.e. human development.

In the light of experience in Venezuela, the National Economic Council has stated on a number of occasions that the efforts made and the money spent are disproportionate to the results actually achieved in terms of human development. The reason is that much of the effort has not been made as part of a deliberate human development policy, which is why there has been inadequate planning and inappropriate coordination. As a result, notable improvements in some aspects of Venezuelan living conditions have contrasted with crises in other areas.

Given the current situation of slowdown and widespread recession, enormous efforts will have to be made to achieve human development. This calls for the adoption of approaches and attitudes – among the political leadership, business and labour organizations, and the public generally – that are different from those which have guided policies and action until now. More fairness and more individual and collective responsibility are needed to maintain the process of social improvement and to give some viability to the economy. If the social aspects are neglected, cracks may appear in the economy.

The widespread recession reflects the failures of models that promoted growth without a social consensus, and tried to find a solution to the problems of certain groups in society while ignoring the problems of society as a whole. The concentration of earnings and wealth in the hands of a few and the favouring of growth contributed to the rejection of social policies in the belief that they would sort themselves out alone. Moreover, if the major institutional issues (power, legitimacy and consensus) are neglected or put to one side, then the unfairness that is implicit in these models will rise to the surface. This is why a different reading of development processes in terms of human development is vital.

Human development suggests placing these development issues at the heart of the dialogue which is vital to bring groups in society closer together. Out of the wide range of problems, education, nutrition and security concerns are the key elements of a human development strategy.

Education is important since it incorporates many of today's and tomorrow's problems, taking as a starting point a definition of human development as a process whereby the individual is given more political, economic and social freedom, as well as scope for creativity, productivity, self-respect and the enjoyment of human rights. Nutrition is essential, since the food crisis and shortages make for an uncertain future. The problem of nutrition goes beyond replacing energy for physical and intellectual activity (which in itself is extremely important) and embraces the preservation of human capital (the most valid reason of all). It also touches on a whole series of socioeconomic factors concerning health and welfare – and also market – expenditure, which depends to such a great extent on the number of people to be fed, clothed, served, etc. and their purchasing power. Security issues have personal, legal, economic, environmental and also national aspects, and concern the recovery of independence and self-confidence in choosing one's own future. In all these areas, food security plays an important role.

A human development strategy necessarily needs to take the international environment into account. This is not only because favourable conditions abroad are a basic requirement, but also – and more importantly – because in economies such as that of Venezuela, a greater dependency on other countries introduces elements of vulnerability and uncertainty, as well as greater mutual interdependence.

The National Economic Council takes the view that youth and education are closely linked. Educational variables are essential to fairness and human development and well-being since, in broad terms, the principal aim of education is human excellence. The educated person can read, write, talk, listen, understand and think; he can calculate, grasp and observe matter, quantity and movement, and then predict, produce, exchange and interact.

Education thus is a mechanism for individual growth and social progress. It does, however, require sufficient schooling, both in terms of quantity and quality. In quantity, because education involves building up a personality, improvement in the capacity for seeking knowledge, developing thought and reflection, an ability to criticise and an ethical conscience; all these take years to master. It is a fact, however, that if the approach, content and strategies are incorrect, a long schooling is of little use.

Education is very closely linked with youth and other factors affecting human development. A person or a youth with an adequate education, both qualitatively and quantitatively, observes healthy habits, produces more and does so better, needs less training, participates socially, defends his rights and knows how to coexist socially.

At the same time, however, it is difficult to provide a nation with sufficient levels of education when it has high unemployment, low productivity, poor nutrition and a high birth rate.

A warning must be sounded: given the changes in technology and in the world economy, natural resources alone are not enough to ensure sustainable development. Nor is it

absolutely essential to have capital and a labour force. This is shown by the stagnation in industrialized economies in recent years, which almost by definition possess substantial productive, commercial and financial capital. The same thing is happening in most developing countries, where labour is widely available and cheap and is their essential competitive basis. What is vital – and is at the heart of current productive processes – is now the quality and availability of human resources to control these productive processes. This means education is of central importance to production, as well as being a priority in the share-out of government resources. For these reasons the former president of the World Bank, Barber Conable, recognized that «people are the basic resource, and sustaining human resources is the overall aim of development, and education is its main source" (quoted by UNICEF, World Summit on Children, 1990). According to UNICEF, "education and development are two sides of the same coin. Training human capital is the key to economic growth, technological skills and social change. Countries and peoples are well aware that education is a passport to a better quality of material life. There is a phenomenal desire to learn – even among the poor – and to obtain qualifications that will lead to a future with a respectable, well-paid job.»

It is claimed that education is the basis of social development; a person with an appropriate education observes healthy habits, is more likely to improve his diet and make the right choices as regards food, and is both quantitatively and qualitatively more productive, manually and intellectually. He is also free to participate politically, socially and culturally and is better able to tackle attacks on his identity and self-respect and defend his rights, and act with greater efficiency in line with social conventions. Education does not only provide more and better income opportunities, it is also bound to result in a more sensible approach to consumption and foster the habit of saving money. Furthermore, it leads to a better understanding of the meaning of living an enjoyable life in communion with nature, for one's own – and society's – good.

VI. The role of the Economic and Social Councils

The pluralistic make-up of economic and social councils and similar institutions gives them a great responsibility for the problem of youth development, while at the same time providing them with a wide range of opportunities to help find solutions.

ESCs have many opportunities to tackle the problem of research and participation in, and providing guidelines for, measures to remedy the serious impact of the scarcity of opportunities for young people. All this will, however, depend on the extent of their legal powers and their capacity to convene meetings, to convince and to promote consultation and agreement.

A clear, objective diagnosis, and an analysis commensurate with the situation, is needed. This should identify strengths and weaknesses in order to tackle the problem. If those

involved fully understand the situation, then the solutions are not only easier to find, but measures are easier to implement. For this reason, the link between youth and education stands out as a fundamental part of the approach to the question of youth unemployment, and the prospect of human development offers wide scope for action. Here it should be remembered that – in line with the suggestions of the UN's Development Programme in its report on this subject in 1992 – «human development includes all human activity **in all societies and at all stages** of development». This broadens the dialogue on development, since it is no longer a discussion of the means (increase of GDP) but has become, rather, a debate on the «final» goals.

Human development is concerned both with generating economic growth and with distributing it; both with basic needs and the full range of all human aspirations; both with human grief in the Northern hemisphere and poverty in the Southern hemisphere. There is no set model for the concept of human development. It takes its lead from a society's long-term goals. Development should be tailored to the people, rather than the other way round.

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Table 1
Venezuela: Human development index

	1990	1992
1. Life expectancy at birth (yrs)	70.00	70.10
2. Educational achievements (a)	2.24	2.21
• Adult literacy rate (%)	88.10	89.00
• Average schooling (yrs)	6.32	6.50
• Literacy rate	0.87	0.89
• Schooling (average)	0.51	0.43
3. Real adjusted GDP	4,902	5,230
• Real per capita GDP (PPP) (b)	6,169	8,120*
Human development index	0.824	0.820
GDP classification minus HDI classification (c)	6	9

a) weighted as follows -2/3 literacy; 1/3 average years schooling

b) purchasing power parity

c) 1990 HDI classification is 6 points higher than classification by GDP and 9 points higher than the 1992 figure

* 1991

Source: Human development: report, 1993 and 1994

Table II
Venezuela: Human development profile

Life expectancy at birth (years)	
• 1960	59.5
• 1991	70.0
• 1992	70.0
• Women (1990)	73.2
% of population with access to drinking water	
• 1975-80	79
• 1988-90	89
• 1988-91	90
% of population with access to sanitation	
• 1988-90	92
• 1988-91	94
Daily calorie intake (% of requirements)	
• 1965	94
• 1988-90	100
Adult literary rate (%)	
• 1970	75
• 1990	88
• 1992	89
Combined primary and secondary school enrolment rate	
• 1970	70
• 1988-90	83
Newspapers (per 1,000 inhabitants)	
• 1988-90	14.2
• 1990	14.5
Televisions (per 1,000 inhabitants)	
• 1990	17.1
Real per capita GDP () (PPP)	
• 1960	3,899
• 1990	6,169
• 1991	8,120

Source: UN Development Programme, Human development report, 1993

Table III
Education

	Recent year	Last year
Adult literacy rate (+15) (%) 1970-1990	75	89
• Women 1992		91
• Men 1992		88
Schooling (25+) 1992		6.5
• Women (25+) 1992		6.4
• Men (25+) 1992		6.6
Registration rate - all levels (6-23)(5) 1990		6.3
Attending primary school		
• Total % 1990		97
• Women (% total) 1990		98
Net primary school attendance rate (%) 1990		90
Completion of primary level (% of 1 st grade) 1990		48
Pupil/teacher ratio in primary schools, 1990		23
Net secondary school enrolment (%) 1990		18
Gross secondary school enrolment (%) 1990		34
• Women as % of total, 1990		40
Enrolment in secondary technical colleges		
• % of all secondary students 1988-91		17.6
Gross enrolment in further education (%) 1990		26.6
• Women as % of total, 1990		25.6
Enrolment in further education science courses (as % of corresponding age groups) 1987-90		2.7
Students in further education abroad (as % of those in the country) 1987-88		1
Scientists and technicians (per 1,000) 1986-91		104.1
Scientists and technicians in research and development (per 1,000) 1986-89		4.4

Source: UN Development Programme

Table IV

Breakdown by age, sex, average age and male/female Index 1990-1950

	Breakdown by age				
Sex and age groups, average age and male/female index	1990	1981	1971	1961	1950
Total	100.0	100.0	100.0	100.0	100.0
0-14	37.3	40.0	45.0	45.7	42.0
15-64	58.7	56.5	52.0	51.7	55.4
65 and over	4.0	3.5	3.0	2.6	2.6
Men	100.0	100.0	100.0	100.0	100.0
0-14	38.0	40.5	45.6	45.7	42.5
15-64	58.3	56.3	51.8	52.1	55.3
65 and over	3.7	3.2	2.6	2.2	2.2
Women	100.0	100.0	100.0	100.0	100.0
0-14	36.5	39.4	44.4	45.7	41.4
15-64	59.1	56.7	52.3	51.2	55.5
65 and over	4.4	3.9	3.3	3.1	3.1
Average age	21.1	19.4	17.2	17.4	19.1
Men (index)	99.3	100.0	99.6	103.2	102.8

Source: OCEI

Table Va)
Literacy rates (10 years and over) by sex, 1990

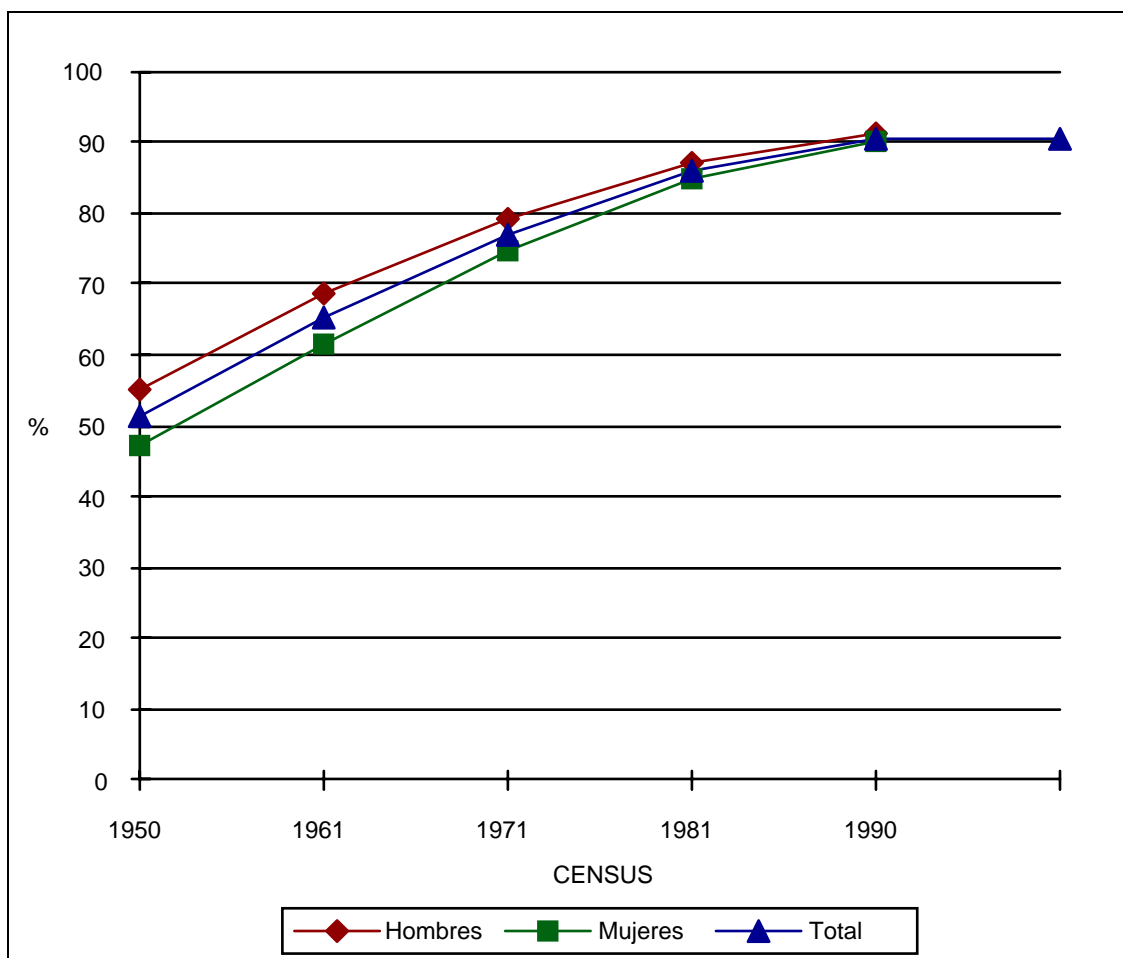


Table Vb)

Literacy rates, by sex and age group, 1990-1950

Literacy rates					
Sex and age group	1990	1981	1971	1961	1950
Total	90.7	86.0	77.1	65.2	51.2
10-14	95.3	91.9	81.8	73.9	52.6
15-19	95.7	93.4	86.7	74.7	57.4
20-24	95.2	92.8	96.3	72.6	59.0
25-34	94.4	91.3	80.9	69.1	53.7
35-44	91.8	83.6	73.0	59.3	46.6
45-54	84.1	74.3	63.7	50.1	41.6
55 and over	69.5	56.2	48.9	42.0	40.2
Men	91.3	87.2	79.4	68.8	55.0
10-14	94.3	90.6	80.6	72.5	50.5
15-19	94.6	92.3	86.0	74.5	57.0
20-24	94.4	92.4	87.6	75.8	64.3
25-34	94.1	92.0	84.0	74.9	61.3
35-44	92.6	86.5	78.7	66.8	54.4
45-54	86.9	79.6	70.8	56.9	46.3
55 and over	74.5	61.2	53.1	44.3	41.8
Women	90.1	84.7	74.8	61.5	47.4
10-14	96.3	93.2	83.1	75.3	54.8
15-19	96.8	94.5	87.4	75.5	57.9
20-24	95.9	93.2	85.1	69.4	53.7
25-34	94.7	90.6	77.9	62.8	45.8
35-44	91.0	80.6	67.2	51.1	38.1
45-54	81.4	68.8	56.3	42.8	36.6
55 and over	64.9	51.6	45.0	40.1	39.0
N.B. People who did not declare whether they were literate or not are not included in these figures.					

Source: Information supplied by the OCEI

Table VI
Venezuela: demographic and socio-economic position

Population (5 years and over) by educational level attained, by sex and age group, 1990

Educational level and sex	Population - 5 years and over			
	1990	%	1981	%
Total	12,362,352	100.0	10,548,448	100.0
• Primary	9,468,866	76.59	8,902,628	84.40
• Secondary, diversified and occupational	1,702,074	13.77	1,061,912	10.06
• Further education	1,191,412	9.64	583,908	5.54
Men	6,152,868	100.0	5,409,142	100.0
• Primary	4,785,806	77.78	4,578,156	84.64
• Secondary, diversified and occupational	784,540	12.75	502,556	9.29
• Further education	582,522	9.47	328,430	6.07
Women	6,209,484	100.0	5,139,306	100.0
• Primary	4,683,060	75.42	4,354,472	84.15
• Secondary, diversified and occupational	917,534	14.77	559,356	10.88
• Further education	608,890	9.81	255,478	4.97

Source: OCEI

Table VII

Population (15 years and over) economically active; employment rate by sex and age group, 1990-1950

Sex and age group	Population									
	1990		1981		1971		1961		1950	
	PEA	Tasa ¹	PEA	Tasa	PEA	Tasa	PEA	Tasa	PEA	Tasa
Total	6,150,769	55.4	4,634,500	53.2	3,014,674	51.1	2,261,663	55.4	1,628,174	55.8
15-19	588,020	32.0	538,696	32.7	429,980	35.2	272,113	40.0	249,190	50.2
20-24	971,244	57.7	838,240	57.9	524,586	54.5	366,528	59.3	276,001	58.3
25-34	1,951,460	67.5	1,462,982	65.8	783,193	60.9	653,462	62.0	428,121	58.8
35-44	1,401,076	69.1	869,280	65.4	613,361	60.8	453,304	61.5	321,340	59.4
45-54	719,218	61.4	554,998	57.0	385,681	56.9	294,883	59.0	202,097	57.8
55 and over	519,751	35.0	370,304	33.3	277,883	37.5	221,373	44.6	151,425	46.2
Men	4,248,106	77.7	3,343,839	77.4	2,338,610	80.3	1,855,066	89.5	1,339,235	91.5
15-19	417,978	45.1	385,015	46.8	304,155	50.6	211,329	62.1	193,559	79.3
20-24	661,011	78.8	574,041	80.1	379,539	81.1	287,433	92.2	220,056	93.2
25-34	1,292,249	90.0	1,014,852	92.0	598,034	94.6	535,141	97.7	356,421	95.7
35-44	931,622	93.5	623,351	93.5	491,917	96.2	377,394	98.0	270,192	96.1
45-54	517,285	89.4	431,929	89.3	322,798	92.9	250,789	97.0	171,409	95.0
55 and over	417,961	60.8	314,651	59.4	242,167	69.0	192,980	83.8	127,598	85.5
Women	1,902,663	33.8	1,290,661	29.4	676,064	22.7	406,597	20.2	288,939	19.9
15-19	170,042	18.7	153,681	18.7	125,825	20.4	60,784	17.9	55,631	22.0
20-24	310,233	36.7	264,199	36.1	145,047	29.3	79,095	25.8	55,945	23.5
25-34	659,211	44.9	448,130	40.0	185,149	28.3	118,321	23.4	71,700	20.2
35-44	469,454	45.6	245,929	37.1	121,444	24.4	75,910	21.6	51,148	19.7
45-54	201,933	34.1	123,069	25.9	62,883	19.0	44,094	18.3	30,688	18.2
55 and over	91,790	11.7	55,653	9.6	35,716	9.1	28,393	10.7	23,827	13.3

¹ People who did not declare whether they were working or not are not included in these figures.

Source: Information supplied by the OCEI.

B) INTERVENTIONS ON THE DEBATE

I

The Bavarian Senate is a constitutional body comprising representatives of several, every different social groups. The groups representing the economic sector – employees and employers alike – are strongly represented and tend to form the Senate's backbone. Hence the body's commitment to maintaining and improving the standard of vocational training provided in firms and schools. Resolutions in this area have always been passed unanimously and – this is a point worth stressing – without causing any split between the employers and employees.

This experiment in the Bavarian Senate simply confirms the wide consensus in Germany on the need for an effective vocational qualification system involving business and industry, with their firms and factories on the one hand, and the State, with its schools, on the other. This consensus can be seen in various ways:

First, in terms of **education policy**. This is important in that there is also a tendency in Germany to favour purely theoretical school and university education. We should therefore stress and promote the intrinsic value – even in financial terms – of practical vocational training by acknowledging that it is a essential pillar of the education system.

Training is also an important aspect of **business management**. As the best judges of their labour requirements in terms of quantity and quality, business and industry should provide the training for those entering the workforce. Young people would then receive almost «true-to-life» training and business and industry would have qualified human resources at their disposal. Finally, the **macroeconomic aspect** is also important as we should always strive toward a situation of full employment. This is particularly essential for young people at the crossroads, between school and work. They should not have to register for unemployment and have their hopes dashed on their first contact with the world of work.

II

The theme of this conference is youth unemployment. Happily, for years now, this has not been as serious a problem in the German Federal Republic as in other Member States of the European Union, at least in the older *lander*. In mid-1994, unemployment stood at 6.9% among the under 20s and at 8.7% among those in the 20-25 years age group. «Eurostat» (the European statistics agency) figures showed unemployment among the under 25s throughout Europe standing at an average of 20.2% in 1994. In Germany, youth unemployment reached its lowest level in 1991, with a rate of 3.8% for all the *lander*. Since then, of course, this rate has risen steadily, in the wake of the economic recession. Nevertheless, unemployment

among young people has always remained lower in Germany than elsewhere. We feel that the reason for this is «dual» vocational training system. It is «dual» because training is provided alternately in the undertaking concerned and in vocational schools.

III

We shall now give a brief description of the system:

On leaving the general school education system, which takes 9 to 10 years, about two-thirds of young people (some 1.8 million today) opt for basic vocational training, whereas most of those in the remaining one third choose university or higher technical studies for which they are prepared in *lycées* or secondary technical schools.

In most cases, basic vocational training is organised along the lines of the «dual» system. In some rare cases, such as in the social or health sectors, the entire course takes place in a vocational training establishment. This type of training takes 2 to 3 1/2 years and ends with a State-recognised examination. The qualification obtained is that of skilled workman, craftsman or office worker.

The dual vocational training system covers some 370 different jobs in industry, commerce, crafts, agriculture, home economics and the professions (lawyers', solicitors', doctors' and dentists' assistants). Most of the training is provided in the workplace, in other words, directly in the world of work. For some jobs, a small part of the training takes place in a vocational school, sometimes for a few weeks at a time. This system depends on business or industry and the vocational schools working together. The common aim of these partners is to transmit the knowledge and knowhow required for the job concerned. Business or industry dispenses the practical knowhow and knowledge required, whereas the vocational school provides theoretical vocational training and general education.

The knowhow and knowledge to be dispensed as part of the 370 types of State-approved vocational training courses are set out in regulations issued by the federal government, but drawn up with the participation of the social partners in accordance with a clearly defined procedure. This cooperation is essential to ensure that the courses are later accepted at the practical stage. The regulations are then adjusted to fit in with the content of the vocational schools' curricula. These curricula are drawn up by the authorities of the various *lander*, who confer within the standing committee of *lander* culture ministers. The final coordination of the school draft curriculum with the draft regulations for training in the workplace is done by a specially constituted coordination body. Of course, strong links must also be established between the firms and the vocational schools, and between the firms' instructors and the school teachers.

Authorization to provide vocational training is not granted to any and every firm, only to those meeting certain requirements. For instance, young people under 18 can receive training in only one of the 370 occupations for which courses are offered. The firm providing the

training has to employ qualified instructors, prepare a curriculum that meets the relevant regulations and be recognized by the relevant Chamber of Commerce as being fit to provide vocational training. Some 500 000 firms, spending a total of about 10 billion marks, are involved in this scheme in Germany.

YOUTH UNEMPLOYMENT IN ALGERIA PROBLEMS AND PROSPECTS

Unemployment first emerged as a social phenomenon in Algeria in the late eighties. Prior to that, social and economic matters were so closely entwined that employment policy was viewed merely as a side-effect of investment policy.

Since 1986, the indirect effects of the world economic recession that Algeria has endured, e.g. the decline of petrol and dollar prices, has:

- brought investment to a halt;
- slowed down production;
- led to job cuts in the building and construction sector.

At the same time, the population continues to grow and school dropouts are swelling the numbers of potential job seekers.

The 1988 social explosion and its implications for the shaping and operation of the institutions highlighted the need to respond to the people's concerns, especially the young people's concern about unemployment, and to establish Algeria's first employment policy.

This policy was based on the size and characteristics of the population.

In 1994, Algeria's population exceeded 27 million and was characterized by:

- a labour force of almost 6.9 million (with a 4% annual growth rate);
- more than 5 million persons in work;
- about 1.7 million job-seekers (corresponding to an unemployment rate of about 25%).

Because of its structure, the unemployed population, now reaching proportions that cannot be explained by the economic recession alone, is very difficult to deal with. Indeed, the main victims of unemployment are young people, including those seeking their first job (STR2).

The facts are:

- 83% of the unemployed are under 30;
- 68% have never had a job;
- measures to prepare the unemployed for work are clearly inadequate as 72% of them are considered unskilled.

As early as 1989, under the pressure of events, it was decided to focus on five major areas in order to reduce the pressure on employment while awaiting the only truly valid solution: the revival of the economy.

THE FIVE MAJOR AREAS TO BE TACKLED UNDER THE EMPLOYMENT MINISTRY'S POLICY

1) Need to control and organize the job market

- employment information unreliable;
- intervention tools outmoded (ONAMO, ANEM);
- local communities unconcerned by the problem.

2) Job training improvement

Improving the match between the products of the education system and the actual needs of the economy.

3) The introduction of a truly dynamic policy to promote employment by revitalising productive investment and reducing constraints

4) Accepting responsibility for job losses

- providing information;
- training and redeployment;
- means of protection against unemployment: unemployment insurance;

5) Need for stronger support for the most vulnerable groups, i.e. young people

A. PLAN FOR INTEGRATING AND ASSISTING YOUNG PEOPLE (Disposition d'insertion et de promotion de la jeunesse – DIPJ)

The DIPJ grew out of the need to assist and make it easier for young people to cope with the difficulties they encounter when trying to enter the workforce. The DIPJ is also designed to try to overcome the shortage of jobs by promoting job creation efforts.

A) Young people lack experience?

- a) pre-employment contracts – public funding up to 2500 AD gross/month;
- b) contracts that include preparation for the workforce;
- c) ESIL (emploi salaire d'initiative locale) provides young people with an occupation to enable them to:
 - receive a minimum wage (SMIG);
 - become familiar with the working environment;

- be involved in a useful social activity;
- have a minimum of work experience when applying for jobs.

B) Young people lack training?

- special training courses;
- training funded by training centre – fully financed through public funds
- training by correspondence;
- distance training.

C) There are few job offers but many project ideas?

- developing the project ideas;
- converting the ideas into projects. If necessary, carrying out engineering studies paid for by public funds;
- providing facilities and funds:
 - premises, land;
 - State aid (30% of the total investment);
 - access to bank loans (at advantageous rates of between 2 and 8%). Establishment of a mutual guarantee fund to share the risk with the banks.

In order to achieve these various objectives, which called for commitment on the part of the young people from the outset, the plan provided for:

- a) a small team of competent staff from the youth employment office (DEJ¹) plus 4 assistants, skilled in the fields of finance, administration, equipment and training covering the whole country 46+6 (3 in Algiers and 1 in Oran, Anaba and Constantine); 54 delegations;
- b) a CLIJ² which would build up a portfolio of local level projects and attract technical expertise and associations of experts;
- c) a credit committee at *wilaya* level to defend viable projects vis-à-vis the banks;
- d) a youth employment assistance fund (FAEI) allocating public funds (AD and foreign currency) for equipment, 30% of the cost of which is borne by the State;

¹ DEJ: Youth Employment Office.

² Local Committee for Integrating Young People into the Workforce.

- e) a mutual guarantee fund comprising an initial State contribution plus members' contributions. Its purpose is to share the risk (young people constitute a risk) that the banks do not wish to accept alone;
- f) international cooperation: credit lines (baking, IFAD fisheries, EEC);
- g) cooperative status to be granted to the units (i.e. groups of young owners each with an equal share).

The DIPJ was assigned to organise and monitor the financial side of the project until it began normal operation.

The DIPJ ended up as the only unit capable of creating jobs and since 1990 has been a major player in employment policy.

RESULTS AFTER FOUR YEARS OF OPERATION

- 46,000 young people have been able to create a job for themselves in the cooperative system;
- 270,000 have received an average six months of ESIL experience (minimum wage);
- 16,200 received what we refer to as a training qualification;
- 3,500 premises were assigned to young people;
- 6.74 billion AD were mobilised (more than 10 billion if the operating cost of the administrative support system were included).

Although very successful in its early days, the system soon became overburdened with requests, as well as being faced with two other constraints.

Frequent changes of employment ministers and ministries (8 in 5 years)

The parity of the dinar which quickly increased the cost of imported equipment.

- Some 20,000 cooperatives were established in 1991, whereas 16 000 and 9 000 were established in 1992 and 1993 respectively.

In addition, the DIPJ encountered numerous other difficulties:

- banks refusing to invest;
- ESIL being transformed into an employment centre, without having any useful objective and sometimes requiring public funds;
- cooperatives' life too short; 40% disappear after two years (equipment sold on the black market);
- little participation by the environment authorities and local communities.

This important investment for the country's economy was not useless, given its social impact.

B. THE MICRO-ENTERPRISE

The situation which existed when the DIPJ was established changed. A market economy took hold, the economic recession deepened, structural adjustment measures became more severe and the donors less amenable to social arguments.

Micro-enterprises are small, low cost economic units, so flexible that they can adjust very quickly to local conditions and economic trends. They are also very mobile, can be moved or changed and quickly converted into a SME/SMI.

They are run by entrepreneurs who must propose an economically viable project and undertake to use clean technology in order to obtain the support of the environment authorities and the institutions.

The authorities make available to them a wide range of services, technical reports, administrative facilities, assistance in obtaining land, premises, financial aid (when the market or area they are entering is a top priority one), interest rebates and facilities for repaying bank loans, access to credit lines in foreign currencies, etc.

Anyone may start a micro-enterprise, provided they have a strong will and a minimum of funds to invest (young people, the unemployed, qualified people, people who have been made redundant, other victims of redeployment and restructuring measures and the handicapped).

The legal status of the micro-enterprise is of no consequence unless promoters request financial assistance from the State. Legally speaking, any option listed in the investment code is acceptable (SARL, joint stock companies, family-owned companies and cooperatives, provided the individual responsibilities and contributions are balanced).

Micro-enterprises will therefore have legal status and be fully in keeping with the new legal context of free enterprise and a market economy.

PROSPECTS

One direct effect of a rapidly increasing population rate is the arrival on the labour market of large numbers of job-seekers. It has been estimated that to keep unemployment at its present level, some 200,000 jobs must be created every year.

This rather difficult situation is eased by the fact that Algeria has the necessary potential to help boost growth and cope with the social effects of the recession.

THE POTENTIAL FOR REVIVAL

Algeria is potentially well-equipped for an economic and social revival, with:

- a) a large population of **young people** who, if judiciously integrated, could lead and maintain the dynamics of the development drive;
- b) a large, modern **economic fabric**, with management capacity, currently operational despite the fact that only limited use is made of its capacities due to the lack of funds. Ongoing reorganization, financial adjustment and initiatives could restore vigour and improve economic results;
- c) **a large consumer market** with trading potential, the advantage of being physically and culturally close to Europe and a favourable geostrategic position in the Mediterranean and in Africa;
- d) **huge areas of the country to be developed** with the help of new technologies in order to reverse the migratory movements from north to south and allow well-balanced spatial planning to be undertaken. The potential exists for major development and the creation of huge numbers of jobs;
- e) an accumulation of know-how in several sectors and the availability of human resources, including skilled workers, particularly women;

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER, AGE GROUP AND
ACCEPTANCE OF A POORLY-PAID JOB**

GENDER	ACCEPTANCE OF A POORLY-PAID JOB			TOTAL
	AGE	YES	NO	
ALL	15-19 years	351,940	63,643	415,583
	20-24 years	438,224	121,150	550,374
	25-29 years	193,618	62,021	255,639
	30-34 years	84,707	23,688	108,395
	35-39 years	44,383	13,008	57,391
	40-44 years	26,187	7,912	34,099
	45-49 years	17,657	3,843	21,500
	50-54 years	14,867	2,586	17,453
	55 and over	9,206	1,514	10,720
	TOTAL	1,180,789	299,365	1,480,154
MALE	15-19 years	328,306	57,864	386,170
	20-24 years	388,836	99,456	488,292
	25-29 years	176,601	55,961	232,562
	30-34 years	80,854	22,147	103,001
	35-39 years	42,436	12,034	54,470
	40-44 years	25,776	7,706	33,482
	45-49 years	16,653	3,843	20,496
	50-54 years	14,867	2,586	17,453
	55 and over	9,206	1,514	10,720
	TOTAL	1,083,535	263,111	1,346,646
FEMALE	15-19 years	23,633	5,779	29,412
	20-24 years	49,388	21,694	71,082
	25-29 years	17,017	6,060	23,077
	30-34 years	3,854	1,541	5,395
	35-39 years	1,947	974	2,921
	40-44 years	411	206	617
	45-49 years	1,004	0	1,004
	50-54 years	0	0	0
	55 and over	0	0	0
	TOTAL	97,254	36,254	133,508

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER, AGE GROUP AND
ACCEPTANCE OF HARD OR UNHEALTHY WORK**

GENDER	ACCEPTANCE OF HARD OR UNHEALTHY WORK			TOTAL
	AGE	YES	NO	
ALL	15-19 years	287,212	128,371	415,583
	20-24 years	373,776	185,598	559,374
	25-29 years	171,786	83,854	255,640
	30-34 years	82,720	25,676	108,396
	35-39 years	41,680	15,711	57,391
	40-44 years	25,184	8,915	34,099
	45-49 years	16,376	5,124	21,500
	50-54 years	10,665	6,787	17,452
	55 and over	5,503	5,217	10,720
	TOTAL	1,014,902	465,253	1,480,155
MALE	15-19 years	273,044	113,126	386,170
	20-24 years	348,546	139,745	488,291
	25-29 years	162,526	70,037	232,563
	30-34 years	80,151	22,850	103,001
	35-39 years	40,219	14,251	54,470
	40-44 years	24,979	8,503	33,482
	45-49 years	15,372	5,124	20,496
	50-54 years	10,665	6,787	17,452
	55 and over	5,503	5,217	10,720
	TOTAL	961,005	385,640	1,346,645
FEMALE	15-19 years	14,168	15,245	29,413
	20-24 years	25,230	45,852	71,082
	25-29 years	9,260	13,817	23,077
	30-34 years	2,569	2,826	5,395
	35-39 years	1,460	1,460	2,920
	40-44 years	206	411	617
	45-49 years	1,004	0	1,004
	50-54 years	0	0	0
	55 and over	0	0	0
	TOTAL	53,897	79,611	133,508

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER, AGE GROUP AND
ACCEPTANCE OF WORK PLACE A LONG DISTANCE FROM HOME**

GENDER	ACCEPTANCE OF WORK PLACE A LONG DISTANCE FROM HOME			TOTAL
	AGE	YES	NO	
ALL	15-19 years	336,639	78,944	415,583
	20-24 years	463,292	96,081	559,373
	25-29 years	213,032	42,608	255,640
	30-34 years	90,643	17,753	108,396
	35-39 years	44,360	13,031	57,391
	40-44 years	27,044	7,054	34,098
	45-49 years	15,943	5,557	21,500
	50-54 years	12,928	4,525	17,453
	55 and over	7,406	3,314	10,720
	TOTAL	1,211,287	268,867	1,480,154
MALE	15-19 years	325,908	60,262	386,170
	20-24 years	432,974	55,318	488,292
	25-29 years	203,094	29,469	232,563
	30-34 years	88,588	14,413	103,001
	35-39 years	43,386	11,084	54,470
	40-44 years	26,839	6,643	33,482
	45-49 years	15,692	4,804	20,496
	50-54 years	12,928	4,525	17,453
	55 and over	7,406	3,314	10,720
	TOTAL	1,156,815	189,832	1,346,647
FEMALE	15-19 years	10,730	18,682	29,412
	20-24 years	30,318	40,763	71,081
	25-29 years	9,939	13,139	23,078
	30-34 years	2,055	3,340	5,395
	35-39 years	974	1,947	2,921
	40-44 years	206	411	617
	45-49 years	251	753	1,004
	50-54 years	0	0	0
	55 and over	0	0	0
	TOTAL	54,473	79,035	133,508

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER, AGE GROUP
AND REGISTRATION WITH EMPLOYMENT AGENCY**

GENDER	REGISTERED WITH EMPLOYMENT AGENCY			TOTAL
	AGE	YES	NO	
ALL	15-19 years	126,552	289,031	564,515
	20-24 years	275,484	283,890	423,094
	25-29 years	139,204	116,435	174,033
	30-34 years	57,598	50,798	79,567
	35-39 years	28,769	28,622	46,632
	40-44 years	18,010	16,089	25,627
	45-49 years	9,538	11,962	21,981
	50-54 years	10,019	7,433	10,732
	55-59 years	3,299	6,298	6,702
	60 and over	404	719	719
	TOTAL	668,877	811,277	1,353,602

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER,
AGE GROUP AND LEVEL OF SCHOOLING**

GENDER	AGE	LEVEL OF SCHOOLING						TOTAL
		NO SCHOO- LING.	ALPH.COR. AN. PRIM.	INTER- MED.	SECON- DARY STAGE 1	HIGHER STAGE 2	“NON DELTARE”	
ALL	15-19 years	14,785	97,056	202,035	98,993	1,397	1,316	415,582
	20-24 years	19,401	118,602	168,353	229,686	21,197	2,134	559,373
	25-29 years	16,291	93,587	55,541	65,872	23,214	1,135	255,640
	30-34 years	24,865	43,212	20,295	15,062	3,908	1,055	108,397
	35-39 years	18,855	22,412	6,504	5,724	3,697	0	57,192
	40-44 years	15,618	11,306	3,189	2,657	1,063	266	34,099
	45-49 years	13,563	5,695	961	961	320	0	21,500
	50-54 years	5,998	2,999	0	600	0	0	9,597
	55-59 years	10,665	5,494	0	1,293	0	0	17,452
	60 and over	719	0	404	0	0	0	1,123
	TOTAL	140,760	400,363	457,282	420,848	54,796	5,906	1,479,955

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER,
AGE GROUP AND TIME SPENT SEEKING WORK**

GENDER	AGE	LEVEL OF SCHOOLING							TOTAL
		1-3 MONTHS	4-6 MONTHS	7-12 MONTHS	13-18 MONTHS	19-24 MONTHS	25-48 MONTHS	48 MONTHS AND OVER	
ALL	15-19 years	28,195	67,444	144,112	26,273	9,7958	49,252	2,347	415,581
	20-24 years	36,201	49,131	119,357	36,417	132,687	145,535	40,046	426,687
	25-29 years	7,104	14,386	31,595	9,415	42,681	91,457	59,002	212,959
	30-34 years	3,421	5,273	20,266	960	15,278	28,069	35,127	93,116
	35-39 years	4,434	6,967	10,158	2,777	8,014	8,014	17,028	49,378
	40-44 years	2,923	3,986	7,380	1,329	4,457	6,378	7,646	29,642
	45-49 years	2,562	1,532	4,025	2,242	1,601	3,843	5,695	19,899
	50-54 years	1,293	1,293	4,525	646	3,232	2,909	3,555	14,221
	55-59 years	1,200	600	1,500	1,500	1,500	1,500	1,800	8,100
	60 and over	0	0	404	0	0	315	404	1,123
	TOTAL	87,333	150,612	343,322	81,559	307,408	337,272	172,650	1,270,706

**UNEMPLOYED POPULATION BREAKDOWN BY GENDER,
AGE GROUP AND INDIVIDUAL SITUATION**

GENDER	ACCEPTANCE OF A POORLY-PAID JOB			TOTAL
	AGE	YES	NO	
ALL	15-19 years	63,283	352,300	415,583
	20-24 years	156,150	403,223	559,373
	25-29 years	114,938	140,702	255,640
	30-34 years	76,514	31,882	108,396
	35-39 years	49,427	7,964	57,391
	40-44 years	30,559	3,540	34,099
	45-49 years	19,786	1,714	21,500
	50-54 years	17,452	0	17,452
	55 and over	10,420	300	10,720
	TOTAL	538,529	941,625	1,480,154
MALE	15-19 years	61,620	324,550	386,170
	20-24 years	145,169	343,122	488,291
	25-29 years	110,817	121,746	232,563
	30-34 years	75,229	27,772	103,001
	35-39 years	48,453	6,017	54,470
	40-44 years	30,559	2,923	33,482
	45-49 years	19,535	961	20,496
	50-54 years	17,452	0	17,452
	55 and over	10,420	300	10,720
	TOTAL	519,254	827,391	1,346,645
FEMALE	15-19 years	1,662	27,750	29,412
	20-24 years	10,981	60,101	71,082
	25-29 years	4,121	18,956	23,077
	30-34 years	1,285	4,111	5,396
	35-39 years	974	1,947	2,921
	40-44 years	0	617	617
	45-49 years	251	753	1,004
	50-54 years	0	0	0
	55 and over	0	0	0
	TOTAL	19,274	114,235	133,509

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA
MINISTRY OF LABOUR AND SOCIAL AFFAIRS

SUMMARY OF INTEGRATION INTO EMPLOYMENT

DIPS. STATUS REPORT 1990-1993
AS AT 31/12/93

WILAYA/DEJ	Operational cooperatives				ESIL		Training permanent jobs				Total integration					Non-operational cooperatives		
	Total coop.	Indiv.	Total young people	%	Total young people	%	Total young people	%	Total young people	%	Total young people	Handi-capped	%	Girls	%	Total Coop.	Total young people	Handi-capped
Adrar	147	1	601	67.23	293	32.77	0	0.00	0	0.00	894	8	0.89	40	4.47	11	45	0
Chelef	214	51	538	4.40	11,563	94.65	25	0.20	90	0.74	12,216	106	0.87	523	4.28	20	34	0
Laghouat	465	0	1,395	22.18	2,940	46.74	984	15.64	971	15.44	6,290	10	0.16	129	2.05	335	1,005	0
Oum el Bouaghi	94	0	353	12.91	2,381	87.07	0	0.00	0	0.00	2,734	25	0.91	340	12.44	187	557	0
Batna	140	2	598	4.61	12,233	94.34	126	0.97	10	0.08	12,967	0	0.00	55	0.42	121	448	0
Bejaja	639	289	2,087	16.55	10,113	80.20	410	3.25	0	0.00	12,610	175	1.39	323	2.56	33	100	0
Biskra	203	0	703	30.69	1,498	65.39	90	3.83	0	0.00	2,291	4	0.17	152	6.63	76	255	0
Bechar	132	1	531	10.77	3,951	80.14	392	7.95	56	1.14	4,930	1	0.02	614	12.45	12	38	0
Buda	197	218	885	21.11	3,226	74.96	81	1.83	0	0.00	4,192	273	6.51	492	11.74	17	63	0
Bouira	344	39	1,061	26.82	2,754	69.62	141	3.56	0	0.00	3,956	6	0.15	164	4.15	70	193	2
Tamenrasset	324	34	980	27.98	2,429	69.36	85	2.43	8	0.23	3,502	24	0.69	172	4.91	234	719	2
Tebessa	181	6	653	94.78	0	0.00	36	5.22	0	0.00	689	5	0.73	81	11.76	3	11	0
Telemcen	458	112	1,010	10.91	7,721	83.37	530	5.72	0	0.00	9,261	17	0.18	1,248	13.48	270	636	0
Tiaret	246	21	830	94.21	0	0.00	51	5.79	0	0.00	881	0	0.00	16	1.82	186	549	0
Tizi Ouzou	433	0	1,241	47.24	1,113	42.37	213	8.11	60	2.28	2,627	42	1.60	139	5.29	0	0	0
Alger Centre	1,688	1,360	3,489	65.56	1,150	21.61	496	9.32	187	3.51	5,322	71	1.33	1,715	32.22	843	2,688	5
Alger Ouest	108	91	394	36.62	568	52.79	89	8.27	25	2.32	1,076	482	44.80	291	27.04	29	87	2
Alger Est	322	99	821	20.30	3,020	74.66	183	4.52	21	0.52	4,045	19	0.47	1,271	31.42	15	75	14
Alger Sud	128	5	393	17.04	1,821	78.93	93	4.03	0	0.00	2,307	6	0.26	828	35.89	187	446	5
Jwel	255	125	733	16.44	3,558	79.81	167	3.75	0	0.00	4,458	16	0.36	247	5.54	33	99	0
Sauda	1,418	543	3,082	29.22	7,466	70.78	0	0.00	0	0.00	10,548	49	0.46	1,080	10.24	155	465	9
Skikda	139	25	373	6.00	4,051	65.12	1,797	28.89	0	0.00	6,221	63	1.01	1,609	25.86	101	274	2
Sidi Belabes	111	9	378	8.42	4,086	91.05	23	0.51	0	0.00	4,487	0	0.00	32	0.71	0	0	0
Annaba 1	227	0	819	18.56	2,897	65.66	637	14.44	59	1.34	4,412	67	1.52	1,736	39.35	114	386	0
Annaba 2	255	0	911	29.97	2,129	70.03	0	0.00	0	0.00	3,040	40	1.32	757	24.90	33	111	0

WILAYA/DEJ	Operational cooperatives				ESIL		Training permanent jobs				Total integration					Non-operational cooperatives		
	Total coop.	Indiv.	Total young people	%	Total young people	%	Total young people	%	Total young people	%	Total young people	Handi-capped	%	Girls	%	Total Coop.	Total young people	Handi-capped
Guelma	238	26	942	13.10	5.959	82.87	290	4.03	0	0.00	7.191	20	0.28	200	2.78	0	0	0
Constantine	355	581	1.818	29.28	3.756	60.49	602	9.70	33	0.53	6.209	157	2.53	1.267	20.41	906	3.132	55
Constatine 1	936	581	1.818	29.28	3.756	60.49	602	9.70	33	0.53	6.209	157	2.53	1.267	20.41	1.007	3.077	55
Medea	1.000	596	2.115	10.21	16.222	78.32	1.972	9.52	403	1.95	20.712	279	1.35	764	3.59	513	1.645	5
Mostaghanem	648	7	1.820	29.58	4.152	67.49	180	2.93	0	0.00	6.152	127	2.06	446	7.25	28	87	0
Msila	113	0	375	7.04	4.569	85.80	381	7.15	0	0.00	5.325	0	0.00	423	7.94	97	319	0
Mascara	329	203	726	9.36	6.824	88.02	203	2.62	0	0.00	7.753	77	0.99	662	8.54	0	0	0
Ouargia	269	1	684	14.17	4.100	84.94	43	0.89	0	0.00	4.827	255	5.28	525	10.88	4	10	0
Oran 1	203	0	442	8.48	2.329	44.66	681	13.06	1.763	33.81	5.215	467	8.95	424	8.13	76	152	0
Oran 2	99	6	242	22.78	436	50.06	193	22.16	0	0.00	871	1	0.11	20	2.30	70	176	0
El Bayadh	134	23	410	29.37	773	55.37	213	15.26	0	0.00	1.396	31	2.22	215	15.40	179	358	0
Illizi	69	0	273	22.85	870	72.80	12	1.00	40	3.35	1.195	0	0.00	186	15.56	32	225	0
Bordj Bou Arrerij	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0	0.00	0	0.00	0	0	0
Boumerdes	247	1	817	16.43	3.318	66.72	215	4.32	623	12.53	4.973	2	0.04	164	3.30	574	1.928	0
El Tarf	253	0	794	4.03	17.646	89.55	1.266	6.42	0	0.00	19.706	265	1.34	10.153	51.52	945	2.712	0
Tindouf	41	1	123	19.34	489	76.89	22	3.46	2	0.31	636	3	0.47	93	14.62	2	7	0
Tissemsilt	300	88	623	11.83	4.608	87.50	35	0.66	0	0.00	5.266	28	0.53	793	15.06	0	0	0
El Oued	409	278	783	15.90	3.475	70.57	456	9.26	210	4.26	4.924	57	1.16	425	8.63	4	10	0
Souk Ahras	215	33	689	12.50	4.706	85.41	115	2.09	0	0.00	5.510	28	0.51	299	5.43	4	12	0
Tipaza	639	19	1.662	12.77	6.079	46.71	340	2.61	4.932	37.90	13.013	14	0.11	541	4.16	266	699	14
Mila	78	0	292	19.57	1.200	80.43	0	0.00	0	0.00	1.492	0	0.00	18	1.21	0	0	0
Aim Defis	500	333	884	8.04	9.383	85.32	390	3.55	341	3.10	10.998	2	0.02	203	1.85	141	455	0
Naama	58	1	177	6.27	2.381	84.34	265	9.39	0	0.00	2.823	58	2.05	576	20.40	10	48	0
Arn Temouchent	378	183	892	14.43	4.207	68.06	232	3.75	850	13.75	6.181	34	0.55	232	3.75	185	754	12
Ghardaia	161	0	461	23.26	1.452	73.26	69	3.48	0	0.00	1.982	14	0.71	470	23.71	0	0	0
Relizane	245	2	691	5.66	10.770	88.17	754	6.17	0	0.00	12.215	70	0.57	700	5.73	17	56	1
TOTAL	16.785	5.994	45.412	15.73	216.421	74.96	16.180	5.60	10.717	3.71	288.730	3.655	1.27	35.100	12.16	8.145	25.146	192

After leading a number of think-tanks, either on my own or as part of a group, these are the conclusions I have come to:

1. A new key factor has relatively recently emerged and is fundamental to all teaching on the question of employment, especially youth employment: the globalisation of the economy.

We know that the economy has now become a global reality. Frontiers have been lifted, if not removed altogether. This means that every product must be judged in terms of its ability to compete with comparable products throughout the world. The industrial and the service sectors have to be competitive if they wish to compete internationally, but competitiveness is not important if they are not competing internationally.

It is, therefore, regrettable that some countries, including France, deliberately sacrificed jobs unnecessarily: the suppression of petrol station attendant and railway porter jobs are good but, unfortunately, regrettable examples of this.

2. Products that are subject to international competitions, whatever their country of origin, have to try to be more competitive. This was true in the past, it is the case today and will be in the future.

However, many examples throughout the world show that service sector jobs, even though not subject to competition, can only increase in the long term if secondary sector jobs, in other words, jobs in industry, are created in sufficient number to sustain the whole of the economy. This means that a minimum growth rate is essential for the number of jobs to increase in the long term. In France, a growth rate of not less than 3% would be required for this purpose.

3. This being so, what can we reasonably expect in the future? The above paragraphs show that the source of future jobs lies mainly in the service sector that is not subject to competition. We have to look very far into the future to see how social changes will help create new requirements in terms of quantity and quality, and how these requirements can be met.

A quick glance backward shows that within a very short space of time – 30, 40 or 50 years – our society has created new needs that we have been able to satisfy only through new jobs paid for through solidarity or through State or local community budgets (which boils down to the same thing). The protection of our towns, the up-keep of our parks and gardens, the provision of services for the elderly, the sudden emergence of all kinds of associations, with their retinue of paid employees, are examples that are familiar to us all. There is no doubt that in 10, 15 or 20 years, we will all be aware of the assistance provided to the ever-increasing elderly population or to children whose parents go out to work. Large numbers of high-quality jobs will inevitably be created and planning for this should start now.

If we add all the jobs that were ruthlessly done away with and which will have to be reintroduced (indeed, some timid attempts along these lines are already underway), then we shall see that we have to look long and hard in an entirely new direction (in areas bound up with the radical social changes that have taken place) to find the source of new jobs.

RAFAEL FRUTOS

Director of the Research Office of Economic and Social Council of Spain

The speakers at this Round Table have all expressed their concern about youth unemployment, the characteristics of which vary from country to country. Unemployed young people's situation may be roughly summarised as follows:

- **they are getting older;**
- **they are better trained and better prepared;**
- **it is increasingly difficult for them to find work;**
- **their jobs are increasingly precarious: most temporary contracts are offered to young people.**

Since the Economic and Social Councils are institutions designed to strengthen democracy through the participation of each country's economic and social operators, it is only right that it should take account of the young people's opinions and act as a channel through which proposals may be drafted. It would therefore not only seem appropriate for the Economic and Social Councils to issue a joint statement at the close of this IVth International Meeting emphasising their concern at the situation in which all these young people find themselves, but to undertake to further the debate with a view to bringing the governments' attention to the proposals seen as being most appropriate to each situation in an attempt to solve the problem of young people's access to and integration into the job market.

It would also be most useful if the Councils exchanged information on the work done in this area, which could be used to produce more appropriate proposals.

ROBERTO SUAREZ GARCIA

Councillor of the Economic and Social Council of Spain

The current unemployment trend and the findings of analyses of the unemployment situation in all the countries suggest that the causes directly affecting youth employment are structural. Different population and economic growth rates, in terms of quantity and quality, call for different approaches to and ways of dealing with the problem. Generally speaking, however, there would seem to be no doubt that economic policies, subject to the requirements of a global economy, technological progress, trade liberalisation and the changes currently taking place in the production sector, determine the way the labour market operates, as a result of which aggressive employment policies demand a considerable amount of pragmatism.

High non-wage labour costs really operate as a tax on payroll, dissuading employers from taking on young people or, at least, delaying their recruitment. Transferring some of these costs to the public expense account would no doubt ease the burden.

Inflexible labour market regulations also hamper youth recruitment. The economic recession and the subsequent recovery demand adjustments to the productive sector; the so-called «unusual» types of contracts (short-term and part-time) would be more suitable to changing circumstances.

In a situation of this kind, training and better qualifications for young people are essential and should be seen as a genuine investment in the country's production potential.

In brief, the social partners and public authorities need to agree that cost discipline, labour market flexibility and training is unavoidable.

Problems of Employment in the Republic of Slovenia with Special Emphasis on the Employment of Young People

The changes brought about by the independence of Slovenia have been strongly reflected in the economic sphere. Numerous companies lost their sources of raw materials as well as their markets and consequently stopped production and laid off workers. The previously negligible rate of unemployment began to rise sharply. By 1994, the level of unemployment had reached 9%, measured according to ILO standards. While certainly less than in the majority of European countries, such a level of unemployment presents a very large problem for our country. Especially problematic is the fact that a large proportion of this unemployment is «structural» unemployment. The economic crisis of recent years combined with the necessity to restructure the economy have brought about the collapse of numerous large companies resulting in great numbers of unemployed with generally poor qualifications or narrow specialized skills. Among the unemployed there are therefore great numbers of those whose professional qualifications do not suit the needs of newly created work places.

Small companies need broadly qualified staff, and the need is urgent for the requalification and upgrading of the narrowly specialized workers previously employed in large companies. A special problem is the large number of unemployed who are unqualified or poorly trained since the unemployed who have finished only lower degrees of secondary school or less comprise some 74% of all the unemployed in Slovenia. Another factor specific to Slovenia is the marked immobility of workers who in spite of Slovenia's small size cannot be employed in other parts of the country due to its inadequate traffic connections.

Among the unemployed are a relatively large number of young people (to age 26, 31.5%), many who are seeking their first jobs (18.7%). Among these are a considerable number without basic professional training (between 20% and 30% of this generation, among the highest percentage in Europe or among developed economies in general). We believe it is necessary to place special emphasis on measures to reduce the number of unemployed youth and those seeking their first employment. Uniquely, this particular segment of the population has no chance to work because it has no basic work experience that would qualify it for employment. By cofinancing apprenticeships, we are securing for large numbers of youth the fulfillment of the basic conditions established by employers, i.e., work experience. It is also significant that a good third of those young people completing apprenticeships successfully gain regular employment with their employers for a specified or unspecified period. Young people must be allowed this possibility since it is a basic condition for equal inclusion in society and life in general.

To lower unemployment, active employment programs have been adopted in Slovenia consisting of common goal-oriented measures which operate in the labour market, increase the professional, sector, and travel mobility of the work force, create additional employment opportunities, stimulate the development of entrepreneurial initiatives and self-employment, prevent the marginalization of certain groups of the unemployed, and work toward greater harmony between employment supply and demand. It is characteristic of these measures and programs that they are short term and that immediately, directly, and effectively they prevent, mitigate, and reduce unemployment while increasing employment. Their implementation has already produced positive results. The number of unemployed has decreased, and we expect continuing decreases in future. Recently, the growth in demand for workers has increased noticeably. Especially significant among the active employment programs adopted are the training and requalification of job seekers, cofinancing the preservation of jobs or the creation of work places, cofinancing employment with other employers or self-employment in the framework of rescuing redundant workers, cofinancing apprenticeships and other forms of encouraging the employment of first-time job seekers (particularly aimed at reducing the number of unemployed youth), special programs for the employment of invalids, and the program of public works. To encourage employers to hire the unemployed, a provision has been introduced to refund the payment of social insurance deductions for unemployed workers hired. During a period of unemployment, all workers have the right to unemployment benefits if they have previously worked for the required minimum period as well as to subsequent financial assistance. In 1995 we have given priority to active employment programs and provisions intended to replace various financial deductions and stimulate both workers and employers to seek new possibilities of employment.

We believe that Economic and Social Councils can play an important role in the adoption of this type of program. In the framework of this year's conclusion of the Social Contract in the Republic of Slovenia, a special section of the Social Contract dealing with employment is in preparation which Slovenia's Economic and Social Council will deal with in the near future. We hope that on the basis of such measures we will be able to report positive results at the coming meeting.

RAFFAELE VANNI

President of the International Relations Commission of the National Economic and Labour Council of Italy

We all hope that a global economy and worldwide competition will lead to a long period of increased world prosperity. There is no doubt that at the present time, that is to say, in the short term, we are faced with a rise in unemployment that will be difficult to come to grips with unless there is a significant increase in GDP.

For instance, it has been estimated that Italy would need to increase its GDP by at least 3% to boost employment. With the Italian economy making a strong recovery at the moment, it is hoped to achieve a 4% rise but, a 3% average could be maintained for the current year.

There is no doubt, as President Matteoli said, that unemployment figures are difficult to compare: the methods used to measure unemployment in the developing countries are not the same as those used in the industrialised countries. Unemployment figures in Italy, for example, include hidden employment. One thing is clear, however, and that is jobs are being lost, especially jobs for young people. The strange thing is that while there are fewer and fewer jobs for young people, we have not been able to do anything to put an end to child labour. This is a question that should have been dealt with at the UN summit in Copenhagen last March, as it is one which the developing countries which, in my opinion, have the greatest problems in this respect, should think about.

The position that seems to have triumphed is the one taken by countries – and not only developing countries – considering the abolition of child labour or forced labour, etc., to protect themselves from social «dumping». This is how some governments are getting round one of the main conclusions of the Copenhagen summit: **the need to combine economic and social policies.**

I think that if our aim is to try to improve the employment situation overall, not just in our own countries, we should make greater efforts to combine economic and social policies and see whether we can have a coordinated macroeconomic policy alongside a global economy and worldwide competitiveness.

Basically, the outcome of the Copenhagen summit was negative because the major countries were unable to use macroeconomic policy instruments to put together a combined economic and social policy. Of course, it is difficult to work out a macroeconomic policy for the European Community. It is, perhaps as difficult to work out such a policy for one's own country but, to answer our moderator's question, I think this is and should be the role of the Economic and Social Councils.

If our Councils, representing the world of work, cannot agree on ways of combining national economic and social policies, they will never be able to steer economic policy along

the right lines at international level. I think this is the major problem we need to address if we are to reverse the unemployment trend.

1. When tackling the situation of any given segment of the workforce (young people, women, older people) we must be careful only to intervene to the extent necessary to restore, for that group, equal opportunities with other groups. Otherwise discrimination will worsen and distortions will appear.

2. The normal solution to employment problems (unemployment, under-employment, undeclared work, etc.) should be economic growth and job creation, but this is not occurring at present. Structural policies have a significant role to play here, but the results are limited as employment problems and social exclusion are on the increase.

Structural policies have failed in one key area: the creation of a climate favourable to businesses. Progress is needed on three fronts: development of a spirit of initiative, creativity and innovation – in other words, development of entrepreneurial capacity; lasting improvement of business organization capacity; and removal of barriers to initiative and enterprise, since these barriers increase costs and slow activity down.

3. When discussing youth unemployment, it is important to keep in mind population trends, and these are bound up with migration.

4. There has been much reliance on the idea that the answer lies in vocational training, and that we should invest heavily in it. Enhancement of the culture and learning of a community is indeed a precious asset. But this does not mean just any training; and as a rule, businesses are unable to look beyond their immediate or short-term needs. The result is that training gets out of step, and we see job seekers with useless qualifications and diplomas that will not find them a job. Major efforts are needed to assess training needs – including future ones – and adjust training courses accordingly.

Without prejudice to the ultimate educational aim of preparing people for life, this would also help to provide timely guidance for students who lack a clear idea of what they want to do but are open to various options (such students account for 80 to 85% of all students). There are serious shortcomings in this area, as regards careers advice (which should be available from a relatively early age), educational and vocational guidance and information. This is the way to gradually remedy the mismatch (both qualitative and quantitative) between supply and demand on the labour market.

V

CLOSING SESSION

(Cultural Center, Quedá Room, 27th may 1995)

JEAN MATTÉOLI

President of the Economic and Social Council of France

SPECIAL VOTE OF THANKS

The presidents of the Economic and Social Councils and Similar Institutions and the members of the delegations meeting in Lisbon on May 26th and 27th unanimously express their thanks to the Portuguese Government, to the President of the Parliament who welcomed them on the occasion of the opening session of the work, and to the President of the Economic and Social Council of Portugal, Mr **Nascimento Rodrigues**, for the very warm welcome that was extended to them and for the attention given to them.

The IVth Meeting, for the number of participants and for the scope of the matters dealt with, was a decisive step in the organisation, at global level, of dialogue between the responsible representatives of the economic and social forces.

This has been made possible thanks to the work, the generosity and the devotion of the Economic and Social Council of Portugal and of its President, without forgetting those who work with the President.

May they hereby be solemnly thanked

HENRIQUE NASCIMENTO RODRIGUES

President of the Economic and Social Council of Portugal

We have come to the end of our work in this IVth International Meeting. What should I say to you now, in the final minutes of this closing session?

As an old Portuguese saying (and I am sure that it can be found in other languages) has it: «Judge not yourself when other can Judge better». So I think that, as President of this IVth International Meeting, I should refrain from evaluating how it went and what we achieved. That is up to each participant alone.

For sure, it is possible to sidestep this view by referring to the «Recommendations» document which was approved just a few hours ago in a meeting restricted to the presidents and delegation heads and which has just been read out to us; and an assessment of how well our work was organised can be surmised from the very kind words expressed to us on your behalf by President Jean Mattéoli in his «motion of thanks».

Regarding this , which was addressed to the highest Portuguese authorities and to the ESC/Portugal, I would like to look upon it not as a mere formality demanded of a «guest» in a foreign country.

Rather, I would like to believe that over these two days of work – preceded, I should note, by a great organisational effort on the part of the *Comité du Suivi* – what we experienced was what one of the speakers eloquently christened «the spirit of Lisbon».

This expression was not an attempt to portray the Lisbon Meeting as a «break» with the three preceeding International Meetings. On the contrary: it sought to make the point that from now on we will not query the advantages of holding these meetings, because in Lisbon dozens of ESCs and Similar Institutions have met up again, or have met for the first time, and their fraternal relationships, the swapping of national experiences and the exchange of personal knowledge have paved the way for a more palpable role on a national and international level.

We did not wish to make a decision on the model we should follow for our International Meetings in the future, because we are aware that things take time.

Present in Lisbon were ESCs and similar bodies which were created only recently, be they from the European Union (Greece, for example), or from eastern Europe (Hungary, Slovenia, Slovakia, for instance). Councils and similar European institutions or those from other continents (the Russian Chamber for Social Issues, the National Economic and Labour Development Council of South Africa, Austria's Earnings and Prices Parity Commission, the Brazilian National Labour Council, the Macao Economic Council, to mention just a few) enrolled for and took part in this Meeting, though there were justifiable and notable absences.

In this context – within which we should call particular attention to the presence of the BIT and of the Economic and Social Committee of the European Communities, as well as the recently created Union of African Economic and Social Councils – it would not be correct to forge ahead with premature (and therefore erroneous) guidelines for the institutionalisation of our International Meetings. However, it would suggest weakness and of a lack of strategy if, at this so well attended Meeting, we did not give a pragmatic response to the commitment of so many delegations through a clear outline for the future institutionalisation of our International Meetings.

This realistic approach is included in the approved text of «Recommendations». It reflects a search for consensus that is thought through beforehand, insofar as it calls on all the ESCs and Similar Institutions to set out their views, suggestions and proposals and to present them to the *Comité du Suivi*. In this way, preparations can be made to turn them into a project that can be analysed in depth before the Vth International meeting where they can be discussed and, pending a decision, approved.

If we prove ourselves able to work in an organised, efficient and cooperative way, I am convinced that the Vth Meeting will prove to be yet another step forward. I would like to express the total support of the *Comité du Suivi* and of the «upper Council for International Meetings» – of which I become president from this moment on – for the National Economic Council of Venezuela and also congratulate it for having been unanimously chosen to organise the next Meeting, in 1997.

I would like to convey our thanks to the members of the Portuguese Government, to the Ambassadors and diplomatic representatives who have graced us with their presence at this closing session. In particular, I cannot end without expressing our satisfaction at the presence here of the Finance Minister, who will bring our work to a close in his role as acting president of the «Standing Commission for Social Dialogue» of the ESC/Portugal, since the Government is represented as an institution in the legal framework of our Council.

Finally, a word of thanks also to the interpreters in Portuguese, French, English, German, Spanish and Italian for the excellent job they have done.

To all of you, presidents, delegation heads, delegates, observers and guests at the Vth International Meeting, I would like to stress that if the Lisbon Meeting has been a success, it has been so because of you.

Your many friendly words, your frequent encouragement, the moments of open fraternisation we have experienced, the personal contacts we have reencountered or made for the first time, the words of wisdom exchanged – all in all, the general belief that it is worthwhile working together. All this provided the true «soul» which constituted these two days that have been so short but that have been lived so intensely.

This, then, has been **your Meeting**.

I wish you all a safe journey home. I will not say **goodbye**; just, **see you soon!**

EDUARDO CATROGA

Portuguese Minister of Finance and President-in-office of the Portuguese ESC's Standing Committee for Social Dialogue

1. Economies develop as a result of two types of process. One is slower but more lasting, and is structural in nature, involving changes in technology profile and business organization or in competition systems and institutional organization. The other is faster and less lasting, and is cyclical in nature. It is determined by the ups and downs of the economic cycle in market economies.

In structural terms, the development of the world economy over the last few decades has been marked by a steady globalisation of markets backed by growing liberalization of capital movements and of trade in goods and services.

The conclusion of the Uruguay Round and the setting-up of the World Trade Organization were important steps towards the establishment of a worldwide economic system of full competition.

The liberalization and globalisation of markets have opened up new opportunities for economic growth, principally tied to the exploitation of economies of scale. At the same time, stricter competition rules improve the efficiency of supply and lead operators and markets to change their business strategies and technological and organizational structures.

The institutional set-up is thus conducive to raising economic growth potential.

However, the favourable effects tend to be unevenly distributed between regions, partly because of today's companies considerable capacity to relocate. Companies operating internationally have such a high degree of control over activities relevant to their overall production and sales process that their production plants and operations can be easily moved from one country to another.

But while it is now easy to move capital, support services (e.g. research, accounts, centralized financial management) and industrial or commercial establishments, labour is much less mobile; and the more rigidly regulated the market, the less mobile the workforce.

This lack of mobility and the broader restrictions on the flexible operation of the labour market combine to create perhaps the most serious structural problem facing most national economies: the inability to create enough employment and a sufficient spread of skills.

Hence the generally increasing level and duration of long-term unemployment, and the anomalously high level of youth unemployment.

2. Broadly speaking, the international economy has gone through a complete economic cycle in the last ten years. Most economies slowed down when the Gulf War broke out in February 1991, and many suffered a deep recession in 1993. Economic activity began to pick up more or less everywhere in 1994.

This economic recovery is furthest advanced and best established in the United States, but was also clearly visible throughout 1994 in most OECD countries, notably in Europe. Japan's GDP growth remains weak. It is hoped that 1995 will see a generalized strengthening of the economic upturn, with world economic growth of around 3.5%.

However, this figure masks significant differences between countries and regional groupings. Hence GDP growth for 1995 is likely to be around 3% for the EU, and 2-2.5% for the United States and Japan. Some of the most dynamic Asian economies, in contrast, are likely to see rates of over 7%.

A slightly lower figure is also anticipated for world trade growth.

3. Structural changes in Europe have lagged behind those in the United States and Japan. Two indicators are particularly telling in this respect.

Firstly, Europe has lost competitiveness and market share to the rest of the world over the last twenty years. Secondly, over the last decade, structural unemployment has assumed more worrying levels in most European countries.

4. The central economic objective of European integration is to revitalize Europe's influence on the world economy, close the technology gap in some areas that will be crucial for development in the next century, and reduce the productivity gap which has emerged in recent years. Two radical reforms to the institutional framework have been devised to achieve this – the single market and economic and monetary union.

The creation in 1985 of a full competition system within the EU has given a major boost to the growth of the national economies.

The plan for monetary union will enter the decisive stage when exchange rates are fixed irrevocably between the countries moving to stage 3. This is scheduled to be between 1997 and (more likely) 1999. Monetary union is the concrete expression of European countries' longstanding aspiration for a system of generally fixed exchange rates.

Monetary union will bring two types of benefit.

Firstly, it will bring the Member States the usual benefits of optimum currency areas – elimination of exchange transaction costs and risk factors; reduction of uncertainty in economic calculations and hence stimulus for private investment; greater economic and economic policy integration between Member States.

Secondly, it will help strengthen the EU's economic influence. A single currency will promote foreign trade and investment flows between the EU and the rest of the world. It will increase the EU's credibility on world financial markets and facilitate more effective coordination of monetary and exchange policies with the US and Japanese authorities.

However, it will also bring real adjustment costs during the transitional period while it is being phased in, unless the loss of exchange flexibility is offset by greater flexibility in the other variables.

The complexity of the structural changes taking place in Europe, and the unsatisfactory performance of the European economy over the last two decades, led the European Commission to draw up its White Paper on Growth, Competitiveness and Employment.

The white paper highlighted the need for measures to:

- (i) secure a sustained rise in economic growth potential;
- (ii) make Europe more competitive against the rest of the world;
- (iii) tackle the problem of excessive structural unemployment.

In the private sector of a market economy, economic growth potential can be increased simply by boosting investment. As a rule, private sector businesses will only invest if this adds value to the business and offers an improved return on capital.

Although this principle is not directly applicable to public sector investment, this does not mean that the level of such investment is less important. Indeed, modern economic growth theory argues that increasing economic growth potential is directly dependent on the level of investment in such areas as education and vocational training, physical infrastructure, and streamlining of public administration.

However, as the White Paper shows, boosting economic growth potential is not enough. Direct action is needed, in each country, to boost external competitiveness. This means:

- (i) seeing that the real costs of production factors keep abreast of improvements in relative productivity vis-à-vis the main external competitors;
- (ii) taking concrete steps to increase productivity, first and foremost by promoting research and adopting new competitive business strategies.

Here too, action at EU level is very important. This means common policies, especially in such areas as science, research and development and the construction of major infrastructure such as the trans-European transport and telecommunication networks.

But even these two key planks are not enough. Unless specific measures are taken, structural unemployment and other structural imbalances in the labour market will remain.

In other words, although the dynamism of private enterprise provides an important spur, it is not enough – even if the present economic upturn proves unusually long – to remedy the inability to create sufficient jobs with the right pay and skills level to match supply with demand.

The case for active policies on employment and labour market flexibility can thus be justified on strictly economic grounds.

But apart from being a waste of productive resources which impoverishes human capital, unemployment is above all one of the main causes of poverty and social exclusion, with all the human misery that they bring. This is an additional reason for specific policies and public and private resources to combat it.

It is clear from the above that supplyside policies have an important role to play in promoting the necessary structural change, within overall economic policy.

EU-level cooperation and harmonization of demand policies is fully justified as part of the move to monetary union. The nominal convergence criteria laid down in the Maastricht Treaty are the practical expression of this.

5. As a small economy which is now well integrated into the EU (three quarters of Portugal's foreign trade in goods, services and capital is with the rest of the EU), the Portuguese economy shares, albeit to differing degrees, the main challenges facing all Member States.

The ultimate aim of Portuguese economic policy is, of course, to increase economic growth potential, as this is the only way to reduce the prosperity differential which separates us from the EU average.

The differential is caused by the longstanding gaps which prevent factor productivity, especially that of labour, from reaching the EU average.

Accordingly, the economic policy of the last ten years has rested on two planks:

- (i) supplyside policies designed to rapidly close the gaps and encourage businesses to adopt strategies that will improve productivity and external competitiveness;
- (ii) demand policies geared to gradual macroeconomic stabilization which, since 1992, has been conditioned by the Maastricht convergence criteria.

The history and operating conditions of the Portuguese economy mean that nominal convergence is not an active restriction in the sense of affecting economic growth potential. Indeed, it is a precondition for boosting that growth over the long term.

And although some elements of the Maastricht criteria were arbitrary, they inculcate a financial discipline which is in line with the disinflation and budgetary consolidation strategy which the Portuguese economy has been pursuing since 1986.

In the meantime, the Portuguese economy is bearing a high real adjustment cost in the present second stage of EMU. Portugal's economic policy has steadily gained credibility on the money markets (Portugal's rating, recently confirmed by Standard and Poor, was upgraded in 1993 to AA). However, the continuing uncertainty about which countries will

form the first entrants to the third stage of EMU, and even about the date on which it will begin, mean that in the money markets' permanent scrutiny of Member States' monetary and financial conditions, Portugal still faces a significant risk premium differential.

It is thus a strategic economic policy objective that Portugal should be among the first group of EMU members, particularly as its economic performance has steadily been nearing (and in some areas exceeds) the EU average. The objective is both possible and desirable, and must be pursued independently by the Portuguese Government. It will require a strong political will over the next three years.

6. Portugal's economic performance in the 1990s fully justifies the Government's stance on EMU. I should now like to give some details of this performance, using the data issued by the European Commission in its 1995 spring forecasts.

During the last economic cycle (1986-1994), Portugal's GDP rose at an average annual rate of 3.2%, around one percentage point above the Community average.

Over the same period, its prosperity gap compared to the EU average fell by some 16 percentage points, measured by the relative growth of PPP-adjusted per capita GDP. This was the second best performance in EUR-15, bettered only by Ireland and far outstripping Spain's increase of 7.9 percentage points.

The improvement in public deficit (PPS) in 1994 exceeded the EU average, as Portugal's deficit fell from 7.0% in 1993 to 5.8% in 1994, compared with EU averages of 6.3% and 5.5%. In 1994, its deficit was lower than that of Italy (9%), Spain (6.6%) and France (6.0%).

Portugal's government debt as a percentage of GDP was around the EU average in 1994 (70.5%) and was below that of seven Member States, including Belgium (136.1%), Italy (125.4%), Sweden (79.1%) and Ireland (89.8%).

Differentials between long term interest rates have also narrowed considerably in the last few years (from eight percentage points adrift of the EU average in 1991 to two in 1995).

Lastly, in the last few years, Portugal has made more progress than any Member State towards average EU inflation. The tightening-up of wage restraint policy in 1994 has helped here. The deflator of private consumption had fallen to 5.1% by the end of 1994, and the Commission estimates the 1995 figure at 4.5%. Hence the downward trend will continue, enabling Portugal to meet the convergence criterion.

Macroeconomic stability, with exchange rate stability the medium-term objective of monetary policy, under the terms of the ERM which Portugal joined in April 1992, is thus improving, and Portugal is closing its prosperity and productivity gap with the principal Member States.

It is vital to continue this policy. As a Cohesion Fund country, Portugal will until 1999 benefit from extra EU financial support (Community funding accounts for around 3% of

GDP) to complete its programme for modernizing its economy and infrastructure and upgrading its human resources.

The regional development programme for 1994-1999 marks the final stage of the radical structural reform programme begun in 1986. Many of the structural gaps with the most developed countries will have been closed. However, these other countries are not standing still either.

Competitiveness will remain a major challenge in an increasingly global and integrated economy. Hence Portugal cannot neglect policies to boost growth and competitiveness.

7. The Portuguese labour market has some of the most flexible real wages in the OECD, and unemployment is well below the EU average. Nevertheless, structural unemployment, both long-term and among young people, is a problem.

Various factors look set to improve the employment situation. These include the growth brought by the economic upturn which is just beginning, the strengthening of active employment and vocational training policies, incentives to take on young workers and long-term unemployed, and local development initiatives.

8. The quality of human resources is crucial for sustained development. Striking a balance between efficient economic measures and efficient social measures is not always easy.

The present economic changes, with company restructuring and changes in business and social patterns, call for dynamic but socially balanced adjustments. We must all – individuals and businesses – be prepared to adapt.

Economic and social councils play a key role in creating the conditions for sustained, harmonious economic growth, and help to involve the citizen in the discussion of key political and social issues.

For the public, such councils are a permanent reference point for finding the best ways of achieving social progress.

9. In Portugal, efforts have been made to boost participation, both in dialogue and in policy implementation by the Government and social partners. Despite initial difficulties, social dialogue has come to form an increasingly useful response to key economic and social issues such as incomes policies, measures to improve labour market flexibility, active employment policies, vocational training and working conditions.

The progress made in these areas enabled social dialogue to contribute to the most significant structural reforms implemented by Portugal in recent years. It also helped to reduce the social cost of the restructuring which the Portuguese economy had needed for some time and which has been implemented in the last decade.

These efforts are crucial for resolving Portugal's socio-economic problems, but only sustained economic development will overcome them for good. It is up to us to pursue cooperation between public authorities and the representative organizations of our society.

**RECOMMENDATIONS OF THE
IVth INTERNATIONAL MEETING**

RECOMMENDATIONS

**OF THE IVth INTERNATIONAL MEETING
OF THE ECONOMIC AND SOCIAL COUNCILS**

The Economic and Social Councils and similar institutions from throughout the world, which met in Lisbon on 26 and 27 May 1995 at the invitation of the Portuguese Economic and Social Council, studied each of the following points:

I

THE STATUTE OF COUNCILLORS

The councils noted the vast diversity of situations, and the adaptation of their institutions to the economic, social and cultural circumstances of each country.

They are gratified that such differences exist, because when the situation arises they can prove to be a source of inspiration.

The Delegations insist on the need for our institutions to defend and develop their own identity, demonstrating their willingness to ensure that the work they undertake and the follow-up that can be provided, both by society in general and the political authorities, are of the highest quality. They are also very mindful to increase their influence among all players in society at large.

The councils are aware to what extent their future depends on the vitality of the organizations of which they are composed. They have heard the appeals of institutions from developing countries, and they shall support their requests to international financing organizations.

They note that in all cases, the consideration given to the role of councillors depends to a great extent on their responsibilities outside the council, the representativeness of the organizations that appointed them and the freedom of opinion and expression of the consultative assemblies to which they belong.

They recommend that work on council's individual details continue. The secretariat of the *Comité du Suivi* should be concerned not only to continue to encourage questionnaires to be answered by all future councils, but also to make sure that answers are kept up to date where there is a change in composition, operating rules or statute of councillors.

II

YOUTH EMPLOYMENT

The delegation leaders agree that the problem concerning unemployment among youth is decisive to the future of their societies.

In this connection, they make a solemn appeal for people to mobilize their intelligence and willpower.

They feel that the problem should be stated in the widest terms. One must not overlook the moral dimension of this question – a real job for an unemployed youth is undoubtedly the best antidote to all forms of extremism and violence. This means knowing what role is given to young people in our societies and, in this connection, what prospects are open to them.

They recommend that vocational education play a leading role. The main effort should underline the technical training and vocational education of young people, so as to avoid wasted years at university.

They give their unreserved approval to the recommendations of the Social Summit held in Copenhagen, «to create the conditions for full employment, making it one of the fundamental priorities of economic and social policies».

They are ready to enter into a veritable international partnership, to help the «introduction of young people into society» in all States, and the implementation of new policies which are compatible with the characteristics of each of our societies.

They also recommend to the developed countries to maintain multilateral relations and aid, ensuring in particular that thoughtless speculation does not lead to a fall in the price of agricultural products upon which their economies are based.

They recommend preserving any job whose existence is not endangering competitiveness connected with inevitable international economic competition, and the need to control public deficits.

Delegation leaders are ready to study this subject together and jointly to recommend solutions, whenever opportune.

They recommend to the secretariat of the *Comité du Suivi* that it ensure that all councils disseminate any documents, analyses, studies and reports which could contribute to joint consideration of the subject by all parties.

III

ORGANIZATION OF MEETINGS

Delegation leaders accepted Venezuela's candidature for organizing the Meeting for Spring 1997.

They reiterate the recommendations of the IIIrd Meeting on the existence of a *Comité du Suivi* and a permanent secretariat, the aim being to encourage multilateral relations between Economic and Social Councils and similar institutions and to support the organization of the next International Meeting.

Consequently, they note that the *Comité du Suivi* comprises the Presidents of previous meetings and the President of the council organizing the Vth International Meeting. Until that meeting, the Comité will be presided by the President of the Portuguese Economic and Social Council, Mr. **Henrique Nascimento Rodrigues**.

A higher council for International Meetings is established, comprising the *Comité du Suivi* and supranational regional organizations – at the present time, the ESC of the European Union and the Union of African ESCs –, presided by the President of the *Comité du Suivi*.

Its mission will be to support the *Comité du Suivi* in choosing the agendas of International Meetings, and to help the implementation of decisions approved by International Meetings and studied by the *Comité du Suivi*.

The *Comité du Suivi* will be assisted by a permanent secretariat, coordinated by Mr. **Bertrand Duruflé**, whose mandate as permanent secretary the delegations leaders have renewed. Mr **Duruflé** will be helped by individuals to be appointed by the Presidents comprising the *Comité du Suivi*.

In addition to the task referred to in point I of these recommendations, the permanent secretariat shall keep up to date and disseminate a dossier of Economic and Social Councils and similar institutions. He shall also ensure that information on the holding of seminars, promoted by ESC's or important documents issued by these institutions, are distributed to all councils whenever he is made aware of same.

In this context, the delegation leaders request that all councils, and more precisely the Economic and Social Council of the European Communities, provide the permanent secretariat of the *Comité du Suivi* with all possible assistance in translating documents.

At the next meeting, the *Comité du Suivi* shall present proposals for any measures likely to improve cooperation between councils and the impact of the International Meetings.

To that aim, prior consideration is welcomed, open to all, of the way in which the *Comité du Suivi* might submit consensual proposals when the Vth International Meeting is held.

Therefore, all delegation leaders are requested to transmit any considerations and proposals they deem appropriate to the *Comité du Suivi*.

* * * * *

The Economic and Social Councils deply disapprove, in the strongest terms, the violence taking place in numerous countries, and namely in Algeria, against economic and social players and those responsible for civil society. They are thinking in particular of young people and women who play such a decisive role for the future of our societies. They express their solidarity with all councils concerned, and particularly the Algerian and Mali councils.

ANNEXES

WELCOME PARTICIPANTS LETTER

Lisbon, May 25th 1995,

Dear Sir / Madam,

Welcome to Lisbon! Welcome to the IVth International Meeting of the ESC and Similar Institutions! By the time you read this message of welcome our Meeting will be about to begin.

This IVth Meeting is, in the first instance, a point of reunion and a point of departure: a point of reunion for those ESCs and Similar Institutions that already know each other from earlier Meetings; a point of departure in relation to those, and there are many, who for the first time are taking part in an international assembly of our organisation. The IVth Meeting belongs to you, therefore: to you, ladies and gentlemen, to you, Europeans, Africans, Asians and Latin-Americans, from dozens of countries, come together in a spirit of good will.

Our Meeting is also a thematic forum if I might be allowed to take the liberty of saying so, a forum for democracy. Indeed, the role and the representativeness of the ESCs and the statute of the respective Councillors constitute an expression of participative democracy, which completes and strengthens the foundations of representative democracy.

Each people is sovereign to decide, in freedom, as to the organisation of its political system, in respect for human rights and in keeping with their own cultural characteristics. Political systems should ensure mankind his eminent dignity. It is for this reason that the serious problem of unemployment, which affects every country – particularly unemployment among the young – also concerns the cause of Democracy.

CES/Portugal feels honoured by the mandate that it has received from its peers to organise this IVth Meeting. We are a «young» Council, having been in operation for less than three years. We shall, however, do everything within our grasp to ensure that you return to your countries with a positive recollection of our work and of our fraternisation.

We would like to apologise in advance for any lapse in the organisation. Your support and understanding are the best guarantee of the success of this common undertaking.

May this IVth Meeting correspond to your expectations, to all our aims.

Welcome!

HENRIQUE NASCIMENTO RODRIGUES

ESC President /Portugal

**PROPOSAL PRESENTED BY UNION
OF AFRICAIN ECONOMIC AND SOCIAL
COUNCILS (UAESC)**

UCESA's PROPOSAL

The Economic and Social Councils, members of the Union of African Economic and Social Councils (UCESA), meeting in plenary session in Lisbon on 27 May 1995, agreed as follows:

First

The Union requests the European Economic and Social Councils' cooperation and assistance in promoting the establishment of an Economic and Social Council for the ACP and MAGHREB countries as part of their association with the European Union.

Such a Committee would encourage cooperation between the ACP countries' Economic and Social Councils and the European Union. Indeed, the Economic and Social Councils should encourage all social activities undertaken by NGOs in order to build a democratic society capable of taking over and sustaining the development efforts initiated by the States.

The establishment of an ACP Economic and Social Committee at European Union level should make it easier for ESC regional and sub-regional associations, State ESCs and associated country NGOs to obtain funding and other types of assistance.

Second

In view of the above, UCESA requests the European Economic and Social Committee to provide it with logistical and financial assistance so that it may establish Economic and Social Councils in all African countries where this has not yet been done.

Third

In order to ensure that the implementation of the recommendations put forward at the International Meetings are monitored, UCESA proposes the establishment of a permanent Monitoring Committee, comprising five (5) members, one representative per continent.

Of course the ESC Presidents who have hosted an International Meeting will automatically be members of the Monitoring Committee.

The President of UCESA will represent Africa.

**PROGRAM OF THE IVth INTERNATIONAL
MEETING**

SUMMARY PROGRAMME

26th May (Friday)

- 9.00am *Departure from Hotels*
- 9.45am *Arrival at the Parliament*
- 10.15am **Opening session**, presided by His Excellency the President of the Parliament (Senat Room)
- 10.45am *Coffee-break*
- 11.15am (panel - «The portuguese experience in social dialogue» ESC/Portugal)
- 12.25am *End of session*
- 12.30am *Departure to the Cultural Centre of Belém*
- 1.00pm *Buffet-lunch at the Cultural Centre of Belém*
- 2.30pm **Round-table on the Statute of Councillors**
(Quedá Room)
Synthesis presentation
Moderator:
Councillor Júlio Castro Caldas - CES/Portugal
Participants:
- *Economic and Social Council - Argentina (Cordoba)*
 - *National Labour Council - Belgium*
 - *Economic and Social Council - Spain*
 - *Economic and Social Committee - Greece*
 - *Labour Consultative Commission - Mozambique*
 - *Economic and Social Council - Tunisia*
- 4.00pm *Coffee-break*
- 4.30pm *Discussion*
- 5.30pm *End of session*
- 5.45pm *Departure to Hotels*
- 7.45pm *Departure to Saint George's Castle*
- 8.30pm *Reception and dinner at Saint George's Castle (Ogival Room)*

27th May (Saturday)

- 9.15am *Departure from Hotels*
- 9.45am *Arrival to the Cultural Centre of Belém*
- 10.00am **Round-table on Unemployment among Young People** (Quedá Room)
Moderator:
Councillor Maria João Rodrigues - CES/Portugal
Participants:
- *Economic and Social Committee - European Communities*
 - *International Labour Organization - Representative of the General-Director of ILO*
 - *Youth and Future National Council- Maroc*
 - *National Economic Council - Venezuela*
 - *Union of African Economic and Social Councils (UCESA)*
- 11.15am *Coffee-break*
- 11.45am *Discussion*
- 1.00pm *End of session*
- 1.15pm *Buffet-lunch at the Cultural Centre of Belém*
- 3.00pm **Restrict meeting of the Presidents and Delegation leaders of Economic and Social Councils** (Calempuy Room)
- 4.45pm **Closing session** *presided by the Ministry of Finances (Quedá Room)*
- 5.45pm *Departure to Belém Pier*
- 6.00pm *Cocktail on board (short cruise on Tagus River)*
- 7.30 pm *Return to Belém Pier*
Departure to Hotels

PARTICIPANTS LIST

PARTICIPANTS LIST

COUNTRY	NAME	CHARGE
GERMANY	Ekkehard SCHUMANN	Vice-President
Bavarian Senate	Hanns Karl STEININGER	Director
ANGOLE	Mateus de Sá MIRANDA	Representative of Ambassador of the Popular Republic of Angola in Portugal
ALGERIA	Abdeslam BOUCHOUAREB	President
National Economic and Social Council	Mustapha MEKIDECHE	Vice-President
	Mohamed Neghir CHARIKHI	Member
	Samia HANDI	Member
ARGENTINA (Province of Córdoba)	René FERRERO	Councillor (Trade)
Economic and Social Council	Leónidas PANAIOTI	Councillor (Industry)
	Miguel Angel CARBONI	Councillor (Agro)
	Adolfo CORTES	Councillor (Labour)
AUTRICHE	Johann FARNLEITNER	Secretary-General
Paritary Commission for the Incomes and Prices Questions (Wirtschaftskammer)		
BELGIUM	Robert TOLLET	President
Central Economic Council	Luc DENAYER	Secretary
	Lode QUINTENS	Secretary-General Adjunct
	Nicole ORBAN	Member

BELGIUM National Employment Council	Jo WALGRAVE Pierre-Paul MAETER Jan GLORIEUS	President Secretary-General Secretary Adjunct
BENIN Economic and Social Council	Valentim AGBO D. Albert GOGAN	President First Secretary
BRAZIL National Labour Council	Antônio Augusto Junho ANASTÁSIA Darci BERTHOLDO	Executive Secretary Executive Secretary and Secretary of Plan and budget
BURKINA FASO Economic and Social Council	Philippe OUEDRAOGO Gaoussou OUEDRAOGO	President Secretary-General
CABO VERDE Social Concertation Council	José António MENDES DOS REIS Maria Conceição Aparecida SANTOS	President and Minister of Labour, Youth and Social Promotion Coordinator of Secretariat of the CCS
CHINE (Popular Republic) National Committee of the Consultative Conference of the Chinese People (observer)	Zhu XUN Bao DAOCHONG Fan GOUXIANG	Secretary-General of the National Committee Director of Office of the External Affairs Member of National Committee
EUROPEAN COMMUNITIES Economic and Social Committee	Carlos FERRER Salat Simon-Pierre NOTHOMB Claude LAVAL	President Secretary-General Division Chef

IVORY COAST Economic and Social Council	Philippe YACÉ Boussou Eustache EBA Alphonse DIBY Koffi Didier KOUADIO Marcel-Jacques GROSS	President Secretary-General Technical Councillor (UCESA) Economic Councillor Technical Councillor of ESC
SLOVAKIA Social and Economic Council	Jozef KALMAN	President and Deputy-Prime Minister
SLOVENIA Economic and Social Council	Rina KLINAR Lidija APOHAL VUCKOVIC	President and Minister of Labour, Family and Social Affairs Councillor of Government
SPAIN Economic and Social Council	Ana Maria Garcia FEMENÍA Angel Rodrigues CASTEDO Rafael Fernandez FRUTOS Luis Sastron GANDULLO Roberto Suárez GARCIA	Delegation Lider Secretary-General Director of the Research Office Director of the Institutional Relations and Editions Councillor of ESC (Entrepreneurial Organizations)
FRANCE Economic and Social Council	Jean MATTEOLI Patrice CORBIN Bertrand DURUFLÉ	President Secretary-General Diplomatic Councilor
GABON Economic and Social Council	Edmond OKEMVELE NKOGHO Marie Agnès MOUELY-KOUMBA Gilbert BIBANG	President First Secretary Director of Cabinet

GREECE Economic and Social Committee	Yannis KOUKIADIS	President
GUINÉ-BISSAU (invited)	António Jesus Simão MENDES	Director-General
HUNGARY Social Council	János FÖLDÉNYI	Secretary
HUNGARY Conseil de Conciliation des Ententes	László HERCZOG	Adjunct State Secretary
IRLANDE National Economic and Social Council	Rory O'DONNELL	Director
ITALY National Economic and Labour Council	Raffaele VANNI Domenico de SOSSI Antonio CIANCI	President of the International Relations Commission Secretary-General Director of the International Relations Office
LUXEMBURG Economic and Social Council	Lucien JUNG Mario CASTEGNARO Jean MOULIN	President Vice-President Secretary-General
MACAO Permanent Council of the Social Concertation	Vitor Rodrigues PESSOA Arnaldo GONÇALVES Dr. José António PINTO BELO	President of the Executive Commission Adjunct Secretary-General Technician
MACAO Economic Council	Vitor Rodrigues PESSOA Maria Gabriela Remédios CÉSAR Arnaldo GONÇALVES Heung Sang LAM Vitor Manuel KWAN	President of the Executive Commission Vice-President Secretary-General Member Member

MALI Economic Social and Cultural Council	Ali Amadou NANGADOU Mohamed Habib COULIBALY	President Secretary-General
MAROCCO National Council of the Youth and the Future	Abdellatif LARAKI Habib El MALKI Driss KRUZ Gelloul EL MABROUK Salem EL AYACHI Brahim MAGHRABI	President of the Session Secretary-General Tecnhician Technician Technician Technician
MAURITIUS National Council of the Economis Development	Rundheersing BHEENICK	President
MOZAMBIQUE Consultative Commission on Employment	Guilherme Luís MAVILA João LOFORTE José EZEQUIEL Soares NHACA	President and Minister of Labour National Director of the Labour and Salaries Organization Representative of Privated Enterprises Association of Mozambique (AEPRIMO) Secretary-General of the Workers Organization of Mozambique
ILO International Labour Office (invited)	Philippe GARNIER	Representative of General Director of ILO

PORTUGAL Economic and Social Council	Henrique NASCIMENTO RODRIGUES	President
	Rui Nogueira SIMÕES	Vice-President (Confederation of Portuguese Industry)
	Vitor MELÍCIAS	Vice-President (Private Institutions of Social Solidarity)
	João PROENÇA	Vice-President (General Union of Workers)
	João SALGUEIRO	Vice-President (Independent personality, ex-Minister of Finances)
S. TOME ET PRINCE (invited)	Albano GERMANO DE DEUS	State Secretary of Employment and Professional Training
	Maria da Conceição Vera CRUZ	Technician
TUNISIA Economic and Social Council	Abderrazak KÉFI	President
VENEZUELA National Economic Council	Diego Luis CASTELLANOS	Secretary, Ambassador