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ABSTRACT

This publication contains monographs on vocational training and regional development for six regions of the European Communities. The monograph on Lorraine (France) by Gerard Calais describes basic training structures, redeployment policies, requalification of job seekers, and coordination of training efforts. Profiles of development technicians are provided. The case study on the northern region of England (Steve Johnson) describes the region, sets the report in the context of the Vocational Training System in the United Kingdom as a whole, analyzes the basic training systems and their link with regional development, describes employers' training strategies, and discusses public policy for retraining job seekers. The monograph on the Belgian province of Limburg (V. Neesen, R. van Ballaer) provides information on labor, training, and redevelopment as well as on regional development experts. The report on the Southwest region of Ireland (M. O. Suilleabhain) addresses the three dimensions of regional development policy in Ireland, describes industrial output and employment, and highlights training and youth employment programs. The monograph on the Italian region of Liguria (Luigi Boldrin) looks at vocational training structures, the quantity and quality of this training, and trends and potential action in the various sectors of the economy. An examination of redevelopment policies follows. The case study on the Spanish region, Andalusia, discusses training in the region and its restructuring and describes development experts. (YLB)

CEDEFOP Document

Regional development and vocational training

Development of human resources in regions of economic reconversion benefiting from Community financial support

Regional monographs

European Centre for the Development of Vocational Training

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REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

DEVELOPMENT OF HUMAN RESOURCES IN REGIONS OF ECONOMIC RECONVERSION BENEFITTING FROM COMMUNITY FINANCIAL SUPPORT

REGIONAL MONOGRAPHS

(Lorraine, Northern England, Province of Limburg, South-West of Ireland, Liguria, Andalusia)

Berlin, 1986

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

MISE EN VALEUR DES RESSOURCES HUMAINES DANS DES REGIONS EN RECONVERSION ECONOMIQUE BENEFICIANT D'APPUIS FINANCIERS COMMUNAUTAIRES

CASE STUDY ON THE REGION LORRAINE

Berlin, 1986

OREAM

Research Service of the
General Secretariat
for Regional Affairs

REGIONAL DEVELOPMENT
AND VOCATIONAL TRAINING
IN LORRAINE

Report by Mr Gérard CALAIS
within the framework of CEDEFOP Project No. 4616

This report was drawn up in collaboration with
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and with
Mrs PIERRE, Mr PRADAUD and Mr STAUB on behalf of the State

July 1986

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SECOND SECTION : DEVELOPMENT TECHNICIANS

INTRODUCTION

The word "Lorraine" evokes first and foremost a region with a turbulent past, the geographical contours of which have often been resketched. It has a long-established tradition in basic industries: coal, steel and textiles.

These industries are now having to restructure their activities and this is a long, drawn-out process. Steps in this direction have been taken every time the coal fields and steel works were forced to make major cutbacks in their labour forces. However, the effects of changes in structures and behaviour linked to a new type of economic development only become clear in the long term.

Let us first examine the administrative framework. Lorraine is one of 22 French regions and is made up of four departments: Meurthe-et-Moselle, Meuse, Moselle and Vosges.

France, a country with a centralist tradition, has in the course of the last 15 years moved towards an increasingly decentralized system with more powers being granted to territorial entities, the regions in particular. Training is thus partly the responsibility of the state, as represented by the prefect (Préfet), regional administrator appointed by the republic, who is assisted in Lorraine by a deputy prefect responsible for industrial redeployment,

and partly the responsibility of the region under the aegis of two regional assemblies: the regional council ("Conseil Régional") elected by universal suffrage and the economic and social council ("Conseil Economique et Social"), a consultative body whose members are appointed not elected.

In the case of technical education and vocational training, the state is responsible for curricula and qualifications. It also bears responsibility for continuing training programmes which are not likely to be assigned to a specific region and for training courses created under the priority schemes of the state (programmes for young people, the long-term unemployed). The region is responsible for continuing training and apprenticeships (as of 1.6.1983) and for initial training (as of 1.1.1986).

Furthermore, the region has maintained its responsibility for economic development, i.e. for planning. Here, it exercises its authority over a certain number of specific, decentralized procedures. By contrast, responsibility for industrial restructuring, particularly in the nationalized sectors, falls to the state.

This brief outline of the administrative structure is followed by a description of the main economic and social characteristics of the Lorraine region.

According to the 1982 census, Lorraine had 2 320 000 inhabitants over an area of 2 320 km², this means a population density of 98 inhabitants per km².

On the 1 January 1984, 820 00 jobs were registered in Lorraine in the following areas:

-	agriculture	4.8 %
-	industry	33.0 %
-	building and public works	7.5 %
-	tertiary sector	54.7 %.

In March 1985 the rate of unemployment was 10.6 %.

On 1 January 1985, the three traditional "mainstays" of the regional economy provided some 93 600 jobs:

-	iron pits, iron and steel works and 1st stage of steel-processing	46 400
-	coal	22 800
-	textile and clothing	24 400.

These numbers correspond to 37.8 % of salaried jobs in industry and to 13.2 % of the total number of salaried jobs. 17 years earlier, on 1 January 1968 these same sectors accounted for 58.8 % of industrial salaried jobs

and 27.4 % of all salaried employment. Thus, the industrial face of Lorraine has changed gradually, with the automobile industry, electrical engineering and electronics now playing a more important role. These two sectors accounted in 1968 for 2.7 % of industrial salaried jobs. By 1985 their share had risen to 9.7 % which meant an increase of some 15 000 jobs (see Table 1 in the appendix).

In mechanical engineering, the number of jobs has reached the ceiling of 15 000. The expansion of some firms has counteracted the drop in sub-contracting work from iron and steel and coal.

The wood sector, which experienced a large increase in jobs up to 1982, has since suffered a considerable loss. The agricultural and food sectors have steadied around 23 000 jobs but this merely reflects the overall balancing of different branches which have undergone opposing developments.

Most of the new jobs are, therefore, in the tertiary sector, in particular in commercial services. 114 000 salaried jobs have been created in the space of 17 years. However large this figure may appear, it must be considered in relation to the other French regions where the increase in the tertiary sector has been much steadier. Thus, with an annual fluctuation of + 1.6 % between 1975

and 1982, Lorraine is the region with the lowest growth rate (average for France as a whole + 2 %)[1].

All these data point to a slowing down of economic growth.

The gross domestic product[2] was estimated to be FF 56 298 000 per inhabitant in 1982, the national average being FF 62 029 000. Between 1978 and 1982, the overall rise was + 61.4 % as opposed to 66.9 % for France as a whole.

Industrial redevelopment has been accompanied by a fall in population. Migration from the Lorraine region which was already high between 1968 and 1975 (- 69 300) increase considerably in the 1975-1982 period reaching a peak of 93 800. Thus, Lorraine has the highest migration rate of all French regions. In some iron and steel zones, Longwy in particular, the migration rate for this period was around 15 %.

This migration phenomenon has affected mostly young people or the most prolific age groups. Lorraine, which is seen as a young region, can still pride itself on this fact although this difference vis-à-vis the national average is

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[1] Excluding the Paris region (1.2 %) where the growth rate in the tertiary sector was already very high.

[2] This represents the sum of the added values which differ from the GDP as far as non-deductible VAT, the en bloc production of banking services and custom duties are concerned.

diminishing. Thus the 0 to 14 age groups accounted for 24.5 % of the population in 1975 as opposed to 22.6 % in France as a whole. In 1982 the respective figures were 21.8 % and 20.6 %. This constitutes a fall of 2.7 percent as opposed to 2 percent.

Table 2 illustrates the changes in age structures between 1975 and 1982 in Lorraine and confirms these trends.

Lorraine is a "compact" region in which the distances from north to south are equal to those from east to west. It does, however, encompass a large variety of areas shaped by landscape, history, natural resources and a very special urban network.

Various zones are situated around a metropolitan axis - Nancy-Metz-Thionville - which takes in half the Lorraine population:

- iron and steel zone around Thionville, Longwy and Briey,
- coal mining zone and Sarreguemines region,
- Vosges valleys in the south,
- rural areas in Meuse in the east,
- rural areas in east Moselle,
- Vosges plain in the south-east.

In its planning activities, Lorraine has adopted the recent divisions by INSEE into 17 employment zones (see

map 1) which lie half way between administrative boundaries and employment realities. Tables 3 and 4 seek to illustrate the diverse nature of these zones, in particular the following aspects:

- the concentration of main industrial activities and, by extension, the concentration of the population in a few areas. The population density is 299 inhabitants per km² in Thionville as opposed to 23 in Commercy;

- the concentration of tertiary activities in Metz and Nancy with 71.1 % and 66.4 % respectively of jobs at place of residence;

- a relatively high rate of female employment in the tertiary metropolises and in the employment zones of the textile industry in Vosges;

- recent industrial developments marked by a decline in the basic sectors worsened considerably the migratory phenomenon particularly during the 1975-1982 peroid, whereas rural areas which had already suffered a sharp fall in population saw this slacken off slightly;

- the rates of unemployment differ considerably (8.9 % in Bar-le-Duc, 16 % in Briey). Some zones are particularly affected by long-term

unemployment, for example Lunéville and Saint-Dié with 39 % and 40.3 % percent of job-seekers out of work for more than one year.

All these disparities serve to illustrate the different impact on the various zones. However, basic industries continue to be the most important in this region.

Thus, the responsible bodies have the urgent task of ensuring the success of economic changes under the best possible conditions. This led to the recent embodiment of these objectives in the "Contrat du Plan" (plan contract) drawn up between the state and the Lorraine region.

This plan envisages, among other things, the following action:

- modernization of the industrial fabric with a number of aids mainly for small and medium-sized enterprises;

- research development and support for technology transfer;

- modernization of initial and continuing training structures and the introduction of programmes for priority groups in the region;

- moves to guarantee Lorraine a leading position in the communications field;

- programmes for the advancement and rehabilitation of individuals into working life.

In addition to this programme and in view of the scale of recent industrial changes, the state has undertaken to set up a supplementary programme with two main features:

- reinforcement of all existing forms of economic assistance;

- a programme for the creation of industrial plants and tertiary activities, in particular:

  . Thomson in Maxéville and Villers-la-Montagne,
  . Yuco Yamashiro in Gorcy,
  . national research centre for programme transmission in Metz,
  . Supelec, national school for electronics engineers in Metz.

Several of the activities envisaged under these programmes have concentrated on the iron and steel zones most badly affected by the crisis. Thus, the European Communities financed a preparatory study on the integrated development of these areas. This study outlines the economic and

social action which, in the above-mentioned areas, could contribute to the redevelopment of these distressed regions.

Among these, the Longwy zone is of particular interest particularly as problems of the same kind but on a smaller scale are to be found on the other side of the border.

The agreement protocoll signed on 19.7.1985 by the French, Luxembourg and Belgian authorities detailing the programme of action for a European axis of development testifies to the new political desire for cooperation between the three states. This axis takes in iron and steel zones in France (Longwy), southern Belgium (Aubange-Athus) and Luxembourg (Rodange), an area with some 300 000 inhabitants.

This programme for action was presented jointly by the three countries to the Commission of the European Communities at the same time as a national programme of Community interest proposing the creation of an international activities zone. A joint standing committee for coordination is to bear responsibility for the planning, road infrastructure works and internal development of this zone. Here, the aim is to create 5 500 jobs in the French part and 2 500 jobs in the Belgian and Luxemburg parts.

FIRST SECTION

MEASURES FOR THE COORDINATION OF HUMAN RESOURCES, TRAINING AND INDUSTRIAL RESTRUCTURING

Chapter I - Basic Training Structures

There follows a description of initial and continuing training structures and the problems involved in their medium- and long-term adjustment to economic and social developments.

1. Training Provision in Lorraine

- situation at present,
- forecasts for the future.

1.1 Situation at present

This assessment of the present situation is based on the following data:

- the level of training of the population,
- initial vocational training at levels V,
- vocational training at levels IV and III,
- apprenticeship,
- universities,
- continuing training provision.

1.1.1 The level of training of the population (Table 5 in the appendix)

This can be estimated on the basis of three criteria:

- the number of individuals with no certificate,
- tne weight of levels V,
- the large number of individuals who at least have the "baccalauréat"[3].

These three criteria were determined for Lorraine, for France as a whole and for the iron and steel and coal zones.

The number of individuals without any certificate is slightly higher in Lorraine than in France as a whole (41.8 as against 40.3 %) and is particularly high in the industrial zones (46.8 and 51.2).

Lorraine, in general, and the iron and steel and coal zones, in particular, are characterized by a large proportion in levels V with 19.1, 21.7 and 19.7 as against the French mean average of 14.6 %.

By contrast, the number of individuals with at least the "baccalauréat" is lower, the figures being 11.3, 8.8 and 9 % as against 14.9 % for France as a whole.

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[3]General certificate of secondary education

1.1.2 Numbers in initial training at levels V

43 7000 people attended initial training in 1984-1985 (see Table 6).

In the space of five years, the numbers have risen by 2.8 % (+ 0.1 % for industrial training, + 5.9 % for tertiary training). The proportion of BEP[4] holders who accounted for 36.2 % in 1979-1980 rose to 38.8 % in 1984-1985.

In specific industrial branches, the increase in electronics and to a lesser degree in interior construction work compensates for the decline in traditional trades in metalworking, mechanics and electricity.

In the tertiary sector, the explosion of electronic data processing has provoked a shake up and reorganization of administrative training. "Commerce and distribution", by contrast, are continuing on their steady upward course.

Changes in training provision at levels V have not all been included in Table 6 as the contents of these specific branches have evolved and have, in some cases, taken in new technologies.

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[4] Brevet d'Etudes Professionnelles - Vocational studies certificate

1.1.3 Training provision at levels IV and III

These courses have increased considerably in Lorraine but at a rate which is still slightly below that registered in France during the same period.

At levels IV ("brevet professionnel, brevet de technicien and baccalauréat de technicien"[5]), the number of individuals who hold these various certificates increased by 26.4 % between 1976 and 1983 (+ 30 % in France as a whole).

At levels III ("brevet de technicien supérieur, diplôme universitaire de technologie"[6]), there has been an increase of 45.9 % (56.5 % in France as a whole).

1.1.4 Apprenticeship (Table 7)

In 1984-1985 there were 9 953 apprentices. This constitutes a drop of 14 % compared with 1980-1981. Numbers in all sectors, particularly car mechanics, are falling with the exception of the food sector.

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[5] Vocational certificate, technician's certificate and technical certificate of secondary education, respectively

[6] Higher technician's certificate, university diploma in technology

1.1.5 Figures for universities (Table 8)

There are some 31 250 university students and this means a rise of 20.1 % in seven years (between 1977-1978 and 1984-1985), in particular in economics, dentistry, science and arts whereas medicine and law have recorded a fall in numbers. Engineering schools are still continuing to record an increase although this is now more moderate.

1.1.6 General data on continuing training

They cannot be evaluated according to the same criteria. It is estimated that Lorraine has a given enrolment capacity of 20 000 places spread over 135 public and private centres, leaving aside in-firm training provision.

An estimate from 1983 of the financial contribution of the principal sponsors of training led to the following distribution:

- region 14.5 %
- state 40.8 %
- enterprises 44.7 %.

In 1984, the Lorraine vocational training programme saw the creation of 560 training courses, 230 full-time and 300 part-time ones in social advancement. The latter which is traditionally over-represented in Lorraine has gradually been dismantled in favour of more direct

programmes leading to recognized vocational qualifications.

In the state programme, the major share are programmes for the integration of young people which are described in greater detail in Chapter 3. We should stress the importance of courses funded by the "Fonds National de l'Emploi" (FNE)[7] in the field of retraining or provision for the long-term unemployed. Special mention should also be made of the "Association pour la Formation Professionnelle des Adultes" (AFPA)[8] which still comes under the responsibility of the state. It has at its disposal in Lorraine seven training centres, an industrial psychology centre and a pedagogical and technical centre. In 1984 it provided training for 2 500 participants.

1.2 Some comments on the suitability of training provision

Efforts to adjust training in line with current requirements and, above all, with future economic and social requirements are part of planning moves in which various parameters have to be taken into account.

Some initial evaluation can be made on the basis of the above remarks.

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[7] National employment fund
[8] National association for adult vocational training

Training structures are developing, and successful participants are becoming increasingly qualified as is shown by the increase in the training courses for technicians. In the same way, contents are changing with the arrival of new technologies, particularly in tertiary training provision at levels V. However, we must examine whether these changes meet the new requirements of the labour market. In this respect, it seems that the switch from CAP[9] to BEP[10] has not been marked enough and that there are still training programmes in car mechanics, clothing, the health and social sectors which are not in line with the needs of the market.

2. Strategies

The main emphasis here is on initial vocational training. Continuing training provision for job-seekers will be dealt with in Chapter 3.

The strategies of the region have been laid down in a planning document entitled "le schéma prévisionnel des Formations"[11] in line with the law on decentralization. This document envisages four main themes:

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[9] Certificat d'Aptitude Professionnelle - Vocational training certificate

[10] Brevet d'Etudes Professionnelles - Vocational studies certificate

[11] Anticipative training provision plan

. modernization of existing training provision:

- to raise the level of general education at levels V by changing CAP into BEP,
- to introduce new technologies,
- to develop certificates and supplementary training,
- to transform existing training.

. creation and development of training:

- to establish specialist training poles,
- to diversify school districts in the technological field,
- to supplement some tertiary training courses,
- to develop scientific sections,
- to reinstate modern languages,
- to specialize and diversify agricultural education.

. improvement of school education:

- to limit number of pupils leaving after "3ème"[12] and increase the number carrying on to "2ème"[13],
- to develop more polytechnical education at the level of CAP,

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[12] The 4th year of secondary schooling, pupils aged 14/15
[13] The 5th year of secondary education, pupils aged 15/16.

- to develop courses allowing for lateral mobility,
- to develop optional activities,
- to create vocational "baccalauréat",
- to promote post-"baccalauréat" studies.

. improved coordination of training systems:

- public / private,
- national education / agriculture,
- LEP /CFA[14],
- initial / continuing training,
- relations with the economic fabric,
- secondary / higher training provision.

3. Key Features

Action involving the whole education system takes in several factors. Three of these should be stressed here:

- orientation,
- training of trainers,
- relations with the economy.

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[14] Lycée d'enseignement professionnel - vocational secondary school, Centre de formation d'apprentis - apprentice training centre

3.1 Orientation

The political desire for orientation towards long initial training courses will require changes in the attitude of those responsible for this phase. They must gradually free themselves from their preoccupation with filling educational establishments. It is interesting to note differences in some school districts of between 11 and 24 % in the number of pubils who enter the second long cycle.

3.2 Training of trainers

In recent years, the introduction of modern equipment, in particular computers, has taken place rapidly. Their use, however, as training tools is far from satisfactory. Training courses for trainers could, therefore, be an important forum in this respect and this is under discussion at present within the framework of the "Schéma concerté de la formation professionnelle"[15] (mentioned later).

3.3 Relations with the economy

Such relations have to be envisaged on a two-fold basis (relations between training and the two sides of industry and between training and the enterprises).

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[15] Joint plan for vocational training

Employers' representatives are involved (as are trade-union representatives) at various levels in the definition of training orientations through their presence on bodies such as the "Comité Régional de la Formation Professionnelle" (COREF)[16], the "Comité Economique et Social"[17] and, at local level, on the administrative advisory boards of educational institutions.

The development of a form of twinning between enterprises and educational institutions promotes awareness of the needs of the enterprise and consideration of these in training provision. This twinning sometimes leads to the introduction of vocational certificates of secondary education which lends weight to these exchanges.

In highly specialized technological sectors (electronics, plastics), it is our experience that those responsible for practical training content in educational establishments are very familiar with the surrounding economic fabric, its potential and its technological limits.

In continuing training, one clear indication is the position held by the different educational structures on the internal training market of the enterprises. The 1983 report on the activities of the "Fonds D'Assurance Formation (FAF)[18] de l'Est" lists, for example:

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[16] Regional committee for vocational training
[17] Economic and social committee
[18] East training insurance fund

- national education	17.5 %
- chambers of commerce crafts, etc.	8.3 %
- professional bodies	20.5 %
- voluntary associations	28.9 %
- private	12.5 %
- internal training	12.3 %.

4. Orientation, Planning

This subject will be dealt with from the following angles:

- geographical level,
- forecasting ability,
- tools and methods.

4.1 Geographical level

Planning is a regional responsibility. In the most distressed geographical areas (employment zones/travel-to-work areas, local level) there is still a demand for training provision.

When planning training provision, regional bodies must rely on existing trends and on their ability to recognize them.

It has often been felt that cooperation between the various partners is most likely to come about in the employment zone. In Lorraine, the concept of the employment zone has been seen by local industrialists rather as aa forum for administrative consultation than as a highly suitable forum for united action. This has led to the marginalization of these structures. However, this is not the case when they have clearly-defined objectives, as is the case with the parity-based technological committees in the iron and steel zone (see following chapter).

In the course of the last five years, local bodies have gradually established themselves as discussion partners. The operation "I.D.E.E. - Vosges (Initiatives pour le Développement et l'Emploi"[19] financed to 50 % by the European Social Fund amounting to a total sum of FF 12 500 000, had the task of implementing projects in which training is designed as a back-up for local development. Over a period of three years, this operation involved 3 500 people in one hundred programmes covering the creation of new businesses, and training provision for local government representatives, craftsmen or farmers.

The problem of links between local and regional structures has already been mentioned. The Lorraine region has begun discussions with its territorial partners on the creation

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[19] Development and employment initiatives

of a network of local coordinators charged with ensuring the success of this link.

4.2 What degree of forecasting?

To what extent is there room for a flexible attitude in policies concerning training sectors? Planning must, first and foremost, draw on the main trends in the regional economy. This is a difficult task in Lorraine because of the widespread restructuring of activities.

The regional policy for training sectors has found expression in the desire to develop programmes in the fields of electronics, automation and informatics, in the agricultural and food sectors and in communication. In the last field Lorraine has created a scheme to coordinate the activities of all those involved. Special training programmes have been introduced for the new trades in communications. As assessment will be made of this later.

It is sometimes the case that training bodies base their training programmes mainly on the anticipated demands of enterprises. This is the case of training courses in external trade. Besides long training courses (seven courses in 1985-1986) upon completion of which it would be interesting to examine the forms of integration, the training bodies proposed 32 courses for Lorraine (varying

in length between one day and eight weeks) but only four of these could be carried out.

4.3 Methods and tools

Tools are an essential part of planning activities in training. Choices have always been based on estimates, in many cases qualitative ones. It is not easy to distinguish what is based on estimates of training needs on the one hand and on the logical use of equipment and trainers on the other. The pertinent question is, therefore, what tools are required in conjunction with which objectives.

This problem is described in the "Schéma prévisionnel des formations"[20] drawn up by the Lorraine Region. This draws mainly on data on school population (numbers and structures of participation in the various cycles) in order to set investment priorities. In order to achieve more effective planning, it would be necessary to:

- have access to alternative sources of population forecasts over a period of five years;

- redefine specialist fields more in line with economic prospects.

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[20] Anticipative plan of training provision

In these two areas, the absence of existing reliable tools leads decision-makers to concentrate on improving the qualitative standard of training structures.

Chapter II - Redeployment Policies

Since the fall in the numbers of coalworkers in the 1960s, the crisis in the iron mines in 1966 and the crisis in the textile industry in 1968, Lorraine has been involved in efforts to redeploy manpower as a means of creating a new industrial fabric in which the automobile industry has long been the main source of new jobs. Indisputably, the problem of manpower redeployment came to a head in the iron and steel industry and the scale of the numbers involved justifies priority being given to this sector. All the same, redeployment is not limited to this sector alone and we shall now to describe changes in all fields and the resulting labour policies.

1. The Case of the Iron and Steel Industry

At the end of 1977 the iron and steel industry provided work for some 73 700 workers, at the end of 1982 for 52 000, and at the end of 1984 for 43 700 workers (including salaried employees released from their duties). The number of operational workers is expected to be around 20 000 at the end of 1986. This illustrates the magnitude of the changes which call for exceptional measures with the ensuing consequences for manpower policy as far as external training is concerned on the one hand, and the modernization of the remaining industrial instruments, on the other. We shall also examine measures to promote the economic and social environment.

1.1 New measures

The "Convention générale de protection sociale" (CGPS)[21], which was signed on 24 July 1984 by three trade-union organizations and the iron and steel industry, aims to find a solution acceptable both to the workers and to the surrounding economic fabric after the major reduction in numbers caused by restructuring in the iron and steel industry.

This agreement envisages the following measures:

- two different early retirement schemes:
  - release from activities for salaried workers aged between 50 and 55,
  - early termination of activities for salaried workers over the age of 55;
- changes within iron and steel industries;
- internal vocational training;
- training-retraining contracts[22].

These contracts constitute a new measure vis-à-vis earlier agreements. Under these contracts, iron and steel workers

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[21] General agreement on social security
[22] Contrats formation-reconversion (CFC)

are to be given an opportunity to attend for a maximum period of two years, the training most likely to guarantee them a new job.

These contracts are only offered to iron and steel workers over the age of 45, although this requirement may be relaxed in certain cases.

At the end or during this contract but upon completion of training, the enterprise undertakes to offer the iron and steel worker two jobs, of which one at least must be in the employment zone.

From the time he is offered such a contract, the iron and steel worker has 30 days to choose between this training offer (maximum length two years) and a settlement offer. The settlement amounts to 65 % of the sum he would have received during the two years of training (i.e. 70 % of his gross salary).

The settlement offer, however, is only made in two cases:

- creation of a new business,
- direct occupational reintegration without recourse to training.

The first condition is subject to the agreement of the diversification authorities in the iron and steel industry who assess the viability of the project.

As soon as the CGPS agreement had been signed, the deputy prefect responsible for industrial redeployment in Lorraine, sought to provide a dynamic framework by means of the parallel introduction of the different measures described above and by means of retraining efforts directed towards new jobs.

In 1985 mobility-retraining cells were set up in iron and steel enterprises with such contracts, in order to find retraining solutions for the surplus iron and steel workers.

The public authorities and the enterprises have agreed to undertake a "reciprocal examination" of the lists of these contracts. The persons responsible for this work are known as "chargés de mission emploi" (employment officers) for the redeployment poles.

Structures for joint action have been set up in the enterprises, in the employment zones and at regional level under the aegis of the deputy prefect.

The administrative problems posed by these different measures in iron and steel enterprises, and the acceleration of the social plan (the goals for the end of 1987 have been reset for the end of 1986) have led firms, in particular Unimétal, to create a division called "Unimétal-Conversion" which is completely separate from operational activities. It has the task of:

- motivating the remaining labour force and of illustrating the viable and realistic nature of the industrial configurations described in the plan for the enterprise;

- entering clearly the operational results and restructuring costs in the accounts of the enterprise;

- providing material and staff to guarantee the retraining of the surplus workers under the best possible conditions.

Thus, a certain number of officials has been appointed to handle these training-retraining contracts. Each of them is responsible for twenty individuals. He assumes the role of an employment counsellor and his task is to increase the trainee's awareness of his particular retraining project by equipping him with the necessary technical and behavioural attributes.

Unimétal-Conversion also has a section called Unimétal-Services, a reception centre for those awaiting re-training. It also administers the three sheltered workshops which had to be set up to accommodate the large number of handicapped employees.

Unimétal-Conversion was set up at the beginning of 1986.

1.2 The effects of redeployment measures

The following figures illustrate how reductions in the labour force were handled ver a period of 18 months (1.6.1984 to 31.12.1985). Some 6 760 jobs were lost. Taking into account a certain number of newly recruited employees, this in fact means 7 626 redundancies. The early retirement measures take in the major share: 3 251 i.e. 42.6 %, retraining: 1 643 i . 21 5 %, turnover 4.6 % and the return of migrant worker to their native countries 2.1 %. Training-retraining contracts covered 2 218 individuals (29.1 %).

Prior to the introduction of such contracts and independent of these measures, it was necessary to evaluate the knowledge of iron and steel workers. 4 400 of them passed through information-awareness-evaluation modules.

Of the 2 218 contracts in 1985:

- 909 covered individuals undergoing or awaiting training;

- 1 277 covered individuals undergoing retraining of which 356 created their own businesses. Almost half

the trainees attended training leading to a recognized qualification under the Lorraine scheme.

The trainees are spread over some 150 different courses at present. There was no suggestion of creating courses uniquely for the iron and steel sector. The concept of mixed target groups has thus been accepted as the means of meeting the various needs of individuals, particularly in the case of training leading to recognized qualifications.

The willingness of iron and steel workers to undergo retraining has increased gradually and was often dependent on the latter's grasping the gravity of the economic situation. The special measures created by public bodies and enterprises enabled trainees to develop their particular skills. In the case of some target groups, the prospect of a further qualification acted as an incentive.

1.3 Action concerning the environment

Here the following aspects must be mentioned:

- the creation of redeployment poles,

- the activities of redeployment agencies in the iron and steel sector (SODILOR a subsidiary of USINOR and SOLODEV a subsidiary of SACILOR).

1.3.1 Redeployment poles

Three redeployment poles were created in Lorraine (Longwy-Briey, Thionville, Nancy). The major measures to encourage industrial redeployment in these zones are the following:

- a programme for the creation of new industrial and tertiary plants, in particular the research centre;

- the financing of an exceptional contribution to job creation by reimboursing to firms who provide new jobs in specific areas, the equivalent of social security contributions over a period of three years. At the end of 1985, this scheme covered 6 000 jobs in 1 200 enterprises;

- the creation in Longwy of a European pole of development taking in Belgium and Luxembourg;

- special measures to promote the training and integrat... of young people and job-seekers.

1.3.2 Activities of redeployment agencies

At the end of 1985, SODILOR and SOLODEV who had been granted a state subsidy, distributed aid amounting to FF 200 million for the creation or maintenance of around

6 000 jobs. In the beginning, these agencies concentrated their efforts on the creation of industrial jobs; little by little, however, their field of action has grown and now encompasses all aspects of economic and social life which contribute to the revitalization of these employment zones:

- managerial back-up and counselling services for these enterprises;

- provision of premises for commercial or tertiary activities;

- assistance in setting up new ("greenhorn") businesses and, more particularly, the provision of counselling services for these new entrepreneurs;

- support for operations or projects which contribute to changing the image of these zones.

2. Redeployment Policies in Other Sectors

For several years now, the term "redeployment" has been associated almost exclusively with "iron and steel", but this phenomenon does in fact affect all sectors.

Changes may mean reductions in workforce or internal changes in the structure of qualifications. There follows

a brief description of the factors which have influenced the economic history of Lorraine, followed by an analysis of how enterprises adjust their internal structures in line with the changing environment and public policies, not forgetting of course the special case of agriculture and craft industries.

2.1 What restructuring has taken place in Lorraine?

If the scale of the restructuring is to be measured against the number of jobs lost, then agriculture is certainly the sector which has been worst hit with a loss of some 43 00 of its 85 000 jobs in the space of 20 years (1962-1982). Since the crisis of 1966, the iron mines have lost 25 00 of 27 000 jobs. There has been a general downward trend in the coal industry with the exception of two instances of a significant upswing in recruitment. The target for the end of 1988 is 18 000 jobs. Textile and clothing (57 000 jobs in 1962) have lost 27 000 in 20 years but also with periods of accelerated restructuring.

These facts have often been the main focus of interest with little attention being paid to how these enterprises redefine their workforces. Observations drawn from the survey of the structure of jobs in enterprises employing more than 10 people illustrate that between 1974 and 1983 the share of workers fell from 62 % to 52.6 % (the major share of this reduction affected non-skilled workers : 28.3 % to 19.2 %).

During the same period, the numbers of engineers and managerial staff increased by 1.7 %, technicians and supervisors by 2.4 % and services personnel by 5 %. There are similar trends at national level although it should be stressed that the share of engineers and managers is increasing more rapidly at national level (+ 2.5 %) whereas Lorraine is somewhat behind (6 % as against 9.5 %).

2.2. Redeployment in enterprises

The reductions in numbers caused by modernization in firms have often been absorbed by natural departures without posing too many problems of internal adjustment. At present, the extensive introduction of new technologies and stiffer competition are upsetting this process and stress the urgent need for the redefinition of qualifications backed-up by a reorganization of training provision particularly around some key qualifications:

- technicians and supervisors,
- maintenance staff,
- sales staff.

Semi-skilled workers and workers with a poor level of general training are dealt with separately.

In some enterprises, the early retirement measures have often drastically reduced the numbers of supervisors.

This provided an opportunity to redefine the profile of supervisors for the future, i.e. increased emphasis on technical qualifications. This led to the creation of a school for supervisors in Pont-à-Mousson S.A. Although considerable efforts have been made to give priority to internal promotion, it is usually the case that staff are recruited externally for most of these jobs.

The introduction of automation has increased the qualification requirements for maintenance personnel who have all benefited from a wide range of training and retraining provision. The demand was so great that the "Chambre Syndicale des Métaux"[23] in Moselle redefined, at the request of its members, the content of occupational experiments in changing qualifications. This led to the creation of an experimental scheme for "maintenance workers in automatic installations" (inspired by the CAP recently created in this field).

The training of sales staff has become one of the main priorities in training plans in the consumer goods sector.

2.3 The problem of workers with a poor level of qualification

The share of unskilled and semi-skilled workers is, in general, falling but they still constitute a considerable

[23] Chamber of the metal-processing industries

force. For these target groups, traditional training instruments (particularly in the case of literacy programmes) have not been sufficiently adapted, and therefore specific modules have been created (learning through games in the plant at Pont-à-Mousson S.A) or acquired (teachware in industrial logics). In the opinion of training organizers, the first results are encouraging.

The various experiments have revealed the need for greater integration of all general or literacy provision into the technical fields which are of particular interest to the trainees.

2.4 Management of training

Medium sized industries are known to contribute more to training than the 1.1 % of their payroll required of them by law. Only very few enterprises, however, contribute more than 2 % and these are usually in industry. In "vanguard" sectors, banks and some public services, this figure is between 3 and 5 % and in some exceptional cases as high as 14 %.

The enterprises prefer internal training particularly in the case of retraining. The elevated cost of external training is one argument for their relying primarily on their own capacities.

Training bodies cover more general aspects of training. The demands of enterprises lead them to adapt contents to meet special needs. Recourse to these bodies may also be indicative of a desire for a broadening of horizons, particularly when enterprises have to lay off some of their work force.

2.5 Public incentives and collaboration with public bodies

Here, two instruments are mentioned:

- assistance from the national employment fund under its adjustment provision;

- more recently, a state incentive scheme "commitment to development" to help firms who undertake to increase their training efforts. In Lorraine, a mechanics firm with highly developed robotics technology and an employers' group are drawing benefit from this scheme.

Public authorities do not supply financial assistance only. When it becomes clear that the employment and training policy is in harmony with the priorities set by the state or region, then various kinds of cooperation may be implemented:

- training courses in the Lorraine region in electronics, food and agriculture;

- special ANPE (Agence Nationale pour l'Emploi)[24] programme in Vosges (financial costs of training and salary are borne by ANPE if firm commits itself to offer trainee a minimum amount of work in the course of the year);

- assistance in selecting staff and drawing up a training programme for new industrial plants. In this respect, the case of Thomson-Steli in Villers-la-Montagne is exemplary.

2.6 Action concerning the local environment

Without waiting for the measures in the iron and steel zones and the redeployment poles to take effect, the enterprises have already sought to lessen the effects of the reductions in numbers on the environment.

The "Fonds d'industrialisation du Bassin Houiller"[25] set up by the state, has committed itself to modernizing vocational secondary schools[26] in order to pave the way for new technologies, to looking for new plant sites in

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[24] National employment agency
[25] Industrialization fund of the coal zone
[26] Lycée d'enseignement professionnel

Germany, and to launching an operation to stimulate the creation of enterprises.

The Saint-Gobain Development is concentrated mostly in the Nancy region and it has provided considerable means for a synergism between the university and industry. The contribution of the "Société Générale des eaux de Vittel"[27] towards creating new activities in its rural environment (financial and technical assistance) should be stressed.

This list is by no means complete. We could also mention the glassworks in Vannes-le-Chatel and their participation in an original form of local development. These examples stress the growing awareness in firms of their responsibility towards their environment.

2.7 Agriculture and craft trades

Reductions in numbers in agriculture have not provoked any major difficulties as this phenomenon was spread over the whole of France. At present, the steady increase in the average age of farmers illustrates the need for vigorous efforts to attract young people. The considerable difficulties linked with running farms on a viable economic basis means that efforts must be made not only in agricultural technologies but also in farm management. These problems have long been under discussion in Lorraine

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[27] Vittel water company

and various proposals have been made by the Chambers of Agriculture.

Modernization of the economy has led to the emergence of new qualification demands in craft trades, particularly with regard to the use of materials and repair work. In craft enterprises too, semi-automized processes are beginning to make their appearance. The responsible chambers have directed their attention towards setting up counselling and information structures and towards re-grouping enterprises (this operation has been particularly successful in the electronics field).

Chapter III - Requalification of Job-Seekers

At the end of December 1985, 47 500 job-seekers were below the age of 25. Priority must, therefore, be given in training schemes to this group and to meeting its special requirements, in particular the problem of integrating young people into the Lorraine economy. All the new measures have this objective.

1. Programmes for Young People

Here, a distinction can be made between programmes financed by the state and those financed by the Lorraine region.

.1 State programmes

include:

- wide-scale programmes seeking to encourage the integration and qualification of young people aged between 16 and 18 in the first phase and from 1983 on between 16 and 25. In 1985, these programmes covered 4 700 young people between 16 and 18 and 2 700 between 18 and 25;

- the programme undertaken during the 1985/1986 campaign to help the long-term unemployed, including both 18 to 25 year old first-time

job-seekers and adults out of work for more than one year. Around 3 000 people benefited from this programme;

- the priority schemes in the IX Plan for 18 to 25 year olds in the following branches: building and public works, agriculture/food industry, informatics and external trade;

- AFPA schemes which enabled 2 500 trainees (14 % women), most of whom were unemployed to attend various induction and further training courses;

- national employment fund programmes;

- programme of activities to benefit the community (TUC)[28] launched at the end of 1984. This gave young people an opporunity to undertake paid employment on a part-time basis and in 70 % of cases, this was the first time they had had their own source of income. In Lorraine this programme covered 15 000 young people in 1985;

- creation of employment opportunities for young people by means of alternance training. This programme was awarded tax benefits.

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[28] Travaux d'Utilité Collective

1.2 Regional programme

Most of the 2 550 full-time trainees in the regional programme (1984) were young people looking for a job. The aim of the region was to concentrate its activities on these groups by reducing part-time programmes in favour of full-time programmes leading to recognized qualifications. IAE ("Institut d'administration des entreprises")[29] schemes and programmes for agriculture and the food industry had first priority.

2. Special Features of Young People (level, motivation)

The level of training of job-seekers is still relatively low. Statistics merely record the kind of job the unemployed would like to find. An ANPE[30] study to assess the skill level of some 4 500 young people stresses this weakness, particularly in office and building trades. Therefore, one major goal is to improve the information, guidance and monitoring of young people. Thus, in collaboration with locally elected representatives and the two sides of industry, 17 information and orientation centres (PAIO)[31] have been created for 16 to 18 year olds in Lorraine in recent years and eight local centres have

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[29] Institute of business management
[30] Agence Nationale pour l'Emploi - National employment agency
[31] Permanences d'Accueil pour l'Information et l'Orientation

been set up in the areas most badly affected by unemployment.

It is not merely a question of filling a course but of promoting first and foremost the social integration of young people in all kinds of ways.

The motivation of young people to undergo training or to choose a career path has been the subject of many debates. Many of those involved (ANPE, local centres) agree that the situation has indeed improved in the course of the last few years. Parallel to this, the educational approach has been improved and given a more personal touch. Almost one hundred trainers from the various structures (GRETA[32], voluntary associations, AFPA[33], etc.) have been trained in ways of finding employment and can pass on these techniques in training schemes for the long-term unemployed.

At regional level, particular attention has been given to monitoring programmes of educational interest in particular:

- "Apprenticeship induction courses" - this programme provides interesting insight into the possibilities of a successful link between

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[32] Groupement d'Etablissements - group of establishments

[33] Association pour la Formation Professionnelle des Adultes - National association for adult vocational training

integration efforts for 16 to 18 year olds and apprenticeship.

- Orientation modules - a joint programme set up by the local centre in Woippy and run by four training bodies. This programme offers broadly-based training to 150 young people. It is fully aware of the economic realities of the young people and of short- and medium-term developments. It monitors the progress of each of the trainees in 30 modules in four training centres in three phases (each of between six and eight weeks). The trainee's progress from one module to the next is decided upon completion of each section in the regrouping/evaluation phase.The first results of this experiment seem to be very encouraging.

- Multi-skill course run by the GRETA in Bar-le-Duc. The aim of this experiment is to offer all possible forms of training (recurrent training, employment-training contract, alternance training, apprenticeship, etc.) by involving as many local training structures as possible. This was intended as a response to the problems of recruiting trainees for a given training course (for example, the programmes for "16-18 year olds") in a relatively sparsely populated region.

- Gradual creation of individualized educational workshops (APP)[34].

- Courses for young voluntary workers covering cultural and social activities in institutions and the agricultural sector.

3. Management of Training for Young People

Bodies have been created to monitor and coordinate general state schemes for the integration of young people.

Regional structures existed already: the regional committee for employment, vocational training and social advancement (COREF)[35]. At the level of the "département" there are committees for the orientation of training for young people (COFJ)[36] on which the two sides of industry are equally represented. The various programmes have been evaluated by the Group for research into education and employment (GREE)[37] attached to the University of Nancy II. There follows an excerpt from their report on the 1983-1984 programme which illustrates both the limits but also the usefulness of COFJ.

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[34] Ateliers Pédagogiques Personnalisées
[35] Comité Régional de l'Emploi, de la Formation Professionnelle et de la Promotion Sociale
[36] Comité d'Orientation de la Formation des Jeunes
[37] Groupe de Recherche sur l'Education et l'Emploi

"Thus, it can be said that the role COFJ is still limited and not specific enough. The enormous amount of time dedicated to the successive procedures of balancing training supply and demand are an obstacle to objectivity. The imbalance in their structures rules out tripartite decision-making. Henceforth, there is a danger that the role of COFJs will be reduced to simply recording supply and demand and that courses will be distributed on an arbitrary basis. And yet, there are some indications of a real dynamism: birth of a dialogue between reception and administration structures, increased information on the courses. With a few changes (for example more flexibility in planning) there could be a move towards a more important role for COFJs, in providing information to the interested parties and in regulating training supply and demand."

There is a further risk that courses may be selected according to the needs of too small a geographical area. Some branches which offer openings at regional level only may be neglected particularly if the place of training is quite far away from the home of the job-seekers. The lack of mobility seems to be a handicap.

The quality of these structures depends on the information they receive and its value in their planning efforts (see Chapter IV).

4. Forms of Integration

Young people were the first group to feel the effects of the economic crisis. The most spectacular example is that of the Briey employment zone which lost 17.5 % of its jobs (at the place of residence) between 1975 and 1982. In the beginning the under 25s accounted for 24.4 % of the population but in 1982 for only 18 %. Opportunities for integration are shrinking but there are moves to reverse this trend. These include all forms of alternance training which covered (at the end of 1985) almost 5 400 young people in Lorraine (courses for integration into working life - SIVP[38] : 3 923 trainees; retraining contracts : 1 294 and qualification contracts : 153). These programmes are to be expanded in the future. They were born of the same spirit as the experiments mentioned earlier in this report such as the ANPE-Service in Vosges.

The programmes for the creation of new businesses by the unemployed almost tripled between 1984 and 1985. In the course of these two years, they were attended by 3 750 people, at a total cost of FF 100 million.

Amongst the innovative forms of integration, we must also mention "intermediate enterprises" which cater for special groups in difficulty who are excluded from all other programmes. These enterprises have the following characteristics:

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[38] Stages d'insertion à la vie professionnelle

- voluntary status,
- a limited period of employment,
- economic and social role.

In 1985, 25 initiatives of this kind were recorded in Lorraine which meant the integration of 500 people in the course of that year.

The integration of young people and their trainng must be linked with all other existing measures (Chapter IV).

Chapter IV - Coordination of Training Efforts and a Broadening of Horizons

1. Coordination of Efforts

The coordination of training policies between the various bodies implies a joint desire for such action which can benefit from various decision-making aids.

1.1 Desire for coordination

We have been able to show how firms, particularly in the case of retraining, may coordinante their labour policy with that of the public authorities.

Coordination between the various public bodies is not easy because the new procedures which have been introduced for the management of a fund or programme do vary. There must, therefore, be a real desire for such coordination. This has found concrete application in the decision to implement a joint scheme for vocational training between the state and the Lorraine region. Several working groups have been set up to deal either with specific subjects (training of trainers, training and individuals), with specific sectors (informatics, agriculture/food industry, wood, construction), with geograhical areas (iron and steel zone, coal zone) or with specific groups (women). Agreements on the implementation of proposals resulting from this work will confirm the desire for coordination.

It will be all the more necessary to coordinate the policies of the various funding bodies as the major reallotment of funds for the development of alternance training will mean that the training bodies will have to redefine their goals and programmes.

1.2 Coordination instruments

For more than 10 years now, work has been underway in Lorraine to create suitable observation instruments. Priority has been given to collecting information on the structure of employment rather than on training provision as course designations are not a clear enough indication. Thus, two years ago, the state and region sought to remedy this situation by creating a centre for information on training (INFTOLOR)[39]. The European Social Fund provided some of the funds needed to launch it. The aim of this centre is to collect and disseminate constantly updated information on the current state of training provision via its network of members. It will make use of telematics communication and computerized data processing technology.

Training evaluation instruments are incomplete and often difficulto to use in practice.

In more recent work on employment zones in difficulty, better use could be made of all existing statistical instruments.

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[39] Centre de ressources d'information sur la formation

Some gaps have still to be filled, and instruments must be adjusted in line with the increased contribution they can make to redefining a more flexible policy.

2. Broadening Horizons

The main emphasis in this report has been on the adjustment of the training system to changes in regional life. We must not, however, paint a too limited picture because Lorraine, with the creation of the association for University cooperation and economic and social cooperation (ACUCES)[40], has long been a forum for training experiments (CAP system with credit units, individualized instruction, integration-orientation training courses, etc.).

The Lorraine universities provide technical assistance in training to various universities in the Third World (Algeria, Tunisia, Irak, Syria, Indonesia, etc.).

The "Ecole Supérieure Textile"[41] in Epinal trains a large number of managerial staff for these countries.

The European University Centre welcomes each year in Nancy a large number of students from all over the world.

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[40] Association pour la Coopération Universitaire et la Coopération Economique et Sociale

[41] Higher Institute for Textiles

Collaboration has begun between the Universities of Metz and Saarbrucken via the "Institut Supérieur Franco-Allemand des Techniques Economiques de Sarreguemines" (ISFATES)[42].

Discussions are underway to create in Longwy, in conjunction with the European development pole, a European university college together with Belgium and Luxembourg. A request for financial assistance for this project has been submitted to the European Community under its scheme for national programmes of Community interest (PNIC)[43].

In the field of job creation activities, we must also mention the successful cooperation between national employment agencies in the coal zone and their German counterpart the "Landesarbeitsamt" (regional employment office").

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[42] Franco-German Higher Institute of Economic Practices in Sarreguemines

[43] Programmes Nationaux d'Intérêt Communautaire

SECOND SECTION

DEVELOPMENT TECHNICIANS

The training policies drawn up by enterprises, the state and the region are applied by individuals who, in turn, can use their knowledge of practical realities to develop more suitable labour policies. We have picked out some profiles of "development technicians" in the widest sense and some profiles where emphasis is more on the training aspect. This is followed by a description of the institutional framework(s) for their activities and the forms of cooperation which have developed among them.

1. Diversity of Tasks, Diversity of Profiles

The development of the craft and industrial fabric through more intensive links with the enterprises is the responsibility of technical assistants in professional organizations and chambers, delegates from enterprises for employment (DEPE)[44], delegates from the association for the industrial development of Lorraine (APEILOR)[45], and development committees in the "départements". With the exception of DEPE, labour-related activities are not the priority task of these bodies. Their main task is to set up projects and obtain the necessary financial backing. In the case of small enterprises, however, the "Service

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[44] Délégués des entreprises pour l'emploi

[45] Association pour l'expansion industrielle de la Lorraine

Régional de l'Artisanat Lorrain" (SERAL)[46] has played a major role in increasing awareness and in providing training programmes for these enterprises in "vanguard" sectors and in art trades.

The creation in 1982 of redeployment agencies in the iron and steel industry (SODILOR and SOLODEV) has led in the iron and steel zones, to an increase in the number of economic agents (around ten individuals) in the local industrial environment. These agents have been seconded from iron and steel groups to help to revitalize the industrial fabric through a series of aids. Their activities are not directed primarily towards training, but their knowledge of the local industrial fabric enables them to assess the needs of enterprises in this field.

About ten years ago, the concept of local development began to make its appearance, particularly in rural areas. The emergence of such initiatives and support for projects has been made possible by the presence on the spot of development agents. In view of the different situations, we can only give an approximate evaluation of the situation. Roughly 50 development agents are present in Lorraine at the moment. Most of them have a general background or are specialists in geography, economics or sociology. The majority are young with varied institutional links (nature reserves, "commune" trade unions, development committees, tourism associations, etc.).

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[46] Regional service for craft trades in Lorraine

Their activities are often linked with a specific training programme and are intended as a back-up for development. This was one of the essential principles of the IDEE-Vosges.

Teams have been set up in conjunction with these redeployment poles under the responsibility of the deputy prefect. The task of these employment and training delegates is to ensure the access of surplus iron and steel workers to training programmes. In general, the members on these teams have been seconded from national education bodies, ANPE or AFPA. Agreements have been drawn up with employers' organizations and craft associations to provide jobs for iron and steel workers. 15 people have been appointed by public authorities to deal with the re-training problems of these workers.

Within Unimétal Conversion, the iron and steel industry has set up a network of training officials. They are usually supervisors or technicians whose task it is to assume full-time responsibility for training-retraining contracts on their individual sites in order to monitor their progress. Each one of them is responsible for 25 contracts. Altogether, there are roughly 100 such officials in the Lorraine region.

Teams had to be set up to run the new state programme for young people (16 to 18 and 18 to 25 year olds) in

specially created centres (local centres and PAIO[47]).150 people are involved in such teams in the Lorraine region. In the local centres, these team members come from two different sources: coordination activities are undertaken by people drawn from voluntary associations, and orientation and integration activities are undertaken by staff seconded from the national employment agency (ANPE) or training bodies.

The desire to promote the creation of new businesses by providing support for such projects led to the sprouting of a number of associations in Lorraine with varied institutional links, of which the most important are:

- PROMOTECH in Nancy attached to the university,
- SYNERGIE in Metz and AMIFOP in Bar-le-Duc, linked with Chambers of Commerce,
- AVEC in Nancy, set up by the "Jeune Chambre Economique"[48],
- ALEXIS in Pont-à-Mousson to encourage social experiments and innovations. This association is attached to the "Boutiques de Gestion"[49],

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[47] Information and orientation centres
[48] Young Chamber of Commerce
[49] Management counselling services

- The recently created "Centre d'Etudes Supérieures Industrielles" (CESI)[50] in Lorraine dedicates a major share of its training activities to the creation of new businesses.

Training is a main feature in the activities of these structures.

These few examples by no means cover all the development functions of training. We should not forget the continuing training advisors of "GRETA", training officials in enterprises and counselling services in employer organizations. Suffice to say that the 1982 survey recorded 700 trainers in continuing training programmes in Lorraine.

2. New Functions, New Institutions

When it became clear that new tasks were necessary (or at least more support needed for the integration of young people, for example), a decision was taken to set up a special institution rather than to extend the activities and schemes of already existing structures. This decision did not, however, apply to local development for geographical reasons.

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[50] Centre for Higher Industrial Studies

This posed the problem of integrating completely new structures into a traditional landscape with already pre-defined contours.

Without denying the existence of rivalries and tensions which this kind of situation may provoke, we have been witness to the development of "inter-institutionalism" amongst the various bodies concerned. The examples quoted earlier of Pompey and Woippy testify to this.

New activities also mean the preparation of trainers for their new tasks. Training is often empirical and results from exchanges of experience between teams involved in the one and the same task[51].

These exchanges are seldom formal. We would, however, like to mention the international colloquium in Luxembourg on the training of development agents in rural areas held in 1982 with the backing of the Commission of the European Communities, as well as the European colloquium in Gérardmer on the same subject which was organized jointly by the European Social Fund and IDEE-Vosges. The work focussed on:

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[51] CUCES, continuing training body of the Universities of Nancy has set up a regional development department and provided training schemes for development agents.

- the problem of the status of these individuals, preference being given to the principle of secondment;

- ways of drawing the greatest benefit from the experiences gained;

- the scope for dialogue and innovations.

Interest in training and, above all, in information on the experiences gained contributed greatly to the creation of such networks.

3. Development of Networks

The creation of the "Carrefour Lorrain pour le Developpement local et rural"[52], a voluntary association, is a response to the need for training and for an exchange of experience between development technicians.

The "Réseau Lorrain d'Animation et d'Information Economique" (RELAI)[53] has suggested that it should orient enterprises towards existing skills in the region. RELAI is to run a telematics system for assistance in the creation of new businesses.

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[52] Lorraine crossroads for local and rural development
[53] Lorraine network of economic development and information

Training managers in the enterprises will be able to benefit from increased exchanges of experiences within the "Groupement des Animateurs Régionaux de Formation" (GARF)[54].

The local centres in Lorraine have already developed exchanges of experience without these having a statutory framework.

The network formula seems to be providing an answer to increasingly lengthy procedures and to the increase in the number of agents involved.

Discussions at present in the Lorraine region have emphasized the importance of these exchanges in identifying local needs. The working group from the joint programme of vocational training has also suggested that a multi-institutional counselling service on labour policy should be offered to interested enterprises.

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[54] Group of regional training "animators"

TABLE 1 : Salaried employment in Lorraine between 1968 and 19

Fields of activity	Numbers 1.1.1968	Numbers 1.1.1975	Numbers 1.1.1982	Numbers 1.1.1985
Agriculture, forestry, fishing	10 818	8 118	7 221	6 038
Industry	324 211	329 919	270 654	247 820
Agricultural and food industries	23 419	23 008	22 798	22 645
Meat and dairy industries	8 359	9 516	8 409	8 486
Other agricultural and food industries	15 060	13 492	14 389	14 159
Energy production and distribution	38 739	29 923	32 275	31 674
Solid mineral fuels, coking	31 753	22 079	23 691	22 784
Oil, natural gas	355	851	656	260
Electricity, gas and water	6 631	6 993	7 928	8 630
Intermediate products	161 291	160 312	110 695	98 137
Ores, ferrous metals, 1st stage of steel production	103 778	90 745	53 204	46 458
Ores, metals and semi-finished non-ferrous products	120	340	351	342
Construction materials, diverse minerals	10 884	10 730	7 801	7 029
Glass industry	6 579	5 312	4 933	4 035
Basic chemistry, man-made and synthetic textile fibres	7 539	8 508	8 054	6 899
Foundry and metal-processing	23 919	32 932	25 376	22 527
Paper and cardboard industry	5 090	5 764	4 380	4 379
Rubber and plastics	3 382	5 981	6 596	6 468
Production goods	25 756	41 004	44 142	42 692
Mechanical engineering	15 027	20 845	17 546	15 392
Construction of industrial electrical and electronic goods	4 253	6 391	7 491	8 120
Production of household goods	1 752	3 630	3 485	1 961
Cars, other forms of ground transport vehicles	4 540	10 019	15 204	15 944
Shipbuilding, aircraft construction, armaments	184	119	416	863
Consumer goods	75 006	75 672	60 744	52 672
Petrochemical industry, pharmaceutical industry	2 473	2 923	2 272	2 197
Textile and clothing industries	45 248	41 760	28 111	24 402
Leather goods and shoe industries	6 335	5 095	4 103	3 743
Wood, household furniture, diverse industries	15 067	18 867	19 316	15 505
Printing, publishing, editing	5 883	7 027	6 942	6 825
Construction - Public works	67 389	67 166	58 450	48 076
Commerce	62 927	72 023	75 032	72 192
Wholesale food trade	7 557	7 901	7 868	7 535
Wholesale non-food trade	13 786	17 724	19 439	18 682
Retail food trade	16 805	19 516	21 994	22 137
Retail non-food trade	24 779	26 882	25 731	23 838
Other services	229 682	283 906	324 855	334 756
Transport and telecommunications	44 080	46 081	45 653	46 412
Transport	33 233	34 394	30 972	30 838
Telecommunications and postal services	10 847	11 687	14 681	15 574
Commercial sector	61 644	90 405	112 734	114 571
Automobile sales and repairs	9 562	11 713	13 518	12 272
Hotels, cafés, restaurants	8 407	9 926	11 767	12 156
Commercial services for firms	13 918	19 642	21 794	19 795
Commercial services for individuals	29 757	49 124	65 655	70 348
Letting/leasing	657	1 891	2 193	2 094
Insurance	1 274	1 926	2 613	3 142
Financial bodies	5 914	10 476	11 980	12 237
Non-commercial services	116 113	113.127	149 682	156 301
TOTAL	695 027	761 132	736 212	708 883

François HOUSSIN

TABLE 2 : Breakdown of the entire Lorraine population according to age group in 1975 and 1982
(Source: population censuses)

Age groups	Situation in 1975		Situation in 1982	
	Number	%	Number	%
0 - 4 years	159 994	6.9	142 246	6.1
5 - 9 "	199 943	8.6	169 303	7.3
10-14 "	215 082	9.2	193 900	8.4
15-19 "	212 772	9.1	204 639	8.8
20-24 "	203 043	8.7	197 981	8.5
25-29 "	194 601	8.4	188 988	8.1
30-34 "	126 392	5.4	186 870	8.1
35-39 "	137 689	5.9	142 607	6.1
40-44 "	146 262	6.3	122 738	5.3
45-49 "	148 252	6.4	133 773	5.8
50-54 "	135 073	5.8	141 572	6.1
55-59 "	78 889	3.4	128 106	5.5
60-64 "	96 675	4.1	96 017	4.1
65-69 "	94 831	4.1	68 312	2.9
70-74 "	78 800	3.4	80 946	3.5
75 and more	101 490	4.4	122 465	5.3
TOTAL	2 329 788	100	2 320 463	100

TABLE 3 : Employment zones in Lorraine - Breakdown of population

Employment zones	Population in 1982	Population density per km²	Proportion of over 65s	Migration rate between 1968 and 1975	Migration rate between 1975 and 1982
LONGWY	94 447	223	10.7	- 8.0	- 14.6
BRIEY	79 209	111	12.4	- 11.9	- 10.1
THIONVILLE	322 498	299	9.2	- 5.8	- 10.3
LUNEVILLE	78 688	54	15.3	- 5.8	- 0.5
NANCY	403 936	268	11.2	0.5	- 2.8
TOUL	60 566	53	11.8	- 0.8	2.8
METZ	248 197	214	10	4.2	0.0
BASSIN HOUILLER	268 485	189	9.3	- 4.7	- 0.8
SARREGUEMINES	83 021	104	12	- 2.4	- 1.4
SARREBOURG	84 988	48	13.9	- 2.0	- 2.3
MEUSE DU NORD	87 685	31	14.9	- 6.0	- 5.4
BAR-LE-DUC	68 261	47	12.8	- 5.4	- 1.9
COMMERCY	44 155	23	16.2	- 7.9	- 2.8
VOSGES DE L'OUEST	68 473	43	13	- 1.8	- 3.5
EPINAL	158 489	67	14.6	- 2.7	- 2.8
REMIREMONT-GERARDMER	84 399	103	14.2	0.5	- 3.2
SAINT-DIE	84 408	79	15.3	- 1.9	- 3.0

17 Employment Zones in Lorraine

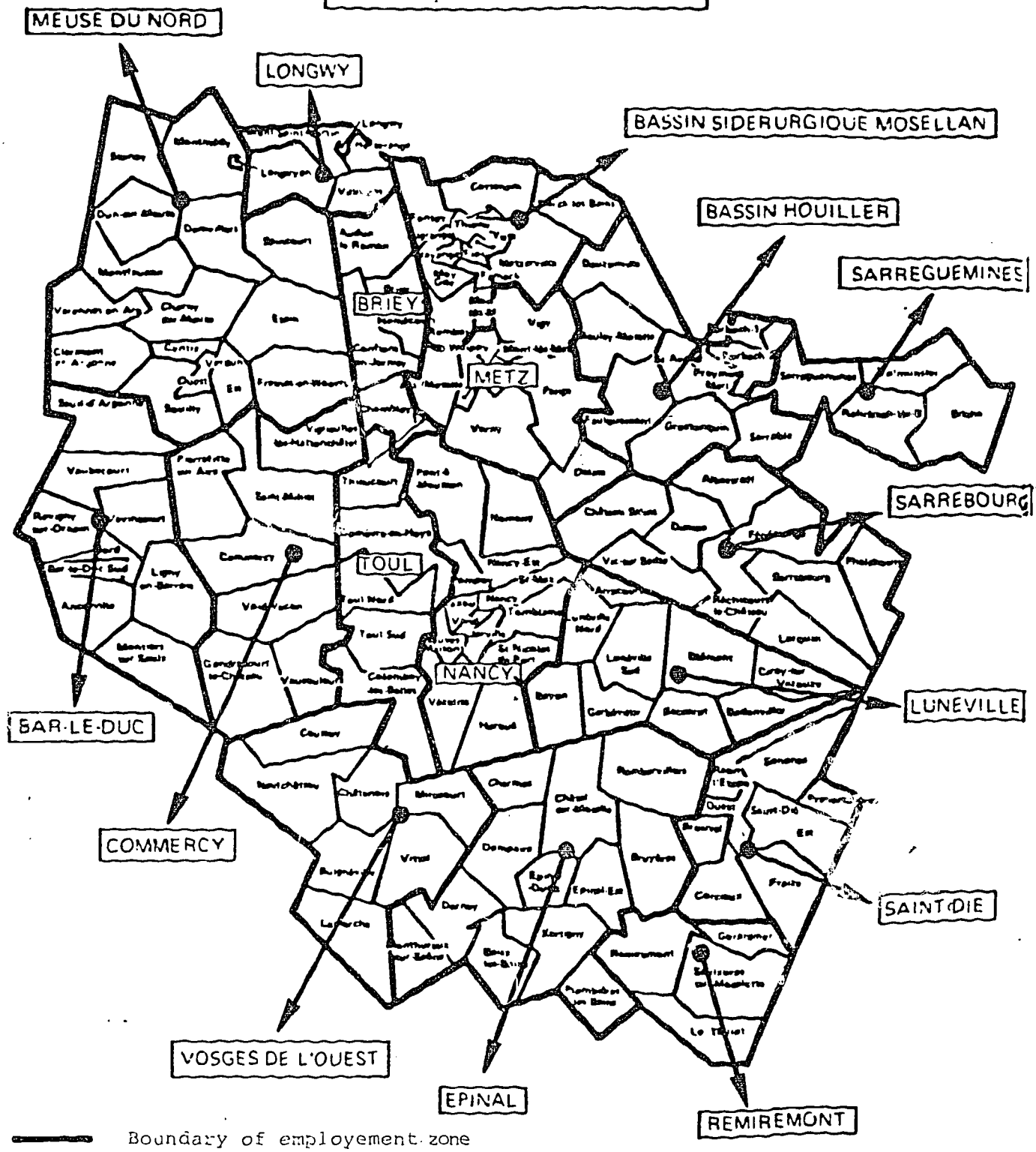

TABLE 4 . Breakdown of employment zones in Lorraine according to employment features

Employment zones	Total working population	Level of female employment	Job at place of residence			Employment trends 1976-1983 Firms with more than 50 employees	Job trends in 1984 (ASSEDIC)	Average level of unemployment in 1984	Characteristics of job-seekers 2nd quarter of 1985		
			Agriculture	Industry Building Public Works	Tertiary				% of women	% of under 25s	% of long-term unemployed - one year or more
LONGWY	34 536	34.4	2.1	50.8	47.1	- 42.7	- 5.6	12,5	50.1	48,9	34.4
BRIEY	27 972	34.1	4.7	42.2	53.1	- 41.7	- 5,3	16.0	49.0	43,2	36.3
THIONVILLE	123 456	33	1.7	50.7	47.6	- 29.0	- 3,1	12.8	48,3	52,4	33.0
LUNEVILLE	31 488	38,2	9.4	40.1	50.5	- 14.7	- 3.8	13,2	54.1	42,3	39.0
NANCY	176 180	41,9	1.7	31.9	66.4	- 8.1	- 2.4	10,2	45.7	37,4	27.7
TOUL	24 780	35.5	8.4	33.8	57.8	- 10.5	- 3.4	10,9	52.8	42,9	29.3
METZ	108 868	39.2	2.3	26.6	71.1	+ 5.8	- 1.3	9.8	46,0	39,0	25.0
BASSIN HOUILLER	100 812	31.1	2.5	58.1	39.4	- 3,1	- 1.9	11,7	53,5	48,4	36.4
SARREGUEMINES	32 280	33.7	3.4	49.5	47.1	- 9.8	- 4.6	10.1	52,4	42,8	32.5
SARREBOURG	33 632	35.5	10.1	40.9	49	- 7.2	- 4.5	9,8	48.4	44,3	31.0
MEUSE DU NORD	34 204	36.4	15.7	30.8	53.5	- 22.9	- 4.0	13.9	46.6	40.9	35,6
BAR-LE-DUC	29 560	40	8.6	39.7	51.7	- 4.3	- 2,1	8,9	51.9	43.3	33.0
COMMERCY	17 576	36	17.4	41.1	41.5	- 15.2	- 1.1	9.8	52.3	43.7	33.4
VOSGES DE L'OUEST	29 712	38,3	13	44.2	42.8	- 12.4	- 5.0	10.2	52.5	38.1	36.2
EPINAL	68 300	41,8	9.3	41.1	48.6	- ,7.4	- 2.9	10.9	51.0	38,8	36,3
REMIREMONT ET GERARDMER	37 424	41.5	3.4	58.2	38.4	- 18.2	- 2.0	10.6	52,6	32,8	34.4
SAINT-DIE	36 912	41.7	5.7	53.6	40.7	- 22.3	- 3.5	14.3	52.7	33,7	40.3

TABLE 5 : Population of 15 years or more (excluding school pupils and apprentices) according to level of qualification
Average figures for Lorraine as a whole and for the iron and steel and coal zones

(Source: INSEE survey)

Level of qualification	Lorraine		Iron and steel zone	Coal zone	France as a whole -
	Numbers	%	%	%	%
TOTAL	1 624 120	100	100	100	100
No qualification given	670 040	41.8	46.8	51.2	40,3
Certificat d'Etudes Primaires (CEP) Diplôme de fin d'Etudes Obligatoires (DFEO)	335 000	20.7	17.3	14,2	19.9
Brevet d'Etudes 1er cycle (BEPC), Brevet Elémentaire, Brevet Enseignement Primaire Supérieur (excl.CAP and BEP)	78 560	4.8	3.9	3.5	8,4
Certificat d'Aptitude Professionnelle (CAP) Brevet d'Enseignement Profes. (BEP) (excl.BEPC)	272 100	15.8	18.4	16.9	11.4
Certificat d'Aptitude Professionnelle (CAP) or Brevet Enseignement Profes. (BEP) (incl.BEPC)	58 020	3.3	3.3	2.8	3.2
Brevet Professionel, Brevet de Maîtrise, Fin Stage FPA 2° degré or BEA, BEC, BEH, BEI, BES, BATA	35 540	2,2	2.4	2.4	2,0
BAC Technicien (F,G,H) BT, BTA, Brevet ENP or Lycée Technique d'Etat or BSEC or Capacité en Droit (b)	21 460	1.3	1,3	1.2	1,5
BAC Général seul (including BAC Techn. T excluding BAC de Technicien F,G et H (c)	240	2,7	2,1	2,3	4,7
BAC Général (including BAC Technique) with dipl. technique or professionnel de niveau secondaire	16 500	1	0,9	0,8	1
Diplômes des Professions de la Santé et des Professions Sociales (d)	28 060	1.4	0,9	1,2	1,4
Brevet Technicien Supérieur, dipl. Universitaire de Technologie, dipl. Etudes Supérieures Techniques	17 940	1,1	1	0,8	1.2
Dipl. Universitaire 1er cycle (excl. DUT) Certificat Fin Etudes Normales, Certif. d'Aptitude Pédagogique	17 940	1,1	0,9	1	1,3
Dipl. Universitaire 2° or 3° cycle. CAPES, CAPET. Dipl. sortie Grande Ecole Publique ou Privée, Dipl. Ecole d'Ingénieur	40 520	2.7	1,7	1.7	3.8

(b) not including the general certificate of secondary education (bac général)
(c) not including the secondary level technical or vocational diploma
(d) with or without bac

TABLE 6 : Numbers in technical and vocational education (public and private) – Level V

Developments between 1979-1980 and 1984-1985

(Source : Secretariat of the Nancy-Metz Academy

Group of trades	CAP			BEP			Total		
	Numbers 1979 1980	Numbers 1984 1985	Development in % (1)	Numbers 1979 1980	Numbers 1984 1985	Development in % (1)	Numbers 1979 1980	Numbers 1984 1985	Development in % (1)
Agriculture, animal husbandry, forestry		23						23	
Fishing, overseas and river shipping	30	32					30	32	
Mines and quarries, quarrying	698	693	- 9 9	40	137	+ 242	698	730	+ 5.8
Civil engineering, public works, surveying				51	38	- 25.5	51	38	- 25.5
Shell construction									
Roofing, plumbing, heating	361	275	- 27.2	64	140	+ 118.8	445	415	- 6.7
House painting, plant painting	573	548	- 4.4	95	89	- 6.3	668	637	- 4.6
Production and 1st stage of metals processing (casting and rolling)	264	352	+ 33.3				264	352	+ 33.3
Forge, boiler-making, structural steel work	31	16					31	16	
General and precision mechanics, machine tools	2 427	2 009	- 9.8	258	247	- 4.3	2 485	2 255	- 9.3
Electrical engineering, electro mechanics	6 847	5 918	- 3.7	1 871	1 723	- 7.9	8 018	7 641	- 4.7
Electronics	2 212	1 810	- 18.2	2 279	2 106	- 7.6	4 491	3 916	- 12.8
Glass and ceramics	84	162	+ 92.3	129	406	+ 214.7	213	568	+ 166.7
Photography, graphics	70	43	- 38.6		56		70	99	+ 41.4
Paper and cardboard	122	43	- 65		69		122	112	- 8.2
Chemics, physics, biochemistry, biology, chemical production	15	19		16	14		31	33	
Bakery, confectionery	38			18	67		56	67	+ 19.6
Animal slaughter, meat production, other food specialities	37	66	+ 78.4				37	66	+ 78.4
Textiles (combing, spinning, weaving,	832	869	- 2.8	126	189	+ 50	958	998	+ 2.6
Clothing, fabric production: cutting, sewing, embroidery, lingerie	27	19					27	19	
Leather and skins: tanning, shoe production	2 722	2 560	- 6	284	432	+ 52.1	3 010	2 992	- 0.6
Woodworking; sawmilling, joinery	917	857	- 6.5	81	179	+ 121	998	1 036	+ 3.8
Drivers (transport vehicles)	220	188	- 14.5	98	113	+ 15.3	318	301	- 5.3
Other training courses in secondary sector				64	67	+ 4.7	64	67	+ 4.7
Draughtsmen in civil engineering and public works, industrial draughtsmen	78	55	- 41.8	223	178	- 20.2	223	178	- 20.2
Work organization, management and supervision of production				212	58	- 72.6	290	113	- 61
Administrative or legal practices		35		1 831			1 831	35	
Secretarial duties, typing, shorthand	2 144	1 245	- 41.9	2 659	2 198	- 17.3	4 803	3 443	- 28.3
Financial or accounting practices, computer accounting	1 814	1 481	- 18.4	2 281	2 550	+ 11.8	4 095	4 031	- 1.6
Electromechanical or electronic data processing					2 538			2 538	
Commerce and distribution	2 030	1 980	- 2.5	927	1 229	+ 32.6	2 957	3 209	+ 8.5
Information, documentation, public relations									
Education and training									
Arts, applied arts, design	44	58	+ 31.8		4		44	62	+ 40.9
Health, ancillary services, social services, body care				1 428	1 690	+ 18.3	1 428	1 690	+ 18.3
Hotel and mass catering trades	150	80	- 46.7	77	157	+ 103.9	227	237	+ 4.4
Domestic arts	2 904	3 126	+ 7.6	272	232	- 14.7	3 176	3 358	+ 5.7
Surveillance, security	49						49		
Managerial training									
Literary and language training									
Economic, commercial and legal training	323	1 472					323	1 472	
General training in industrial practices and sciences									
Pre-training, general training leading to a recognized vocational qualification									
Other training not included above:									
- industrial		942			7			949	
- economic									
Total for the secondary sector:	16 853	16 529	- 1.9	5 783	6 130	+ 6	22 636	22 659	+ 0.1
Total for the tertiary sector:	10 290	10 251	- 0.4	9 601	10 822	+ 12.7	19 891	21 073	+ 5.9
Total	27 143	26 780	- 1.3	15 384	16 952	+ 10.2	42 527	43 732	+ 2.8

(1) When this percentage is relevant - interpretation problems in the tertiary sector.

TABLE 7 : Breakdown of apprentices according to kind of training (not including agriculture)

(Source: SAIA - Academy of Nancy-Metz)

Training	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
General mechanics Trades in automobile industry	2 055	2 218	1 979	1 777	1 398	1 185
Hotel trade - pharmacy tertiary - others	6 805*	4 307•	4 338•	4 341•	4 551•	3 423
Building trades	2 337	2 466	2 584	2 178	1 977	1 866
Food industry		2 567	2 651	2 675	2 594	2 621
Hair and beauty care						858
Total	11 197	11 558	11 452	10 971	10 520	9 953

* including food

• including hair and beauty care.

TABLE 3 : Trends in university numbers between 1977-1978 and 1984-1985 in the Academy of Nancy-Metz (not including the University Institute of Technology)

Breakdown according to subject
(Source: Rectorate of the Academy)

Subject	Numbers 1977-78	Numbers 1984-85	Trend as a %
Medicine	5 377	5 501	+ 2.3
Dentistry	377	528	+ 40.1
Pharmacy	1 223	1 308	+ 7
Physical education	325	333	+ 2.5
Science	4 781	6 380	+ 33.4
Law	3 392	3 247	- 4.3
Economics	1 454	2 885	+ 98.4
Arts	6 695	8 384	+ 25.2
Engineering schools	2 396	2 735	+ 14.1
Total	26 020	31 241	+ 20.1

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

MISE EN VALEUR DES RESSOURCES HUMAINES DANS DES REGIONS EN RECONVERSION ECONOMIQUE BENEFICIANT D'APPUIS FINANCIERS COMMUNAUTAIRES

CASE STUDY ON THE NORTHERN REGION OF ENGLAND

Berlin, 1986

Draft Report

CENTRE FOR URBAN AND REGIONAL DEVELOPMENT STUDIES
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VOCATIONAL TRAINING AND REGIONAL DEVELOPMENT : A STUDY OF THE NORTHERN REGION OF ENGLAND

Steve Johnson

ıy 1986

Contents

VOCATIONAL TRAINING AND REGIONAL DEVELOPMENT : A STUDY OF THE NORTHERN REGION OF ENGLAND

1. Introduction

This report has been compiled by Mr. Steve Johnson of the Centre for Urban and Regional Development Studies (CURDS) at the University of Newcastle upon Tyne on behalf of the European Centre for Vocational Training (CEDEFOP). It is based as far as possible upon the "analysis outline" developed by M. Xavier Giscard of ADEP on behalf of CEDEFOP.

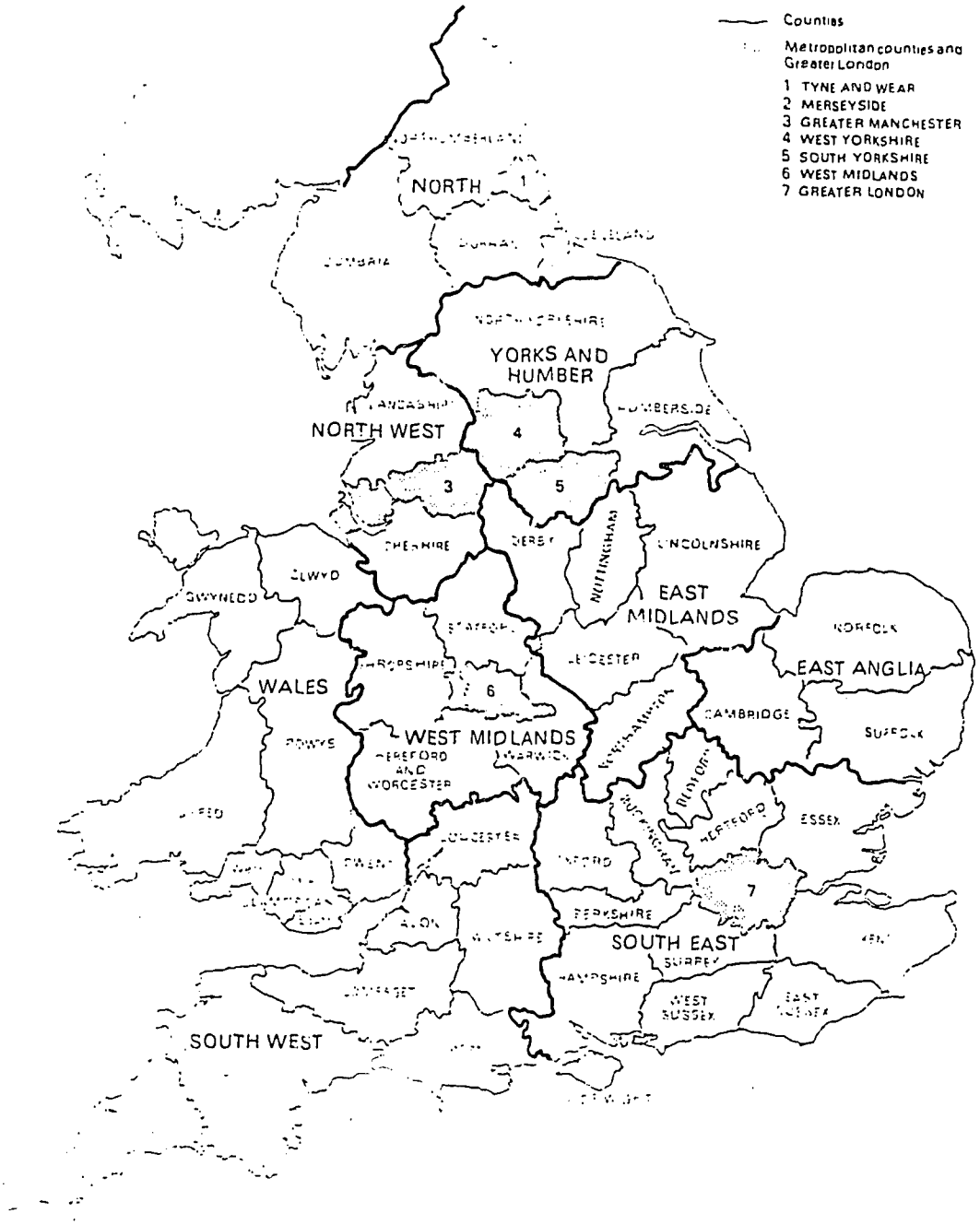
The research which has been conducted includes a brief analysis of available statistics on education, training and employment in the Northern Region, together with discussions with various individuals and organisations which are concerned with vocational training and economic development in the Region. These have included the Manpower Services Commission, the Confederation of British Industry and educational institutions, notably Newcastle upon Tyne Polytechnic.

The remainder of this report is in six parts. Section 2 briefly describes the Northern Region in terms of its administrative structure, its economy and the various economic development strategies which are being pursued. Section 3 sets the report in the context of the Vocational Training System in the United Kingdom as a whole. Section 4 analyses the basic training systems which are in operation in the Region, and their link with regional development, and

Section 5 focusses upon the training strategies of employers in the region. In Section 6, public policies for the re-training of job-seekers are discussed together with some other training schemes which are operating within the region. Finally, Section 7, summarises the discussions of Sections 2 to 6 and draws some conclusions as to the link between vocational training and the economic development of the Northern Region of England.

Figure 1

STANDARD REGIONS AND COUNTIES OF ENGLAND AND WALES



2. A Brief Description of the Northern Region

2.1 Basic Characteristics

The Northern Region of England consists of the counties of Tyne and Wear, Cleveland, Durham, Northumberland and Cumbria (see Figure 1), with a total surface area of 15,400 sq. km. and a total population of 3,106,800 (in 1982). Over 1.1 million of the inhabitants of the Region reside in the metropolitan county of Tyne and Wear, which comprises the city of Newcastle, and the districts of Gateshead, North Tyneside, South Tyneside and Sunderland. The other large conurbation in the region is Cleveland, particularly the towns of Middlesbrough and Hartlepool. The counties of Northumberland and Cumbria are largely rural, although there are some urban areas, such as Carlisle in Cumbria. The county of Durham comprises the city of the same name together with a large number of small towns and villages, many of which were formerly coal-mining areas. To the south east of County Durham are the "New Towns" of Peterlee and Aycliffe.

Table 1 shows that Tyne and Wear and Cleveland have the highest population densities in the Region, with Northumberland and Cleveland having low densities. Indeed, at 2,130 persons per sq. km., Tyne and Wear is one of the most densely populated areas outside Greater London. In contrast Cumbria and Northumberland are the two least densely populated counties in England.

Table 1

Population Statistics : England

	Population		000s[1]		Area (sq. km) [1]	Persons per sq. km 1982	% population 1982		Pensioner only households % 1981
	Total[2]	Males[2]	Females[2]	Projected population change 1981 – 2001[2]			Under 5 years	Over retiring age[3]	
North	3,106·8	[illegible]12·0	1,594·8	–4·1	15,401	201·7	6·2	17·5	23·6
Cleveland	566·9	278·2	288·7	–4·2	583	972·4	7·0	14·4	19·8
Cumbria	482·5	234·3	248·2	–0·1	6,810	70·9	5·8	19·4	25·4
Durham	608·1	297·2	310·9	–4·1	2,436	249·6	6·1	17·4	23·5
Northumberland	299·7	146·1	153·6	0·6	5,032	59·6	6·3	18·5	24·7
Tyne and Wear	1,149·6	556·2	593·4	–6·9	540	2,128·9	6·1	18·1	24·2
Yorkshire and Humberside	4,909·8	2,391·6	2,518·2	1·2	15,420	318·4	6·2	18·0	25·0
Humberside	855·8	417·5	438·3	0·3	3,512	243·7	6·3	17·5	24·0
North Yorkshire	678·1	329·7	348·4	3·9	8,309	81·6	5·5	19·9	26·9
South Yorkshire	1,312·8	642·5	670·3	–0·1	1,560	841·5	6·0	17·7	24·5
West Yorkshire	2,063·1	1,001·9	1,061·2	1·6	2,039	1,011·8	6·5	17·7	25·1
East Midlands	3,851·8	1,893·4	1,958·4	7·5	15,630	246·4	6·3	17·2	23·4
Derbyshire	910·9	447·7	463·2	4·5	2,631	346·2	6·1	17·9	23·9
Leicestershire	860·7	424·9	435·8	6·4	2,553	337·1	6·6	16·1	22·4
Lincolnshire	551·8	270·8	281·0	10·7	5,915	93·3	6·0	18·8	25·0
Northamptonshire	537·0	263·1	273·9	17·7	2,367	226·9	6·8	16·5	22·8
Nottinghamshire	991·4	486·9	504·5	4·1	2,164	458·1	6·1	17·0	23·0
East Anglia	1,914·7	942·1	972·6	15·3	12,573	152·3	6·2	18·8	25·5
Cambridgeshire	598·6	297·4	301·2	20·1	3,409	175·6	6·6	16·1	22·4
Norfolk	704·9	342·9	362·0	10·2	5,368	131·3	5·8	20·9	27·4
Suffolk	611·2	301·8	309·4	16·7	3,797	161·0	6·3	19·2	26·1
South East	17,004·7	8,253·7	8,751·0	5·3	27,222	624·7	6·1	18·1	23·8
Bedfordshire	511·9	255·6	256·3	12·8	1,235	414·5	7·4	13·9	19·0
Berkshire	699·5	348·9	350·6	19·8	1,259	555·6	6·7	14·3	19·2
Buckinghamshire	580·8	286·5	294·3	27·6	1,883	308·4	7·1	13·8	19·0
East Sussex	670·6	308·3	362·3	3·1	1,795	373·6	4·9	28·1	36·5
Essex	1,484·1	724·0	760·1	9·0	3,672	404·2	6·4	17·4	23·3
Greater London	6,765·1	3,257·6	3,507·5	–0·8	1,579	4,303·4	6·1	18·2	23·4
Hampshire	1,486·3	737·9	748·4	9·2	3,777	393·5	6·2	16·8	22·8
Hertfordshire	967·5	474·2	493·3	6·0	1,634	592·1	6·2	15·7	20·5
Isle of Wight	119·0	56·1	62·9	10·0	381	312·3	5·0	26·6	34·0
Kent	1,485·9	721·2	764·7	6·2	3,731	398·3	6·3	18·7	25·4
Oxfordshire	[illegible]·6	275·5	272·1	15·6	2,608	210·0	6·1	15·4	21·2
Surrey	[illegible]·9	492·0	521·9	0·3	1,679	603·9	5·6	18·2	23·2
West Sussex	2·5	315·9	356·6	9·8	1,989	338·1	5·6	24·0	31·6
South West	4,396·6	2,124·3	2,272·3	8·9	23,850	184·3	5·7	20·9	27·3
Avon	930·9	450·9	480·0	4·2	1,346	691·6	5·8	18·7	24·4
Cornwall	429·6	205·7	223·9	7·4	3,564	120·5	5·7	22·1	28·3
Devon	966·2	466·0	500·2	7·7	6,711	144·0	5·4	23·1	29·8
Dorset	604·6	285·8	318·8	10·7	2,654	227·8	5·1	25·7	32·9
Gloucestershire	505·5	245·7	259·8	10·7	2,643	191·3	5·9	18·7	24·6
Somerset	432·3	210·2	222·1	13·4	3,451	125·3	5·8	20·8	27·4
Wiltshire	527·5	260·0	267·5	13·0	3,481	151·5	6·4	17·0	22·9
West Midlands	5,182·2	2,553·3	2,628·9	2·9	13,013	398·2	6·4	16·5	22·0
Hereford and Worcs.	638·5	313·3	325·2	14·7	3,926	162·6	6·3	17·0	22·4
Shropshire	380·4	188·0	192·4	11·2	3,490	109·0	6·3	16·9	22·6
Staffordshire	1,019·0	502·9	516·1	6·1	2,716	375·2	6·4	15·5	20·6
Warwickshire	477·3	235·5	241·8	7·8	1,981	240·9	6·0	16·0	21·1
West Midlands (met. county)	2,667·0	1,313·6	1,353·4	–3·1	899	2,966·6	6·4	16·7	22·5
North West	6,432·0	3,112·7	3,319·3	–2·7	7,331	877·4	6·3	17·9	24·5
Cheshire	931·9	455·1	476·8	5·7	2,328	400·3	6·3	16·0	21·8
Greater Manchester	2,605·0	1,265·9	1,339·1	–4·1	1,287	2,024·1	6·4	17·6	24·4
Lancashire	1,384·1	666·4	717·7	3·6	3,063	451·9	6·2	19·9	27·3
Merseyside	1,511·0	725·3	785·7	–11·2	652	2,317·5	6·3	17·9	23·7
England	46,798·6	22,783·1	24,015·5	3·7	130,440	358·8	6·2	18·1	24·2

2.2 Administrative Structure

The Northern Region does not have a single overall administrative or governmental unit at Regional level. The Region exists simply as a "planning region" upon which official statistics etc. are based. The main government departments (Industry, Employment, Transport, Environment) have offices in the Region, although they tend to cover only the Eastern counties (i.e. excluding Cumbria).

The non-metropolitan counties within the Region (i.e. excluding Tyne and Wear - see below) each have a directly elected County Council which is responsible for services such as Education, Housing, Social Services and Transport. At a more local level, there exist a series of local councils operating under various names (City, District, Borough, Parish) depending upon the type of area covered. These councils are also directly eelected, and tend to have responsibility for more locally-based issues such as planning, recreation and tourism.

The administrative structure of the metropolitan county of Tyne and Wear is quite different. Until the end of March 1986 the county had a Metropolitan County Council which was responsible for a narrower range of services than are the non-metropolitan County Councils - mainly Transport, Policing and overall Planning. The Council also played an important role in economic development, an aspect to which we shall return later. However, in 1985 the Central Government decided to abolish Tyne and Wear County Council, along with the other Metropolitan County Councils including

the Greater London Council (GLC). This policy was finally implemented in March 1986, and as from 1 April 1986, an important tier of government had been removed in the Metropolitan Counties of England. The major functions of Tyne and Wear County Council have been taken over by non-elected "residuary bodies", and many of the minor functions are now performed by the Metropolitan District and Borough Councils (see below).

The county of Tyne and Wear is divided administratively into five areas - those covered by Newcastle City Council, Gateshead Metropolitan District Council (MDC), North Tyneside MDC, South Tyneside MDC and Sunderland Borough Council (see Figure 2). Each of these councils has responsibility for a full range of services including education (in schools and further education colleges), housing, social services, and recreation. Each of these councils is directly elected by an annual poll of all adult residents of the area.

The financing of local government in the United Kingdom is extremely complex. Local authorities raise part of their income through a property tax on domestic, industrial and commercial property (known as local rates), and the remainder comes from Central Government in the form a "Rate Support Grant" which is calculated on the basis of the "needs" of the area. In recent years, the U.K. Conservative Government has been attempting to reduce public expenditure and taxation, and one aspect of this policy has been the progressive reduction of the level of support given to local authorities, and limits on the level of rates which can be

Figure 2

The Districts of Tyne and Wear County

levied by some local authorities. These policies/together with the abolition of the Metropolitan County Councils mentioned above) have led many councils in the Region to complain that their freedom of action in many fields (including education and economic development) has been seriously hindered. In contrast to the situation in many other European countries, there is a general feeling that decision-making power is becoming more concentrated in the hands of Central Government, rather than being devolved to the Regions.

In addition to Government departments and elected local authorities, there also exist several ad hoc and 'quasi-governmental' agencies within the Region. These include the North of England Development Council, which is mainly concerned to attract overseas investment to the region, and English Estates, which is a national body based in the North, providing industrial and commercial property. The 'New Towns' of Washington and Aycliffe have Development Corporations which aim to improve employment prospects and assist industry within their areas, as well as managing some of the towns' housing stock. The county councils in the Region have combined to form the Northern Region Councils Association (NRCA), and are in the process of forming the Northern Development Company. This organisation is likely to be similar to the Scottish and Welsh Development Agencies, but with less funding and a much lower level of staffing.

Finally, many of the Region's employers are members of the Confederation of British Industry (CBI), which has an office in Newcastle, and the trade union movement is represented by the Northern Region Trades Union Congress (TUC).

This brief description of the administrative structure of the Region demonstrates the complexity of the region, the lack of any directly-elected or commonly accepted overall governing body and the trend towards the centralisation of decision-making in the United Kingdom. With regard to responsibilities for vocational education and for economic development, the latter will be discussed in Section 2.4 below, whereas the former will be dealt with in Section 3.

2.3 The Economy of the Region

2.3.1 Industrial Structure

The industrial structure of the Northern Region is dominated by declining industries such as Shipbuilding, Heavy Engineering, Iron and Steel Production and Coal Mining. The Chemicals industry is also very important to the region, particularly in Cleveland. Table 2 compares the industrial distribution of employment in the North with that of the rest of the United Kingdom in 1981. Figure 3 also shows that the Northern Region is over-reliant upon manufacturing - heavy engineering in particular - and that service industries account for a relatively low proportion of Gross Domestic Product (GDP) in the Region.

Table 2

Industrial Distribution of Employment : England

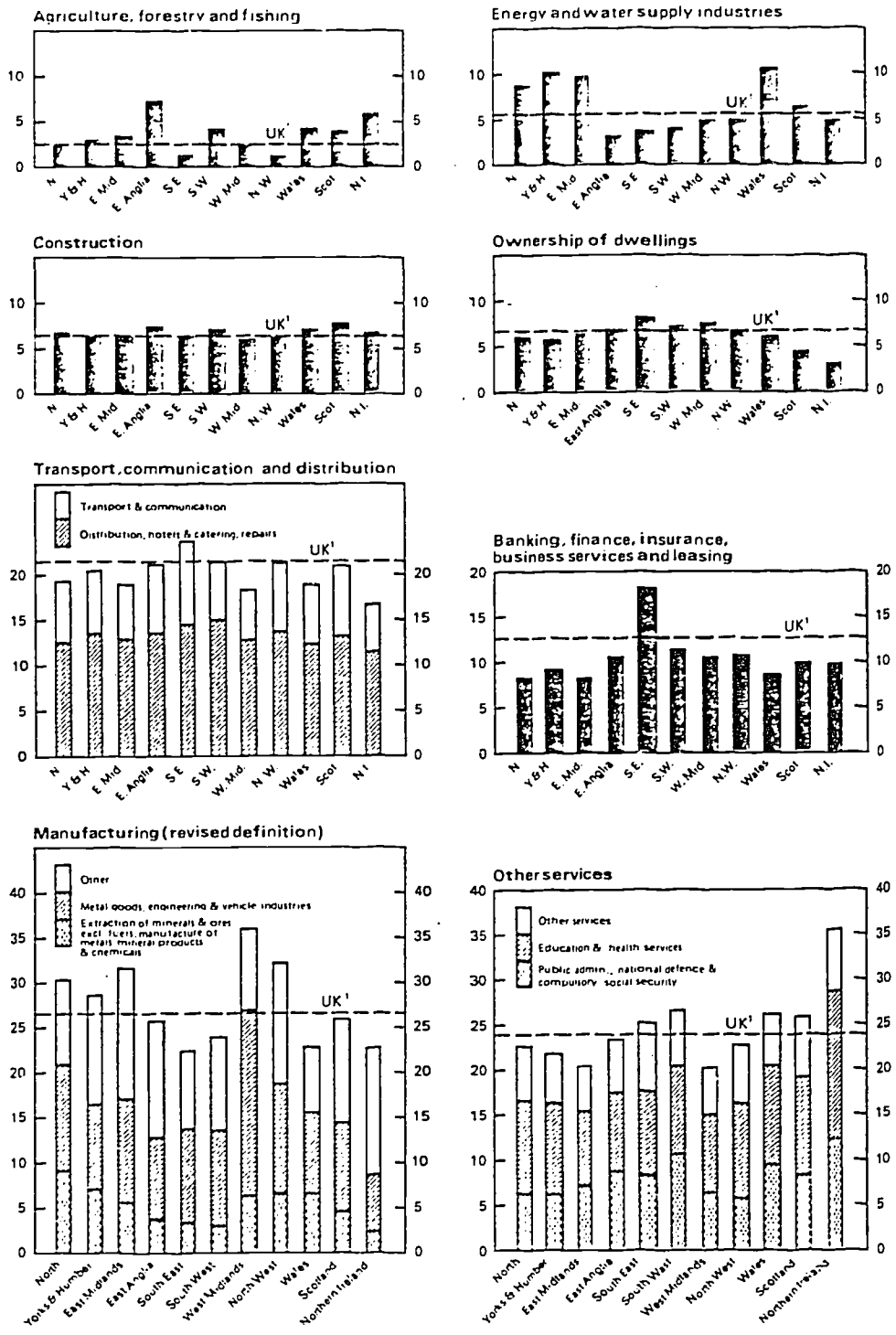
	Employment								
	% employees with higher educational qualifications[1] 1981		Employees in employment[2] (000s) 1981	Percentages of employees in (1981)					
	Men	Women		Agriculture forestry and fishing Div. 0	Energy and water supply Div. 1	Metals chemicals engineering and allied Divs. 2 & 3	Other manufacturing Div. 4	Construct. distrib. transport & comm. etc. Divs. 5–7	Other services Divs. 8 & 9
North	11·5	11·1	1,119·4	1·3	6·0	20·9	9·4	30·3	32·0
Cleveland	11·7	11·0	205·4	0·4	2·3	29·6	6·5	30·7	30·4
Cumbria	11·3	11·1	176·0	3·3	6·1	18·6	13·2	30·5	28·1
Durham	11·8	11·9	195·1	1·3	9·3	20·3	9·5	26·9	32·5
Northumberland	12·6	12·7	88·3	4·5	15·6	11·4	10·8	26·1	31·4
Tyne and Wear	11·0	10·3	443·1	0·1	4·5	19·8	9·2	31·6	34·6
Yorkshire and Humberside	12·0	11·1	1,842·8	1·7	6·3	17·8	13·6	29·6	31·0
Humberside	11·3	10·0	292·6	3·6	1·9	19·0	11·8	34·5	29·1
North Yorkshire	14·6	14·0	231·6	5·5	3·1	8·8	13·5	34·3	34·7
South Yorkshire	10·7	10·6	497·4	0·4	11·9	23·7	7·7	26·8	29·4
West Yorkshire	12·3	11·0	784·6	0·4	5·4	16·3	18·2	28·6	30·9
East Midlands	12·3	10·5	1,466·5	2·4	6·3	18·8	17·5	26·6	28·4
Derbyshire	13·1	10·4	337·6	1·1	7·2	26·7	13·2	24·2	27·5
Leicestershire	13·1	10·4	347·2	1·1	3·9	18·8	23·6	25·2	27·1
Lincolnshire	10·4	11·1	179·5	9·8	1·4	13·0	12·4	32·2	31·1
Northamptonshire	11·6	10·1	190·6	1·7	1·1	17·2	21·1	29·3	29·4
Nottinghamshire	12·2	10·5	403·4	1·0	12·6	15·6	16·2	25·9	28·7
East Anglia	12·2	11·5	680·5	6·1	1·7	14·3	13·0	31·9	32·9
Cambridgeshire	15·0	13·4	217·8	4·9	1·2	17·6	10·2	30·2	35·8
Norfolk	10·4	10·5	242·3	6·7	1·9	11·3	15·1	33·5	31·3
Suffolk	11·3	10·6	213·2	5·1	2·2	14·8	13·7	31·5	32·6
South East	16·3	13·5	7,244·5	1·1	1·7	14·6	8·6	33·0	41·0
Bedfordshire	14·9	11·2	197·3	1·6	1·1	27·0	8·7	28·6	32·9
Berkshire	19·3	13·7	288·3	0·8	1·7	20·4	8·5	30·3	38·1
Buckinghamshire	19·8	13·8	207·8	1·7	0·6	18·6	12·0	28·2	38·8
East Sussex	15·8	13·0	215·5	2·0	2·2	9·9	7·0	36·4	42·4
Essex	13·8	10·6	465·6	2·0	2·7	19·2	10·7	31·8	33·4
Greater London	15·4	14·4	3,521·5	–	1·6	10·5	8·7	34·0	45·0
Hampshire	15·1	12·3	556·8	1·5	1·8	21·0	6·2	32·5	36·9
Hertfordshire	19·2	13·4	387·9	1·0	1·3	24·2	9·9	29·5	34·0
Isle of Wight	11·4	11·8	38·3	2·4	1·6	18·2	5·2	38·8	33·8
Kent	13·6	11·6	487·1	3·3	3·1	13·9	10·1	33·0	36·5
Oxfordshire	18·1	15·9	207·9	2·3	1·4	14·2	8·7	28·3	45·0
Surrey	23·3	15·1	362·2	1·4	1·8	16·5	5·2	33·4	41·4
West Sussex	17·7	13·4	221·0	3·7	1·5	15·8	6·8	31·0	36·9
South West	13·3	12·2	1,545·5	3·3	1·9	15·7	9·9	33·5	35·7
Avon	15·5	13·2	361·0	1·2	2·4	13·3	11·2	32·9	38·9
Cornwall	11·2	12·8	117·7	5·6	1·7	12·5	7·2	44·4	28·4
Devon	12·0	12·4	311·0	3·4	1·9	14·0	8·0	35·3	37·2
Dorset	13·4	11·7	194·5	2·6	1·6	16·4	6·7	35·0	37·6
Gloucestershire	15·1	11·9	197·7	2·7	2·1	23·8	9·2	26·9	35·2
Somerset	12·5	11·5	150·1	5·0	2·5	15·8	16·6	29·3	30·7
Wiltshire	11·8	10·7	189·8	3·3	1·1	15·9	11·4	31·9	36·4
West Midlands	12·2	10·4	2,033·4	1·6	2·7	30·6	8·8	26·2	30·1
Hereford and Worcs.	14·9	12·6	213·1	5·4	1·8	19·3	12·3	27·8	33·3
Shropshire	11·9	12·1	119·3	6·0	2·2	19·3	7·1	30·7	34·6
Staffordshire	12·1	10·1	359·2	1·5	6·5	28·3	12·0	24·4	27·2
Warwickshire	16·0	12·4	167·9	2·3	4·4	29·1	6·3	28·5	29·2
West Midlands (met. county)	10·8	9·4	1,149·1	0·1	1·5	35·0	7·6	25·3	30·4
North West	13·2	11·5	2,454·2	0·7	2·6	19·0	13·6	30·0	34·0
Cheshire	17·3	13·2	345·2	1·8	5·0	24·3	9·9	30·7	28·2
Greater Manchester	12·5	10·9	1,030·5	0·2	2·3	17·8	15·4	30·4	33·7
Lancashire	13·0	11·7	496·4	1·5	2·4	20·2	16·2	27·3	32·3
Merseyside	11·7	11·1	550·0	0·2	2·1	17·1	10·8	31·3	33·5
England	13·9	12·1	18 336·8	1·6	3·1	18·1	10·8	30·8	35·6

Figure 3

Industrial structure of the regions

1981

Percentages of regional GDP



2.3.2 Employment and Unemployment

Table 2 shows that there were 1.1 million people in employment in the Northern Region in 1981. Of these, 650 thousand were male and 470 thousand female. In addition there were 84 thousand self employed people in the region. The North has a relatively low proportion of Managerial, Professional, Clerical and other non-manual employees, and a conversely high level of craft and manual employees. Less than 6 per cent of the population of the Region were self employed, as compared with a U.K. figure of over 8 per cent (Table 3). Table 4 shows that the workforce of the Northern Region is less well qualified than that of most other regions of the United Kindom.

Perhaps the most important aspect of the Region's economy from the point of view of this study is the level of unemployment. Figure 4 shows that the Region (particularly Tyne and Wear, Durham and Cleveland) suffers extremely high levels of unemployment. Indeed Cleveland is the only county outside Northern Ireland to register unemployment rates of over 20 per cent.

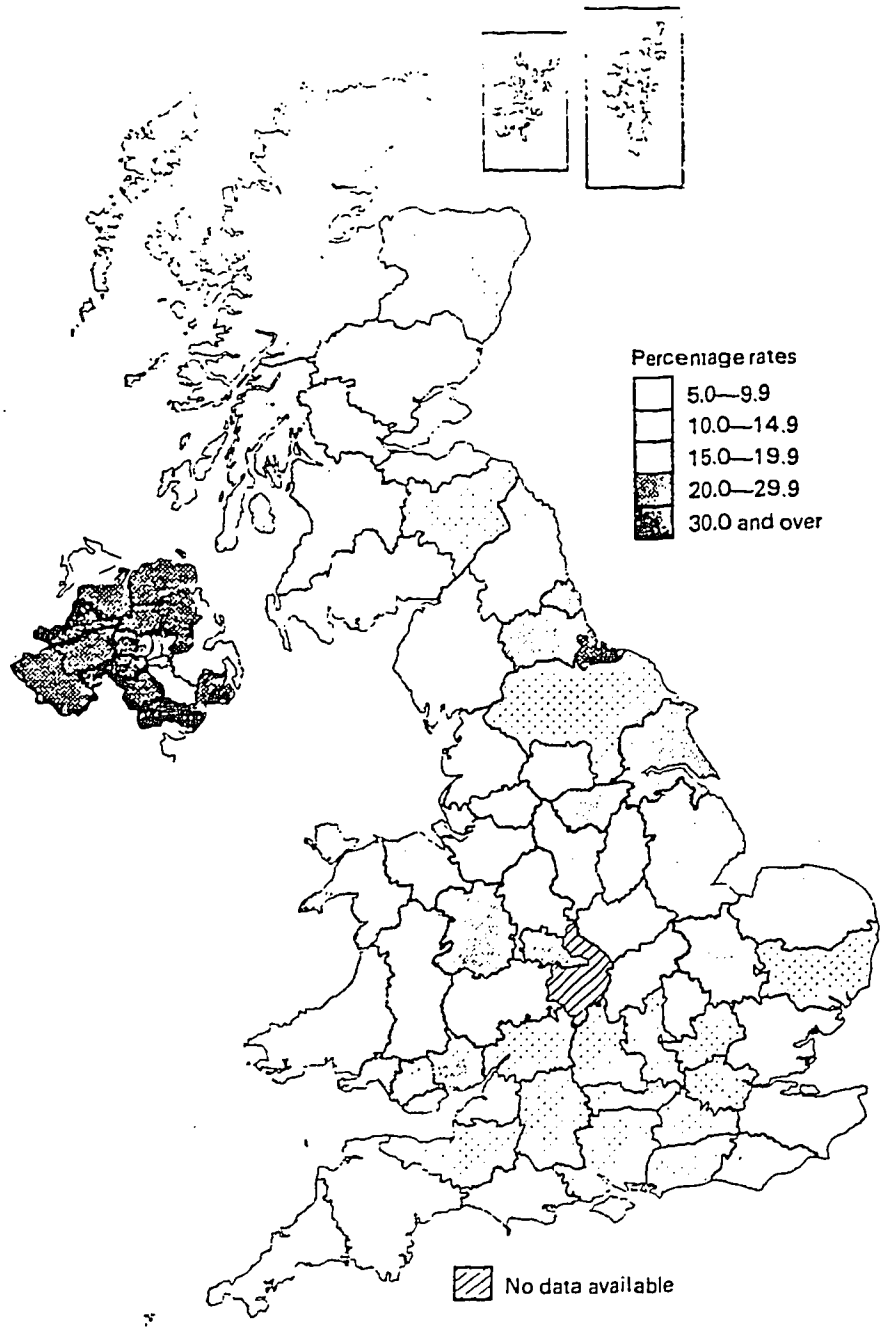
More recent figures on unemployment in the Region are available from the "Department of Employment Gazette". A total of 242.7 thousand people were unemployed in the region in February 1986 - a rate of 19.3 per cent, as compared with 14.0 per cent for the U.K. as a whole. A closer examination of the figures reveals that unemployment is particularly high in areas such as Middlesbrough (23.5 per cent), South Tyneside (25.8 per cent) and Sunderland (22.4 per cent),

Figure 4

Unemployment rates

October 1933

Percentages



Source: Department of Employment.

Occupational grouping of head of household

1981

Percentages

	In employment								Unemployed or economically inactive
	Total[1]	Employees						Self employed	
		Managerial and professional	Clerical and related	Other non-manual	Craft and similar	General labourers	Other manual		
United Kingdom	60·9	15·7	4·5	3·2	12·3	1·1	15·5	8·1	39·1
North	57·5	12·0	3·4	2·6	15·0	2·3	16·3	5·8	42·5
Yorkshire and Humberside	59·6	15·1	3·6	2·4	14·1	1·5	16·0	6·8	40·4
East Midlands	63·1	15·0	3·6	3·4	15·1	1·3	17·0	7·4	36·9
East Anglia	64·5	14·9	3·8	4·3	13·1	1·0	16·6	10·5	35·5
South East	64·2	19·6	6·3	3·4	10·4	0·6	13·9	8·8	35·8
South West	60·4	14·3	4·0	4·2	10·1	0·6	14·6	11·9	39·6
West Midlands	60·2	14·9	3·5	2·5	15·0	1·3	15·8	6·8	39·8
North West	58·1	14·1	4·2	2·9	12·4	1·1	16·0	7·2	41·9
England	61·6	16·3	4·7	3·2	12·3	1·0	15·2	8·2	38·4
Wales	55·5	11·4	3·5	2·4	12·8	2·0	14·7	8·5	44·5
Scotland	58·5	12·7	3·9	3·4	12·5	1·7	18·5	5·6	41·5
Northern Ireland	58·0	12·6	3·6	3·0	10·7	1·3	15·3	11·2	42·0

(1) Includes employment status not stated and inadequately described occupation.

Source: Department of Employment, Labour Force Survey.

Table 3

15

Educational qualifications(1) of the workforce(2)

1981

Percentages

	Total (000s) = 100%	Degree or equivalent	Other higher education	Appren- ticeship	GCE 'A' level or equivalent	GCE 'O' level or equivalent	CSE below grade 1	None	Other(3)
m	24,562	7·2	5·3	17·0	7·2	11·5	4·3	39·8	7·6
	1,342	4·5	5·1	22·0	4·9	10·5	5·0	41·8	6·3
e and Humberside	2,143	6·1	6·2	19·1	5·6	10·9	4·0	40·8	7·3
dlands	1,702	6·6	5·2	18·1	5·9	10·4	4·7	41·3	7·9
glia	852	6·9	4·2	17·3	6·9	11·5	4·7	40·4	8·0
ast	7,523	10 0	5·2	13·7	8·9	13·4	4·7	35·1	9·0
ter London	3,019	10·7	4·4	10·9	8·8	13·0	4·4	37·5	10·3
of South East	4,503	9·5	5·8	15·5	9·0	13·6	4·9	33·5	8·2
Vest	1,853	7·1	5·7	16·3	8·3	11·8	5·6	36·9	8·3
idlands	2,303	5·8	4·7	15·4	6·4	9·9	4·5	45·7	7·6
Vest	2,847	6·1	5·5	19·1	5·7	11·2	4·4	41·8	6·3
	20,566	7·5	5·3	16·5	7·2	11·8	4·7	39·1	7·9
	1,157	4·8	5·4	15·4	5·9	11·7	4·4	45·8	6·7
	2,234	6·1	5·0	22·4	8·3	9·8	1·1	41·4	5·8
eland	605	5·2	7·0	17·3	5·7	9·5	3·4	46·8	5·1

the highest qualification achieved. For details of the classifications used, see

tive persons aged 16 - 59.
dying, not known or not stated.

Source: Office of Population Censuses and Surveys, Labour Force Survey.

Table 4

whereas other areas in Northumberland and Cumbria (such as Carlisle, Hexham and Berwick) recorded lower than average unemployment figures.

Youth unemployment and long-term unemployment are particularly severe in the Northern Region. In February 1986, over 90,000 people under the age of 25 years were unemployed, of whom 30,000 had been without a job for more than one year. In total 110,000 people in the Region have been unemployed for one year or more, with 70,000 having experienced over two years' unemployment.

It is clear from this section that the Northern Region has been particularly badly affected by the recent world economic recession, which has led to reduced employment in the traditional heavy industries. This has resulted in extremely high levels of unemployment in the Region, concentrated upon the inner city areas and upon disadvantated sections of the labour market such as school leavers, the poorly qualified, and those workers whose skills are now largely redundant. The disadvantaged position of the Northern Region has led to a large number of initiatives being pursued at Europeam Community, National, Regional and Local levels, in an attempt to regenerate the economy of the Region. These are briefly discussed in Section 2.4 below.

2.4 Policies for Regional and Local Economic Development

2.4.1 E.E.C. and U.K. Government Regional Policy

Financial support for various infrastructure, investment and training projects is available from the European Regional Development Fund (ERDF), U.K. Regional Development Grants (RDG), European Social Fund (ESF) and the Regional Selective Assistance (RSA) scheme, for the "assisted areas" of the Region. These comprise the most densely populated areas of the North East, together with a small part of West Cumbria (Figure 5).

Assistance is also available in the form of relief from rates and various administrative burdens in "Enterprise Zones" of which there are four in the region (Figure 6) and there exist various forms of public assistance with land and factory space. In 1982-83 the U.K. government spent a total of UKL 915 million on various forms of regional assistance to industry. UKL 109 million was spent in the North East of England (not Cumbria) which represents UKL 42 per head of population (as compared with UKL 17 per head for Great Britain as a whole, UKL 66 for Wales and UKL 73 for Scotland). In addition the Region received 109 thousand ECUs of ERDF aid in 1982, out of a U.K. total of 468 thousand ECUs.

Figure 5

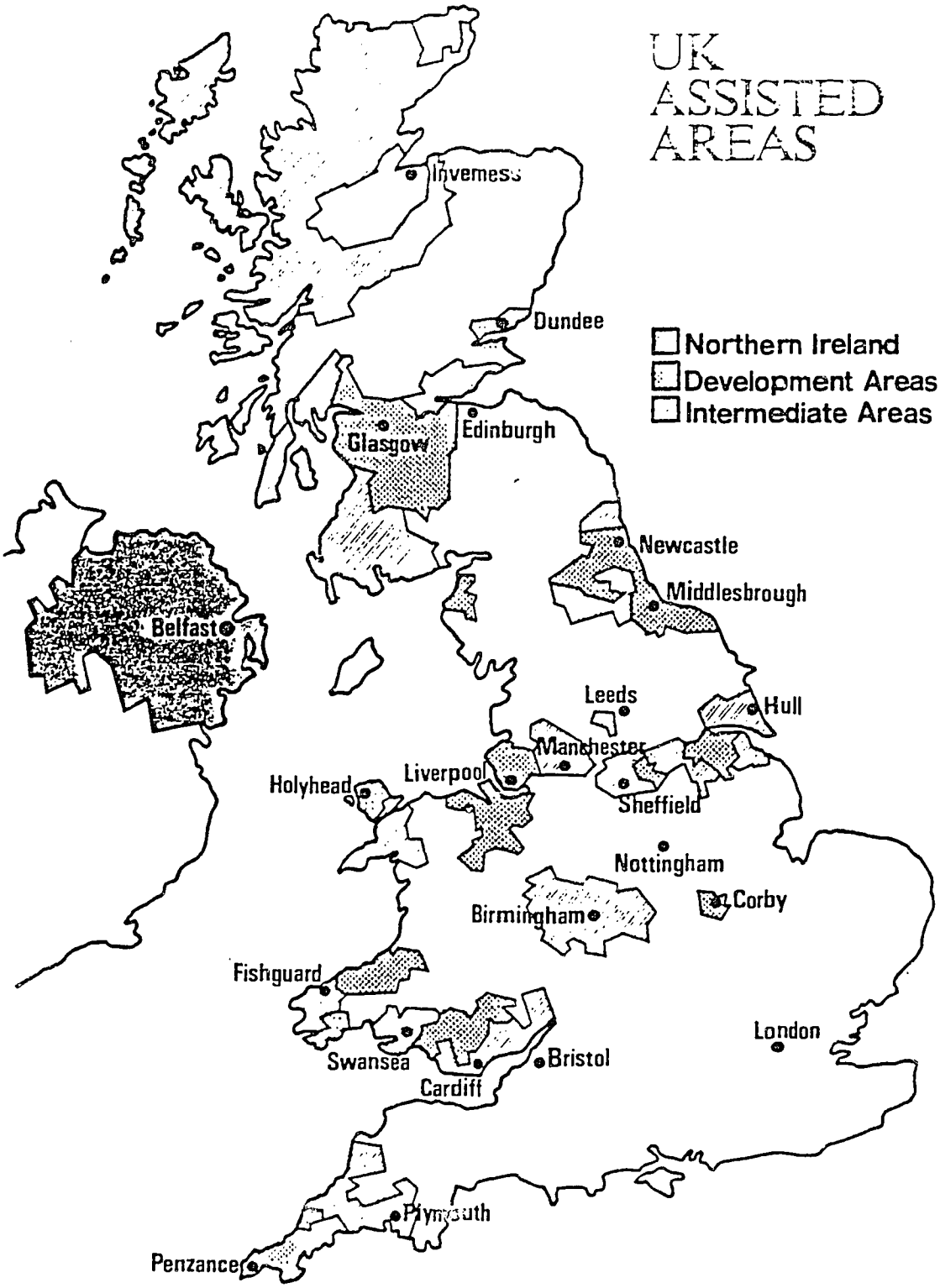
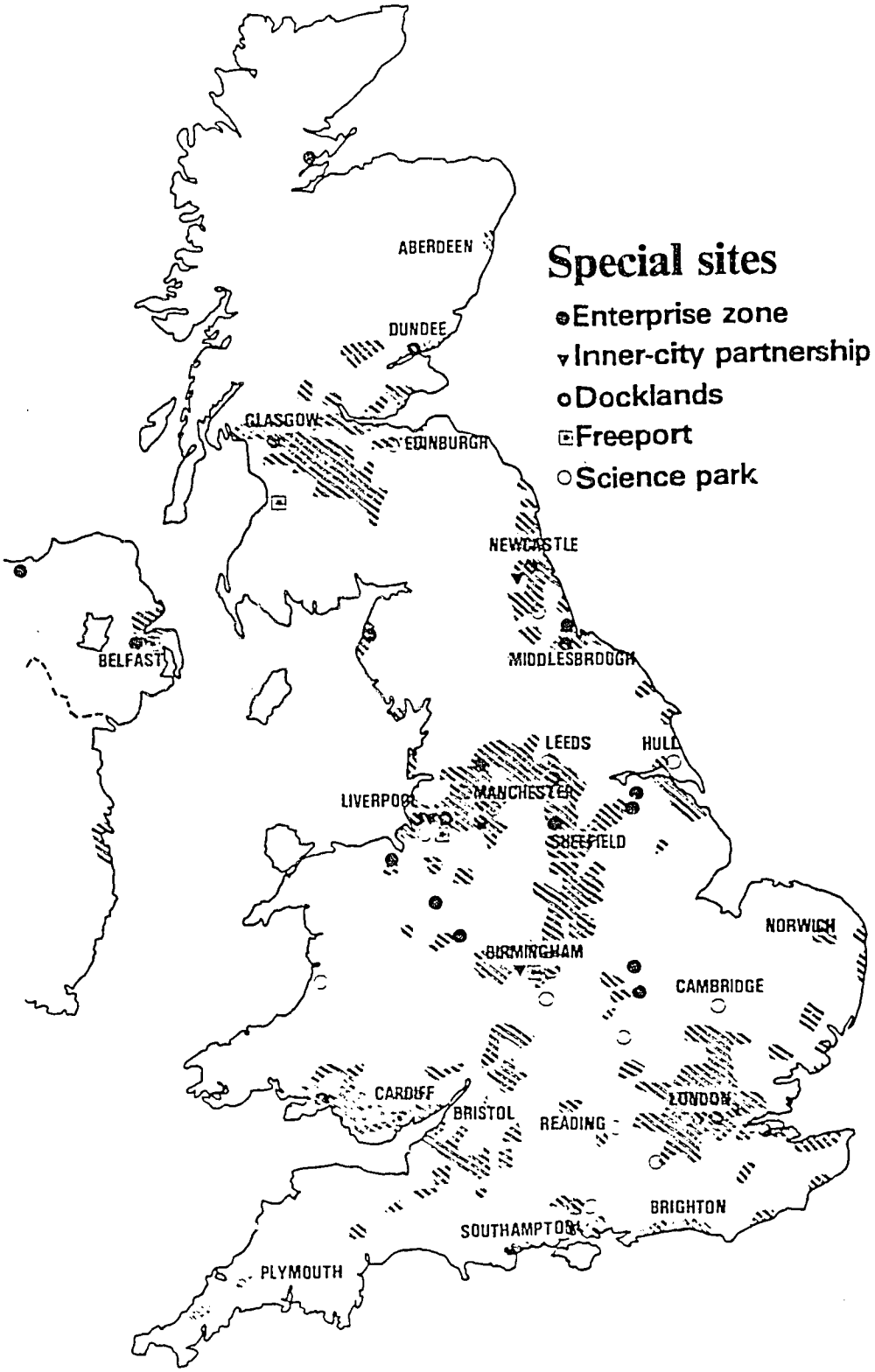

UK
ASSISTED
AREAS
Northern Ireland
Development Areas
Intermediate Areas
Inverness
Dundee
Glasgow
Edinburgh
Belfast
Newcastle
Middlesbrough
Leeds
Hull
Manchester
Liverpool
Holyhead
Sheffield
Nottingham
Corby
Birmingham
Fishguard
London
Swansea
Bristol
Cardiff
Plymouth
Penzance

Figure 6


Special sites
Enterprise zone
Inner-city partnership
Docklands
Freeport
Science park
ABERDEEN
DUNDEE
GLASGOW
EDINBURGH
NEWCASTLE
BELFAST
MIDDLESBROUGH
LEEDS
HULL
LIVERPOOL
MANCHESTER
SHEFFIELD
NORWICH
BIRMINGHAM
CAMBRIDGE
CARDIFF
BRISTOL
READING
LONDON
BRIGHTON
SOUTHAMPTON
PLYMOUTH

2.4.2 Initiatives in Coal and Steel Closure Areas

Special assistance is available from the EEC in areas affected by closures in the Coal and Steel industries, of which there have been several in the Northern Region in recent years. Loans and grants are available for projects which create employment opportunities for redundant coal and steel workers, and also for re-training programmes for such individuals.

In addition to this assistance, the nationalised coal and steel companies in the U.K. have set up special organisations - BSC (Industry) Ltd and NCB (Enterprise) Ltd - in order to help to create new opportunities for redundant workers in areas affected by closures. In the Northern Region, for instance, BSC (Industry) covers the areas of West Cumbria, Derwentside, Hartlepool and Teesside. Closures of Coal Mines have taken place through Northumberland and Durham, most recently at Blyth in Northumberland.

2.4.3. Assistance for the Inner Urban Areas

It has been emphasised that unemployment is a particularly severe problem in certain inner city areas of the Region. There exist some small areas ("Wards") in towns and cities such as Newcastle, Gateshead, Sunderland and Middlesbrough, where total unemployment exceeds 30 per cent and, in some cases, male unemployment is more than 50 per cent. The problems of inner urban areas have ben recognised by successive U.K. governments, and several types of aid are

available to these areas in the form of grants and loans to local authorities and businesses, and 'Urban Development Grants' for private sector projects. Some areas with particularly severe problems have been designated as 'partnership' areas, and these include the Newcastle/Gateshead area in the Northern Region. The area has a 'City Action Team' which aims to co-ordinate the efforts of the Departments of the Environment, Trade and Industry, and Employment together with the Manpower Services Commission in developing and implementing their policies and programmes in the areas.

2.4.4 Local Authority Initiatives

Local Authorities have played an increasingly important role in ecnomic development throughout the U.K. in recent years, and this trend is reflected in the Northern Region. Most large authorities in the Region maintain a budget for economic development, the size of which is restricted in a variety of ways. It is impossible to detail all of the initiatives in the Region in a short report, but there are various common themes. All authorities attempt to attract investment from outside the Region, and particularly from abroad. The most notable success of this type of strategy has been the attraction of the Nissan plant, providing 500 jobs, to Sunderland which was achieved by a combination of Sunderland Borough Council, Washington Development Corporation and Tyne and Wear County Council.

However, there has been an increasing emphasis on the promotion of indigenous development in the Region, most

notably through attempts to increase the rate of business start-ups, including co-operatives and community business, and assistance to local small businesses. This has been approached in a variety of ways, including the provision of cheap small workshops in areas such as Newcastle, Sunderland and North Tyneside, and the setting up of specialist agencies to assist new and small businesses. These agencies include ENTRUST which was set up by Tyne and Wear County Council with assistance from the European Social Fund (ESF). Tyne and Wear County Council also provided assistance to the Northern Region Co-operative Development Association (NRCDA) which has helped to set up a number of workers' co-operatives and community businesses in the Region. Other agencies of interest include the Tyneside Economic Development Company (TEDCO), the Walker Enterprise Development Agency (in a particularly deprived area of Newcastle) and the Derwentside Industrial Development Agency (DIDA) covering the area affected by the closure of Consett Steel Works in 1979 with the loss of 3,000 jobs.

Some local authorities have provided wage subsidies to local employers and have also provided grants and loans for investment etc. Local Authorities have also been directly involved in the provision of training through their involvement in the Youth Training Scheme (YTS - see below) and through the setting up of Information Technology Centres (ITECs), which train young people and older workers in the use of new technology. For instance, the Sunderland Information Technology Centre has a budget of UKL 155,000 and an intake of 35 trainees. The role of local authorities

in education and training in the Region is discussed more fully in Section 4 below.

2.4.5. Other initiatives

Two national initiatives which are not confined only to depressed regions, but are particularly important for the North are the Enterprise Allowance Scheme, which provides a grant of £40 per week for unemployed people wishing to set up a business, and the Community Programme, which provides temporary work on social and community projects for the long-term unemployed. In March 1985, there were 13.3 thousand people employed on the Community Programme, and the most recent figures for the Enterprise Allowance Scheme show that 2,286 were participating in the Region out of a U.K. total of 41,486 in March 1985.

Section 2.4 has illustrated that a large variety of initiatives and schemes have been introduced in the Northern Region in order to stimulate economic development. These have been introduced by a great many institutions ranging from the EEC to the local authorities. However it must be stated that there does not exist any overall economic development strategy for the Region. This poses problems for the institutions which are attempting to integrate education and voactional training into regional development. We shall discuss these isues in Sections 4 to 7.

3. The Vocational Training System in the U.K.

A full description of the vocational training system in the UK is available in the form of a CEDEFOP report. It is not intended here to repeat this description, but to describe some of the more important recent developments in the UK which are likely to affect the Northern Region.

The New Training Initiative, which was introduced in 1982, has the objectives of modernising occupational training, providing vocational education and training for young people, and opening up opportunities for adults.

The first objective (modernising occupational training) is largely seen as the responsibility of the firms, employees and other institutions concerned, although the Manpower Services Commission makes a contribution, particularly with regard to the training of young people. Vocational education and training for young people largely takes place through the Youth Training Scheme (YTS), which has now been extended to two years. In 1984/85 a total of 390,000 young people entered the scheme, of which 26,900 were in the Northern Region. The schemes are supervised by the Youth Training Boards and by the Area Manpower Boards, consisting of representatives of employers, trade unions, local authorities, education and careers services, and voluntary organisations. Most of the schemes are run by employers in the private and public sectors, but some are run by local authorities, colleges and voluntary organisations. The Government is currently committed to providing all unemployed 16 year old school leavers with a place on YTS.

The second major aspect of youth training policy in the UK is the Technical and Vocational Education Initiative (TVEI). This is aimed at stimulating the provision of technical and vocational education for 14-18 year olds within a framework of general education. This is run by MSC in conjunction with local education authorities (LEAs). In 1983, 14 pilot projects were established, with a further 47 authorities joining in 1984 and 12 in 1985. Over 20,000 school students were taking part in TVEI projects in 1984/85.

Adult training has received particular attention recently, with the publication of several reports which have suggested that Britain is under-investing in training, compared with her competitors. In November 1984, MSC launched an Adult Training Campaign, designed to inform employers, individuals and training providers of the importance and value of training and retraining for adults and their relevance to economic growth and competitiveness. This issue will be analysed further in our discussion of employers' training strategies in Section 5.

The Training Opportunities Programme (TOPS) for adults is being replaced by a series of initiatives under the title of the Job Training Programme and the Wider Opportunities Programme, with the aim of focussing more closely upon the known needs of employers and employees. For instance, a Training for Enterprise Scheme has been introduced, with the aim of providing training for people wishing to set up their own businesses. During 1984/85, a total of 4,700 people participated in the wider Opportunities Scheme which helps unemployed people improve their work-related skills.

Other aspects of the UK Training System which are of relevance include the network of Skill Centres (which has been reduced in the past years), Information Technology Centres (ITEC's) and the Open Tech Programme, which promotes the use of open learning methods.

This brief description has illustrated the wide variety of schemes and initiatives which have been introduced in the field of vocational education and training at a national level in the UK. The remainder of this report will consider in more detail how these and other schemes are implemented in the Northern Region, and how they relate to the process of economic regeneration.

4. Education and Basic Training in the Northern Region

4.1 Introduction

The quality of the education and basic training infrastructure of a region is clearly an important aspect of regional economic development. A workforce with a wide range of basic skills is an essential pre-requisite for the regeneration of the economy. At a higher level, the further and higher education system can play an important role in training the region's workforce in areas such as electronics, computing, management and business skills, as well as providing research facilities for the region's companies.

The Northern region has a less qualified workforce than is the case for most other regions in the country. For instance, in England in 1985, 27 per cent of school pupils remained at school beyond the statutory minimum school leaving age of 16. In the North the corresponding figure was 23 per cent. Similarly 13 per cent of the region's school leavers obtained one or more 'A' (Advanced) levels, as compared with 14.3 per cent nationally. There are important variations within the region with Northumberland performing very well in terms of qualifications, and with Durham having a relatively low proportion of pupils staying at school beyond the age of 16 and obtaining 'A' level qualifications. 2.9 per cent of 18 year old school leavers in the North went on to higher education, as compared with 3.1 per cent nationally.

This section of the report briefly describes the operation of various education and basic training schemes in the Northern region, and discusses the role which institutions of further and higher education play in providing the workforce with the skills which are required by existing and potential new employers in the region.

4.2 Vocational Education in Secondary Schools

It has long been felt by many industrialists and educationalists that the secondary (11-18 age group) school system does not provide sufficient basic vocational training to school students, who tend to leave school with 'academic' knowledge and qualifications but with very little awareness of the realities of the world of industry and work. The Technical and Vocational Education Initiative (TVEI) is an attempt to overcome this problem by instituting pilot schemes aimed at increasing awareness of the industrial world amongst school students through visits to local factories, lectures from local industrialists and trade unionists and practical training in work-related skills. This initiative is still at the pilot stage and, by September 1986, all eight local education authorities in North East England will be participating in the scheme. Highly successful TVEI schemes exist in North Tyneside and Washington. The schemes are controlled and financed directly by the head office of the Manpower Services Commission in Sheffield. The TVEI scheme is likely to become a national (as opposed to a pilot) scheme in the future, but it is unclear whether it will be run by MSC, the Department of Education and Science or the local education

authorities themselves. It seems that the TVEI scheme has had little immediate impact upon regional development in the North, although there may be a longer term impact in terms of changes in school curricula and in the attitudes of teachers, education authorities and school students towards industry.

The absence of an 'entrepreneurial culture' in the North has been one explanation which has been suggested for the lack of economic development in the region. It has been argued that school-leavers have been educated with the idea of entering employment within a large firm (of which there are, or were, many in the Northern region) rather than of starting in business or working for a smaller concern. One attempt to overcome this perceived problem at a national level is the 'Education for Enterprise' scheme which is aimed at making school students aware of the 'entrepreneurial option' for employment. This is given great emphasis in the North, due to the massive decline in employment opportunities in large firms, because of closures and contractions. The scheme is run in the region by Durham University Business School (DUBS) and currently operates in 2,000 secondary schools in the region.

4.3 The Youth Training Scheme

The decline of major sectors of manufacturing industry in the Northern region has meant that, for the vast majority of school leavers, the traditional route into employment - through an apprenticeship with a large engineering or shipbuilding firm or similar - has been closed. For most 16

year old school leavers in the region the only remaining option, apart from unemployment, is to enter the Youth Training Scheme (YTS). There were 20,430 16 and 17 year olds in training on YTS IN THE Northern region in November 1985, out of a national total of 301,424. The economic decline of the Northern region is reflected in the relatively low proportion of YTS trainees who are involved in Mode A (employer-based) as opposed to Mode B (training centres, voluntary groups, local authorities, colleges etc.) schemes.

In the more prosperous regions of the country, YTS has come to be seen as a type of 'apprenticeship' whereby employers are able to assess trainees (and vice versa) and choose the most suitable for permanent employment at the end of the training period. This view is partly reflected in the recent extenion of the scheme to two years, with a more skill-specific content, particularly in the second year. It has been suggested that this model may be of less benefit to depresed regions such as the North than for relatively prosperous regions such as the South East of England. The general lack of job prospects in the North mean that firstly, a more general training content may be appropriate in order to maintain options and secondly, a greater 'enterprise' element is required, in recognition of the fact that for many young people, self employment may be the only alternative to unemployment.

Any proposed YTS scheme is strutinised by the appropriate Area Manpower Board which consists of representatives from employers, trade unions, voluntary organisations, local

authorities and so on, and schemes are monitored by local MSC offices. At the level of the individual establishment, the agreement of the appropriate trade union is sought before YTS schemes are implemented.

No specific mechanisms exist whereby the needs of regional economic development are linked to the operation of the YTS scheme, although the Area Manpower Board system does provide a forum within which the views of the various interested bodies can be expressed. The MSC at regional level has links with other relevant government departments (Environment, Industry, Education) and with local authorities, and attempts are being made to ensure that the YTS becomes more fully attuned to the demand side of the labour market (rather than being solely supply-led) and that elements which are seen as particularly relevant to the region's economic problems (for example, training for enterprise) are emphasised in the schemes which are introduced.

Local authorities are also involved heavily with YTS in the region. For instance, Newcastle City Council recently announced that 700 school leavers will be trained in Council run workshops in 1986. Other local authorities in the region provide similar facilities. In Newcastle and Gateshead, the City Action Team (see Section 2.4.3 above) is working closely with the local authorities in order to identify ways in which the YTS can be geared more closely to known economic development and other needs (e.g. of particular areas or groups of people) identified by the local authorities.

To summarise, YTS is a national scheme introduced with national (rather than specifically regional) priorities in mind. It is, however, largely implemented and monitored at a regional and local level and there do appear to be some movements in the direction of linking YTS more closely with the needs of economic development in the region.

4.4 The Role of Further Education Colleges

All of the major towns and conurbations in the region possess Colleges of Further Education (CFE) which are run by the local authorities and provide a large variety of educational and vocational courses on a full-time, part-time and day release basis. These range from 'O' and 'A' level courses, courses leading to BTEC qualifications and many other business, professional and industrial courses. The three Polytechnics in the region (Newcastle, Sunderland and Teesside) provide courses leading to graduate and postgraduate qualifications, in addition to the type of courses offered in CFEs. The higher education aspect of the Polytechnics' work will be discussed in more detail in Section 4.5 below. It is impossible in this short report to cover the wide range of activities in which CFEs are involved in the region, so this section will confine itself to some general comments illustrated by specific examples.

A major national initiative aimed at improving links between industry and training providers in colleges, entitled PICKUP (Professional Industrial and Commercial Updating) was launched by the Department of Education and Science in 1982. This initiative has several aims:

(i) The stimulation of colleges, polytechnics and universities to provide courses for, and become more aware of the needs of Industry with regard to training.

(ii) Raising the awareness if industry about the resources available in clleges and other educational establishments.

(iii)The promotion of more flexible forms of training.

(iv) The identification of, and the funding of solutions to, financial constraints on the provision of training by colleges.

These aims are pursued through a variety of methods such as publicising good practice to colleges through seminars, presentations, newsletters etc; the provision of financial support for curriculum development and other innovative projects; liaison with MSC and, most importantly for our purposes, a system of regional agents to reflect regional and local needs.

It has been argued that, for a variety of reasons colleges have been unable to exploit their full potential in terms of the provision of training for industry. In addition there may be some communication and information problems between the two sectors. This is not seen as a major problem where large employers are concerned - most colleges have very good links with these - but small and medium-sized employers have greater difficulty in identifying their training needs and

meeting them through the public further and higher education system.

The Northern region has additional problems in this respect. The high levels of unemployment in the region mean that the market for industrial training is limited. The domination of the industrial structure by declining industries such as shipbuilding and heavy engineering has meant that colleges have often been geared towards the needs of these industries. For example Consett Technical College has tended to concentrate on courses related to mining and Gateshead teachnical College has specialised in heavy engineering. The decline of these industries has meant that colleges have needed to diversify into other areas such as eelecronics, light processing and business skills, and to be more flexible in the provision of training in order to suit the needs of small and medium-sized local businesses as opposed to larger firms.

Various projects have been launched in the region in order to help overcome the problems. A highly successful scheme was the College Employer Links Project (CELP) based in Cleveland, which was one of nine national pilot schemes funded by PICKUP. This project helped to raise the awareness of firms in Cleveland of the facilities which are available in local colleges.

A series of Local Collaborative Projects have been undertaken with a view to bringing together industry and training providers associated with particular industries, areas or technologies in order to examine and meet training

needs. These projects are jointly funded by MSC and PICKUP. Large Scale Projects involve funding of around UKL 55 to UKL 60 thousand, whereas Small Scale Projects involve lower levels of funding. To date in the North there have been five large scale projects, with two commencing shortly, and 25 to 30 small scale projects. The most important large scale project has been an examination of the needs of the region's industry with regard to Information Technology. Other projects have examined the biotechnology industry and Advanced Manufacturing Technology (in conjunction with the North East Engineering Employers' Federation). Examples of small scale projects have been an examination of training needs in Consett and a survey of the training needs and attitudes to training of small firms in the region.

There is a prevailing view in many circles that the growth and development of new and small firms is an important, if not essential, element of the economic recovery of the region. This is reflected in the emphasis placed on entrepreneurial studies in schools and on YTS, mentioned above. Colleges in the region are also reflecting this view. Newcastle Polytechnic has a successful Small Firms Unit which provides training for would-be entrepreneurs and existing small business people. Courses are also run for co-operatives (or potential co-operatives) in the region. There is also an increasing emphasis upon small businesses in many Business Studies (and to a lesser extent, Engineering) courses, which in the past have concentrated upon the needs of large organisations.

The perceived need for more flexible training is also reflected in the development of open learning schemes in the region as part of the national Open Tech Programme. The North East Open Learning Network, involving colleges and polytechnics in the region has received UKL 750,000 of funding from the Open Tech Programme.

In summary, it seems that there are signs that the Further Education Sector in the region is adjusting to change and providing the type of course and teaching methods which are necessary to suit the needs of modern industry. Colleges are recognising the role which they could play in the economic regeneration of their local areas and the region as a whole through the training of the workforce. These changes are coming about partly through necessity (for instance, because of the reduction in demand for certain types of coures) and partly due to schemes such as PICKUP and Open Tech which provide a basis for collaboration between education and industry as well as funding for new developments.

4.5 Higher Education and Regional Economic Development

The Northern region possesses two Universities (Durham and Newcastle) and three Polytechnics at Newcastle, Sunderland and Teesside. Universities, in particular, tend to serve national and international, as opposed to purely local needs. They have also had a tendency to indulge in basic rather than applied research in many fields, and the type of training given to students may relfect this. Polytechnics, which combine elements of both Further and Higher Education,

tend to have greater links with local and regional authorities and industry than do universities, and may thus be more responsive to local needs. The majority of higher education students in the region, however, come from outside the region and tend to move back outside he region after graduation.

Notwithstanding these general comments, higher education institutions in the region are playing an increasing role in the regional economy and this is reflected in several developments. For instance, the five institutions have formed a group called Higher Education Support for Industry in the North (HESIN) which provides a forum for discussions regarding the role which higher education can play in assisting the region's industry with regard to both training and research. HESIN has played a major part in many of the local collaborative projects discussed above. Another relevant initiative has been the formation of the Microelectronics Applications Research Institute (MARI) with the support of the University and Polytechnics of Newcastle, Tyne and Wear County Council and the European Community's Regional Funds. This is mainly a research institute, but it does provide some advanced training in microelectronics-related areas.

The Newcastle Technology Centre Ltd, based at the University of Newcastle upon Tyne and established in May 1985 aims to make a major contribution to the economic and industrial growth of the region by assisting companies in the introduction of new products and processes, and assisting Higher Education Institutions to mobilise their resources in

support of industry. The Centre is run by a steering committee composed representatives of Newcastle University, Newcastle and Sunderland Polytechnics, the relevant local authorities and English Estates. It receives financial support from the Department of Trade and Industry and the EEC, but is a commercial organisation which expects to generate UKL 55,000 of revenue during 1985-1986. Although not a training organisation as such, the Centre directly utilises the advanced training and research facilities of the region's Higher Education institutions to benefit the region's economy. At Durham University, the Mountjoy Centre is a Science Park which aims to stimulate the growth and development of local high technology companies through the use of the University's expertise. The Durham University Business School (DUBS) also runs a successful Graduate Enterprise Scheme, supported by MSC and by some local businesses which aims to train bright graduates in the fields of entrepreneurship and small businesses, and to retain them in the area.

There exist, therefore, a number of initiatives in the region which attempt to harness the expertise of Higher Education Institutions in promoting economic development particularly through the adoption of modern technologies and the training of potential small business people.

5. Employers and Training in the Northern Region

5.1 Introduction

Most of the preceding discussion has been involved with training of individuals who are either unemployed or have yet to enter the labour market. Of equal significance for regional development is the training and retraining of the employed population in order to adapt to changing technologies, products, markets and organisational environments. The importance of training for economic performance and competitiveness has been emphasised in two recent reports commissioned by MSC and the National Economic Development Office (NEDO). One of the reports, entitled "A Challenge to Complacency" suggests that many British companies o little emphasis upon training and tended to regard as an overhead which could be cut back in a recession, rather than an investment for the future. These, and other findings, have led MSC to launch an Adult Training Campaign aimed at increasing the awareness of the importance of training amongst firms, and promoting the various aid schemes which are available.

There is a recogniition amongst industry, trade unions, government departments and local authorities in the Northern region that adult training is an important factor in local and regional development. For instance, the Northern Region Confederation of British Industry has recently formed an Education and Training Committee comprised of representatives from most major industries and employers in the region. The Northern Region of the Trades Union

Congress has expressed its support for the Adult Training Campaign. No close monitoring of firms' training policies is carried out by government departments or industrial organisations, hence detailed information is difficult to obtain. We will again adopt the approach of illustrating general comments on trends in the region with specific examples, without making any claims regarding the comprehensiveness of the information.

5.2 Particular Problems of Northern Industry

Many commentators emphasize three main problems of Northern industry which have exacerbated the region's decline. Firstly, the predominance of a small number of declining industries in the region; secondly the prevalnce of large, rather than small units, and thirdly the fact that many key decisions are taken outside the region, a situation which is often referred to as the 'branch plant' syndrome. The view has been expressed that there are too few decision-makers in the region and this applies to training as well as many other aspects of business such as investment policies. Many of the larger firms in the North have training facilities outside the region, and it is possible that this inhibits the development of a satisfactory training structure within the region. Highly educated and trained individuals may tend to move out of the region, reducing the potential supply of successful innovators and entrepreneurs.

Having discussed some of the problems of Northern industry, it must be emphasized that many firms in the region do have highly successful training schemes. For instance, Thorn EMI

have recently set up a training and research centre in Durham; Cummins Engines of Darlington have investigated a UKL 30 million training programme; Carreras Rothman have had a great deal of success in the retraining of ex-mineworkers in Durham.

It does seem that there is a major problem with regard to training by small and medium sized employers in the region. These have tended to be very hard hit by the recession and have tended to cut back on the intake of new trainees and the retraining of staff. The Northern Region of the MSC has been extremely concerned about the relatively low take up in the region of the many schemes which are available to support training and retraining programmes (see Section 5.4 below). It is unclear whether this is due to inadequate information, inappropriate schemes or simply due to the fact that training is not regarded as a high priority by many firms, even with the financial inducements on offer. It is possible that the various national and regional publicity campaigns may help to overcome any perceived problems.

5.3 Firms and External Training Providers

As we have mentioned above, it is very difficult to generalise about the training and re-training strategies of firms in the Northern region, as circumstances very from firm to firm and from industry to industry. However, the point can perhaps be made that there is a distinction between general training and firm-specific training. As a general rule, firm-specific training (that is, related to the particular products, processes and administrative

systems of the firm) is undertaken within the firm itself, whereas the firms tend to rely on external training providers such as colleges, public training centre and private training firms for the provision of more general training in such areas as basic engineering skills, office skills and business skills. The relationships between industry, colleges and public organisations such as MSC have been discussed in previous sections. It has been emphasized that many sections of industry have felt that the public education and training systems often fail to meet the needs of industry in terms of course content and design. This seems to be particularly true of small and medium-sized businesses in the region. An examination of education and training for the small business sector in the North found that there existed many courses which made some provision for small businesses, but that there was room for substantial improvement. It is also generally felt that small firms have difficulty in providing in-house training, or releasing key staff for external training courses. These problems suggest the need for a more flexible approach to training with modular systems such as those adopted by AMARC - a private training company - and a greater emphasis on open learning methods, which attempt to overcome the financial and time constraints which inhibit training in small and medium-sized firms in the region.

Several examples of co-operation between firms and providers of training in the region have already been outlined, particularly the Local Collaborative Projects and the activities of organisations such as PICKUP. Some firms have approached local colleges in order to examine training

needs. For instance, a major firm in Sunderland has asked Wearside College to conduct a survey of the firm's training needs.

Despite some positive developments, it still appears that many improvements can be made in the region with regard to the link between the needs of employers, the provision of vocational training and the needs of regional development. The lack of any overall body which is responsible for regional development means that developments are likely to continue to be ad hoc and piecemeal.

5.4 Public policies to promote and support industrial training

A number of policies exist which are aimed at providing financial and other support for the training activities of employers in the region. Training grants of up to UKL 30,000 per employer per year are available through the Northern Office of MSC. Surprisingly, the budget for 1985 in the Northern region was underspent, a fact which underlines the concern of many in the region that too low a priority is being given to training by many firms. The Adult Training Campaign is a general information and publicity campaign which is aimed at increasing awareness amongst industry regarding the benefits of training. In line with the concerns outlined previously in this section, particular emphasis has been placed on small firms in the region. For instance, a recent seminar on training for small firms was addressed by various local celebrities in

fields such as sport, as a means of getting the message across.

The Manpower Services Commission also has a strong influence upon the training provided in the Non Advanced Further Education (NAFE) sector, with MSC controlling approximately 12½ per cent of the NAFE budget. MSC involvement is specifically aimed at improving links between colleges and the needs of the local labour market. For instance, funding has been provided to South Tyneside College to examine the training needs of current and potential future employers in the South Tyneside area.

5.5 Summary

The evidence regarding the training strategies of firms in the region is fairly patchy, and a mixed picture emerges. Large firms who carry out a significant amount of in-house training appear to have maintained training activity, although there is some concern that key decisions are taken outside the region. However, small and medium-sized firms, which are often seen to be the most important from the viewpoint of regional development, have tended to cut back on training during the recession and do not seem to have taken advantage of the various support schemes available in the region. It is difficult to ascertain the precise reasons for this lack of take-up, but one explanation which has been offered is that there are too many sources of advice, information and training for small firms in the region, and that the firms are often confused by this. It does seem that there are moves by MSC, local authorities,

colleges and other agencies to attempt to overcome the many problems involved.

6. Other Training Initiatives in the Region

Previous sections of this report have covered many aspects of vocational training within the Northern region. This section discusses the various other public policies which are in operation in the region to re-train job-seekers, and also briefly describes some other, often more locally-based, initiatives which do not fit easily into any particular category.

6.1 Public policies for retraining job-seekers

Section 2.3 of this report has illustrated both the high general level of unemployment in the region and the decline of traditional industries which have led to many redundancies of people whose skills are often inappropriate for the developing industries such as electronics. It can also be seen that many employees have become used to working for large firms and do not have the skills necessary to create their own jobs in other businesses or co-operatives. A number of public policies have been introduced nationally to retrain unemployed and redundant workers, and these are of obvious importance to the Northern region. These policies include the Job Training Scheme, which is available to all unemployed people and the Wider Opportunities Training Programme (WOTP), which offers a range of modular full and part-time courses at various levels. There are five main programmes under this scheme -

(i) basic training in broad-based skills (including new technology and self-employment) for those with narrow and outdated skills;

(ii) training courses for those needing a general preparation for work;

(iii) training for speakers of English as a second language;

(iv) training for women wishing to return to work, and

(v) training for unemployed managers and professionals.

The high level of unemployment in the North means that all of these aspects are important, but there seems to be an emphasis in the region upon basic training for unemployed adults, as opposed to skill upgrading. This reflects the low and unappropriate level of skills which exist amongst many unemployed adults in the region. There is also a shift away from general provision of training towards an approach which is targetted upon the long term unemployed. For instance, participants on the Community Programme - a scheme of socially useful work for the long term unemployed - are often encouraged to obtain further training through financial inducements.

6.2 Other Training Initiatives

In addition to the national training policies such as TVEI, YTS and WOTP, the training provided by colleges and private trainers and the training activities of the firms

themselves, there exist in the region a number of projects which are often locally-based and involve some element of training. This section of the report cannot hope to review all of these initiatives, but it may be useful to mention some projects as indications of the ways in which local actors (often with financial support from local authorities, government departments and the European Community) are attempting to provide the type of training which may meet the needs of local and regional development.

The Tyne and Wear Enterprise Trust (ENTRUST) is supported by Tyne and Wear County Council, the European Social Fund and some private sector sponsors. Its main aim is to provide advice and information to those who are running small businesses or who wish to set up new businesses or co-operative ventures. In addition to advice centres and a Business Development Unit, ENTRUST has a Training Unit which provides both short presentations on self employment and several more extensive training programmes in areas such as the development of new products and processes in small firms and in administration of small firms. The 1985 ENTRUST report describes the Product and Process Extension Programme which was launched with the co-operation of MSC and Sunderland Polytechnic. The skills of unemployed engineers and technicians were utilised in the development of new products and operating systems in local small firms. This has directly led to the creation of 35 new jobs in the companies involved, and 15 of the engineers and technicians have obtained employment. Other training programmes have been the Administrative Extension Programme, which placed unemployed women with office skills into small companies

which needed help with administration. ENTRUST has established a Community Business Forum and participated in many schemes to assist local small firms and unemployed people in areas such as marketing, supplying large companies, and sales. In total, the training activities of ENTRUST in 1985 involved 885 participants in 26 programmes or seminars, with a total of 48,496 hours of training. In total 80 small and medium-sized enterprises benefitted from project work undertaken via the training programmes. ENTRUST claims to be highly successful in the creation and retention of jobs in the Tyne and Wear area through its support for new and small businesses, its training schemes and its contacts with other organisations such as MARI and the Newcastle Technology Centre.

Other training initiatives in operation or at the planning stage within the region include the Women's Employment Project which provides training in non-traditional skills for women, and various smaller projects such as the conversion of the John Marlay School in West Newcastle into a centre which provides training facilities and workshop space for those who wish to become self-employed or form community businesses. The North East Media Development Council has set up an interesting scheme for the training of media technicians, with support from the film industry, local councils and the media trade unions. This represents an example of co-operation between various interested parties in setting up a scheme which will train people in the skills necessary to participate in an industry which has good growth potential. A similar project is the proposed establishment of the Burton Design Centre in the disused

Burton clothing factory in Gateshead. Good design is seen as an important aspect of the competitiveness of a national or regional economy, and this project - supported by the UK Design Council and by the Burton company - aims to utilise the expertise available at Newcastle Polytechnic and Newcastle University to provide courses in Design and Design Marketing.

Project North East is an organisation supported by the public and private sectors which aims to provide advice and training to young people who wish to start their own businesses. Its most important activity is the establishment of the Newcastle Youth Enterprise Centre which provides managed workspace facilities for young entrepreneurs together with the support of experienced managers on loan from local large businsses. This project illustrates the importance which is currently being attached by many in the region to self employment and entrepreneurship as a means of developing employment prospects in the region's economy.

There are many similar projects in operation in the region. Most are on a fairly small scale, involving only a few people and limited resources, but their existence illustrates that it may be possible to provide employment for some individuals and to enhance the employment prospects of others. Although the organisations described in this section are not exclusively involved in training, they are perhaps illustrative of the type of project which may be usefully implemented on a larger scale in order to

contribute to the local and regional economic development process.

7. Summary and Conclusions

The Northern region of the United Kingdom is a relatively large, heavily populated and industrialised region consisting of a whole range of administrative structures. Because of this, it has been difficult to cover in any detail some of the key points arising from the analysis outline. In particular, the absence of an overall authority in the region with responsibility for economic development and/or vocational training means that the approach taken has necessarily been partial.

Nonetheless, several important points emerge from the data analysis and discussions which have taken place during the course of this study.

Firstly, almost all of the institutional actors in the region have expressed the view that it is desirable to have some overall body with responsibility for economic development in the region. It is felt that this would ensure a more efficient allocation of existing resoucres than the present system, with its multiplicity of organisations at different levels with different resources and varying degrees of control.

Secondly, there is a widespread view that vocational training is an important element in the economic development process of the region and its various localities. The expansion of existing firms, the attraction of new firms to the region and the creation of new indigenous activities are

all crucially dependent on the level of skill of the regions employed and unemployed workers.

Thirdly, there has been increasing attention paid by those concerned with economic development to the role of new and small locally owned firms in providing the basis for the region's future growth and prosperity. This has been reflected in the economic development policies of local authorities and of central government, and has also influenced the attitudes of training providers, particularly MSC. MSC have placed great emphasis upon training for entrepreneurship and self-employment within its various schemes.

Fourthly, there have been moves towards increasing co-operation between local industry and colleges through projects such as PICKUP, the various Local Collaborative Projects and links between individual firms and particular colleges. In particular, the needs of the newer growth industries and of smaller firms are being recognised by training institutions and attempts are being made to overcome perceived problems, for instance through the Open Tech Programme.

Fifthly, there exist a large variety of individual projects which have a training element, most of which make a modest contribution to local employment prospects.

Despite the positive aspects which have been highlighted in the report, there still remain many deep-seated problems in the Northern economy. The expansion of vocational training

and the improvement of links between education and training providers and local industry area clearly important elements of a regional development strategy. However, a more wide-ranging approach may be necessary if the fortunes of the North's economy are to be permanently reversed.

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

MISE EN VALEUR DES RESSOURCES HUMAINES DANS DES REGIONS EN RECONVERSION ECONOMIQUE BENEFICIANT D'APPUIS FINANCIERS COMMUNAUTAIRES

CASE STUDY ON THE PROVINCE OF LIMBURG

Berlin, 1986

LIMBURG REGIONAL DEVELOPMENT CORPORATION

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING IN LIMBURG

The use of human resources in the plans for economic development and employment in regions receiving financial assistance from the European Community.

V. NEESEN
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Hasselt, April 1986

INTRODUCTION

Limburg province - economy and government

a) Decision-making

The province as an administrative and political unit

Limburg, which is one of the nine Belgian provinces and forms part of the Flemish Community, constitutes both a political and an administrative unit.

The province is, first and foremost, a tier in the system of territorial decentralization, with autonomous powers in matters of provincial importance; as such it is a political institution, with a democratically elected representative body, the Provincial Council (which is directly elected) and the Permanent Commission (whose members are elected from and by the Provincial Council). Both Council and Commission are responsible for decision-making in the area of provincial initiatives. In addition, however, the province is an administrative body with its own role in State administration, implementing within its own territory numerous laws and general decisions of central government. This involvement in State administration forms part of the function notably of the Governor and the Permanent Commission. The province is thus an autonomous tier of government intermediate between central government (Belgium) and the Communities (in this case the Flemish Community) on the one hand and the municipalities (of which there are 44 in Limburg) on the other.

Education in Limburg

Like other provinces Limburg has inherited from the past its own secondary and higher education system. In the 1950s technical schools were established as part of the first real process of industrialization in the province; this was immediately followed by the establishment of specialized higher education in such fields as economics, paramedical training, architecture, accountancy and teacher training. Since the democratization of university education provision has been made for university-level studies in Limburg, notably on the University Campus at Diepenbeek. The province continues to play a major role in the growth of research institutions and the relocation of teaching facilities on the Diepenbeek Campus. Five institutions of higher or university education have been established, together with four research institutions and the post-university centre (see below). There are also plans for the establishment of an industrial research park extending over several tens of hectares in the neighbourhood of the Campus.

Limburg Regional Development Corporation

Provincial activity in the economic field is largely determined by the Limburg Regional Development Corporation (Gewestelijke Ontwikkelingsmaatschappij Limburg, GOM-Limburg), a public body established under the Planning and Economic Decentralization Act of 15 July 1970 with the purpose of promoting the province's economic development. The Corporation in fact

continues the work of the Limburg Economic Council, which dated from 1951 and was the first such body to be set up in Flanders.

The statutory framework which enabled the former councils to be transformed into Regional Development Corporations with their own statute was created in 1970. Limburg's Corporation was set up by the Provincial Council in 1973 and became operational on 1 July 1977. The Corporation's policy-making bodies are its General Assembly, Governing Council and Management Committee: these are made up of representatives of the public sector (the Provincial Council and the Intercommunal Environmental Development Corporation for Limburg) and equal numbers of representatives of workers' and employers' organizations, the public-sector representatives having a majority of one. The Corporation's work includes research and action on the regional economy, the systematic promotion of investment, advice to firms, technological assistance in the area of innovation and participatory activities.

b) The regional economy

The province of Limburg covers an area of 242 231 hectares and has a population (end 1984) of 729 600, 7·4% of the population of the country as a whole; the population density of 301 inhabitants per square kilometre is below the national average (323/km^2). The main centres are the chief town, Hasselt (65 000 inhabitants), and the more industrial municipality of Genk (61 500

inhabitants). A special feature of Limburg's population is its rapid growth: over the period 1970-84 the provincial population increased by 77 000 or 11·8%, as compared with a national increase of 2·1%. Limburg is also characterized by a youthful population: 42·5% of its people are aged under 25 and only 8·9% are 65 or over. In addition to natural growth the population is affected by migration: over the period 1970-84 net immigration totalled 4 200. The total population growth of 77 000 thus includes a 5·5% component representing the effect of migration. In recent years, however, there has been fairly considerable net emigration, the result in part of high unemployment and poor job prospects among young people; since 1980, indeed, there has been a systematic population loss averaging some 1 500 per year.

In past decades Limburg's coal mines have tended to attract foreign workers to the province, and as a result foreigners now account for about 10% of the population; the main concentrations are thus in the mining areas (in Genk, for example, the proportion is 33·3%).

It is estimated that the population of Limburg will increase by 62 100 (8·7%) over the period 1980-2000, reaching a total of 778 400 by the end of the century; the national population is expected to fall by 236 000 over the same period.

Part of the explanation of the current high unemployment

in Limburg is undoubtedly the rapid growth of the workforce. According to Planning Office estimates the province's working population will rise from 310 900 to 324 900 over the period 1985-90, an average annual increase of 2 800, representing one fifth of the rate of growth in the country as a whole (14 300 per year).

Women and young people are the main sufferers from the high level of unemployment in the province. At the end of February 1986 the total number of fully unemployed persons entitled to benefit in Limburg was 45 461 (12 918 men and 32 543 women), 9.9% of the national total of 461 279. Unemployment as a proportion of the working population was 14·6% in Limburg (6.3% among men and 30·6% among women) as against 11·2% nationally.

Taking account of the expected growth in the workforce and assuming that the current overall volume of employment will remain stable until the end of 1990, it can be calculated that the employment shortfall in Limburg will rise by late 1990 to around 62 000 jobs, equivalent to 19.2% of the working population at that date.

The current sectoral breakdown of employment is marked by the presence of the coal mines (which still employed 18 200 people at end March 1986), a heavy concentration of the motor-vehicle and metal-processing industries (accounting between them for 25 900 jobs, 46·7% of the manufacturing total), and a relatively small trade

and services sector (which accounted for 51·6% of employment in Limburg as against 65.2% in the country as a whole).

As regards incomes, the latest figures available relate to net taxable incomes in 1983, when net taxable income per person was 10·4% lower in Limburg than the national average.

In the social and economic field Limburg forms a fairly uniform whole, in which five areas can be distinguished with somewhat similar characteristics. Population density ranges from 200 people per square kilometre in North Limburg to 470 in Mid Limburg. Population growth over the period 1970-1984 was at similar levels in West Limburg (+ 15·6%), Mid Limburg (+ 14.5%), North Limburg (+ 14·3%) and Maasland (+ 12.6%), though in South Limburg the rate was rather lower (+ 3.9). As for the labour market the level of unemployment is about the same in all areas. In this connection it should be noted that all five areas have experienced industrialization: Limburg has over 80 industrial zones spread over the whole province and enjoying excellent transport links. It should also be noted that the coal-mining industry is concentrated in Mid and West Limburg.

With regard to welfare and other services, Hasselt and Genk - both in Mid Limburg - are the two principal centres of commercial and other service activity at

provincial level; the other areas of the province also possess a reasonably complete medical and educational infrastructure.

As regards average taxable income Mid and West Limburg are a little above the provincial mean.

c) Regional economic policy

In April 1985 the European Commission and the President of the Flemish Community Executive commissioned a study in preparation for an integrated programme of action for Limburg. The study was carried out by the Limburg Regional Development Corporation.

The study sketches the main lines of policy for economic development and seeks to set out - on the basis of the region's own strengths - a coherent development plan for the next five years. This plan provides the framework within which measures and projects can be proposed with a view to obtaining financial aid from the State (central government and the Flemish Community) and under the European Community schemes.

The programme of action is targeted on the market sector and seeks to promote the growth of economic activity and hence direct employment. Four sectors are distinguished in which initiatives will be developed which in principle are eligible for aid from European Community funds, namely industrial expansion and innovation, coalmining in Kempen, tourism promotion and

the development of farming and market gardening.

The development strategy also seeks to improve the province's socio-economic structure in an indirect manner, with a number of instruments being deployed to create the right conditions for socio-economic development. The aims here are to ensure the availability of labour skills which meet industry's needs, to provide an appropriately staffed and equipped technological-research base (geared particularly to the needs of small and medium-sized firms) and to lay down the necessary infrastructural facilities.

1. LABOUR, TRAINING AND REDEVELOPMENT

1.1. Initial training

1.1.1. Background

a) Current levels of education and training

For information on the breakdown of the population by educational level we must look to the results of the April 1977 Socio-Economic Survey carried out by the National Institute of Statistics (the findings of the 1 March 1981 National Census have not yet been published).

In April 1977 almost two thirds (63.7%) of the population of Limburg aged 15 and over had completed only primary or elementary education; almost three tenths (28·3%) had received secondary (12-17) education (18·1% lower secondary and 10·2% upper secondary). The proportion having continued into higher (18+) education was 8%, 2·4% at university and 5·6% at non-university institutions.

The breakdown by sex shows that the average educational level among males is higher than among females. Among men 56·8% had received only elementary education as against 70·8% among women; the corresponding figures for secondary education were 34·5% and 22% respectively. 8·8% of men and 7·2% of women had received higher education.

The age breakdown shows that the elementary-only proportion was considerably lower in the 25-34 age group (46%) than in the 35-44 and 45-54 age groups (64·2% and 75·5%

respectively).

b) School system - qualitative and quantitative aspects
What follows is concerned only with school-based day-time education; adult education is the subject of section 1.3.6.

Quantitative aspects

The following account of the school population in secondary (12-17) and higher (18+) education in Limburg is based on documents from the Provincial Education Council and the Ministry of Education. Nursery (3-5) and primary (6-11) education fall outside the scope of this study and are thus not discussed here.

Secondary education

There are four types of full-time secondary education given in schools: general secondary education, which prepares pupils for higher education and has no direct pre-vocational component; technical secondary education, which includes both theoretical subjects and courses geared to specific groups of occupations; pre-vocational secondary education, which has a practical emphasis and fewer theoretical subjects; and art-related secondary education. A further distinction also exists between mode I or reformed secondary education, in which the final choice of study options is deferred as long as possible, and the more traditional mode II, in which the division between the different types is made from the start. For simplicity's sake the two

modes are here dealt with together. Provision is also made, finally, for special education for children of secondary age requiring it.

Part-time education coupled with work - the industrial apprenticeship system and courses relating to small business - is the subject of section 1.1.2.

Limburg's secondary-school population in the academic year 1984-85 totalled 66 996, of whom 35 059 were boys and 31 937 girls. The totals in lower (12-14) and upper (15-17) secondary education were 39 639 and 27 357 respectively. 50·1% of secondary pupils were following general courses, while technical and pre-vocational courses accounted between them for 49·2%; only 0·7% of pupils were following art-related courses.

The breakdown by providing agency shows that 20·6% of all pupils in secondary education were in national schools, 5·4% in provincial schools, 1·4% in municipal schools and 72·6% in voluntary (Catholic) schools.

There are 173 secondary-education institutions in Limburg, of which 50 are national schools and 123 provincial, municipal or voluntary schools. The 17 special secondary schools in the province are attended by a total of 2 715 pupils, of whom 1 792 are boys and 923 girls.

Higher education

In the area of higher education a distinction is made between university education, education of the longer type (or university-level education), education of the shorter type and art-related higher education not of the longer type. The distinction between university and university-level education is primarily organizational and financial and does not affect the legal status of the qualifications awarded.

Higher education in Limburg is a fairly recent development. The province's isolation in the university field ended on 3 September 1973 with the opening of the Limburg University Centre on the University Campus at Diepenbeek. In 1984-85 LUC had 962 students, 452 in the faculty of sciences and 510 in the faculty of medicine (only the first stage is available at LUC). The courses provided by Limburg School of Economics (EHL), which was established in 1968 and is also situated on the Diebenbeek Campus, are of the longer (university level) type of higher education; in 1984-85 863 students were following courses at EHL (585 at the level of the first university qualification and 278 at the level of further qualifications in business studies). EHL is in fact one of four university-level institutions in Limburg, the other three being the National Industrial College at Hasselt and the Catholic Industrial College on the Diepenbeek Campus (accounting between them for 812 students following courses leading to industrial qualifications) and the Provincial Higher Institute

of Architecture at Hasselt (which has 194 students).

In the area of higher education of the shorter type there are three technical institutions (420 students), four institutions providing higher education in the economic field (2 212 students), four paramedical institutions (728 students) and five institutions concerned with the training of teachers (1 694 students). A total of 5 054 students are thus receiving higher education of the shorter type in the province. The three institutions providing art-related education not of the longer type had a total of 483 students.

Overall a total of 8 368 students - 4 264 male and 4 103 female - were in higher education, both university and non-university, in the academic year 1984-85.

Qualitative aspects

Secondary education

Limburg's economic growth over the period 1960-74 was due in large measure to the availability of a trained and educated workforce, with the quality of technical and pre-vocational education playing a crucial role. Surveys of industrial firms show that in general they have a high opinion of technical education in the province. Some firms compare the level of technical education in Limburg with that provided in Germany; in particular the general component of technical education in Limburg is felt to be of high quality. It is also felt that the broadly based education and

training provided in Belgium makes for greater flexibility than the specialized and hence more occupationally specific courses offered in Germany. Large manufacturing firms also testify to the readiness with which institutions of technical education adapt to industry's needs.

Higher education

Despite its relative youth the Limburg University Centre has already made its mark in the world of the universities and has built up a reputation not only for its educational methods but also for its research work. The soundness of the education which LUC provides is evident from the results its students obtain both while still at the Centre (where, as was noted earlier, only the first stage of university education is available) and when they go on to the second stage at other institutions. The quality of LUC research is visible in the large number of doctorates, research in a wide range of fields and publications with an international reputation. In addition a service is provided to the region through the Fund for Technological Research (FTO).

The rapid growth in student numbers and the fact that over three quarters of Limburg students studying applied sciences do so at the Limburg School of Economics demonstrate popular confidence in the School, whose graduates have little difficulty in finding employment.

The quality of the Industrial Colleges is evidenced

by the fact that the unemployment statistics for Limburg include virtually no graduates in this field. A major feature of the Colleges is their close collaboration with industry.

c) Education and economic development

Secondary education

The rapid development of technology - automation, computerization, robotization and so on - and the associated changes in the organizational structure of both manufacturing and service undertakings are bringing with them new qualitative requirements as regards the supply of labour, and continual adaptation and innovation is being made in technical and pre-vocational education in Limburg in response. It is nevertheless the case that education is able to adjust only slowly in comparison with the rate of technological change. A further problem is constituted by the types of study undertaken by girls : as is clear from the excess of women teachers, office workers, shop assistants, child-care workers and girls with a school qualification in textiles and home studies, the supply of female labour is inadequately geared to the pattern of demand, and surveys show that large numbers of girls continue to focus on these areas of study, in which employment opportunities are very limited. The problem of low educational levels - particularly among women - must also be seen in the context of an economic development process necessitating ever higher levels of qualification. An important

point to note in this connection is the fact that at the end of 1985 68% of unemployed women in Limburg had completed only primary or lower secondary education. Labour-intensive activities such as the assembly of electrical and electronic equipment and clothing manufacture have been hard hit by the recession, and it was in these industries that women with low levels of qualification were notably employed: this is part of the explanation of the high level of female unemployment in the province. In the new expanding sectors, in contrast, there is a greater need for trained workers.

A final problem area is the excessive prominence of general secondary education. Young people who have completed only a general secondary education constitute, after those who have received little or no secondary education or training, a category which presents increasing problems. The conclusion must be that great efforts are needed to alter public perceptions of technical secondary education, which is currently regarded by many parents as very much a second-best type of course for children who fail in general education.

Higher education

As has already been noted, graduates of the Limburg School of Economics and the two Industrial Colleges have no significant difficulty in obtaining employment. As regards the Limburg University Centre, which provides only courses leading to first-level qualifications in

medicine and sciences, it is difficult to quantify the hidden unemployment which exists among young doctors and dentists; in the case of those with science qualifications surveys in Flanders indicate that biology graduates may experience difficulty in finding work in the near future, while graduates in the other sciences offered at LUC - information science, mathematics, physics and chemistry - employment prospects are good. Those completing teacher-training and paramedical higher education of the shorter type are also likely to experience problems, in the former case because the fall in the birth rate since 1965 has had an impact on school populations and in the latter because the health services are experiencing the consequences of government economies.

1.1.2. Raising educational levels among young people

a) Changes in the education system

The reforms in secondary education aimed at raising educational levels among young people were initiated in 1970 with the introduction of the new structure known as mode I or reformed secondary education. This reform has not been accompanied by a wide-ranging comparative study, however, and as a result it is not possible satisfactorily to answer questions as to the effects of the new educational approaches involved. In any event the complexity of the new structure is a drawback. It should also be noted that the traditional (mode II) structure still exists in the voluntary (Catholic) schools. Studies are currently underway

with a view to organizing some form of unitary structure covering both types of education. In addition a reform is currently being carried out in pre-vocational secondary education in both the state and the voluntary sectors. This reform relates to the extension of compulsory education to the age of 18 which was brought in in 1984, whereby part-time education for 15-18-year--olds was introduced alongside conventional full-time education. The reform involves theme-based learning, workplace classes, the integration of general subjects and so on; the part-time component, which is intended mainly for young people who feel they have had enough of school, is linked with part-time work experience on employers' premises (see below).

Among the aims of the recently established multilateral schools is the promotion of collaboration among teachers in matters of educational theory and practice and improved guidance and greater flexibility for pupils within and between the different components of each school.

b) Decision-making bodies

Policy development is the responsibility of, among others, the Provincial Education Council for Limburg, which was established in 1979 as a consultative forum for the providing agencies and educational institutions in the province (see section 1.1.5). The Council, whose reputation extends outside Limburg, played a major part in the establishment in 1982 of the Limburg

Institute for Educational Research and Guidance within the Limburg Economic Council. On the basis of a permanent research programme the Institute gives guidance to educational institutions regarding the educational and training needs of both young people and adults, material and human resources and methodologies with a view to enabling educational provision to respond quickly and efficiently to evolving requirements. The policy group includes representatives of the Permanent Commission of the Provincial Council, the Limburg University Centre, Limburg School of Economics, the Regional Development Corporation, the Provincial Education Council and the Limburg Council for Community Development. Recommendations are formulated, on the basis of studies carried out by the Provincial Education Council and the Institute for Educational Research and Guidance, for policy on educational matters at national and Flemish Community level in the light of the province's own experience and requirements.

c) Selection methods

School students in Limburg have at their service some 35 Psychological, Medical and Social Centres and Educational and Vocational Guidance Units. In close cooperation with the schools the Centres and Units provide expert assistance in connection with the widening range of subject options and transfer, catching-up and remedial provision. The teams include psychologists, doctors, nurses, social workers and others.

d) Courses

New courses are continually being introduced in Limburg schools in such subjects as industrial electrical engineering, computers in management, computer methods and biotechnology and course contents are updated in line with scientific and technological development. One aspect of the work of the Limburg Institute for Educational Research and Guidance is the study and diffusion of innovation in the area of computer studies (computer literacy, user-directed courses).

An important role in the updating of courses is played by two training and resource centres, the State Pedagogical Centre and the Limburg Centre for Educational Support, both in Hasselt, which have the official task of providing further training for secondary teachers in the state and voluntary sectors respectively (see also section 1.1.2.g).

A number of new study options have also been introduced in Limburg's institutions of higher education. A computer studies course at the level of the first university qualification was recently introduced at Limburg University Centre, for example, while the Catholic Industrial College offers courses in industrial automation which take account of current developments in technology.

e) Qualifications

As new courses have been introduced, so too have new

qualifications. Examples include the following qualifications in the area of computer studies which can be obtained at secondary and higher institutions in Limburg:

Higher education:

Limburg University Centre:

First-level qualification in computer science (two years);

Limburg School of Economics:

Business studies course, management information and general business economics section;

Information management (additional course for the further qualification in business studies);

Secondary education:

Provincial Higher Commercial Institute, Hasselt:

Computer studies section (years 5 and 6);

Information processing (year 7 specialization).

f) Teaching methods

In 1978 the Province took a major initiative in the field of teaching methods when it established the Limburg Centre for Modern Learning Resources. The Centre, whose aim is to promote improvements in the quality of education through the use of technological resources, organizes training courses on educational technology for all educational levels and advises on the purchase and use of hardware and software; it also produces and loans out audio-visual materials (videotapes, slide/tape sets etc.).

With regard to the use of computers in teaching and the creation of a learning environment mention must be made both of the Ministry of Education's five-year plan (1985-89) for the introduction of computers in schools and of the logistical support of and cooperation with banks, professional organizations, research institutions and private firms. Examples include the gift of 163 microcomputers by ASLK, the General Savings and Annuities Fund, to Limburg schools in 1984-85 and the financing by the Belgian Farmers' Union of computer classes at the agricultural and horticultural schools from 1 September 1985. The Limburg University Centre, in collaboration with the Kredietbank and Control Data Belgium, has undertaken an initiative aimed at Limburg's secondary schools and higher education institutions which involves familiarizing teachers and pupils with the PLATO system. Schools may borrow micro-PLATO units for two or three weeks for their own use, with appropriate software being provided.

An innovation in the area of course structure is the introduction of the modular approach, which allows greater flexibility than the traditional course. Students may select the modules they need or in which they are interested. The modular system has been in use for the last six years in Flanders in evening and weekend courses for adults in 19 schools.

g) The teaching force

At the national level a series of initiatives are

being developed for the further training of teachers. As part of the Ministry of Education's five-year plan, for example, provision was made as from April 1985 for in-service training in connection with technical and technological education relating to computer science and the new technologies. Preparations are also being made to provide initial and further training for teachers working with young people with a low level of education, taking account of the specific nature of vocational education.

As regards the situation in Limburg itself, it is clear that the internal advisors, the inspectorate and the Psychological, Medical and Social Centres are not in a position to make adequate provision for the in-service training of teachers.

On 18 September 1978 the Minister of Education made provision for the establishment of regional centres to share in the work of the National Pedagogical Centre in Brussels. Mention has already been made of the State Pedagogical Centre in Hasselt, which provides subject-related in-service training for primary and secondary teachers. Paralleling this introduction of systematic in-service training in the state sector, in the voluntary sector the establishment took place in 1978 of the Limburg Centre for Educational Support, which maintains close contact with heads, teachers, study supervisors, inspectors, teacher-training institutions, Psychological, Medical and Social Centres

and Educational and Vocational Guidance Units.

Steps have also been taken by industry in connection with the further training of teachers. By way of example mention may be made of the meeting organized on 20 December 1985 by the Chemical Industry Federation on the theme of technical education and the plastics industry in Limburg. This successful event was attended by 140 teachers in technical education.

Mention must be made finally of the part played by the Regional Development Corporation in diffusing information on the introduction of new technologies in industry. The Corporation's activities in this field, which are directed mainly towards the province's secondary technical and pre-vocational schools, include the publication of a quarterly magazine covering new technologies and initiatives in industry and educational innovation in Belgium and abroad, the organization since 1980 of annual one-day seminars on particular aspects of technical and technological innovation (such as digital control systems, microprocessors, industrial robots, the use of computers in secondary education and industrial safety in education), the supply of speakers to schools on such subjects as curriculum development, technological innovation and employment prospects, and the organization of surveys of industry's training needs and studies of the demand for and supply of technically trained labour in Limburg (the results of which are then discussed with

representatives of the world of education).

h) Course guidance and information
Guidance and information on the ever widening diversity of educational courses and types of employment are provided by the 35 Psychological, Medical and Social Centres and Educational and Vocational Guidance Units.

The SIMONA system - the acronym stands for "Study and Information Model for the Development of a New Labour-market Policy" - which was recently brought into use by the National Manpower Service (RVA) enables a clearer picture to be obtained of supply and demand trends on the labour market (see also section 1.1.3.b).

Information on courses available in Limburg is also provided in a number of regularly updated publications: "A Signpost to your Future" is a 171-page guide to adult education in Limburg issued annually by the Limburg Provincial Executive; "Courses in Limburg" is an outline of the various forms of adult education which is prepared by the Limburg Community Development Council and published in the press; "After Year 6" is a 112-page booklet issued every year by the Psychological, Medical and Social Centres in the province; and "My Future", a publication of the Limburg School of Economics, details post-secondary educational and vocational options in a series of separate sections for the various study areas.

i) Educational institutions, employers and the community
Within the province of Limburg there are five sub-regions, in each of which a broadly based Local Development Association seeks to promote community development. The municipalities of each sub-region concern themselves with all aspects of local development, including educational provision. Within the organization Streekbelangen Maasland (which serves the interests of the Maasland sub-region), for example, the Education and Industry Committee brings together representatives of secondary technical and pre-vocational education, industry and workers' organizations; this body, which concerns itself with the interface between education and industry, serves as a forum for the exchange of information and fulfils a support function.

Individual educational institutions also regularly undertake initiatives. On 15 January 1985, for example, the Multilateral School in Lommel organized an education and industry convention in collaboration with the Association of Christian Employers and Managers (VKW) and with the assistance of the Regional Development Corporation. The convention focused on the service sector's expectations in respect of secondary technical education.

Initiatives in this field are also undertaken by municipalities, one example being the "People and Jobs" exhibition on the theme of work, employment and unemployment organized by the local council in Hasselt from

19 to 26 April 1985. In addition to the exhibition itself a series of discussions and meetings were held on the subjects "recession or work and employment", "unemployment", "making one's own work" and "education and employment".

In the area of higher education there is close cooperation between the staff of the Catholic Industrial College on the University Campus at Diepenbeek and small and medium-sized businesses; final-year students are also involved. The Limburg University Centre, in particular the Technological Research Fund (FTO), and the Scientific and Technical Centre for the Metal--Processing Industry (WTCM) are carrying out an increasing volume of applied research on behalf of industry. The School of Economics undertakes research and prepares reports on behalf of firms and government departments.

j) Links between general and technical courses
The importance of the subjects which constitute general education has increased with the rapid development of technology, which is necessitating a broad educational base coupled with polyvalent vocational education and some measure of specialization (specialized vocational training can be given by employers). A flexible and polyvalent basic training enables those who complete it rapidly to acquire the skills needed in particular jobs and facilitates occupational mobility.

k) Links between special programmes for young people and school-based courses

Mention must be made in this connection of the experiment in alternance training in the province of Limburg which has been carried out since 1983 by the Ministry of Education in cooperation with the European Community. The purpose of the experiment is to enhance the job prospects of young people and to facilitate the transition from school to work. The target group comprises unemployed young people aged 18-25. Training is provided alternately in educational institutions and on employers' premises and normally extends over one or two school years. Course content is determined in consultation with the schools and firms concerned. The young people involved are covered by a vocational training contract with the National Manpower Service (RVA), since they are partially unemployed, and by a part-time placement contract with the firms where the work-experience element of their course takes place. In 1985-86 100 young people were involved in the experiment in Limburg; six schools and ten employing organizations took part.

l) Work experience schemes

Three schemes exist - in addition to the alternance learning experiment outlined above - for giving young people in part-time education experience of working in firms.

Small business training - an educational option which has long been available throughout the country - is

organized in Limburg in four Training Centres for the Self-Employed which provide specialized courses in small and medium-sized business and craft undertakings. Employer and trainee are covered by a contract governing training and work. The trainee is generally aged between 15 and 20, works for an employer and on one day a week for three years follows a course of both general education and vocational training. There are in Limburg around 2000 trainees on schemes of this type, and the main occupational groups involved are catering, retailing, engineering and personal welfare.

Industrial apprenticeships, introduced in 1985 in a number of firms (including the Philips factory in Lommel), resemble in many respects small business training but are concentrated in large manufacturing concerns. In the apprenticeship contract the employer undertakes to train the apprentice in the skills of a particular occupation; the apprentice, who must be 16-18 years old on entering into the contract (which lasts for from six months to two years), receives an income equivalent to a set percentage of the guaranteed minimum hourly rate. The industrial training contract is combined with a suitable set of courses at a centre for part-time education (see below). Schemes of this type are expected to expand rapidly in the near future.

The legislation extending compulsory schooling provides for part-time education for those young people who

would otherwise abandon their schooling at the earliest opportunity. In order to cater for this particular problem group an experimental form of secondary education with a limited curriculum was introduced in 1984-85 and 1985-86; in Flanders some 40 technical and pre-vocational schools serve as centres for part-time education. Young people aged 15-17 may opt for courses of this type, which include both general education (education for personal and social development) and vocational preparation. The course lasts one year, with participants attenteding classes for fifteen hours per week. The aim is to introduce the work component into part-time education through the industrial training contract.

1.1.3. Curriculum policy

a) Gearing curricula to economic change

The work of gearing school curricula to the changing situation in the economy and in society takes place at three levels, namely at national level, at the level of the Flemish Community and at provincial level.

The national level

There are in Belgium three educational networks, each with its own structure. In the national network ultimate power and responsibility lies with the Minister of Education, and decision-making powers are fairly highly centralized. The Minister also has powers covering all three networks; he is advised by a number of commissions and councils. The voluntary aided network

works on a basis of coordinated decentralization. The mouthpiece of Catholic education is the National Secretariat for Catholic Education (NSKO). The pedagogical coordination required by the common Christian objectives is provided by the Pedagogical Bureau for Catholic Education. NSKO's second coordinating function relates to planning and is carried out by the Bureau of Statistics and Planning, which prepares general development plans for each sector of education and conducts studies (e.g. into the restructuring of technical education in response to economic and social changes taking place in the country as a whole or in particular regions). The Bureau of Statistics and Planning also launched a more decentralized and regionally orientated policy through the establishment of diocesan planning and regional coordination committees. The local authority aided network, comprising the municipal and provincial schools, is now developing a more centralized policy-making structure. In this network, with its many small schools, power is in the hands of the municipalities and provices as providing agencies. Except for schools in some larger population centres, provincial and municipal education normally works with one of the other two networks. Ways are nevertheless being sought of developing a more central structure for policy coordination on the line of the National Secretariat for Catholic Education.

The level of the Flemish Community

The Technology in Flanders Organization (STV): in the framework of its "Third Industrial Revolution in Flanders" policy the Flemish Executive has since September 1981 undertaken a range of initiatives to promote the development of new technologies in Flanders. Technological development policy must, however, also take account of social and employment considerations, and it was with this fact in view that representatives of the two sides of industry on the Flemish Economic and Social Consultative Committee (VESOC) carried out the preparatory work for the establishment of the Technology in Flanders Organization; the decision to set up the Organization was taken by the Flemish Executive in 1983.

The provincial level

In Limburg a number of bodies are concerned with the issue of the interface between education and industry. Their principal role is to inform and advise on ways of adapting school curricula to economic objectives. The Regional Development Corporation - and in particular its Education and Employment Committee, which includes representatives of the two sides of industry and the world of education - merits first mention in this connection; the Corporation's other work in the educational field has already been outlined.

Mention must also be made of the work of the Association of Christian Employers and Managers (VKW) and

the Chamber of Commerce and Industry (Personnel Officers' Working Group) in developing the relationship between education and industry.

A final mention must be made of the work of the Provincial Education Council (see section 1.1.2.b).

b) The use of information technology in determining school curricula

Considerable progress has been made recently in the statistical processing of data in connection with school curricula through the use of the SIMONA system ("Study and Information Model for the Development of a New Labour-market Policy" - see section 1.1.2.h). From 1986 the system is being used by all the Sub-regional Employment Services of the National Manpower Service (RVA). Its aim is to provide a rapid placement service: information on firms, offers of employment and job-seekers is brought together in a databank with a view to improving the coordination of supply and demand on the labour market. It also facilitates preselection, providing accurate and extensive data on supply and demand which is of value in the development of education and training policy in general.

1.1.4. Links between school-based pre-vocational courses and industry

a) Involvement of employers' organizations and trade unions in education and training issues

Mention has already been made of the Technology in

Flanders Organization (STV), which forms part of the structure of the Social and Economic Council for Flanders (SERV), which includes equal numbers of representatives of the two sides of industry. The decisions taken by the SERV Bureau and Council are prepared by the Committee of the Technology in Flanders Organization, which is made up of representatives of the three trade unions and of the employers' organizations (the Flemish Industry Association, the National Christian Association of Small Businesses and the Farmers' Union) (see section 1.1.3.a).

Within Limburg employers and unions are represented on the Education and Employment Committee of the Regional Development Corporation and the Subregional Employment Committee for Limburg. In addition both employers' organizations and trade unions have undertaken various initiatives in relation to education and training issues (see section 1.1.3.a).

b) Cooperation between education and industry

With the aim of strengthening practical links between schools and industry the Regional Development Corporation has since 1980 been organizing two-yearly surveys of manufacturing firms in Limburg to determine the scope available for visits to firms by pupils, placements in industry for teachers and instructors, and work-experience placements for final-year pupils in technical and pre-vocational schools. The Corporation's intent is to offer schools an extra service in order to

facilitate links with industry. That industry is serious in its desire to improve links with the education system is evident from the fact that some 150 firms are willing to permit visits and/or placements.

Special mention must be made of the initiative of one firm - NV Koninklijke Nederlandse Papierfabrieken in Lanaken - in "adopting" three technical schools in Limburg. The firm is seeking hereby to develop familiarity at all levels with the unprecedentedly rapid development of process-control systems and the concept of "total quality control". The schools concerned receive extensive logistical support, with e.g. placements for and advice and assistance to both teachers and students, the provision of materials, and the establishment of a fund, to which the firm will make an annual contribution, for the purchase of books, periodicals, materials and so on.

c) Education and exports

A specific measure taken in this field by the Province was the establishment on the Diepenbeek Campus of the Governor L. Roppe Chair of Export Policy. On this course, which is open to a wide public, a variety of visiting lecturers - from the banking sector, manufacturing firms, professional associations, and so on - speak on a range of export-related themes in a series of ten sessions.

1.1.5. Evaluating the education and training system, and the role of the Province in education policy

a) Evaluation

An important role in this connection is played by the Provincial Education Council for Limburg (POL), which serves as a consultative forum for the different education networks in the province and formulates proposals, on the basis of extensive studies, for education policy at both national level and the level of the Flemish Community. Mention must also be made of the work of the Limburg Institute for Educational Research and Guidance (LIOO) and the Regional Development Corporation.

b) Coordinating local and provincial policy

Local policy (in individual schools) and regional policy (at the provincial level) need to be properly coordinated. The Provincial Education Council brings together the various providing agencies and inspectorates in regular consultations on educational issues affecting the three networks.

c) The role of the Province

As regards powers - room for manoeuvre - it must be stressed that the Province, as an intermediary body, has a vital role in helping to guide developments in the educational field. Reference may be made on this point to sections 1.1.2.b (decision-making bodies) and 1.1.2.g (the teaching force).

1.2. Employers' policy on further training and retraining

1.2.1. Employers' policy on "human capital"

a) Objectives

Technological advance brings with it a need for higher qualifications in industry's workforce, and firms organize internal job-related training for their existing employees on a large scale. When industry takes on school- and college-leavers it looks for a broad general education and polyvalent vocational knowledge and skills: thereafter firms can provide the necessary specialized training. In-firm training involves the use of specific training modules. Employers' policy is directed on the one hand towards raising levels of qualification (e.g. from lower secondary technical to upper secondary technical) and on the other towards broadening areas of qualification (e.g. giving electrical engineers training in electronics or hydraulic engineering). Such training involves not only theoretical training but also practical experience in the form of on-the-job training.

b) Comparison of public and private employers' policies

Public bodies are providing training facilities for their employees on an increasing scale, and Limburg's provincial administration has undertaken various initiatives in this area. In principle the training policies of public employers should not differ from those of the private sector, but in practice there are difficulties because the objectives of private firms are not the same as the state's. The importance of employee

training is greater in the private sector, partly because of the need to produce high-grade goods at competitive prices, necessitating on-going technological innovation and hence on-going training programmes.

c) Changing personnel policies

The higher levels of qualification required of the workforce as a consequence of technological innovation have led to changes in personnel policy. When many tasks were carried out manually employers mainly looked out for vocational knowledge and skills in a specific field (such as welding); increasingly, however, firms now seek broad abilities rather than narrow skills, with the "whole person" being called upon to perform tasks. The role of physical labour has been considerably reduced and there has been a broadening of functions, with each employee being expected to play a part in quality control, carry out minor maintenance and repair work, assist in cost control, provide more information on work processes, and so on. One element in this more integrated approach has been the increasing introduction of "quality circles".

d) Occupational profiles

Occupational profiles are mainly compiled on the basis of the information which exists in the individual firm. They may also be drawn up by employers' associations in cooperation with educationists. The Fabrimetal association, for example, has compiled profiles

detailing the knowledge and skills required in assembly and maintenance, machining, metal construction and so on. These profiles not only set out qualitative requirements but also indicate the phases which fall under the responsibility of the education system.

1.2.2. The state's role in promoting in-firm training

The state has adopted a range of measures to help promote training within firms. Mention may be made in this connection of the existing systems of industrial placements for young people which are gradually being replaced by the new industrial apprenticeship system (see section 1.1.2.1).

Other provision includes the training courses of the National Manpower Service (RVA), which are both run in the RVA's own centres and organized on employers' premises. In addition the RVA is able to give financial help with staff training costs incurred in connection with establishment, expansion or production changes. Aid may also be given in connection with training placements on the premises of suppliers of installations or in sister firms using similar production processes. These facilities are mainly used by large and medium-sized firms. Small firms make greater use of individual vocational training for unemployed persons whom they can take on once those persons have received some limited training.

1.2.3. External training

Firms generally provide their own training and only incidentally make use of external training facilities. Training is also provided by the manufacturers supplying technical equipment. External training in a specific field is provided by the Institute for Post-School Training in the Metal-Processing Industry (INOM); this body, which is operated jointly by the two sides of industry, gives employees the opportunity of updating their skills and knowledge in line with technological development. The content of the specifically commissioned courses provided inter alia by INOM is determined in part by the firms concerned.

1.2.4. Training for employees with low qualification levels

Internal job-related training courses seek to raise the level of employees' knowledge and skills. Workers who have completed only lower secondary technical or pre-vocational education are given the necessary additional vocational training in such areas as preventive maintenance, repair work, quality control, and measurement work. The vocational competence of those who have completed only elementary education is enhanced by means of courses in elementary statistics with graphs and diagrams, rational thinking techniques, elementary mechanics and so on.

1.2.5. Industry and the community

a) Collaboration between industry and research and training centres

Industry makes regular use of research and training centres in Limburg and neighbouring regions, including the Limburg University Centre (Technological Research Fund) at Diepenbeek, inter alia in connection with materials studies, and a new research and development laboratory was recently opened on the LUC Campus. This centre, which was set up by LUC, the provincial administration and the Scientific and Technical Centre for the Metal-Processing Industry, carries out research into the treatment of metal surfaces using vacuum coating techniques. Mention has already been made of the cooperation which exists with the industrial colleges. Use is also made, finally, of various university laboratories in neighbouring regions (among them Leuven Catholic University, the Atomic Energy Research Centre at Mol and the Metallurgy Research Centre at Liege), on grounds both of nearness and, in some cases, of tradition.

b) Industry's contribution to the development and maintenance of economic activity

Industry's contribution to the development of new economic activities and the maintenance of existing ones is a very real one. Many firms have developed a strategy involving wherever possible the procurement of inputs from within the region in order both to reduce stocks and to enhance flexibility. In this

connection it could well be wor carrying out a general study of supply facilities in Limburg in order to maximize the benefits obtainable from local procurement.

c) Industry and local development
Industry's concern for economic development and employment promotion in the province is considerable, as evidenced for example by its representation and active involvement in a range of provincial bodies (the Regional Development Corporation, the Subregional Employment Committee, the Limburg Association of Christian Employers and so on).

d) Industry, higher education and local development
The extensive cooperation which goes on in such areas as industrial placements for teachers and students, the participation of management staff in examining boards, assistance in production of students' final items of work an olvement in study conferences and panels demonstrates industry's commitment to higher education and local development. While the value of these and other forms of collaboration cannot be denied, the need is nevertheless felt for a more structured consultative procedure and for coordination and cooperation between education, industry and the state, for example on the lines of the Provincial Contact Centres for Education and Work (COAs) in the Netherlands.

1.2.6. Training policies of industry and the provincial administration

Surveys of industrial firms show that they are generally satisfied with the quality of technical education in Limburg (see also section 1.1.1.). Recommendations nevertheless regularly emerge from industry for changes in school curricula, implying a need for on-going dialogue and closer collaboration between schools and employers. Some Limburg firms feel, for example, that fuller and better use could be made of existing facilities for cooperation (industrial placements, participation in examining boards, visits to factories, the use of visiting speakers and so on). Through a creative input from both sides - education and industry - in a decentralized framework new opportunities for cooperation may emerge.

1.3. Public policy on training for job-seekers in Limburg

1.3.1. Defining objectives and target groups

a) The means whereby objectives and target groups are defined

The Regional Development Corporation carries out regular analyses of unemployment in the province, published for example in the monthly Economic Situation Report.

The Subregional Employment Committee (STC) for Limburg plays a central part in the work of advising on objectives and target groups. The STCs, whose activities are coordinated by the National Manpower Service (RVA),

were set up in 1975 by the Ministry of Labour with a view to promoting new thinking on local employment problems. One function of the STCs, which include representatives of both sides of industry, is to make recommendations regarding the planning of vocational education. A number of major projects connected with further training have developed from STC initiatives and have been taken over by the Flemish Community (among them training courses for unemployed persons with low levels of educational qualification). Valuable aid in the evaluation of educational planning is provided by the SIMONA system (see section 1.1.3.).

Final decisions on the definition of objectives and target groups still continue to be made at the national level, more specifically by the Management Board of the National Manpower Service; the Flemish Placement and Vocational Training Service (VDAB) is now in process of establishment.

b) Objectives and target groups

Public policy in Limburg on training for the unemployed is directed towards four specific target groups (this is in addition to the standard courses of vocational training, which form the great majority).

The young unemployed

The level of youth unemployment in Limburg is high, and the provincial authorities have undertaken a number of initiatives aimed at this target group. One

important project which seeks indirectly to enhance the job prospects of unemployed young people (aged under 25) with low levels of educational qualification involves programme of improving participants' learning skills and motivation. The project is aimed particularly at increasing independence and social confidence and at providing a bridge to various forms of vocational training (RVA courses, small-business courses, adult education) or to employment.

Unemployed adults with low levels of educational qualification

At the end of 1985 79% of unemployed men and 68% of unemployed women in Limburg had completed only elementary or lower secondary education. The "Keeping Abreast" project, which is aimed specifically at those who left school long ago and was set up jointly by the RVA, the cultural centres and the social education service, comprises courses not directly geared to employment for the unemployed who have had little education. The programme, which came into operation in Limburg in 1983, seeks to help participants to cope in a situation of rapid social and economic change by giving them the opportunity of reviving and developing the basic knowledge, skills and attitudes needed in everyday life and at work.

Migrants

Around 10% of Limburg residents are of foreign origin. A recent (1985) survey by the Provincial Foreign Workers'

Welfare Service (POG) revealed that 15·6% of the 0-14 age group in Limburg were non-Belgians or their children, while over a quarter (26·4%) of unemployed males were of non-Belgian origin. Children in this category are underrepresented in secondary education, particularly in the general secondary schools, and it may well be that inadequate knowledge of Dutch plays a major part in this state of affairs. Given the economic and social disadvantage which characterizes this group and the need to secure their integration into Belgian society it is essential that the training facilities particularly for young unemployed migrants should be considerably expanded.

The disabled

There is a high rate of unemployment among the disabled, and the Intercommunal Association for the Disabled in Limburg (IGL) is working on the development of Local Employment Initiatives specifically for disabled people. The nature of the target group implies a stress on general, social and practical skills, and the aim is to enhance their prospects of permanent employment through post-school vocational training.

c) Analysing the needs and aptitudes of the target groups

Candidates wishing to follow further or conversion training courses are tested and selected on the basis of their occupational preference, abilities, technical skills and motivation by the use of RVA profiling and

and observation and aptitude tests. The overall profiling results from a particular region are used in the planning of RVA training in that region. The process begins with a thorough occupational interview, followed by a testing of the relevant technical skills. The overall technical assessment of the unemployed person is translated into assessment codes which are then inputted into the SIMONA system (see section 1.1.3.). At the final-interview stage an evaluation is made of the candidate's ability and willingness to follow an appropriate course of training in the light of the identified shortcomings in his or her vocational skills. This careful approach to the recruitment and selection of candidates for vocational training means that those accepted have a good chance of finding employment at the end of the course.

1.3.2. Training policy and economic development

The development policies of the Regional Development Corporation for Limburg are aimed at ensuring the availability of employment for the economically active population, both now and in the future. In recent years three wide-ranging development programmes have been introduced, namely the 1981-85 Employment Plan for Limburg (in 1981), the Priority Development Plan for Limburg (in 1984) and the Integrated Action Programme for Limburg (in 1985), each of which has devoted considerably attention to further and conversion training for those seeking work.

1.3.3. Inter-agency cooperation

The Subregional Employment Committee for Limburg has a major advisory role in relation to the vocational training courses of the National Manpower Service (RVA). Final decisions continue to be made at the national level, more specifically by the RVA Management Board in Brussels (Ministry of Labour), but this role is to be taken over by the Flemish Placement and Vocational Training Service (VDAB), now in process of establishment.

In the matter of inter-agency cooperation a recent (7 March 1986) document issued by the Flemish Community Minister of Education laid down that existing structured initiatives in the area of vocational training (education, small-business training, the RVA courses etc.) should be given the resources needed to ensure the necessary high standards as essential adjustments are made. The Minister also draws attention to the need to reappraise the operation of the Subregional Employment Committee in respect of RVA vocational training (planning, follow-up, evaluation, cooperation).

1.3.4. Provincial policy on training for those with low levels of educational qualification

Limburg is in the forefront - at least in Belgium - of developments in this field, and a wide range of initiatives have been undertaken partly in response to the high rate of unemployment in the province. In all some 65 schemes have been introduced, aimed at this target group, by central government, the

provincial administration, municipalities, non-profit bodies and the trade unions. Coordination among the various initiating and providing agencies is, however, inadequate.

1.3.5. Adult education

Adult education in the public sector - the less formal facilities are the subject of section 1.3.6. - falls under a number of headings, uncluding general education, RVA vocational training courses, small business training, post-university courses and art courses. Greater consultation would be desirable in respect of the broad range of facilities available, not only for organizational reasons but also on the grounds of financial and other resource considerations. It is the case, for example, that educational institutions, small-business training centres and RVA centres sometimes undertake virtually identical initiatives while at the same time resource shortfalls prevent the introduction of new courses. Greater cooperation could well allow the available funds to be applied more effectively and ensure that the fullest use is made of both staff and infrastructure.

1.3.6. "Informal" training

In addition to training facilities in the public sector a wide range of less formal schemes have been developed. A range of schemes have been established, mainly by trade unions and other organizations but also by municipalities, which provide special training

for the unemployed at the local level. In addition there are the very varied courses under the general heading of adult education for social and cultural development dealing with issues which arise in life and at work at particular times and in particular places. This field is so varied that coordination is difficult, and the difficulty is compounded by the temporary nature of some of the initiatives and the rapidly evolving nature of the work.

1.4. Raising the value of human capital in the long term

a) Measures to enhance the value of human capital

The document issued on 7 March 1986 by the Flemish Community Minister of Education sets out guidelines for a coherent education and training policy for the Flemish Community. A comprehensive plan is to be drawn up providing for a right to training, implying the permanent availability of a coherent structure of education and trianing. Priority measures are nevertheless needed for particular groups (such as the long-term unemployed) and in particular geographical areas (development zones).

Greater coherence in education and training policy requires: consultation and coordination within the fragmented provision at the level both of the Flemish Community and of national government; bridges between the world of educational provision and that of differentiated training; and bridges between the

education and training network on the one hand and its customers (in the labour market, the leisure sector, the welfare system etc.) on the other.

Operating a more coordinated policy requires continuing study of the demand for training compared with educational needs, allowing priorities to be set.

b) Industry's training policies

Industry's policies for training rest on the expectation that the education system provides a broad basic education coupled with polyvalent vocational knowledge and skills; specialist training is given, as required, by employers, covering both theory and practical experience (on-the-job training) (see section 1.2.1.).

c) Public policy on training for the unemployed

On this matter reference may be made to section 1.4.a, which concerns the full range of training facilities, including those aimed at the unemployed. The document issued by the Flemish Community Minister of Education sets out the following objectives in respect of RVA training courses:

- the bringing into operation of the Flemish Placement and Vocational Training Service (VDAB),
- the reappraisal of the operation of the Subregional Employment Committee in respect of vocational training,
- the provision of more training facilities for those with low levels of educational qualification and

increased access to existing facilities,
- the further expansion of training in the new technologies, preferably in cooperation with industry, small-business training and the education system.

d) Educational and training qualifications and the promotion of labour mobility

Owing to differences in the education systems of Belgium, the Netherlands and Germany problems often arise in connection with the recognition of qualifications, especially in a border region like Limburg, and these impede the mobility of labour. The Cross-Border Action Programme for the Maas-Rhine Region includes a number of proposals for resolving these problems. The study refers, for example, to the establishment of clearing centres to seek solutions in areas of disagreement and to develop longer-term recommendations for promoting the comparability and recognition of qualifications.

e) Financial coordination

No general information is available on this point. It will not be possible to address the financial issue until proposals have been developed on the basis of a study which has yet to be carried out (analysis of training facilities and training needs, priorities, etc.). The document issued by the Flemish Community Minister of Education makes reference to an on-going investigation of qualitative training needs as a means of underpinning policy.

1.5. Persons who make the connections between human capital and the conversion processes

See chapter 2.

2. Regional development experts

2.1. Principal facts

a) Numbers and principal functions

The development experts who play a part in Limburg in making the connections between human capital and conversion processes are:

The Regional Development Corporation for Limburg

22 staff members, including 11 at level 1 (university). This public body is charged with promoting the economic development of the province; its main fields of action are: regional economic research and action; systematic investment promotion; advice to firms and technological assistance with a view to innovation.

The RVA vocational training centres in Hasselt and Tongeren

Four coordinators, 82 instructors (40 for secondary sector courses and 42 for tertiary sector courses) and administrative staff. These centres provide job-orientated training for both those in employment and those seeking employment.

The Subregional Employment Committee for Limburg

This consultative and advisory body, which is subject to RVA coordination, comprises representatives of

employers' organizations and trade unions, together with representatives of the education and economic affairs ministries. Its purpose is to make recommendations for the improvement of job opportunities, measures to counter unemployment, the development of a fully efficient employment exchange service for workers and employers, and the promotion of post-school vocational training.

b) External links

At the Flemish level the Regional Development Corporation maintains systematic links with the Chairman of the Flemish Executive, the other four Regional Development Corporations in Flanders and the Social and Economic Council for Flanders (SERV). Forums for cross-border cooperation in which the Regional Development Corporation is involved are the Maas-Rhine European Region, Benelux Central Area (Hasselt Study Group) and the Cross-Border Action Programme for Central Benelux (the provinces of Antwerp, Limburg and North Brabant).

c) Qualifications on appointment

Regional Development Corporation for Limburg: multidisciplinary team of university graduates.
RVA vocational training: instructors with higher technical qualifications.
Subregional Employment Committee for Limburg: consultative and advisory body only.

2.2. Training staff qualifications

In-service training for teachers is an essential element in the work of ensuring that education and training can meet the needs of industry. If young people are to receive not only a general education but also up-to-date technical training in relation to new technologies their teachers must be equipped for this task through an on-going programme of in-service training. While a range of schemes have been introduced in this field (these have been the subject of earlier sections), there is clearly a case for expansion and development on a more structured basis.

A specific need exists in connection with the training of teaching staff working with young unemployed people with low levels of educational qualification. Teachers working with this group need not only a thorough knowledge of their own technical field but also qualities such as patience, inventiveness, good organization, the capacity for group working and so on. Such requirements emerge particularly in the context of the experimental part-time learning systems and the "Keeping Abreast" projects (see section 1.3.1.b), which comprise courses not directedly geared to employment for unemployed people with little education.

2.3. Raising staff qualification levels

a) Firms' training staff policy

When recruiting training managers to undertake the

overall organization of training firms mainly look for persons with broad qualifications in the human sciences (social workers, psychologists etc.). Training after appointment takes place partly internally and partly through attendance at external courses in such fields as human relations and industrial psychology. Those who actually deliver the training, the instructors themselves, need to have practical occupational knowledge and skills.

b) Government training policy (RVA)
Mention must be made in this connection of the work of the National Centre for Pedagogical Training and Study (NCPOS) of the National Manpower Service (RVA), which provides training for instructors responsible for the vocational training of adults. The Centre's courses cover teaching methods suited to the specific requirements of adult vocational training. As well as its initial training courses for prospective RVA centre instructors, NCPOS also provides advanced courses for existing RVA teaching staff.

c) Analysing qualifications requirements
The work of analysing training needs is not yet being carried out on a sufficiently comprehensive basis. The Regional Development Corporation carries out studies and surveys in the field of education and the needs of industry, but a permanent and more wide-ranging programme of research is needed, covering both quantitative and qualitative aspects (to take

account inter alia of the spread of automation). Such research enables priorities to be set for the expansion of the training system (schools, RVA courses, small-business training, adult education etc.).

2.4. The training of development experts

On the matter of policy on the training of development experts reference may be made to section 2.3., which is concerned with government and private-sector policies in this area.

2.5. The changing functions of development experts

Too little research has been carried out into the functions of development experts who play a part in making the connections between human capital, conversion processes and economic development to permit conclusions to be drawn in this area.

2.6. Functions of development experts in the relationship between the government and the private sector

a) Consultation between the government and the private sector

With regard to consultations between the government and the private sector reference may be made to section 1.1.4 a), which is concerned with the role of employers' organizations and trade unions in the training field.

b) Cooperation between the government and the private sector

In previous sections mention has been made of various specific instances of cooperation in Limburg, among them the alternance learning projects, work experience placements, collaboration between research institutions and private firms, and so on.

Mention must also be made of concrete forms of cooperation involving RVA vocational training, such as the organization of courses jointly with firms. The courses are given on the premises of the firms themselves, which also provide the necessary equipment and materials. Costs are shared between the RVA and the firm concerned on the basis of individual agreements. For the most part these are courses which cannot be given in the RVA's own centres on account either of their specific nature or of the expensive equipment required.

c) New government and private-sector policies

Now more than ever, firms need to be able to build on school-imparted knowledge and skills, and this has greatly enhanced industry's preparedness to collaborate with the education system (as witness the many new forms of cooperation which exist). At the same time those with responsibility for the education system have come to pay greater attention to technological innovation in industry. Further progress is clearly needed in this direction, with greater coordination and concentration of efforts.

2.7. Organizing and activating groups of development workers

It may well be that the training of groups of development workers is as yet insufficiently organized. Their operation could be enhanced by, for example, the creation of a forum for the exchange and illustration of their experiences in respect of the application of human capital in plans for economic development and employment; comparisons of systems in different regions can promote new thinking and suggest ways of improving existing work.

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Berlin, 1986

CEDEFOP EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING

UTILISATION OF HUMAN RESOURCES IN ECONOMIC DEVELOPMENT PLANS AND JOB CREATION IN REGIONS WHICH ARE PARTICULARLY ASSISTED BY COMMUNITY FINANCING INSTRUMENTS

REPORT ON IRELAND: THE SOUTH WEST REGION

PREPARED ON BEHALF OF AnCO (AN CHOMHAIRLE OILIÚNA/THE INDUSTRIAL TRAINING AUTHORITY)

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1. The Three Dimensions of Regional Development Policy in Ireland

The region with which we are concerned in this report is a sub-national entity. It is, in fact, that one of the nine regions of the Republic of Ireland which is clearly identified in geographical terms by being called the South West Region. It comprises the counties of Cork and Kerry. The three principal local authorities engaged in the administration of these component parts of the South West Region are the Cork City Council, the Cork County Council and the Kerry County Council respectively. The first two of these are based in Cork City, while the latter is based in Tralee, Co. Kerry.

The three dimensions of regional development policy, with a brief sketch of which we commence this report, relate to industrial development, training and youth employment, and physical planning and local administration respectively. The first two of these dimensions are generally embodied in strategies which are drawn up at national level by agencies located in the capital city of Dublin. While the third dimension can incorporate more regional initiative, quite severe constraints are placed on that initiative by the local authorities' limited degree of fiscal autonomy. At central government level, the three dimensions are the immediate concern of the Departments of Industry, Labour and the Environment respectively.

1.1. Industrial Development

Attempts to deal with regional problems in Ireland began in 1952 with the Undeveloped Areas Act, which was designed to aid industrial development in the poorer areas of the country, viz. mainly the counties west of the River Shannon together with Kerry and West Cork. Within four years the claims of the non-Western counties to comparable treatment were given recognition through the Industrial Grants Act of 1956. Irish industry, which at that time was highly protected and domestically-oriented, proved quite slow to avail of the incentives offered and, as the 1960s approached, the policy-makers began to accept the view that reliance would have to be placed on attracting export-oriented foreign firms to Ireland. In organisational terms a milestone was reached when, in 1970, the Industrial Development Authority as we now know it achieved a remarkable degree of

autoromy outside the realm of the civil service in administering its combination of capital grants and tax exemptions to both foreign and indigenous industrialists, large and small. The monitoring by the Industrial Development Authority (IDA) of the operations of those grant-aided companies has, since 1973, yielded up to date information on the level and distribution by nationality of the employment sustained by them. A concomitant activity has been its administration of training grants as an important form of incentive offered to the firms attracted by its programmes. As Appendix Table 1 shows, the value of those grants in real terms (i.e. calculated at constant 1980 prices) has been twice as high in the first half of the 1980s as they were in the latter half of the 1970s. Approximately one third of the training grants were financed from the European Social Fund. A little less than the same proportion of the grants was directed towards the so-called Designated Areas, which are broadly comparable to what we earlier termed the Undeveloped Areas along the western seaboard.

1.2. Physical Planning and Local Administration

This dimension received its first important impetus with the passing of the Local Government (Planning and Development) Act of 1963 and the division of the country, shortly afterwards, into nine regions for physical planning purposes. Another initiative was quick to follow: in 1964 the Minister for Local Government commissioned two consultants to prepare physical development plans for the Dublin and the Limerick areas respectively and two years later a further consultant was commissioned to prepare a corresponding programme for the remaining seven regions. At the close of the 1960s a third initiative came with the establishment of the Regional Development Organisations. In the South West Region, for example, the Regional Development Organisation (RDO) comprised the three principal local authorities, which we mentioned at the outset. The RDOs have a general coordinating and advisory role in relation to regional planning by the member bodies.

While the Industrial Development Authority formulated two successive Five-Year Regional Programmes (1973-77 and 1978-82 respectively), which of course had direct implication for the region we are concentrating on,

the RDO for the South West Region has only recently addressed itself to the corresponding task in terms of it own writ. To some extent a precedent was set by the Land Use and Transportation Study in respect of the Greater Cork Area, in the production of which the Councils of Cork City and County cooperated a number of years ago.

The new strategic study, which is expected to cost IRL £250 000, follows along lines that have been set down by other RDOs and, like the latter, will probably attract a substantial financial contribution from the European Communities. On the occasion of the signing of the contract, as reported in the press on 23. April 1986, the terms of reference call inter alia for the identification of the growth potential of the region in social, economic and other resource terms, both in the national context and in relation to identified sub-regions, and for the development of a preferred Plan for short (1986-1991) and medium (1991-2002) term time scales, with a view to accommodating the expected population growth, setting targets in relation to spatial distribution of population, employment requirements, infrastructural needs and environmental matters. In the light of its general function and of its immediate impact on the subject of the present study, the dimension of physical planning and local administration will not be more closely investigated here.

1.3. Industrial Training and Youth Employment

This dimension of regional development policy is directly concerned with human resources and specifically with the age group 15-24 years. Accordingly, it is appropriate to begin by sketching out this aspect of the Irish demographic scene as recorded in the 1981 Census of Population.

The census results show that of the total 1981 labour force (1 283 000) about 29 percent were aged under 25 years. Of the latter one in every six was unemployed, even if a first job seeker. Out of the total of 316 000 young persons at work about 35 percent were in industrial or building employment and 23 percent were working in distribution, business services etc., while the remainder were in other parts of the services sector (predominantly in public sector employment) and a small residual were to be found in agriculture.

At the 1981 Census of Population there were 51 000 young persons under 25 years of age recorded as unemployed. By the end of 1984 the seasonally adjusted total of unemployed young persons, as reflected in the numbers recorded on the so-called Live Register, had risen to 68 500 or roughly 19 percent of the youth labour force. In the absence of various employment and training schemes for young people, which had been introduced or had received enhanced support in the intervening years, it is estimated that the youth employment rate could have been closer to 25 percent at the end of 1984. The Youth Employment Levy, which will be elucidated in the next paragraph, was the primary means by which such schemes were activated.

The Irish Government, in its Programme for 1981-86, stated that a Youth Employment Agency would be established without delay to integrate and radically extend the existing youth employment schemes in order to ensure that up to 20 000 additional young people, who were without employment for 6 months or more, would qualify for participation on one of the existing or projected employment or training schemes. The Agency set itself the additional task of creating an additional 20 000 jobs and training places over and above those that might be availed of under existing schemes. In order to fund the Agency the Government imposed a 1 percent levy on all incomes, and in the first year of its operation this was expected to yield about IRL £63m, while additional assistance was anticipated from sources such as the European Social Fund.

As a result of this initiative there was an immediate increase of about one third in the resources available for existing programmes, designed for unemployed young people, under the auspices of the following organisations:

- AnCO (An Chomhairle Oiliuna, the Industrial Training Authority), which was responsible for general and apprentice training and Community Youth Training Programmes;
- CERT (the Council for Education, Recruitment and Training of staff for the hotel, catering and tourism industries),
- the National Manpower Service (within the Department of Labour), which was responsible for the Work Experience Programme;

- the Department of Education (Temporary Grants Scheme for Youth Employment), later handled by the Department of Labour; and
- the Department of the Environment (Environmental Improvement Schemes Programme).

In addition, the Youth Employment Agency (YEA) funds part of the work undertaken by ACOT (An Chomhairle Oiliúna Talmhaíochta, the Agricultural Training Authority). By 1983 the programmes administered by or on behalf of YEA required an expenditure of nearly IRL £120m, of which IRL £75m came from the Youth Employment Levy and nearly IRL £45m was recouped from the operational agencies of the European Social Fund.

AnCO, the Industrial Training Authority, was established under the Industrial Training Act, 1967, to provide and promote training at all levels of industry and commerce. The Authority's training activities fall in three main areas:-

- Apprenticeship training
- Training for individuals (excluding apprentices)
- Training within companies

AnCO has statutory responsibility for the organisation and control of apprentice training in the seven trades designated for apprencticeship purposes under the 1959 Apprenticeship Act. The trades consist of the following groups: Furniture, Printing, Dental Craftsman, Engineering, Electrical, Motor and Construction. All apprentices in the designated trades are registered with AnCO which supervises and monitors their training and education during apprenticeship. The number of trade apprentices registered in the period 1975-84 has fluctuated between 15 000 and 20 000, three-quarters of whom are generally accounted for by Construction, Engineering and Electrical in descending order of importance.

AnCO, in consultation with industrial training committees and industrial development and manpower agencies, surveys and forecasts industrial apprentice requirements as part of its ongoing research and planning activities. If the number of apprentices being recruited by industry falls short of the planned annual intake, AnCO intervenes by sponsoring apprentices directly.

AnCO runs approximately 90 different courses in its training course centres and in other centres commissioned from external agencies, to cater for

unemployed workers, persons needing to change/update their skills, and persons wishing to enter the labour market. The courses are provided in employable skills, community youth training, workshop training and other areas.

The primary responsibility for training and development within industry falls on individual firms. AnCO's policy is to assist and encourage firms to meet this responsibility through its levy/grant schemes, technical assistance grants scheme and training advisory service. The Industrial Development Authority gives grants for the training of workers for new industries and provides the financing for the training of workers in expanding industries or in industries being restructured. Companies in receipt of such IDA grants are not eligible for AnCO moneys at the same time. Under the levy grant scheme every firm above a certain size in 7 designated industries must pay a levy of 1-1.2% of its payroll into a specific fund from which grants of up to 90% of the levy are paid out in respect of specified training activities, provided they meet certain training standards and requirements set by AnCO. The levy is collected by AnCO Training Advisory staff.

2. The Escalator and the Treadmill: Industrial Output and Employment in the South West Region.

Before focussing on economic and social activities in the South West Region since Ireland's accession to the European Communities in 1973, we may advert briefly to the region's performance in relative terms prior to that date. Estimates of personal income per capita, based on the pioneering work of Ross, indicate a relative improvement in the position of the region between 1960 and 1973 (1). In the former year the highest income per capita was displayed by the East Region, which comprises Dublin and the immediately adjoining counties of Kildare, Meath and Wicklow, while the lowest level was found in Donegal. The ranking of the regions remained strikingly constant between 1960 and 1973. The South West, while consistently in second place behind the East, displayed a marginal improvement as its per capita real income rose from just under 80 percent of the East Region's level in 1960 to about 84 percent in 1973.

From the latter point onwards we have two sets of regional data at our disposal. The first of these is the official Census of Industrial Production data, classified by region since 1975 and currently available up to 1981.

The major trend between those years, which is summed up in Appendix Table 2, illustrates clearly the development referred to in the heading of this chapter. In the 8 year interval between 1975 and 1983 real net output escalated by about 84 percent, while industrial employment rose by only 7 percent. Net output is derived by deducting the cost of materials, industrial services and fuel and power from gross output, which is the selling value of goods produced. Thus, net output is the residual from which dividends, depreciation, additions to reserve, wages and salaries and other labour costs, rent, royalties, rates, taxes and advertising costs etc. are paid. A comparison of industrial structure in the South West and the entire country in 1975, in terms of net output and employment, will be found in Appendix Table 3.

The disparate growth of real net output and employment was nowhere as pronounced as it was in the South West Region. In the West, for example, while real output also grew by 84 percent, employment increased by no less than 45 percent. The exceptionally poor performance of the South West would seem to be attributable to a substantial degree to its traditionally heavy reliance on the food industry, in which scarcely any employment growth took place, and to its new-found reliance on exceptionally capital-intensive investment by monopolistically competitive foreign firms, such as those belonging to the pharmaceutical industry. In the latter case there is obviously potential scope for transfer-pricing which, if availed of, would 'inflate' the output value (2).

2.1. Job Gains Offset by Losses in the South West 1973-83

The IDA's 1973-77 Plan set itself the target of creating a national gross total of 55 000 jobs, which meant adding one quarter to the employment level which prevailed at the outset. Given anticipated losses of 17 000, the net job creation target was 38 000 jobs. In the event, job losses in the period amounted to 55 600 and they practically sufficed to wipe out completely the gains of 57 500 jobs.

In the case of the South West the Plan had aspired to the net creation of 7 000 jobs. The balance between gains of 9 100 and losses of 8 100 was such, however, as to leave the region with only 1 000 additional jobs instead of 7 000.

The target variable in the case of the 1978-82 Plan was not the net change in employment but the number of new grant-aided jobs to be filled. The target in the South West was 10 450 jobs in manufacturing industry. While the newly created jobs numbered 8 654 and thus represented 83 percent of the target total, they were more than offset by losses of nearly 12 000. The outcome for individual years was as follows:

	1978	1979	1980	1981	1982	1978-1982
New Grant-Aided Jobs Filled	2 020	1 680	2 110	1 770	1 362	8 654
Changes in the Rest of Industry	-1 008	-1 670	-2 712	-3 270	-3 320	-11 980
Net Outcome	+1 012	+ 10	- 602	-1 500	-1 958	- 3 326

The total number of new jobs filled actually added up to 8 942 over the five year period, but apparently by the end of the period 288 of those had already been lost, leaving the 8 654 jobs shown above (3).

Net job gains or losses are the outcome of a complex process involving start-ups and expansions, closures and contractions. In Ireland as a whole between 1973 and 1981 start-ups yielded a little less than 2/3 and expansions a little more than 1/3 of the approximately 92 000 new jobs created. On the other hand, closures accounted for 55 percent and contractions for 45 percent of the roughly 81 000 job losses (4).

Comparable data under all four headings are not at present available in respect of the South West. We can, however, stratify the jobs enumerated in November 1983 according to the year of start-up of the corresponding firm for 1973 and later. The detailed results are contained in Appendix Table 4: we are confronted here with nearly 10 000 jobs, or slightly less than 1/3 of all the jobs enumerated in the South West at the end of 1983 in the context of the IDA's annual employment survey. Perhaps the most conspicuous feature of the 11-year development is the relative collapse of the job-creating impetus in the years 1977 and 1978. The start-ups in the preceding four years ultimately left about 900 jobs each on the ground in 1983, but in the conspicuously bad years the achievement was scarcely 500 jobs each year. This could, of course, mean that an initially greater achievement had been substantially eroded by 1983, but when we

check the flow of IDA new industry grants to the South West between 1975 and 1984, which is contained in Appendix Table 5, we find first of all clear confirmation of the collapse in new start-ups around 1977 and 1978. But here the outstanding contrast lies in the extraordinary inability of the South West to increase its take-up of new industry grants throughout the period. For convenience, the figures in Appendix Table 5 are expressed as index numbers, based on the year 1975, of the grants valued at constant 1980 prices. While the flow of new industry grants in the state as a whole rose fairly steadily from 1975 until it reached double the initial level in 1981, the flow to the South West managed to exceed its initial level in only 2 of the 10 years, while - as already pointed out - quite a substantial drop was recorded in 1978 and 1979. In sharp contrast, the growth rate of small industry and re-equipment grants was almost invariably substantially greater in the South West than in the state as a whole.

The grants that we have been looking at comprise a number of components, of which the two most important are fixed assets and training grants. It is only since 1981 and at national level that the training grant element has been shown separately in the IDA annual reports. The summary percentage shares, calculated from those reports, are worth presenting here:

Training Grants as Percentage Share of Total Grants in favour of:	1981	1982	1983	1984
New Industry	11.4	14.1	13.1	19.3
Small Industry	9.7	15.4	19.3	20.9
Re-Equipment	10.7	8.7	9.4	5.4

The fact that the weight assigned to training grants for new industry and small industry ventures has practically doubled in recent years testifies not merely to their importance as an industrial incentive but also to the extent to which the separate functions of grant-aiding and industrial training are in fact closely coordinated under the particular circumstances prevailing in Ireland. We shall, of course, be looking at this coordination from the obverse side when we focus on AnCO's training activities. Before we reach that point, however, it is useful to take a closer look at the industrial structure that emerged in the South West between 1973 and 1983 and at the skills profile exhibited by the principal industrial sectors.

2.2. The Changing Structure of Manufacturing Industry in the South West and its Implications for Sector-Specific Skills

The Manpower Survey undertaken by the Industrial Training Authority, AnCO, in 1981 provided, among other things, a detailed account of the incidence of different occupational groups in six main industrial sectors. These groups are frequently aggregated in the English-speaking world into three basic sets identified as white-collar workers, blue-collar workers and general labourers or operatives. Since we are primarily concerned in the present context with vocational training, let us single out the blue-collar workers and to this set we shall assign, direct from the AnCO statistics, the technicians, the craftsmen and the apprentices. It is convenient to equate skill-intensity with the percentage share of the blue collar workers in the relevant industrial sector's total workforce and when we do so the following broad picture emerges from the detailed source material in the Manpower Survey and from Appendix Table 6, in which the principal relevant findings are summarised:

		Percentage Share of Skilled Workers 1981
Aggregate of the Six Main Industrial Sectors:	(1) Ireland	17.9
	(2) South West	19.6
Individual Sectors in South West Only		
1) Engineering		36.6
2) Chemicals & Allied Products		13.9
3) Printing and Paper		37.0
4) Textiles		7.2
5) Clothing and Footwear		7.0
6) Food, Drink and Tobacco		8.1

While the industrial classification utilised by AnCO has not been systematically coordinated with that of the Central Statistics Office or that of the IDA, the degree of compatibility between them seems quite adequate for the present purpose.

Taking these sector-specific skill intensities into account, we now consider the structural change within manufacturing industry in the South West between 1973 and 1983, detailed information on which is contained in Appendix Tables 7 and 8. In the course of the period, it will be noted, total employment in manufacturing industry covered by the IDA annual employment survey fell from 34 700 to just over 32 500.

The Food, Drink and Tobacco industries accounted at the outset for nearly one third of total manufacturing employment. While the numbers engaged in those industries displayed a modest increase by 1978, five years later the employment level was no higher than it had been in 1973. Within the food industry a predominant role was played by the dairy processing cooperatives, which, having undergone an unprecedentedly rapid rationalisation process, now consisted of modern, capital-intensive production facilities (5). Similarly, the drink industry in the South West was represented principally by two centralised and modern production facilities in each of the brewing and distilling industries. Given the failure of these food and drink industries and of manufacturing industry in the South West as a whole to increase employment in the course of the decade, the industry group still acounted in 1983 for about one third of all manufacturing employment in the region. Notwithstanding the existence of much underutilised capacity in Irish agriculture, these industries at present hold out no promise of increased employment in the decade ahead. The most convenient indicator of their vulnerability is to be found in a comparison between their total labour costs and their gross value added, in which case it is very important to note that the latter aggregate does not include subsidies. The following relationship, at national level, emerges, for example, in respect of all enterprises with 20 or more persons engaged in the manufacture of dairy products between 1975 and 1981 (6):

	IRL £ million	
Year	Gross Value Added (excluding Value Added Tax)	Labour Costs
1975	54.6	32.3
1977	41.1	49.4
1979	60.5	68.5
1981	91.2	102.4

In the Textile, Clothing, Footwear and Leather Industries in Ireland the period 1978-82 witnessed the implementation of an employment subsidisation scheme, which affected on average approximately 30 000 employees (7). In those industries also, as official data on enterprises with 20 or more persons engaged show, the same tendency of gross value added (net of subsidies and excluding value added tax) to fail to keep up with labour costs could be observed (8):

Year	Textiles		Clothing, Footwear & Leather	
	IRL£m Gross Value Added	IRL£m Labour Costs	IRL£m Gross Value Added	IRL£m Labour Costs
1975	53.0	38.8	53.2	38.7
1977	82.6	54.1	67.0	48.2
1979	96.4	74.8	80.6	66.2
1981	114.0	93.0	96.6	81.4

In the South West employment in those industries in 1983 was less than half the level observed ten years previously. As in the case of the food and drink industries, their lack of competitiveness would appear to rule out any net increase in job creation during the coming decade. Bearing in mind the relatively low skill intensities associated with those industries, the demands on training or re-training facilities to which they give rise are likely to be commensurately very limited.

If we leave aside the Paper and Printing Industry which, while conspicuously skill intensive, displays a low absolute employment level in the South West, we are then left to concentrate on the Metals and Engineering and the Chemicals Industries respectively. In 1973 about one fifth of the manufacturing workforce in the South West was employed in the Metals and Engineering sector. Five years later, on the eve of a dramatic incursion of foreign electronics firms into Ireland's engineering sector, the Metals and Engineering Industry had raised its employment level in the South West by 25 percent. Great hopes in the Cork area were pinned on a very substantial expansion by one of the city's most prestigous firms, Henry Ford and Son, which had established its Irish subsidiary for the production of tractors as early as 1917.

Given the predominant role which Cork City plays in the South West Region - in 1975 it accounted for a third of the region's industrial employment - it is convenient at this point to take a more detailed look at its industrial structure, particularly in relation to the two major sectors at present under consideration. A profile of companies in Cork City and its environs at the end of 1978, which was undertaken at the time of a business magazine, enables us to single out the following major enterprises (9):

Metals and Engineering	Employment at End of 1978
Verolme Cork Dockyard	1 160
Henry Ford & Son	1 100
Irish Steel	730
Metal Products	500
Chemicals	
Irish Dunlop	1 450
Pfizer Chemical Corp.	770
NET (State-owned fertiliser company)	430
Goulding Chemicals	420
Carrigaline Pottery	300
Penn Chemicals	205

The aggregate employment by those firms, which at the end of 1978 comprised nearly 7 000, had fallen to a third of that number by the end of 1984. In the latter year Ford terminated car assembly and the neighbouring Dunlop plant was closed completely. The Dockyard, representing a Dutch-Irish venture, ceased operations. Irish Steel literally found itself in the melting pot of EEC rationalisation efforts and barely survived, while the remaining firms had, by 1984, either ceased operations or scaled down their employment levels. As far as the chemical industry was concerned, a limited respite was provided by the advent of a number of fine chemicals and related companies, all of them foreign-owned subsidiaries, to the Cork area between 1979 and 1984.

No such compensating developments emerged in the Metals and Engineering Industry, with its traditional emphasis on mechanical engineering, for from the late 1970s onwards the efforts of the IDA were directed in particular towards attracting firms from the relatively recession-free and consequently fast growing international electronics industry. As Appendix Table 8 shows, by 1983 foreign firms accounted for about 40 percent of all manufacturing employment in the South West, while in the broad Metals and Engineering sector the percentage was as high as 66 percent.

2.3 An Outline of Developments in the Construction Industry

In the latter half of the 1970s the level of building activity in Ireland in general, and in the South West in particular, tended to be quite high. In the vicinity of Cork City, for example, the construction of the large NET fertiliser plant, which commenced in 1975, reached its peak employment level about two years later, when nearly 1 800 workers were engaged on the site. There were, however, two underlying tendencies at work which impinged upon employment prospects in the industry. The first of these was the tendency for the growth of real output to escalate beyond the rate of employment growth. The second was the undue dependence on funding by the public sector, the growth of whose deficit would sooner or later have to be curbed.

At the national level the series of real output of the construction industry, i.e. valued at constant 1980 prices, and of employment, both expressed as index numbers with 1975 set equal to 100, showed the following disparate development (10):

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Output	100	109	105	129	148	143	151	142	130	117
Employment	100	94	98	108	113	116	113	108	97	93

The second problem facing the construction industry, viz. the public budget constraint, was not universally recognised at the time of the building boom in the late 1970's. The Dublin consultants who were retained jointly by AnCO and the EC Commission to prepare a study on 'The Training and Employment Needs of the Construction Industry in Ireland 1980-85' predicted that the industry's workforce would increase from the estimated 1980 total of 100 000 by a further 4 600 in order to meet forecast demand (11). However, as early as 1978 Baker of the Economic and Social Research Institute (ESRI) had put his finger on the weak spot when he wrote: ' unless there is a radical, and at present unforeseen, change in the balance between private and public financing, it .... appears that the growth of the Building and Construction sector will be governed to a considerable extent by the constraints facing the exchequer in the raising of finance ..... Taking a view five or six years to the future it seems that employment in the sector is more likely to be lower than higher than in 1978' (12).

A recent ESRI study has endorsed the continuing validity and relevance of Baker's viewpoint, emphasising that 'because of the industry's heavy dependence on public funding, and because most forms of public outlay generate no direct financial returns, the building industry will continue to be adversely affected by efforts to reduce the level of public borrowing' (13).

In the absence of official statistics on regional employment in the construction industry, recourse has been had to two alternative sources. From estimates specially provided by the Federation of the Irish Construction Industry it would appear that the number of construction workers in what is called the Greater Cork Area, viz. Cork City and the surrounding environs within a radius of about 15 miles, fell from nearly 8 000 in October 1980, at which level it had prevailed since mid-1977, to about 4 000 towards the end of 1983. These job losses undoubtedly had a high skill content, for the AnCO/EC consultants indicated that about 35 percent of the construction workforce in Ireland consisted of craftsmen. A detailed analysis of unemployment among tradesmen in Cork City between March 1975 and September 1983, which was undertaken by the present author two years ago, indicated that the construction boom had reached its peak in September 1979 and that the subsequent growth rate of male unemployment in Cork City, which clearly exceeded the national rate, was substantially attributable to the acute

deterioration in the construction industry (14).

3. Training and Youth Employment Programmes in Ireland and the South West respectively 1975-84.

In the preceding section of the report we have devoted considerable space to the impact of industrial development on the Irish economy and on the South West Region in particular. That emphasis reflects the conviction that in the longer term the development of the economy and its concomitant structural change is determined by Ireland's response to changing international market forces. Notwithstanding the emergence of de-industrialisation tendencies in some major economies in recent years and a simultaneous increase in the significance of internationally traded services, Ireland's 'engine of growth, in the immediate future is likely to remain centred in the industrial sphere. Within the services sector the scaling down of public sector employment due to budgetary constraints will tend to impress the stamp of change rather than that of growth on what is conventionally called the tertiary sector. ey area of public sector activity between employment expenditure and e expenditure seems destined, however, to retain its current importance at least in the medium term. Accordingly, in the interest of continuity this third section of the report begins with the industrial training activities of AnCO, the Industrial Training Authority, and it then turns to contemporary and prospective programmes, particularly those under the auspices of the Youth Employment Agency (YEA), which are designed to bridge the gap between second level schooling and youth employment.

By way of introduction to the sections which now follow, we present in Table 1 an overview of the programmes in which AnCO has been involved during the past ten years. The activities are weighted in terms of expenditure and it is perhaps most meaningful to look upon them as reflecting industrial training activities in the economy as a whole which involve, to a greater or lesser degree, participation by AnCO. The first point which emerges from Table 1 is that the level of activity, valued at constant 1980 prices, grew to three and a half times its original level in the course of the period (1975-83) under review.

TABLE 1: LEVEL AND DISTRIBUTION OF NATIONAL EXPENDITURE BY AnCO (INDUSTRIAL TRAINING AUTHORITY) IN SELECTED YEARS 1975-83 (IRL £1 000 AND PERCENTAGE SHARES)

		1975	1977	1979	1981	1983
(a)	Aggregate Expenditure					
	1. at current prices	11 265	22 301	37 445	61 339	117 668
	2. at constant 1980 prices	22 444	32 385	43 190	51 582	76 760
	3. Index Numbers of real expenditure	(100)	(144)	(192)	(230)	(342)
(b)	Principal Components of Aggregate Expenditure (Percentage Shares):					
	1. In-Company Training	51.9	47.3	41.9	45.9	38.4
	2. Direct Training	48.1	52.7	58.1	54.1	61.6
		100.0	100.0	100.0	100.0	100.0
(c)	In-Company Training (Percentage Shares)					
	1. New Industry Grants	32.7	40.2	41.8	48.0	49.5
	2. Domestic Industry Grants	-	2.7	10.4	10.2	16.6
	3. Levy/Grant Grants	49.4	43.4	33.7	27.2	21.8
	4. Tech. Assistance Grants	5.2	3.8	3.6	3.7	2.7
	5. Cost of Tech. Advisory Service	12.7	9.9	10.6	10.9	9.3
		100.0	100.0	100.0	100.0	100.0
(d)	Direct Training (Percentage Shares)					
	1. In Centres	n.a	n.a	n.a	85.0	72.6
	2. On External Courses	n.a	n.a	n.a	15.0	27.4
					100.0	100.0

Source: National Economic and Social Council (NESC), Manpower Policy in Ireland (Report No. 82, December 1985) Table 4.4, p. 132, Dublin 1985.

The second conspicuous point is that the relative weight carried by in-company training declined as early as the first half of the period, while the importance of direct training activities increased correspondingly. Within the latter training category we shall have to distinguish between apprenticeship and non-apprenticeship training.

3.1. In-Company Training in Association with AnCO: the IDA and Levy/Grant Schemes

It will be noted that we shall be restricting ourselves in this section to the three principal grant schemes, which together nowadays comprise about 90 percent of expenditure on in-company training. We omit two small components, an indication of whose importance will be found in Table 1.

The first of the grant schemes, known as the levy/grant scheme, is sometimes looked upon as a once-and-for-all campaign to move industry to a higher plane of systematised industrial training. A given, small percentage of the wage bill in certain designated industries is levied by the training authority, but the companies affected may recoup 90 percent of the levy provided that they initiate training arrangements which comply with the standards determined by AnCO. In Ireland as a whole, nearly two-thirds of the companies in the designated industries, which account for nearly 90 percent of those employed in those industries, have established training functions which adequately meet AnCO criteria (15). The general view is that the introduction of the levy/grant system has enhanced the overall situation in Ireland, for the numbers of training personnel employed by companies has increased very considerably.

Drawing upon AnCO's annual reports, we have calculated, at constant 1980 prices, the levy fund receipts, which is what determines the level of the corresponding grants that may be applied for and disbursed. For simplicity's sake we shall iron out year-to-year fluctuations by taking three-yearly averages. The picture which then emerges is as follows: if we take the years 1976-78 as our base period, we find that levy fund receipts in 1979-81 were 13 percent above the base period, while receipts in the years 1982-84 were no greater than 15 percent above the base period. In other words, there has been a fairly substantial levelling-off of receipts in recent years. Part of this levelling-off is indeed due to the failure of companies in the engineering and construction industries to pay their levies. It is not so much the breach of regulations as the resultant

apparent decline in the initiation of training activities which concerns us here. The engineering industry, for example, which in 1976-78 accounted for about 22 percent of the levy fund receipts, saw its share fall to approximately 14 percent in the following three year period, at which level it remained in the years 1982-84. The construction industry, on the other hand, raised its share from 26 percent in 1976-78 to the higher level of 31 percent, which it maintained on average in the six subsequent years. A rising tendency characterised the food, drink and tobacco industry, whose share increased from 23.5 percent (1976-78) to 26 percent (1982-84), while in the same interval a more spectacular increase, from 13 to 19 percent, was displayed by the chemical and allied products industry.

As the recent NESC report pointed out, any firm which nowadays submits a reasonable training proposal will generally receive a grant and this has led to a situation which is essentially a recirculation of the same funds. As a result, activities are funded which, even if individually adequate, may not be sufficiently improved or relevant from an overall national strategic point of view (16). One can only add that many would find it difficult to say if such a strategic point of view has yet crystallised. One can make the same point rather more positively by saying that, while the original purpose for which the levy/grant scheme was designed seems to have been fulfilled to a considerable extent, the question of its redundancy should now force policy makers to re-think their position in order to initiate an alternative scheme that would be more closely aligned to the thrust of their economic development strategy not only at national but also at regional level. Thus, not least because we appear to be in a situation of flux and transition regarding the levy/grant scheme we have not considered it necessary to explore the pattern of past expenditures specifically within the South West Region.

The two IDA-related schemes are the Domestic Industry and the New Industry Training Grants respectively. We already dealt with the latter in some detail in our discussion on IDA grant expenditure at both national and regional level. The Domestic Industry Training Grants, which are a relatively recent innovation, were not covered in our section on IDA activities. Perhaps it is worth drawing attention to the fact that the expression 'domestic' comprises both indigenous and foreign companies, which already exist and are operating in Ireland. The corresponding grant, which comes from the IDA, covers training costs in relation to the wages of the workers concerned while

in training, as well as related travelling and subsistence costs. The IDA Annual Reports to date indicate that the first actual payments, amounting to approximately £1.5m, were made under the Domestic Industry scheme in 1983 and that double that amount was paid in 1984: no regional breakdown is available.

The New Industry grants are designed to meet the training requirements of new foreign manufacturing subsidiaries established in Ireland. On the basis of national data available since 1981 their role within the overall incentive package offered by the IDA has been dealt with in an earlier section. AnCO's Training Advisory Service provides a consultancy service in assessing the training requirements and advising on the level of the corresponding grants. In many cases, AnCO provides 'hands on' assistance during the initial starting up period, which can last up to three years. In any case, the essential point is that AnCO plays an enabling role in what is really the second dimension of the grant-aid package offered by the IDA.

3.2 Direct Training by AnCO: Apprenticeship and Non-Apprenticeship Schemes

It is perhaps useful to begin by summarising the development of these two schemes in a manner analogous to our treatment of the levy fund receipts. It must be emphasised that we can compare regional and national data for the period in question (1976-84) only in terms of training at AnCO centres. Such a comparison is not possible in respect of external training, which shall be discussed later. The annual average numbers trained at AnCO centres in the three sub-periods of the years spanning 1976 to 1984 were as follows:

	First Year Apprentices Registered	Training at AnCO Centres Only			
		Apprentices Trained		Adults Trained	
	IRL	IRL	SW	IRL	SW
Ø 1976-78	3 095	1 042	227	10 338	1 348
Ø 1979-81	4 056	1 725	344	11 049	2 021
Ø 1982-84	3 869	2 523	448	19 472	3 322

The first point to emerge from this summary table, which is derived from AnCO Annual Reports, is that the number of first-year apprentices registered in recent years is below the average observed in 1979-81. However, the number of apprentices trained at AnCO centres had, at the national level, reached 2.5 times its original (1976-78) figure by 1982-84. The advance in the South West Region represented a doubling of the original figure. For every apprentice trained at the commencement of the period about ten adults were trained but this proportion dropped to less than 8:1 in recent years. In the course of the full 9-year period the proportion of adult to apprentice training in the South West has converged increasingly towards the national average.

The apparent failure of the number of first-year apprentices to increase beyond the level attained in 1979-81 deserves to be explored more fully, although this will necessitate focussing on the national rather than on the regional scene, for which more detailed data are not available in the published reports. At the national level it would appear that the construction industry has substantially increased its share of first-year apprentices from 31 percent in 1975 to 41 percent in 1984, while the share of the electrical industry has fallen in the same period from 22 percent to about 16.5 percent. This development may, however, be symptomatic of an underlying inadequacy in the adaptability of the statutory trades designations. The need for greater adaptability has been perceived for a long time, for as far back as 1976 AnCO announced the introduction of a new apprenticeship system, which was to be gradually phased in over the following years. The principal objective was to revise and update the existing system, to improve standards and to plan the annual intake of apprentices in order to ensure sufficient numbers of skilled workers in each of the designated trades. The proposals envisaged

- a period of full-time off-the-job training in an AnCO centre or in another approved institution in the first year of apprenticeship;
- release from work to attend courses of technical instruction in educational establishments in the first three years of apprenticeship;
- standard national training training and educational curricula for each trade;
- a 4-year apprenticeship, with provision for 3 years under certain conditions;
- a system of testing and certification of apprentices leading to the award of a National Craft Certificate; and

- planned annual intake of apprentices to ensure sufficient numbers of skilled workers in all trades.

The 1985 report commissioned by the National Economic and Social Council (NESC) criticised the tardiness with which a number of these proposals were still being dealt with. On the positive side it pointed out that the introduction of the period of full-time off-the-job training in the first year of apprenticeship had achieved substantial results: by 1983 over 80 percent of statutory first year apprentices were being trained in this way. On the negative side, attendance at courses in vocational schools and colleges was 'not compulsory and many apprentices still do not attend such courses; even when they do, they are not obliged to present themselves for (let alone pass) any examinations held on the termination of such courses. In effect the traditional position has been that, even for statutory apprentices, the 'time serving' element has been the major requirement....the stage has not yet been reached where a system of testing and certification is in existence' (17).

There are two further deficiencies in Ireland's approach to apprenticeship training, which are highlighted in the NESC report, and which are of particular relevance in the present context. 'At present', the report tells us, 'there are numerous skills emerging in the Irish industrial and commercial scene, particularly in the new industries in the technician area. In many instances these skills, even if they are of a particularly up-to-date nature, could be held to fall within the ambit of some of the existing statutory apprenticeships, but there is a tendency to consciously circumvent the system...If these practices proliferate there will be a growing number of persons who have acquired up-to-date skills in modern technology but who do not possess any certification to confirm the possession of such expertise. This would not be in the best interests of the individuals concerned, nor would it be consistent with the orderly operation of a planned national training programme' (18).

In the context of the latter kind of planning function, the consultants had adverted to the two available forecasting exercises which had been carried out in relation to future training needs. One of those dealt with the construction industry, a subject on which we have already commented. The second dealt with the Retail Motor Trade. In both cases the implication had been that the current inflow into apprenticeship was already too high. The

National Economic and Social Council itself, as distinct from the authors of the report, felt that this paucity of information on future training needs was a matter that deserved urgent attention: 'since it is impossible to generalise on the basis of two studies, the Council agrees with the consultants on the need for a comprehensive examination of the overall intake of apprentices in the context of future needs. In assessing these needs, the Council also recommends that consideration should also be given to whether the apprenticeship system should be extended to encompass a greater number of skills' (19).

We can now revert to the number of adults trained at AnCO centres. The number of such adults, which we placed in juxtaposition to the apprentices, comprised two main categories, those involved in main courses and those involved in what are currently termed induction courses respectively, and we shall now examine these more closely. The remainder consists of persons engaged in Community Youth Training Programmes, which we shall consider in a later context, and a relatively small number engaged in Special Workshops, which we shall leave aside. Following precedent, we can present the following summary of the development of main and induction courses during the nine years 1976 to 1984:

	Total Adults Trained	Adult Main Courses		Adult Introductory/ Induction Courses	
	IRL	IRL	SW	IRL	SW
Ø 1976-78	10 338	7 185	1 026	2 110	110
Ø 1979-81	11 049	6 579	1 384	1 380	203
Ø 1982-84	19 472	9 360	1 748	3 863	825

There are a number of terminological points which require clarification here. What are termed 'adult' courses are formal non-apprentice training activities in which an estimated 75 to 80 percent of the participants are under the age of 25 years. Adult 'induction" courses cater for unskilled persons of fairly low aptitude and they cover basic manual instruction as well as imparting a knowledge of general work practice. Some persons on the induction course may show sufficient aptitude to subsequently progress to more advanced skill related forms of training, but the majority are destined for the semi-skilled or unskilled sector of the labour market. Finally, it may be noted that the

transition from what were originally called 'introductory' to what were first termed 'induction' courses in 1982-83 seems to have been associated with a considerable escalation of the numbers involved, which was especially conspicuous in the South West Region, but that observation shall not detain us further. It is worth noting, however, that in the South West Region in recent has been one person on an induction course for every two on a main course conducted at an AnCO centre.

There are four points which deserve to be highlighted in the case of the main courses, three of which relate to the courses conducted at AnCO centres. To begin with, one can distinguish between industrial and non-industrial skills. In the most recent year for which such data are available (1983), about three quarters of the participants were undergoing training in industrial skills. A group of mutually related industries comprising engineering, metal fabrication and machinery etc., but also including the motor trade accounted for just under half of those learning these industrial skills. The other major component consisted of office procedures, sales, marketing, finance etc. The NESC report commented favorably on the high placement rate achieved by participants in the main courses. To be more specific, the 1984 AnCO Annual Report stated that roughly 70 percent of those being trained in what are usually termed the specific employable skills found employment as a result and, having gained employment, tended to retain it (21). The third point is that for the purpose of imparting those 'specific employable skills' a certain division of labour, in other words a degree of specialisation, is practised between the AnCO centres, which now number eighteen. While at one end of the spectrum one may find a wide diffusion of training facilities in an activity such as machine tool operating, at the other extreme an activity such as industrial instrumentation/electronics may perhaps be dealt with in only one centre. Given this inter-regional division of labour, it will be appreciated that a substantial matching of training facilities and specific local needs is not attempted in the more highly specialised activities.

The fourth and final point about main courses relates to those which are carried on outside the AnCO centres and are accordingly referred to as external training. Such training is undertaken in order to remedy certain identified skill shortages, the training being undertaken on behalf of AnCO by private firms, State-sponsored bodies or other institutes. As already indicated, a regional breakdown of the numbers engaged on external training courses is not available for 1976-86. At the national level it can be shown that their numbers have escalated dramatically:

	Adults Engaged in External Training	Per 100 Adults Engaged in Main Courses at AnCO Centres
Ø 1976-78	1 779	25
Ø 1979-81	4 216	64
Ø 1982-84	10 769	115

3.3. Youth Employment : Challenge and Response

Rather than proceeding directly to deal with youth employment and unemployment and thereby considering all persons under 25 years of age, it would seem more appropriate to commence our description of current conditions in Ireland by concentrating our attention on a specific cohort of more recent school-leavers. In the year 1981/82 some 61 500 young persons terminated their second-level schooling in Ireland. Approximately 2 000 of them were surveyed on behalf of the Department of Labour in 1983 and nearly the same number were the subject of a second survey in late 1984, which was carried out by the Economic and Social Research Institute (ESRI) on behalf of the Youth Employment Agency (YEA). It is convenient to take the experience of this cohort as representing the prospects which currently face school-leavers in Ireland.

We begin by comparing their economic status in late 1984 with that of mid-1983, excluding from our calculations about 3 000 who had emigrated:

Status in mid-1983 (Reading horizontally)	Status in late 1984 (Reading vertically)				
	Working	Unemployed	Student	Other	Total
Working	21 300	3 300	600	400	25 500
Unemployed	9 500	5 700	600	200	16 000
Student	4 500	1 600	9 500	100	15 700
Other	500	400	100	300	1 200
Total	35 700	11 000	10 800	1 000	58 500

Expressing the unemployment rate as the percentage of those in the labour force i.e. employed plus unemployed, who are unemployed, we can calculate that the rate in mid-1983 was 38.6 percent (16 000 out of 41 500) compared to 23.6 percent (11 000 out of 46 700) in late 1984.

At the time of the survey in late 1984 1 500 of the 1981/82 school leavers were on State-supported schemes, while a further 15 700 had completed periods of training, work experience or employment under the various schemes. In all, therefore, over a quarter of all 1981/82 school leavers had participated in State-supported schemes. The majority had taken part in only one scheme although 16 percent had been on two or more schemes.

As we pointed out in Section 1.3., the principal schemes are the Work Experience Programme of the Department of Labour, AnCO Adult Training and the AnCO-conducted Community Youth Training Programme, and the Grant Scheme for Youth Employment, formerly undertaken by the Department of Education and now under the auspices of the Department of Labour. For about 45 percent of the males the two AnCO schemes were the first schemes of which they availed; the AnCO Adult Scheme attracting about 20 percent and the Community Youth Training Programme (CYTP) about 25 percent. The Work Experience Programme followed in second place with about 36 percent. The ranking was radically reversed in the case of the females. Nearly two thirds of them availed in the first instance of Work Experience, while the proportion attracted to AnCO was about 27 percent, viz. about 1[illegible]cent to the Adult Training Programme and 8 percent to the CYTP.

Of the 14 500 enumerated in November/December 1984 who had completed schemes by June 1984 there were 7 800 who had availed of the Department of Labour's Work Experience Programme. Of the latter about 73 percent had found employment, 18 percent were unemployed after having their first job and 4 percent were first job seekers. About 2 600 had availed of AnCO Adult Training; at the end of 1984 about 71 percent of them were employed, 14 percent were unemployed after their first job and 10 percent were first job seekers. A somewhat smaller number (2 300) had been supported at some time by the Community Youth Training Programme and of these only 55 percent were employed at the end of 1984 (22).

The effects achieved by the various state-supported schemes, whether administered by the Department of Labour (through the National Manpower Service) or through AnCO, triggered two reactions which impinge substantially on the development prospects of manpower policy in general and on its role in relation to youth unemployment in particular. But before we spell out those reactions, we must first outline the effects of the schemes as such.

The effects are perhaps most conveniently summed up in terms of the relationship between non-skilled and skilled training programmes. The latter may be equated with the adult main courses conducted by AnCO at its own centres, while the former in this context comprise both the adult induction courses and the Community Youth Training Programme. If we consider only the numbers involved, we obtain the following relationships. On the average of the years 1976-78 the numbers on non-skilled programmes comprised roughly 43 percent of those on skilled programmes. In the case of the South West, the percentage was at the lower level of 35 percent. It may be noted that the decisive escalation occurred within the years 1976-78. Nevertheless, by the years 1982-84, the numbers engaged in non-skilled programmes equalled 88 percent of those on skilled programmes at the national level, while in the South West the proportion comprised 79 percent (23). In simpler terms, the ratio of non-skilled to skilled doubled between 1976-78 and 1982-84 (rising from 43 to 88 percent at national level and from 35 to 79 percent in the South West).

Among the reactions to this trend, one may identify two principal criticisms, while noting that there was a substantial degree of personal overlap in the two viewpoints expressed (24). In the ESRI study on 'Employment and Unemployment Policy for Ireland' the concern was articulated that 'in recent years, because of the depressed economic situation, the (AnCO) centres and the external training courses organised by AnCO have had to cater for growing numbers of unemployed. In spite of the adverse circumstances AnCO has managed to obtain quite high placement ratios in regard to such trainees. If, however, unemployment were to continue to rise, then clearly it would be increasingly difficult to find employment for trainees, and the question arises as to whether it would be possible to continue to relate all training to available employment directly' (25).

The reaction formulated in the NESC report on Manpower Policy bore a somewhat different though related accent: ' while the need to allocate substantial resources to training and manpower programmes for young people is not a matter of dispute, it must be recognised that the structure of the Irish labour force is changing. By the end of this decade one half of the entire workforce will be in the 25-44 age category according as the advance guard of the Irish population bulge rolls forward into this higher age bracket. Even if there is some improvement in the economic climate over the coming years, we still face the prospect of having to cope with sizeable numbers of unemployed persons in this older age group.....Thus, the broad pattern of priorities will have to be altered to provide a greater measure of access to manpower programmes for older workers.....This issue has now become a serious problem throughout the European Community as a whole' (26).

So much for the reaction of the economic consultants. By way of contrast, the organisational reaction has tended to focus on the immediate, short-term problems of policy coordination. In March 1984 the Youth Employment Agency put forward a major proposal aimed at improving the coordination between manpower bodies at local level. The proposal involved the setting up of a number of Community Training and Employment Consortia (COMTECs). As well as improving the links between the manpower agencies, the COMTEC proposal aimed to give community-based activity a significant role in the provision of services for young people. Each COMTEC would be based in a specific geographical are and would have a coordinating role in relation to employment and training services for young people in that area. It would bring together at local level the manpower bodies and community groups and provide a mechanism for their active involvement in decisions about the allocation of funds currently spent on the various training, temporary employment and work experience programmes. In September 1984 the Government approved the setting up of six COMTECs on a pilot basis. In the context of the South West Region COMTECs were established for Cork City and for Kerry respectively. Both bodies are at present preparing their first draft programmes (27).

4. Summary and Conclusions

In relation to activities at the national level, the National Economic and Social Council referred frankly to the absence of an overall manpower policy. It pointed out that since the mid-1960s, when the concept of a manpower policy first came on the national agenda, the environment within which manpower policy operates had altered significantly. Despite this there had been no fundamental look at the concept, 'the authorities being content to simply add further schemes onto the basic structure. Manpower policy, which is the responsibility of the Department of Labour, came to be defined as a collection of agencies and schemes' (28).

While the need for a manpower policy, particularly in relation to skilled manpower, is by no means confined to the manufacturing sector, we can usefully draw upon the well-documented experience of that sector in order to highlight some of the most significant needs of a skilled manpower policy. As revealed by IDA data, Irish manufacturing industry experienced the following patterns of gains, losses and net change, at the national level, in the years 1976-84 (29):

	Job Gains	Job Losses	Net Change
1976	23 221	17 220	+ 6 001
1977	23 376	16 718	+ 6 658
1978	21 744	14 243	+ 7 501
1979	24 790	14 516	+10 274
1980	19 685	26 170	- 6 485
1981	19 815	23 835	- 4 020
1982	16 780	23 662	- 6 882
1983	17 047	28 858	-11 811
1984	13 819	21 689	- 7 870

We have already dealt in some detail with the relationship between those job gains or net changes and the corresponding five-year plan targets which applied at both national and regional level in the years 1973-77 and 1978-82. We also noted that, thanks to the two-dimensional approach of the IDA in relation to the human as well as to the material resources required by investment projects, a very substantial amount of in-company training is automatically provided for. However, when the reverse process occurs and jobs are lost, it

would appear that the only attempt to salvage the human resources involved consists in an effort by the IDA to implant a similar substitute enterprise. It will not come as a surprise that such efforts are seldom successful. As Cork's experience has shown, activities such as ship building, car assembly or fertiliser production are highly specific in terms of the resources they utilise and idle productive capacity in the presence of already underutilised capacity at industry level is unattractive. It is left to the discretion of the redundant worker to take a chance and participate in an AnCO adult main course with a view to widening his skills. Thus, there is a striking assymetrical aspect to the employment/unemployment process, with 'hands on' characterising the expansionary phase and 'hands off' marking the contractionary phase.

But within the employment process itself one finds a contradictory aspect of the skills training programme. What we describe here as a contradiction emerges when one contrasts in-company training with AnCO direct training of apprentices. As the NESC consultants pointed out: ' the need to up-date the content of existing courses and to introduce new programmes to keep abreast of changes in the labour market are as relevant in the case of adult training as they are for apprenticeship.....AnCO is able to monitor such changes through its contacts with industry and the commercial sector generally. These are maintained through its corps of instructors.....and through the process of placing trainees in employment.....Another important aspect is the involvement of AnCO in the training grants programme for new overseas industry; this also provides AnCO with the opportunity to gain valuable insights into the most up-to-date industrial processes which have in the past influenced decisions to invest in new equipment for training purposes (e.g. numerically controlled machine tools)' (30). In contrast to AnCO's awareness of the skills content of this new technology, we find no evidence of a trickle-down effect from this skills input in the size or composition of the first-year apprentices undergoing off-the-job training by AnCO itself. We also noted that apprenticeship in Ireland still bears the stamp of a 'time-serving' activity and that testing and certification are apparently non-existent, while fulfilment of concomitant educational duties seems to be regarded as optional. The implications of this situation for the IDA's efforts in the context of

its Small Industry Programme to promote entrepreneurship among blue-collar workers (skilled tradesmen) would be worth exploring.

Leaving that Programme, which is directed at indigenous firms with less than 50 employees, aside, we have to face the fact that regional autonomy in Ireland is non-existent insofar as it relates to

- the allocation of resources for industrial development grants;
- the allocation of resource for industrial training; and
- the allocation of funds for major infrastructure developments.

In other words, the three dimensions which we identified at the outset of this report are in effect empty boxes at the regional level. It will be recalled that we emphasised the exceptional dependence of activity in the construction industry on public sector funding through the central government in Dublin. We can conclude on a positive note, however, by drawing attention to an AnCO research study on the singularly dynamic services sector, which is now nearing completion, and the recommendations of which may have important implications for a national industrial training strategy that has hitherto been too closely identified with the development prospects of what has traditionally been termed the secondary sector of the national economy.

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APPENDIX TABLES

TABLE 1: TRAINING GRANT EXPENDITURE BY INDUSTRIAL DEVELOPMENT AUTHORITY AND CORRESPONDING RECEIPTS FROM EUROPEAN SOCIAL FUND IN CONSTANT 1980 PRICES, 1975-1984 (IRL £1 000)

	Total Expenditure	Percentage Share Designated Areas	Received from European Social Fund
	IRL £1 000		IRL £1 000
1975	3 822	35	169
1976	6 707	25	790
1977	6 510	45	995
1978	6 768	33	2 731
1979	8 351	35	3 651
1980	9 971	26	6 750
1981	12 793	30	4 540
1982	15 082	34	5 218
1983	15 827	24	5 754
1984	16 822	26	2 496

Source: IDA Annual Reports, 1975-1984 ; CSO, National Income and Expenditure 1983 and 1984. Table 1, p. x-xi, Dublin, August 1985

TABLE 2: PERCENTAGE CHANGE IN INDUSTRIAL NET OUTPUT (AT CONSTANT 1980 PRICES) AND PERSONS ENGAGED (NACE 1-4) BY REGION IN IRELAND 1975-81

	Real Net Output	Persons Engaged
North East	+34.6	+16.8
East	+ 8.3	- 0.5
South East	+35.4	+29.4
South West	+85.9	+ 7.2
Mid West	+48.9	+23.9
West	+83.6	+44.8
North West & Donegal	+54.8	+39.2
Midlands	+75.8	+50.1
STATE	+39.5	+15.2

Sources: CSO, Analysis of the Census of Industrial Production 1975. Supplement to 'Irish Statistical Bulletin', September 1981, Table 10, p. 25-26; Census of Industrial Production 1981, Table 4, p. 49-51, Dublin, October 1985; National Income and Expenditure 1983 and 1984. Table 1, p. x-xi, Dublin, August 1985.

TABLE 3: DISTRIBUTION OF NET OUTPUT AND PERSONS ENGAGED BY MAJOR NACE INDUSTRIAL SECTOR IN IRELAND AND SOUTH-WEST REGION 1975 (PERCENTAGE SHARES)

	NET OUTPUT		PERSONS ENGAGED	
	Ireland	South West	Ireland	South West
Non-Metallic Mineral Products	8.4	4.5	6.7	3.9
Chemicals & Oil Refining	8.7	15.2	4.9	7.0
Metals & Engineering	21.9	16.7	23.8	21.5
Food	26.4	37.2	23.4	29.4
Drink and Tobacco	10.2	3.6	5.2	3.2
Textiles	5.8	10.4	8.5	15.9
Clothing, Footwear & Leather	5.9	2.7	11.2	5.6
Timber & Wooden Furniture	2.4	1.7	4.1	3.1
Paper & Printing	7.1	3.6	8.3	4.1
Rubber, Plastics etc.	3.2	4.4	3.9	6.3
Total Manufacturing Industry	100.0	100.0	100.0	100.0

Source: CSO, Analysis of the Census of Industrial Production 1975. Supplement to 'Irish Statistical Bulletin', September 1981, Table II, p. 27-29

TABLE 4: EMPLOYMENT IN NOVEMBER 1983 IN IDA GRANT-AIDED INDUSTRIAL ENTERPRISES IN SOUTH-WEST REGION BY YEAR OF START-UP, 1973-1983

Year of Start-Up	No. of Firms	Employment 1983
1973	23	827
1974	18	1 008
1975	25	777
1976	20	1 016
1977	19	494
1978	27	538
1979	52	1 016
1980	63	2 047
1981	60	1 270
1982	41	485
1983	28	288
Total	376	9 766

Source: IDA Information specially provided

TABLE 5: IDA CAPITAL EXPENDITURE ON NEW INDUSTRY, SMALL INDUSTRY AND RE-EQUIPMENT GRANTS IN IRELAND AND THE SOUTH WEST REGION 1975-84: INDEX NUMBERS (1975 = 100) OF EXPENDITURE AT CONSTANT 1980 PRICES

	NEW INDUSTRY		SMALL INDUSTRY AND RE-EQUIPMENT	
	Ireland	South West	Ireland	South West
1975	100	100	100	100
1976	135	94	97	110
1977	110	119	94	150
1978	117	54	92	126
1979	147	79	99	127
1980	172	98	154	268
1981	208	98	145	220
1982	147	99	120	161
1983	153	103	91	83
1984	121	91	70	67

Source: IDA Annual Reports, Varoius Issues; CSO National Income and Expenditure 1983 and 1984.
Table 1 p. x-xi, Dublin, August 1985

TABLE 7: DISTRIBUTION OF EMPLOYMENT IN IDA GRANT-AIDED FIRMS BY SECTOR IN SOUTH-WEST REGION, 1973, 1978 AND 1983

Sector	1973	Index Numbers (1973 = 100) 1973	1978	1983
Non-Metallic Minerals	1 766	100	114	75
Chemicals	1 924	100	139	168
Metals & Engineering	6 707	100	125	123
Food	8 763	100	110	102
Drink & Tobacco	1 478	100	107	95
Textile	5 854	100	83	46
Clothing, Footwear & Leather	2 881	100	63	52
Timber and Wooden Furniture	1 369	100	104	123
Paper & Printing	1 246	100	112	102
Miscellaneous & Non-Manufacturing Industries	2 720	100	101	84
Total	34 708	100	105	94

Sources: Industrial Development Authority (IDA), information specially provided.

TABLE : PERCENTAGE DISTRIBUTION BY OCCUPATIONAL GROUP OF PERSONS ENGAGED IN THE PRINCIPAL INDUSTRIAL SECTORS IN IRELAND AND THE SOUTH WEST REGION 1981

OCCUPATIONAL GROUP	ENGINEERING		CHEMICALS AND ALLIED PRODUCTS		PRINTING AND PAPER		TEXTILES		CLOTHING AND FOOTWEAR		FOOD, DRINK AND TOBACCO	
	IRL	SW	IRL	SW	IRL	SW	IRL	SW	IRL	SW	IRL	SW
Managers and Supervisors	15.4	14.7	12.6	13.7	13.1	12.6	10.6	9.1	10.0	9.4	12.1	13.3
Technologists	1.1	0.6	1.2	2.0	0.2	0.1	0.8	0.9	0.5	0.4	0.8	0.6
Technicians	4.0	2.6	2.8	3.9	0.4	0.1	1.7	1.5	1.7	2.1	1.8	2.0
Professional, Administrative and Clerical	14.8	13.7	14.6	15.2	23.2	27.6	9.2	5.9	6.3	6.7	20.6	19.7
Production Operatives	33.4	23.7	45.5	42.2	25.6	12.6	61.5	67.0	71.8	72.3	37.2	38.7
Other Workers	6.8	10.7	11.9	13.0	11.6	10.1	9.9	9.9	4.1	4.2	18.9	19.5
Designated Craftsmen	13.0	19.2	5.0	7.8	17.7	21.8	2.9	1.9	0.3	0.8	4.5	3.3
Designated Apprentices	6.8	9.8	1.0	1.8	2.0	1.9	0.7	0.6	0.04	0.2	0.9	0.7
Non-Designated Craftsmen	3.6	3.5	3.9	0.4	6.2	13.2	2.7	3.2	5.2	3.9	2.8	2.1
Non-Designated Apprentices	1.1	1.5	1.5	***	***	***	***	***	***	***	0.4	***
Total Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Absolute Total Number	76 806	11 191	32 655	4 612	17 367	1 383	14 220	2 935	23 528	2 878	59 393	10 221

*** Zero or below 0.25 percent and accordingly aggregated with the number of non-designated craftsmen

Source: AnCO: Manpower Survey 1981. (Research and Planning Division), p. 7; 13; 20; 30; 40; 49. Dublin, December 1982.

TABLE 8: DISTRIBUTION OF EMPLOYMENT IN IDA GRANT-AIDED FIRMS BY SECTOR AND NATIONALITY IN SOUTH-WEST REGION 1983

Sector	ALL FIRMS		PERCENTAGE SHARES	
	Numbers	Percentage Distribution	Irish Firms	Foreign Firms
Non-Metallic Minerals	1 324	4.0	84	16
Chemicals	3 241	9.9	43	57
Metals & Engineering	8 249	25.3	34	66
Food	8 975	27.6	87	13
Drink & Tobacco	1 397	4.3	67	33
Textiles	2 670	8.2	59	41
Clothing, Footwear & Leather	1 502	4.6	51	49
Timber & Furniture	1 684	5.2	93	7
Paper & Printing	1 270	3.9	86	14
Miscellaneous & Non-Manufacture	2 275	7.0	38	61
Total	32 577	100.0	61	39

Source: Industrial Development Authority (IDA), information specially provided.

TABLE 9: NUMBER AND DISTRIBUTION BY INDUSTRY OF APPRENTICES WITH AnCO (INDUSTRIAL TRAINING AUTHORITY) AT NATIONAL LEVEL IN SELECTED YEARS 1975-1984

	Total Population of AnCO Apprentices			First Year Apprentices		
	1975	1979	1984	1975	1979	1984
Construction	35.7	34.0	37.0	31.2	35.8	40.9
Engineering	16.3	25.1	24.9	26.5	26.9	24.9
Electrical	19.4	15.2	18.7	21.9	14.6	16.6
Motor	23.2	21.9	15.4	17.4	17.8	14.6
Furniture	2.6	2.4	2.9	2.0	2.3	2.3
Printing	2.8	1.4	1.1	1.0	2.6	0.7
	100.0	100.0	100.0	100.0	100.0	100.0
Absolute Numbers	14 412	18 731	16 635	1 734	4 218	3 754

Source: AnCO Annual Report, various issues

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

MISE EN VALEUR DES RESSOURCES HUMAINES DANS DES REGIONS EN RECONVERSION ECONOMIQUE BENEFICIANT D'APPUIS FINANCIERS COMMUNAUTAIRES

CASE STUDY ON THE REGION LIGURIA

Berlin, 1986

Fondazione Giulio Pastore

The use of human resources in the plans for economic development and job creation in regions receiving financial assistance from the European Community

LA LIGURIA

(by Luigi Boldrin)

Rome, May 1986

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CONTENTS

PREFACE

This report is based on a number of interviews with staff of agencies, associations and institutions working in the fields examined.

Considerable information on vocational training was supplied by the Assessorato formazione professionale e lavoro (Vocational training and labour office) of the Region of Liguria, IAL-CISL (Workers' Training Institute of the Italian Confederation of Workers' Unions), one of the agencies responsible for training, and trade unions.

Information on industrial redevelopment policy was supplied by the Assessorato per l'industria, commercio e artigianato (Industry, commerce and small businesses office), which also supplied all the most important regional legislation on the subject, and by Federindustria, trade unions (particularly CISL), IRI staff and finally the management of ESACONTROL who provided information on specific developments in their firm.

Much information, both as regards data and graphs and tables, has been taken from the Vocational Training Programme 1984-87, dating back to June 1984, prepared by the Region, and the 1985 ILRES (Ligurian Economic and Social Research Institute) survey of small and medium-sized business in Liguria.

This report begins with a brief analysis of the economic situation of Liguria, with particular reference to industry, and then looks at vocational training

structures and the quantity and quality of this training (both regular and ESF training) and trends and potential action in the various sectors of the economy during the current three-year period.

This is followed by an examination of redevelopment policies using information from the various interviews, with particular reference to small and medium-sized industry which seems likely to provide a number of spin-offs in the near future.

Legislation in this area and the situation of operators working in these fields are finally examined.

INTRODUCTION

The Region of Liguria, facing onto the Tyrrhenian sea, is the extreme south-western corner of Northern Italy.

It is therefore the natural sea outlet for the upper and central Po valley from which it is separated by the final spurs of the Alps and the initial section of the Appennines.

Liguria extends in a curve at the foot of these mountains, from Provence in the West to Tuscany in the East. It therefore provides the only viable route for communications between the Italian peninsula and Southern France.

Liguria is chiefly a maritime region, made up of a narrow coastal strip which climbs rapidly and steeply towards mountain peaks, often very high.

Liguria has a smallish area of 5415 km and is the smallest Italian region after the Valle d'Aosta and Molise. Its morphology, particularly inland from the coast, is not very conducive to human existence and activity. Liguria's natural features therefore tend to force its population towards the coast and the commercial, maritime and industrial activities which are to some extent the result of an old and splendid regional tradition.

The main administrative institutions, apart from the Region itself, are four provinces: Genoa (capital), Imperia, La Spezia and Savona, and 235 communes.

At the 1981 census Liguria had a population of

1,799,055 with a density of 332.23 inhabitants per km, one of the highest figures in Italy.

The population is in practice distributed fairly irregularly, most people living on the coast and in the major urban conurbations. The commune of Genoa alone has a population of 760,000, slightly more than 42% of the total population.

Interestingly, the population of Liguria has dropped constantly in recent years. Between 1976 and 1979 the number of people aged between 15 and 64 fell by about 100,000; the overall age of the Ligurian population has gradually increased, the birth and death rates moving further apart from 1970 onwards. According to 1971 census figures, 10% of the population was aged over 64 and this figure looks set to increase to 20% in the 1990s (see Table 1).

ECONOMIC CONTEXT

The Region of Liguria and Genoa has been and still is one of the three key industrial areas of Italy, together with Lombardy and Milan and Piedmont and Turin.

The major economic recession during the seventies and the beginning of the eighties hit the Ligurian economy hard both in terms of productivity and employment.

The overall activity rate had fallen to 32% in 1984, industry's share in the formation of the gross domestic product had fallen to about 30%, employment levels in

industry had fallen to 25% of the population with a loss of 6-7 percentage points over 10 years (1).

Liguria's situation is very individual and complex for a number of reasons.

Firstly, the province of Genoa plays a very central role accounting for some 53% of local production units in the region and more than 60% of workers with jobs.

Secondly, there is considerable state-controlled industry, providing some 30% of employment in the Region, and large numbers of small and very small businesses - 50% of workers are with firms with up to 100 employees, 57% with firms with up to 250 - and small numbers of medium-sized private firms.

From the point of view of economic development, it is useful to look at some situations and trends which have emerged over recent years.

Those industries which have in the past played a key part in the economy, particularly iron and steel, basic chemicals and the textile industry, have lost ground.

The port of Genoa has become much less competitive internationally during this period - estimates show that goods leaving from or arriving at Genoa come from or go no further than Milan or Lombardy and this has further aggravated the economy of Genoa which is precarious from a number of points of view.

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(1) For these and the following data see LLRES (Istituto Ligure di ricerche economiche e sociali - Ligurian economic and social research institute), Industrial Reference Plan "Summary Report", Genoa 1985.

Finally, as will be discussed below, the traditional labour force catchment areas have decreased substantially in size.

Examination of the production specializations of each of the provinces based on industrial distribution figures (1) shows the following situation:

Genoa - Mining and extraction of solid, liquid and gaseous fuels; oil and construction industries, plant installation and electrical and electronic equipment repair, transport construction industries (shipbuilding, ship maintenance, etc.); industries making precision instruments and apparatus; sugar and beverages industries.

Imperia - Electricity; water and gas; basic foodstuffs industries, various manufacturing industries.

La Spezia - The oil industry, mining of non-metal bearing and non-energy producing minerals and their processing; construction and machine and engineering equipment installation industries; transport construction industries.

Savona - Mining and solid fuel agglomeration, oil, natural gas and coking plants; mining of non-metal bearing mineral, chemical industries; transport construction (shipbuilding and ship maintenance and repair).

Data on manufacturing industries in Liguria broken

(1) Production specializations for the individual provinces are based on 1981 census figures.

down into the production of capital, intermediate or consumer goods reveals further information on trends in Ligurian industry.

In contrast to a slight increase (+ 1.5%) in the production of intermediate capital goods, employment levels in firms producing all other types of goods, particularly consumer goods where employment has fallen by 26.1%, have fallen substantially showing that the Region is predominantly specialising in the production of capital goods.

This brief summary and the figures of the last census in 1981 show that:

a) numbers of metal-processing and engineering industries have increased within manufacturing industries as a whole.
b) manufacturing industries are now playing a much less important role in the the economy (20% of local units and 30% of employees) and that service activities have expanded considerably (80% of local units and 67% of employees).
c) industries producing capital goods are far more dynamic from the point of view of employment than consumer goods industries.
d) industry in Liguria mainly uses traditional or intermediate technology (the only areas in which employment has increased in relative terms) rather than high technology, although, as will discussed below, changes have begun to take place recently.
e) from the point of view, finally, of the size of firms, although the division between large and small firms remains substantially true, during the ten years

between 1971 and 1981 there was a drop in the number of local units with less than 50 employees, a considerable increase in small to medium and medium-sized firms and little change in numbers of large or very large firms.

Reference should be made to subsequent sections and to Tables 2 and 3 (Taken from ILRES "Industrial Reference Plan....", op. cit.) for details of employment levels.

VOCATIONAL TRAINING IN LIGURIA

Employment levels in Liguria have fallen substantially in recent years, reflecting trends throughout Italy - more than 25,000 workers have been made redundant in the last two years alone, for reasons linked to the world recession as well as long-term changes in the structure of production in Liguria.

Industrial redevelopment and technological innovation have created a considerable demand for vocational training from school leavers and workers made redundant who need to be retrained and from workers with jobs who require vocational upgrading courses.

The employment situation is not good, since the market is being flooded by ever increasing numbers of young people educated to high standards - although this education rarely has any connection with industry and jobs which is true of the Italian educational system as a whole - and there are not enough jobs available in the goods and services production sectors to meet the demand from those people making up the new labour demand (see Table 6).

There has been a particular increase in numbers of women on the market: more than 56% of those looking for a first job are young women who generally have a high standard of education.

This pressure on the numbers of jobs available to women will not slacken off in the short and medium term, since it is linked to an increasing acceptance of new cultural models of the role of women in society.

This lack of change in unemployment levels is reflected by trends towards a drop in employment: employment figures fell from 657,000 in 1977 to 580,000 in 1983 with a particularly sharp fall in industry - 45,000 workers from 1978 to 1983 - although the figures for agriculture remained more or less the same and there was only a slight decrease in other sectors, which may be attributed to some extent to the increasing age of the Ligurian population and the failure to replace workers who have retired.

During this period of widespread crisis, increasing use has been made of welfare support structures, particularly the Cassa Integrazione Guadagni (Earnings Supplement Fund) from which considerably more hours have been granted since 1982, almost all from the extraordinary wages fund. Support from the Cassa, as will be seen below, has not in most cases gone together with the preparation and implementation of in-house redevelopment measures, but has simply been a prelude to the closure of many small firms.

The main agencies offering vocational training in Liguria are the 40 or so training centres which work directly or indirectly with the Region and some fifteen

specialist firms which also offer training.

In Liguria, vocational training is regulated by Regional Law 27 of 7 August 1979. Vocational training schemes and activities are organized and conducted on the basis of a three-year plan prepared by the Region which sets out annual plans.

There are two main types of training with different sources of funding (1):

a) Regular training;

b) "European Social Fund" training.

Selection of the courses to be conducted by these various agencies is based on requests from firms, labour market trends and the job successes of young people who have attended courses run in previous years.

The research and processing of data on market trends and successful job applicants carried out by the Osservatorio regionale sul mercato di lavoro (Regional Labour Market Monitoring Unit), put on a formal footing by Regional Law 20 of 28 March 1984, makes this a useful tool in the preparation of courses and course programmes. The three-year plan of the Region which highlights, as will be discussed below, trends and gives guidelines for action to deal with these trends in each professional sector, is another useful planning resource.

A large number of courses, as mentioned above, are administered by private bodies, mainly trade unions or trade associations.

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(1) In addition to the two types of training cited, the Region of Liguria organises vocational training courses for the medical and allied sectors.

The Comitato Regionale per la Formazione Professionale (Regional Committee for Vocational Training) with members from all sectors of society assesses the courses planned by the various agencies; there are plans to expand this Committee. The Region decides whether the scheme is suitable (on the basis of the year in progress) and how much funding is to be allocated.

1.1 Regular training

During the period 1981-1984, as can be seen from the following Tables (1), courses totalling 20,745,450 trainee hours were carried out; total expenditure for the whole three-year period was more than LIT 72,000 million with an average cost per trainee hour of LIT 3,768.

Research has been conducted on the number of jobs obtained after these courses. Figures for 1982, in particular, show that almost twice as many male trainees finished vocational training courses.

This is partly due to the fact that courses, whose main objective is to train suitable workers for industry, are designed chiefly for men. Women trainees seem less likely to obtain jobs than men: in fact 55% of young men with vocational certificates found jobs as against 41% of young women. This trend, which reflects the limited job success provided by courses aimed predominantly at training for the female labour force, also shows that

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(1) Tables 7 and 8 on the volume of ordinary training activity are taken from the Three-Year Programme...", op.cit.

fewer jobs are available to women in the labour market.

169 courses were planned (1) in 1985, 168 actually taking place with the following breakdown:

	Courses	Hours	Trainees
Administrative/office work	8	16,000	158
Technical white-collar work	5	12,000	108
Engineering	32	78,000	608
Electronics	36	86,400	701
Craft industries	13	23,550	322
Shipping - Port work	6	8,300	101
Commerce	21	3,700	624
Building	8	17,200	135
Tourist and hotel trade	7	10,200	159
Agriculture	2	4,800	44
Management and marketing	3	440	43
IT and automation	14	15,500	274
Other activities	13	7,755	211
TOTAL	168	283,845	3,488

The above figures clearly show that the largest numbers of courses, hours and trainees were in industry in general (engineering, electronics) and in tertiary sector activities, particularly in the high technology tertiary sector and in information technology.

The high number of hours for these sectors is also due

(1) Data on refresher and retraining courses have not been given since it has been preferred to deal with these in a separate section.

to the fact that these are generally two-year courses in contrast to courses in agriculture and commerce which last one year.

1.2 European Social Fund Training

During the last three-year period, 1,978 young men without certificates of education attended ESF courses: 40 with the Region, 401 at specialist firms and 1,537 at agencies covered by agreements.

1,465 young men with certificates of education attended these courses: 240 with the Region, 69 at specialist firms and 1,156 at agencies covered by agreements.

Finally, a total of 120 women attended training courses with ESF funding: 20 with the Region and 100 with agencies covered by agreements.

3,733,228 trainee hours were given during this period at a total cost of LIT 43,682,310.

In terms of age, 999 young men attending these courses were over 25 and 974 less than 25.

In terms of jobs successfully obtained ESF courses in general had better results than regular training courses: 50% of trainees on regular training courses obtained jobs as against 60% of ESF trainees.

Looking at the figures for jobs obtained in each sector, it can be seen that ESF training led to more jobs in administrative office work and information technology and fewer jobs in the tourist and hotel trade than regular training.

70 courses were planned in 1985 - excluding refresher

and retraining courses in this case as well - and 61 were actually run, the breakdown being as follows:

	Courses	Hours	Trainees	M	F
Information tech.	12	8524	198	134	64
Plant engineering	2	2000	19	19	-
Crafts	5	4200	133	79	54
Office/admin.	6	4148	94	38	56
Technical office work	8	7900	115	34	81
Commerce	3	2260	64	48	16
Shipping/Port	5	4060	49	45	4
Engineering	3	2700	40	40	-
Automation	2	2050	30	21	9
Marketing	2	1704	33	12	21
Other	13	9188	212	163	49
TOTAL	61	48734	987	633	354

1.3 Vocational refresher training and retraining

Technological change in recent years has given rise, on one hand, to a need for vocational upgrading courses for workers having to use the new techniques and, on the other hand, for retraining courses for workers made redundant either as a result of the recession or large-scale automation.

Regular training courses run in 1985 were as follows:

Vocational upgrading

	Courses	Hours	Trainees
Information technology	1	900	62
Tourist trade	1	200	20
Office admin.	1	500	16
TOTAL	3	1600	98

Vocational retraining

	Courses	Hours	Trainees
Tourist admin.	1	100	10

ESF schemes in these areas during the last three year period were attended by 1729 trainees, 15 with the Region, 314 at agencies covered by agreements and the remaining 1400 at specialist firms.

The following retraining courses took place in 1985:

	Courses	Hours	Trainees	M	F
Shipping/Port	1	3920	174	174	
Company	1	200	10	10	
Printing	1	200	75	60	15
TOTAL	3	4320	259		

1.4 Summary of data

Taking into account both regular and ESF training, 62.92% of training schemes in the last three-year period provided training in industrial and craft activities, followed by office work and the services sector with

22.28%. Basic training for young people leaving the compulsory school system accounted in total for 77.94% of all training, basic training of young people with certificates of education for 11.5%, skill training courses for 1.45%, adult training and retraining courses for 6.53% and vocational upgrading and advanced training courses for 2.58%. Young people received 90% of trainee hours in the last three-year period, retraining and upgrading courses accounting for only 10% of hours; percentages of 80 and 20% respectively are planned for the current three-year period up to 1987 to take account of the continuing problem of massive youth unemployment, and therefore the vocational training of young people, and to place greater emphasis on the retraining and upgrading needs of industry.

1.5 Vocational training in Liguria: trends and outlooks

Before looking in detail at plans for training in each production sector as evidenced by the guidelines set out in the current three-year plan, some considerations of a general nature are necessary.

There has, firstly, to be improved coordination between the training system and the educational system, so as to improve the circulation of information and facilitate cooperation in the planning of schemes. The findings of labour market analyses could be used for this purpose.

As can be seen from the last period, the ESF without doubt provided the best vocational training results in Liguria for two reasons: firstly the funds allocated

enable innovative courses to be set up and, secondly, the ESF allows considerable freedom in terms of course contents and teaching methods.

ESF courses have therefore been aimed specifically at the weakest sectors, particularly young people and women. These courses could also be taught in new ways to keep in step with technological innovation. The ESF may finally be used as a means of supporting permanent retraining and upgrading (for example in-house courses).

The three-year plan for 1984-87 sets out the following trends and outlooks for the various sectors of production in the region:

Industry

As mentioned above, the number of workers employed in industry has continued to fall in recent years and is still falling despite the expansion of high-technology industry (electronic, aeronautic, biomedical industries etc.) which aims to increase productivity by technological advance rather than by employing more people.

Numbers of jobs in state-run industry have decreased both because production has been scaled down and because of reorganisation. This has helped to maintain jobs in small heavy engineering firms supported to some extent by the spin-offs from state-controlled industry.

This type of firm is still looking to some extent for traditional workers (multi-skilled technicians) although technological development is leading to a demand for workers with further skills, i.e: knowledge of programming and control.

White-collar technical work

This sector includes a wide variety of workers, from computer programmers and designers to town planners. High levels of technological advance have made this a rapidly expanding sector, as the above figures confirm, although two factors are limiting full expansion: large firms are still in the process of reducing staff numbers and small and medium-sized firms tend to be somewhat slower to introduce the new technologies.

Office work

The introduction of the new technologies has substantially reduced the demand for less skilled office workers (typists, secretaries, etc.) and increased the demand for workers with new skills.

In recent years demand has also increased for workers with new skills in banking and finance, insurance, accounting and auditing and office administration using new electronic equipment (office automation).

Craft industries

There has been little change in this sector apart from a slight expansion, to the detriment in some cases of small firms, linked to the development of some sectors of industry, building, commerce and services.

Job/training contracts which allow periods of work experience in firms alternating with or supplemented by teaching at training centres are particularly appropriate

in this sector.

Commerce and distribution

The structure of commerce and distribution in Liguria has remained more or less the same, since a fall in employment in the foodstuffs sector has been cancelled out by an increase in other sectors. Two particular types of skill are being demanded: technical and commercial in sectors requiring a knowledge of products and their use and administrative and commercial following the introduction of cash registers and an increasing use of accounting methods; refresher courses are still required for employees in the areas of sales techniques, electronic automation of administrative procedures and fiscal legislation.

Shipping and port work

Job prospects in this sector are now better than in the recent past. The port of La Spezia is in a better position than the port of Genoa.

There is a demand for new and more advanced skills in this sector of the economy as well, in particular for port workers, for the port services sector and for ships' crew.

Tourist and hotel trade

Despite a reduction in traditional tourist and hotel amenities, new activities have expanded considerably in recent years: camping and mass catering.

The demand for new types of workers (for example tourist and restaurant guides) and for retraining and refresher training particularly in management and IT skills is therefore on the increase.

Building

The building industry has changed little in recent years; the size of firms has continued to move towards extremes: on one hand small and very small firms and on the other large firms which often contract work out to the smaller firms. Suitable labour has in some cases been difficult to find, particularly site workers and experienced middle managers. The demand for labour has continued to move away from the "bricklayer" towards workers and technicians skilled in assembling and installing electrical and hydraulic plant. Workers with further skills are also required, particularly site foremen, draughtsmen designers and site accountants.

Agriculture and fishing

Employment levels in agriculture have remained substantially stable around 50,000. Despite this fact, agriculture in Liguria is going through a very serious crisis. More advanced skills and experts in crop-growing and up-to-date systems of organisation are required in this sector. Areas in which action must be taken are, in order of priority, both as regards refresher and new courses: forestry, market gardening, animal husbandry, olive growing, small-scale farming and animal breeding,

construction and maintenance of dry stone walls and agritourism.

In the case of fishing, resource management to prevent impoverishment is raising serious problems.

There are currently 1452 fishing boats in operation in Liguria, only 177 of which have modern equipment, with 5014 crew and 827 on-shore workers. Development in this sector must be in two stages: techniques to avoid impoverishing resources and fishing strategies backed up by appropriate fish breeding techniques.

The skills to be taught must therefore reflect these requirements. On-shore workers have specific requirements for courses in product marketing, treatment and processing.

The current three-year plan also sets out special schemes for particular categories of user or particular types of training.

The first of these is the special scheme to employ young people as apprentices in craft firms and small businesses, providing 300-400 hours of introductory courses at a training centre given by skilled workers and senior staff, followed by a period of apprenticeship with craft firms and small businesses giving preference to those firms which subsequently plan to take the young person on as a permanent employee; it is planned to pay these firms a monthly sum for the auxiliary training given to each young person.

The second special scheme plans to place young people in industry under job/training contracts. The aim of this scheme is to encourage the employment of young people

under job/training contracts lasting specific periods which may then be converted into permanent jobs.

The third scheme is to employ senior workers on vocational training and cooperative schemes. Under this scheme workers about to retire will be employed as members of examining boards and as trainers on vocational training and advanced training courses; it is also planned to set up cooperatives with young and elderly members.

The three-year programme contains three further special projects: one for the training of workers, which will be examined below, one for coordination with the state school system, and one for training schemes given through the mass media with the possibility of a pilot programme, in cooperation with RAI 3 regional broadcasting, to teach BASIC language for use with home and personal computers.

INDUSTRIAL REDEVELOPMENT POLICIES

The extreme nature of the industrial structure of Liguria must be taken into account if the Ligurian industrial situation is to be understood. As mentioned above, industry in Liguria is dominated by large numbers of large and small firms and therefor has few medium or medium to small firms.

Private industry in Liguria largely takes the form of long-established industries using technology which is not particularly advanced, whereas there has been considerable reorganisation and redevelopment since the sixties in the

major public concerns which have succeeded in moving into new areas and making the most of new opportunities (plant engineering, thermoelectric engineering, electronics, military technology).

This process has not been without its problems, but a substantial number of these concerns have managed to adapt their existing firms to the new opportunities, if necessary setting up new firms.

A specific example of this is ESACONTROL, a firm created by the merger of the electronics division of ANSALDO and the control systems division of ELSAG, which has concentrated on the production of energy distribution systems, transport automation, biomedical equipment manufacture, and the power sector in general.

The firm currently has 750 employees, only 50 of which come from the existing division of Ansaldo; a feature of the new firm is the high number of technicians which it has employed - some two hundred graduates, generally in engineering - moving therefore from a "pure" workforce to a technical, white-collar workforce.

In the private sector it would appear that most firms in Liguria have not taken any steps towards actual redevelopment but have reorganised, introduced technological innovations and rationalised plant in an attempt to continue traditional methods of production using improved technology. There are, however, some exceptions: for example PIAGGIO in the aeronautical construction sector which is the only major Ligurian concern to increase staff numbers.

Firms in Liguria have made considerable use of social welfare structures in recent years, particularly the Cassa

Integrazione Guadagni. Only 10% of the 103 firms applying for assistance from the Fund between 1976 and June 1985 did so for staff retraining or in-house redevelopment schemes, the majority of users preferring to close down, almost all of this 10% of firms being medium to large or large concerns.

In recent years, small businesses have been faced with the problem of finding replacements for the spin-offs from state-controlled concerns, although recent surveys show that more than 70% of such spin-off activities go outside of the region and over 80% of these spin-offs are activities with a low added value. Generally, however, firms with a single outlet, depending exclusively or almost exclusively on the major state concerns, have had to take steps to redevelop in other directions, by shifting their workforce into other market areas and have not managed, during the worst period of the recession, to introduce innovative measures or to find new methods of production and outlets for their goods.

The ILRES survey of small and medium-sized businesses shows, at least from the point of view of management and production, particularly in the case of small businesses, that major change and reorganisation based mainly on far-reaching research into more modern and efficient processes and plant and a broadening of market outlets is now taking place.

One of the major obstacles to further innovation and redevelopment is the high costs which this entails and the resultant problem of finding funds.

A survey conducted by IMI (Istituto Mobiliare Italiano - Italian Industrial Credit Institute) on medium-sized and

small firms throughout Italy applying to the Institute for funds for innovation and redevelopment measures in the period 1981-1983 shows that innovative firms of this type are largely located in the northern regions, and that the percentage of such firms located in Liguria is significantly lower than in other regions with a higher level of industrial development (Piedmont, Lombardy, Emilia Romagna, Tuscany and the Veneto).

From a financial point of view, small and medium-sized concerns in Liguria which intend to make changes to production processes or to their product range generally have a low self-financing level and a low level of capitalisation and therefore little ability to generate internal resources with the result, presumably, that attempts to introduce these changes are blocked by financial obstacles.

Another specific problem in this area is that of entrepreneurial ability in Liguria.

In small and small to medium concerns in Liguria, entrepreneurs seem unable, particularly during the initial stages, to carry out all the necessary tasks and duties in a successful way; entrepreneurs rarely have knowledge of market opportunities or of the technological advances which are taking place.

Few firms have an in-house market research division, with offices set up to monitor practices or even research offices. Most action, particularly in small businesses, is left to the ability of individual entrepreneurs who have no back-up services to support them.

An interesting venture currently underway in Liguria, with the sponsorship of the EEC, is to set up a regional

"Services Centre" (BIC) to supply small and medium-sized concerns with managerial know-how and specialist services of different types.

In recent years, however, the connective tissue represented by entrepreneurs and local managers - traditionally, as stressed above, reflective and slow to change - appears to be going through a major change involving the two tendencies of innovation and tradition, the first seeming to have the upper hand over the second.

There is in fact a movement away from the typical outlook of entrepreneurs who consider that their firms are now established and therefore lack the impetus to build or make changes, simply sitting back on their laurels and considering that their objectives have been attained (such firms continue to invest but only to maintain the status quo and not to introduce innovations).

There are, in contrast, entrepreneurs working outside of industries in recession who tend to have a broader view of the market and face up to the competition engendered by increasingly advanced technology.

These are entrepreneurs who are more willing to invest their resources in different areas thereby spreading their risks and who have diversified their interests into different sectors and geographical areas.

The distribution and location of firms is a further interesting aspect which is closely linked to industrial redevelopment policy.

Since the sixties, industry in Liguria has continually shifted towards the east of the region, in particular into the Tigullio area and this has been accompanied by a fall in employment in industry concentrated in provincial

capitals and a growth in suburban areas.

Industry has moved, and is still moving, although to different extents, to all the communes along the coast and this has led to stagnation or even recession in the communes of the hinterland (mountain communes or communes beyond the Appennines).

Such decentralization is not the result of a precise strategic vision, but was, at least initially, the result of the saturation of major centres and the simultaneous presence of good geographical, administrative and production conditions in suburban centres.

A particular feature of small and medium-sized concerns set up in coastal areas is that they have not been affected by the expansion of the major firms which have largely remained in the major urban centres and have not therefore forced these smaller firms into residual positions and areas.

These firms are also flexible and willing to redevelop their own production output and, in many cases, even to change sectors.

A typical example of this is the area of the commune of Carasco, in the centre of the Tigullio district, which has a number of small, very small and craft industries. The very high concentration of such firms in this area is striking. This small centre of industry, in the period between 1961 and 1971, showed the highest level of growth in Liguria both as regards employees and new firms. Between 1971 and 1981 there was a 58.2% increase in local firms and a 12% increase in employment.

The ILRES survey shows that 75% of [illegible] this area have less than 50 employees and that 78% [illegible] nded

their sphere of activity to the whole of Italy and that the remaining 22% supply their products to foreign markets, with practically no single-outlet firms dependent on the public sector. The market position of these firms is strong or at least not a cause for concern.

This development, as mentioned to some extent above, is due not only to a good geographical position (the area is flat) and policies on the part of local authorities which welcome and facilitate new industrial development, but also to the lack of large and very large concerns and the ability of local entrepreneurs or entrepreneurs from Genoa to undertake redevelopment measures and rationalise products with skill and ability.

Some comments must be made on improved management of human resources within redevelopment processes and in particular relationships with vocational training.

While state-controlled firms generally use their own agencies for vocational training (for example ANCIFAP, the IRI vocational training institute, particularly for the electronics industry), larger private firms have used vocational training to a greater extent than smaller firms.

Private firms undertaking vocational training seem to a large extent to set up in-house schemes, unconnected with either ESF or regular training, which is confirmed by the overall figures for 1985 which include few upgrading and retraining courses.

Vocational training would appear to have followed three paths from this point of view: the first, which is the most visible, in areas where the "social welfare structures" have been utilised, the second, on a smaller

scale, linked to redevelopme and aimed at upgrading and retraining workers and the third aimed at young people looking for their first jobs the most considerable both in terms of quality and quantity, aimed chiefly at the new or comparatively new professional skills and the engineering and electronics industries.

An interesting case worth highlighting in the area of policies which firms may implement to make the most of their human resources is that of FIP. This is a medium-sized firm specialising in the production of plastic components with some 300 employees, more than 25% of whom are employed in research and development. The firm is investing heavily in production line automation and has made 120 of its employees redundant as a result of this.

The firm has given concrete assistance to these employees by helping them to set up a cooperative providing services of various types (cleaning, transport, etc.) both for itself and for other companies.

Some final com... eed to be made on the links between firms and research and development centres.

Links of this type, particularly in the case of small and medium-sized firms, are few and far between: in addition to the BIC centre mentioned above and research conducted by ILRES, potential links with the universities have yet to be fully exploited.

Changes are nevertheless underway in this area, and although small scale are significant, for example the creation of an association of firms, including some of the major state concerns, with the cooperation of the university and some professionals, or the setting up of the Genoa Research Consortium which includes IRI concerns,

the University and the Chamber of Commerce of Genoa.

PUBLIC ACTION

Action by the authorities, in particular the Region, has almost exclusively been in the form of legislation attempting to provide a basis for industrial development in both new areas where infrastructure must be provided and in crisis areas where new, more advanced types of production must be introduced to replace existing, outdated, industry.

The main action by the Region of Liguria dates back to Law 23 of 27.6.1979 entitled "Assistance to Communes and Commune Consortia to set up areas equipped for industrial development".

Under this law, grants could be made to communes and their consortia for "the rationalisation and relocation of production activities, changes in the size of these activities and the introduction of new technology, the consolidation of employment levels, as set out in national planning guidelines, the regional development plan and regional and sub-regional socio-economic and land plans" on the basis of area plans for:

a) industrial development;
b) the preparation and management of areas with suitable facilities for the establishment of small businesses.

The grant could cover up to 100% of the estimated cost of the purchase of areas coming under letter (b) and for the construction of the necessary infrastructure, and up

to 50% and 20% respectively for primary and secondary urbanisation works and for technological services and special technical infrastructure.

Law 23/79 was mainly an urban and regional planning law. In fact the law did not succeed in developing industrial areas in the planned way, but because of excessive rigidity in awarding grants and the lack of working plans prepared by many communes as well as delays in issuing expropriation decrees.

This led to the need for new and more incisive legislation in the form of draft law 220 of 25 March 1985 entitled "Regional measures to assist production redevelopment, company relocation and the development of small and medium-sized production firms, craft businesses, commercial distribution and cooperatives" which is intended to rehabilitate and equip areas with facilities for production industries and to provide new services designed to facilitate the rationalisation, rebalancing and growth of industries, changes in the size of these industries and the introduction of new technology and the consolidation and development of employment levels.

Under this draft law public and private companies, even in the form of consortia with mixed capital, set up by a commune or a consortium of communes, by the FI.L.SE (the Regional Financing Company) and by firms wishing to carry out the measures mentioned above, may obtain financial assistance.

The law provides in particular for grants calculated from the expenditure estimates in plans submitted for the purchase of areas or buildings for industrial use, for urban planning and fitting out of areas, for building work

on existing buildings and for the supply of services for all firms located in such areas, up to a maximum of 50% of the expenditure deemed admissible as a regional grant.

This legislation which has, however, been returned by Central Government to the Regional Council for reasons of legislative competence and which will therefore have to be modified, at least in part, is an attempt by the Region of Liguria to take action in the areas of redevelopment and innovation, when it is aware that firms must introduce new technology if they are to survive.

The Region, in fact, has always intervened in situations of company crisis, both, as mentioned above, from the point of vocational retraining and the introduction of new technology into industries considered to be traditional.

THE PROTAGONISTS OF DEVELOPMENT

The lack of links with research centres has already been discussed in the section on redevelopment policies, although changes seem to be taking place. The same can be said of the protagonists of development both from the point of view of redevelopment measures and of vocational training.

From the first point of view some distinguishing remarks are necessary. While, in general, state-controlled industries which have their own schools and training courses in Italy (for example IFAP and the L'Aquila school) and the large, and even more so, the

major private companies, are attempting to improve the professional skills, training and qualification of their own trainers, the same is not true of small and medium-sized concerns. There are a number of reasons for this: the intrinsic inability of these concerns to do so, their size which rarely enables action of this type unless assistance is received from an outside source and finally the movement of high-level skilled staff who tend nowadays to move from major concerns, both state-controlled and private, to small and medium-sized private concerns probably because these concerns offer better opportunities.

Vocational training course workers in 1983-84 included: 270 employees of regional centres (200 trainers and 70 administrative staff); 470 employees of centres covered by national collective labour agreements (360 trainers and 110 administrative staff) and finally 50 staff of agencies covered by other contracts (40 trainers and 10 administrative staff), a total of 790 employees including 600 trainers and 190 administrative staff. "Work contracts" and "limited time" contracts, which vary from year to year on the basis of trainee numbers or are seasonal, have to be added to this figure. It is estimated that 150 people have a comparatively permanent relationship of this type.

In general, trainers usually come from universities, the liberal professions, companies and some cases use is also made of CNR (National Research Council) staff together with administrative staff dealing with the design and coordination of courses.

Such staff have made a number of requests for

refresher training to enable them to meet the increasingly high level of skills required for the courses which they have to carry out.

Little has up to now been achieved in this area, recent research and the latest studies and updating of information generally being of a personal type with no support from either the authorities or the private sector.

Measures in the form of special schemes planned by the Region in the three-year vocational training plan for 1984-87 include a special project for the training, retraining and updating of trainers.

The plan provides, as part of the three-year programme, annual working plans which will set out the individual courses, participants, venues, and a reasoned list of priorities. Upgrading and retraining plans for trainers should make it possible to diversify the contributions made by vocational training operators thereby increasing the overall efficiency of the system. Particular attention is to be paid to making these trainers more aware and upgrading their knowledge of safety at work.

Inter-regional seminars are also planned to look at the contents of the new bands of jobs gradually being set up by the Regions as part of the national plan.

From this point of view, a modification of the ratio of permanently employed outside trainers to outside trainers "on contract" would seem to be necessary, increasing the numbers of the latter to provide spcialist vocational skills.

The need for agreements with firms for the secondment of their staff for specific subjects and/or limited

periods has also been discussed as a way of assisting vocational training.

The use of elderly retired workers for specific courses is also planned (see above). It is not possible at present to say whether the programme illustrated here has been fully implemented.

CONCLUSIONS

It would seem appropriate at this juncture to add some further remarks on the content of the previous pages and to give some of the impressions which the author received from the interviews.

It must be stressed as regards vocational training that the latter is still predominantly aimed at the industrial sector (engineering, electrical engineering and electrical equipment), even though there has been some development in the new skills (information technology, plant engineering, high-technology services) as a result of the increasingly high level of requirements of firms, whether private or not: giving priority to the weaker population groups, young people and women, but with some delay from the point of view of retraining and vocational upgrading.

As far as it has been possible to ascertain, it is not possible to speak of an actual strategy designed fundamentally to modify the existing levels of initial training nor of forecasting, control and evaluation instruments (even though these exist: for example the

three-year plan) which can be appropriately modified to take account of the changes taking place in the various sectors of the economy and the new requirements which these changes entail.

There are also shortcomings in the training of trainers, although the current three-year plan, as mentioned above, plans to remedy these to some extent.

In general there have been no developments in the area of employment and in-house training policies by the authorities dealing with human resources and development except those connected with the new technologies.

As regards industrial redevelopment in Liguria, it would appear not only that the future prime movers of a streamlined Italian industry (industrial electronics and plant engineering for example) are being organised, but also that small and medium-sized concerns are, to different extents and levels, beginning to reorganise, restructure and redevelop, particularly in suburban areas. Many small firms in Liguria have begun to invest in radical product, process and market changes, despite their lack of contact with the regional apparatus and training activities. From this point of view, as has been noted, training linked to redevelopment is in particular taking the form of in-house rehabilitation measures possibly of a mixed type.

If the rationalisation and redevelopment underway (the first more than the second) is to develop further there must be an improvement in the quality of the surrounding economic and social framework. A framework in which actual services matched to specific entrepreneurial requirements are available and in which non-industrial

agencies (the authorities) are able to act using strategies of an entrepreneurial type is an essential requirement for the industrial development of the region.

The public strategies designed to give a boost to actions of this type are still inefficient from this point of view, particularly Law 23/79.

In the same way action has still not been taken to provide links between long-term human resource management, internal and external redevelopment policies and public measures in the area of training, qualification and subsequent integration of workers looking for their first jobs and redundant workers who have retrained into the labour market.

From this point of view Liguria certainly needs further concerted action by the authorities, entrepreneurs and unions to design measures enabling improved cooperation between these three groups aimed at industrial development and increased employment in the region.

In general, the future of industry in Liguria, as well as being based on this improved relationship, which has been set in motion, seems to depend on the following connected questions: its economic vocation (development of small and medium-sized industry by the reorganisation, redevelopment, rationalisation and technological innovation underway, and development of the high-technology services sector), the availability of local resources (in particular a skilled labour force), the need for improved coordination of public action, both in terms of finance and planning, with opportunities or their lack and finally the need for development based on a high level of planning.

TABLE 1

AGE BREAKDOWN OF THE POPULATION OF LIGURIA (%)

	1975	1879	1985
0-14	18.6	17.3	14.0
15-64	70.3	64.7	67.4
Over 64	11.1	18.0	18.6

Source: "Three-Year Vocational Training Plan 1984-87", Region of Liguria, June 1984

TABLE 4

DISTRIBUTION OF EMPLOYMENT IN INDUSTRY IN LIGURIA (A)

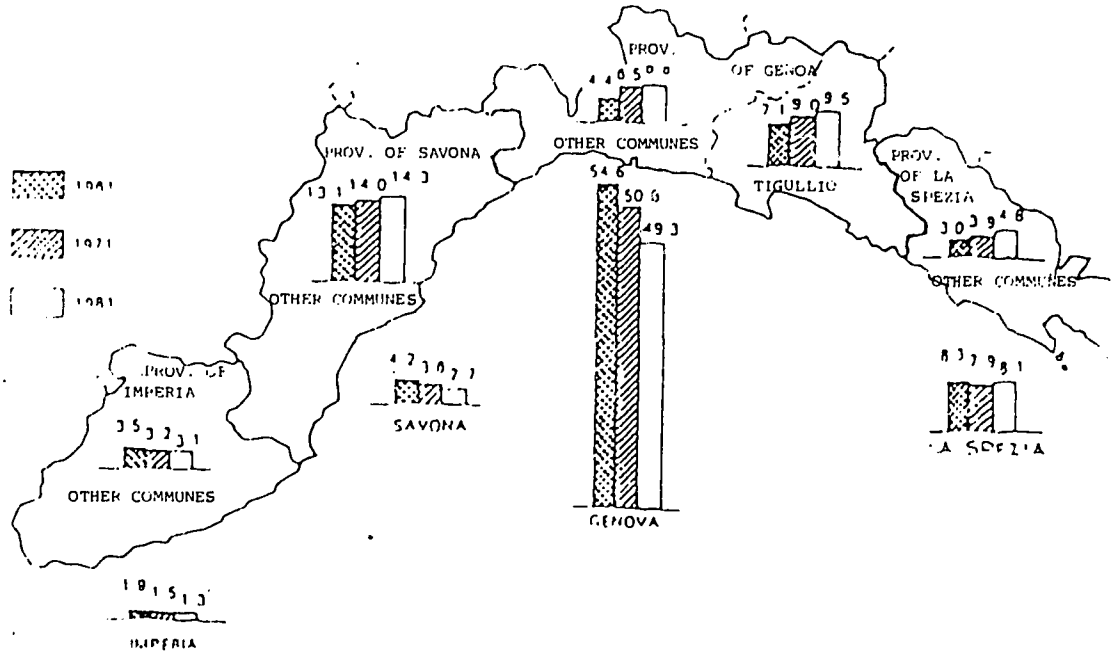


TABLE 5

VARIATIONS IN INDUSTRIAL EMPLOYMENT IN THE MAIN COMMUNES OF LIGURIA

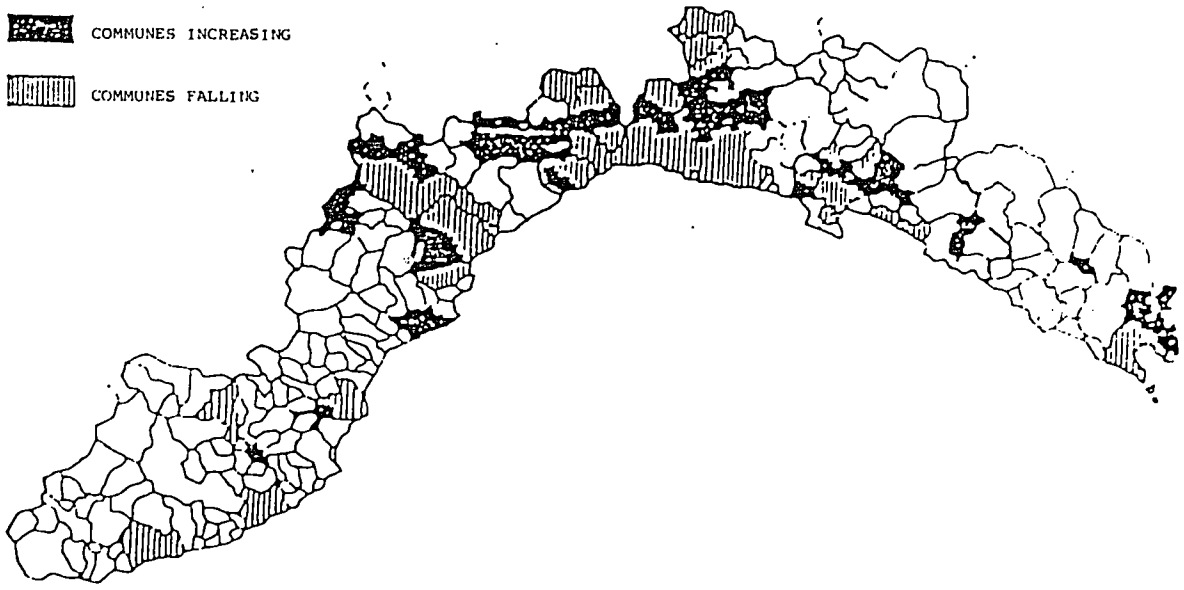


TABLE 6

MAIN OUTLETS FROM THE COMPULSORY SCHOOL SYSTEM IN LIGURIA

Year 1982/83 (1981/1982)

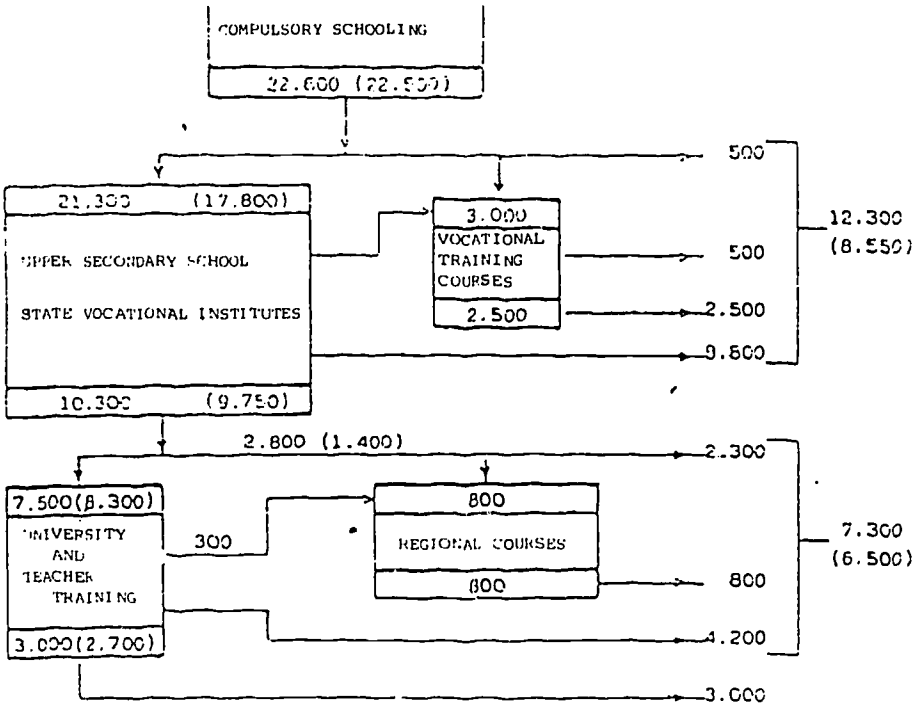
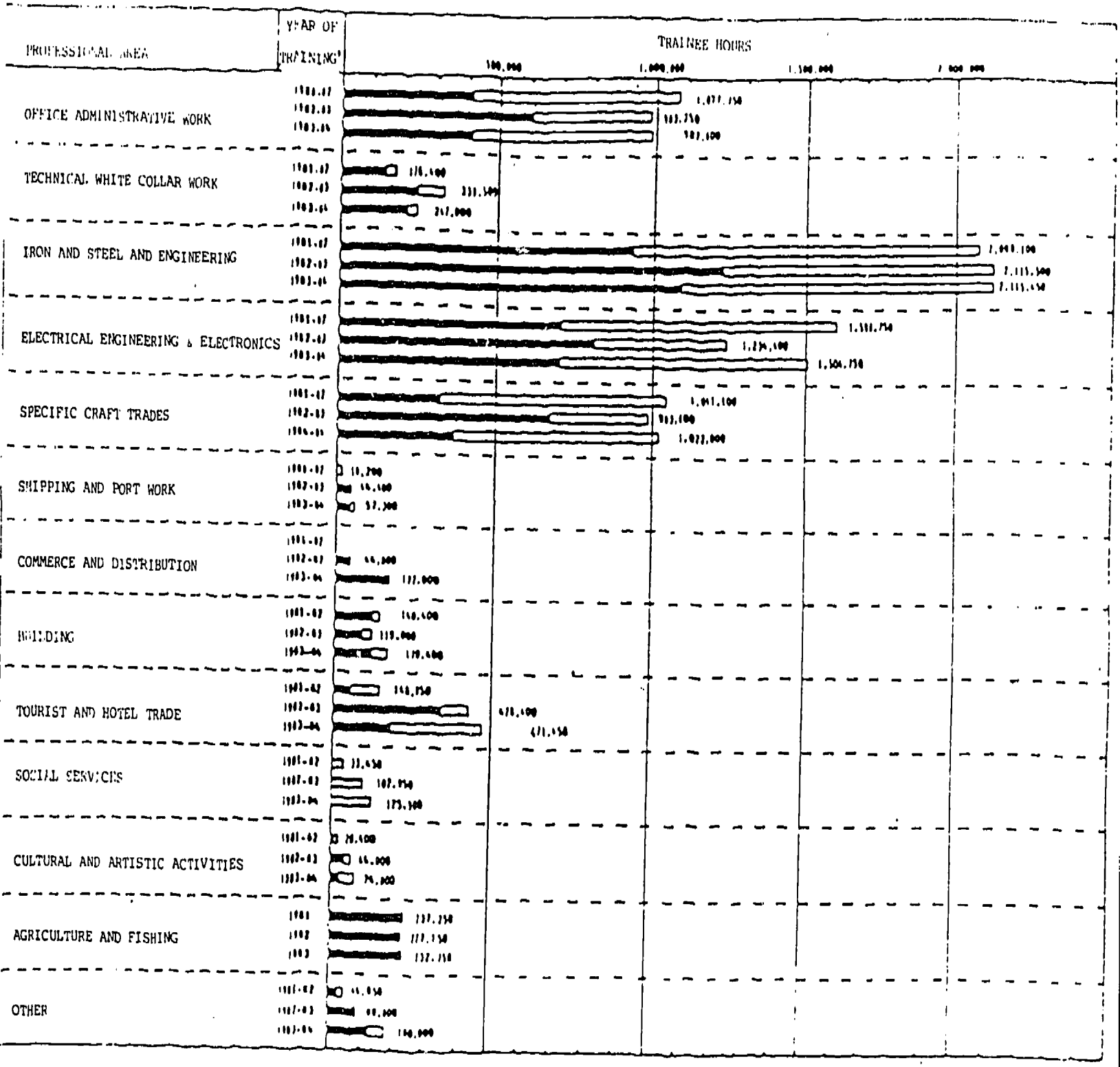


TABLE VOLUME OF REGULAR TRAINING



Courses continuing from previous years

Courses starting during the year

[illegible] TRAINING ([illegible] hours)

TABLE

PROFESSIONAL AREA	YEAR OF TRAINING 1981/82			YEAR OF TRAINING 1982/83			YEAR OF TRAINING [illegible]		
	Courses continuing	New courses	TOTAL	Courses continuing	New courses	TOTAL	Courses continuing	New courses	TOTAL
ADMINISTRATIVE OFFICE WORK	665.550	412.200	1.077.750	378.000	605.350	983.350	579.000	408.600	987.600
TECHNICAL WHITE COLLAR WORK	29.700	146.700	176.400	82.800	248.700	331.500	35.000	212.000	247.000
IRON AND STEEL AND ENGINEERING	1.136.700	932.400	2.069.100	895.100	1.220.400	2.115.500	1.023.800	1.091.650	2.115.450
ELECTRICAL ENGINEERING & ELECTRONICS	893.150	705.600	1.598.750	422.000	812.400	1.234.400	798.000	708.750	1.504.750
SPECIFIC CRAFT TRADES	718.000	323.100	1.041.100	312.300	681.300	993.600	653.400	368.600	1.022.000
SHIPPING AND PORT WORK	16.200	——	16.200	——	44.400	44.400	14.400	42.900	57.300
COMMERCE AND DISTRIBUTION	——	——	——	——	48.800	48.800	——	172.000	172.000
BUILDING	21.600	118.800	140.400	27.600	91.400	119.000	52.400	118.000	170.400
TOURIST AND HOTEL TRADE	93.150	55.800	148.950	88.000	338.400	426.400	282.800	188.650	471.450
SOCIAL SERVICES	33.450		33.450	102.950		102.950	125.700		125.700
CULTURAL AND ARTISTIC ACTIVITIES	10.800	9.600	20.400	20.400	43.600	64.000	52.000	22.800	74.800
AGRICULTURE AND FISHING	——	237.250	237.250	——	227.150	227.150	——	232.750	232.750
OTHER	18.200	28.450	44.650	——	88.800	88.800	50.900	129.100	180.000
TOTAL			6.604.400			6.779.850			7.341.200

REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

MISE EN VALEUR DES RESSOURCES HUMAINES DANS DES REGIONS EN RECONVERSION ECONOMIQUE BENEFICIANT D'APPUIS FINANCIERS COMMUNAUTAIRES

CASE STUDY ON THE REGION ANDALUSIA

Berlin, 1986

CONTENTS

INTRODUCTION

1. Andalucía - economy and decision-making

Andalucía is Spain's largest region: it covers 17·3% of the country's surface area and extends over the whole southern edge of mainland Spain. In the political sphere it has constituted an Autonomous Community since receiving its Statute of Autonomy in December 1981; it has had executive and legislative powers since February 1982.

The Autonomous Government ("Junta") of Andalucía - whose population of 6 600 000 is unevenly distributed (in the coastal areas the density is 141 inhabitants per square kilometre, more than three times the figure for the inland areas) - is responsible for the fields of agriculture and fisheries, health and environmental management. Policies for economic development and cultural affairs are also planned and administered by regional or Autonomous Community bodies.

In the area of education and vocational training the regional executive has taken over both basic general (elementary) and intermediate (secondary) education and regulated vocational training (long courses which also include elements of general education) for young people. Central government continues to run both university education and job-related vocational training, the latter being closely tied to employment policy and under the control of the Ministry of Labour and Social Security.

Funding for the Autonomous Community is provided as part of the national budget (of the positive contributions made under the national budget to the governments of Autonomous Communities that paid to Andalucia is the largest) by means of tax transfers. Under this system the financial autonomy of the regions is thus more apparent than real.

With Andalucía a region of absolute priority for the application of EEC structural funds, it is reckoned that the financial contributions for the area's economic development will take on even greater relative importance as compared with other regions of Spain as a result of this economic and budgetary exercise.

The Andalusian Parliament is debating replacing the wide range of instruments for the promotion of regional development with a single mechanism, the Zones of Economic Development (ZOPREs); by the same token there would be established a combined form of economic assistance, the "net equivalent subsidy".

These factors, together with a greater - or at least more extensive - experience in the management of development, and with the additional support of European Community funds, will necessitate in the immediate future a more careful planning and more coordinated control of regional development initiatives, which are, as we shall see, excessively dispersed at the present time.

Up to now the assignment of roles in the strategies for development has not been entirely clear. Initiatives in the area of the direction of investment are undertaken by businessmen, while the public authorities in the region - central government and its local offices, the Autonomous Community and the local authorities - only concern themselves with generating these initiatives.

In the current de facto situation as regards the transfer of powers the Autonomous Community does not have any significant power to determine levels of incentives for projects linked to economic and social development. Thus the rate of grant payable in respect of purely regional projects has to be decided in an Interministerial Working Group which also includes sectoral representatives of central government.

These problems of a local autonomy dependent on decisions on resource levels which are not its to take combine with an unresolved technical and ideological debate: is it possible to redistribute wealth without first taking purely economic measures to increase that wealth?

Regional legislation dating from mid-1984[1] approving a Three-Year Economic Plan and Agrarian Reform has had little or no practical effect, because at the regional decision-making level the political and technical means do not yet exist which would allow de facto local centres of power to enter into the decision-making process. For example, the regionalization of agrarian

reform would be hindered by the requirement to obtain agreements from the municipalities affected, in accordance with legislation of the Andalusian Parliament. Thus the civil law and the Spanish Constitution are invoked in respect of certain legal powers which the Autonomous Community, since it does not possess its own civil law, can only exercise counter to the legal system of land ownership through resolutions of the National Constitutional Court.

Further factors to be borne in mind are the duality of Andalucía's economic and social structure, in which "modern" or capitalist modes of production coexist with "backward" or traditional modes in all sectors, the leakage of capital, with the excess of production being invested outside the region, and the contrast between the areas of rapid demographic and economic growth on the coast and the marginalized areas in the interior, with their aging population and high levels of emigration.

These various facts also help explain the difficulty of setting out any clear hierarchy of decision-making in the region.

2. Economic and demographic indicators and characteristics

2.1. Over the past two decades Andalucía's rates of growth have been very close to the Spanish average, in terms of gross domestic product (GDP), with annual figures of as much as 6·3% in the period 1964-75,

falling to an average of 2·3% between 1975 and 1981. The region's share in national output has been of the order of 12-13%.

While these figures are close to those for Cataluña, one of the most highly developed of the Autonomous Communities, there are wide differences as regards industrial value added (10% of the national total in Andalucía, as against 25% in Cataluña) and net job creation (a net increase of 162 000 in Cataluña and a net loss of over 300 000 in Andalucía over the period 1964-81)[2].

2.2. Growth in Andalucía has moreover been concentrated in a very small number of subsectors. Businessmen continue to favour the region's traditional industries: the extraction and processing of non-metallic minerals, chemicals, metal products and the manufacture of consumer articles (garment-making, food products, wood and paper derivatives, etc.).

The major sectors' shares in GDP have been 11% in agriculture and 15% in fisheries, 27% in manufacturing and 59% in services (1981 figures)[3].

The most dynamic subsectors are those with external ties, and it is for this reason that the region's development is so uneven. In this Andalucía also differs from other developed regions such as Cataluña, whose development is fairly balanced.

In short, while Andalucía may be self-sufficient as regards basic foodstuffs, it is heavily dependent on external sources for capital goods and manufactures. Aside from the food industry, only the manufacture of certain metal products is of any significance.

In terms of the volume of their sales the subsectors line up in the following order: food products, energy, the distribution of perishable goods, paper and its derivatives, steel-making and chemical products, at some distance from the remainder, in relation to the ranking for Spain as a whole on the same table (data for 1984).

2.3. Currently half of all industrial establishments have a workforce of no more than ten, representing 70% of the volume of employment in industry.

Not only is the average Andalusian enterprise at a low technological level, there is a strong preponderance of subsectors which generate little value added and - as if this were not enough - a heavy concentration of industry in the valley of the Guadalquivir (an important artery of communication in the southern part of the region), especially around Seville, the capital, which accounts for around a quarter of all manufacturing employment in the region, and in the Bay of Cádiz, the southernmost province, which accounts for a further 12%. In the eastern parts of the region and in the mountainous zones, in contrast, there are

large areas with little or no industry. This picture emerges clearly from the following table, which relates industrial employment to the degree of urbanization[4].

Urban area	Population	Industrial jobs
Regional capital	645 817	35 000
Provincial capitals (7)	1 550 000	110 000
Next 8 centres	Over 50 000	34 000
Next 12 centres	30 - 50 000	25 000
Next 23 centres	20 - 30 000	21 000
Next 66 centres	10 - 20 000	28 000

2.4. Andalusian agriculture accounts for 24·6% of Spain's farming GDP, while in the Spanish economy as a whole farming GDP account for only 6%. These facts go a long way to explaining Andalucía's small share in Spain's GDP.

The average profitability of agricultural enterprises is acceptable only in the case of rented holdings of more than 100 hectares.

Output from usable agricultural land in Andalucía - greater than the Spanish average - comes mainly from the cultivation of dry land (40·7%) and forested land (30·3%). The cultivation of irrigated land and pasture-land is concentrated in each case of 8·7% of the land surface. With its clear inadequacy in livestock and horticultural production this structure explains the excess of underemployed manpower in this sector. It

underlines the importance of the rural vocational training plan, to which we return below.

The region's irrigated land, like its industry, is concentrated in the river basins in the western half of Andalucía. Nevertheless 20% of final agricultural output is generated from sandy areas, with forced irrigation, in the eastern part of the region (province of Almería).

The relative importance of the fishing industry is greater in Andalucía than in other coastal regions. Its fishing fleet represents around 5% of the national total and is technically the most advanced.

2.5. Andalucia's population as a proportion of the national total (17·16%) is very close to its surface area similarly expressed (17·3%), giving a population density which is 99.2% of the national average. GDP per head in 1981 was at 44 on a scale on which 100 represents the EEC (twelve-country) average, while the corresponding figure for Spain as a whole was 59. With corresponding figures of 131 for the Federal Republic of Germany and 125 for France and, at the other extreme, 30 for Portugal, 45 for Greece and 61 for Ireland, Spain is thus in tenth position in the ranking for the twelve European Community countries, while Andalucia comes second from last among the regions of Spain.

Natural population growth in Andalucia (0·99%) is very slightly higher than the national figure (0·98%); the migratory balance, however, is very much more negative (-9.63% as against -0·29% for Spain as a whole). A positive balance is found only in the case of coastal towns in three provinces and in Seville, the regional capital.

2.6. With regard to the distribution of young people over the territory of Andalucia we refer to the rates of change of the active population. With rates of activity being maintained fairly constant between 1980 and 1984 (40·3% in one inland province and 46·4% in one on the coast), the percentage variations in the active population[5] ranged over the same period between -4·2% and +8·3% in inland and coastal areas respectively; Seville also experienced a growth of 4·3%. This trend is probably explained by the lower rates of job destruction in the capital, the service sector and the holiday centres on the coast.

2.7. At the regional level occupation rates as a proportion of the active population rise markedly with age: among 16-19-year-olds the figure is 37·2%, among 20-24-year-olds 47·8%, among 25-54-year-olds 75·9% and among those aged 55 or over 81·3%[6].

These occupation rates in the whole population remain fairly constant for men and rise noticeably in the case of women aged over 24 who work.

Nevertheless the number of men registered as working is three times greater than the number of women.

As regards economic sectors the overwhelming majority of women registered as working are in service occupations. In the case of men the number in service jobs is twice that registered as employed in agriculture and 40% greater than the number working in manufacturing and civil construction.

2.8. Over the period from January 1983 to August 1984 the National Institute of Employment (INEM) carried out a survey in rural areas which showed that for 27% of those surveyed job prospects were stationary and for 56% declining. The rural population whose employment prospects are lowest comprises the 25-30 age group not in self-employment.

In 1983 slightly over half (51%) of the active population either had no employment at all or were working on community schemes (under which the state pays unemployment benefit to persons working on public works maintenance tasks), and this figure increased by five percentage points in the course of 1984. The community schemes[7] were abolished in 1985, being replaced by the Rural Employment Plan with its component of rural job-related training to which reference has already been made.

3. Regional economic development and restructuring: strategies and major projects

3.1. Economic studies carried out by the University of Seville, the Government of Andalucía and the Bureau of Economic Affairs show potential for regional development in the following areas:

- livestock farming in non-cultivable areas,
- fisheries, recovering traditional fishing grounds in waters bordering on African territorial waters,
- fish farming in large areas of mudflats with special climatic conditions,
- polymetallic minerals for the concentration of lead, copper, zinc, iron and sulphuric acid,
- rock quarrying for the production of chlorine, soda, fertilizer etc.,
- cement and marble,
- solar energy and biomass.

3.2. The major strategies for economic development in the region start from government initiatives at both central and Autonomous Community level. Priority is given to the promotion of:

- agro-industrial production,
- the improvement of commercial structures,
- the development of fishing and other marine resources,
- the use of alternative energy sources,
- the modernization and expansion of the transport network,
- technological development applied to manufacturing,
- financial assistance to small and medium-sized business.

3.3. We turn now to the principal projects and the means by which they are supported.

(a) Firms setting up in the area of industrial expansion will receive public subsidies amounting to almost 30% of fixed investment, together with lines of special bank credit. The sectors being promoted are mining, the electricity sector, publishing, newspapers, cinematography and radio, transport and the shipbuilding industry. [illegible] to 1984 66% of investment was very much concentrated in a few sectors.

Alongside these activities promoted by the region, with extensive financial support from central government, there is the Priority Reindustrialization Zone (ZUR) in the province of Cádiz, and preferential assistance from the Ministry of Industry for projects in the areas of electronics, computers and industrial innovation in general.

(b) The Ministry of Industry, the Industrial Credit Bank and the Government of Andalucía subsidize and facilitate lines of credit to promote and improve small and medium-sized businesses.

(c) Loans on very favourable terms from the Government of Andalucia and the Official Bank, and grants from the Government of Andalucia, are available to the tourism and transport industries.

(d) Business investment in fishing and agriculture attracts subsidies of up to 50% from the Government of Andalucía.

Priority is also given to the farm products sector, in particular to fruit and vegetable handling and marketing centres, slaughterhouses, the dairy and oil industries, alcoholic beverages, vegetable fibres and the canning industry.

3.4. The most urgent areas of development and restructuring in the region currently concern agrarian reform (being carried out by the Andalusian Institute of Agrarian Reform, IARA) and the business reorganization activities of such bodies as the Economic Advancement and Reorganization Corporation of Andalucía (SOPREA), the Society for the Industrial Development of Andalucía (SODIAN) and the Institute for the Industrial Advancement of Andalucía (IPIA).

The purpose of the IARA agrarian reform programme is to rationalize farming and food policy by supporting farmers' associations and cooperatives with equipment and mortgage guarantees for loans. The Agrarian Reform Act 1984, which principally affects holdings "with evident scope for improvement", seeks to transform and modernize farming patterns and to coordinate policies for employment growth and the correction of territorial imbalances; it could be a decisive factor in increasing the opportunities open to the agricultural workforce,

the majority of whom are employed by others.

Certain inconsistencies between the Spanish Constitution and the Statute of Autonomy of Andalucía regarding powers in the area of compulsory purchase have meant that the application of the Agrarian Reform Act has yet to achieve significant results.

The bodies concerned with business development, as has already been noted, have an involvement in the agricultural products industry. The Institute for the Industrial Advancement of Andalucía (IPIA), for example, has investments in the canning, cork and marble industries. The Economic Advancement and Reorganization Corporation (SOPREA) was set up by statute in 1963 to improve the productive structure through development activities, reorganization and the creation of new enterprises. It manages and finances projects, and to date its investments have served to create or preserve 6 300 jobs. The Society for the Industrial Development of Andalucía (SODIAN) was established with capital basically from the National Institute of Industry and the Savings Banks. SOPREA and SODIAN pursue similar ends and could well merge in the near future.

The holdings of both SOPREA and SODIAN in the enterprises they finance are sold once the enterprises are consolidated; they thus do not develop as public enterprises.

3.5. Despite the wide range of agencies promoting development and of strategies and mechanisms concerned with its operation, the studies and analyses which have been carried out point to the conclusion that Andalusian businessmen, as has already been noted, continue to favour investment in traditional activities.

The criteria to be applied in the granting of official protection for any investment are likely to be: the investment per job, the sector or subsector in which the firm operates and the type of project. Care is also needed to avoid supporting initiatives which accentuate the fragmentation of the productive structure.

The Government and Parliament of Andalucía are not yet fully in a position to determine the rates of subsidy payable in respect of projects which are candidates for establishment in the area of industrial expansion referred to in section 3.3.(a).

Finally, in view of their significance in relation to development policies, from the viewpoint both of the investment concerned and of the employment envisaged, it should be noted that the aid sought by Andalucía from the European Regional Development Fund would be devoted, in this order, to infrastructure, agriculture, tourism, the environment, transport and education.

CHAPTER 1. HUMAN RESOURCES, TRAINING AND RESTRUCTURING

1.1. Training in the region and its restructuring

1.1.1. Given the compulsory nature of Basic General Education (for 6-13-year-olds) the theoretical educational participation rate for this age group is 100%. There are nevertheless shortfalls in classroom accommodation in some areas which have yet to be remedied. The three-year (1984-86) plan for the provision of new school places envisaged the creation of an additional 40 000 places to accommodate the natural growth of the population. In the secondary (14+) sector 90% of places are occupied; only in Seville do school rolls exceed capacity.

Over the period 1984-86 there will be an increase of 35 000 places in the capacity of institutions of secondary education, which comprises the three-year academic course known as Bachillerato Unificado Polivalente (BUP), the pre-university course and the first and second levels of vocational training (three and two years respectively).

The most recent statistics (1984-85) on regulated vocational training at the first and second levels, which are the responsibility of the education and science authorities, yield the following figures: 110 000 pupils in regulated vocational training and 290 000 on traditional (non-vocational) courses. These figures represent participation rates of 17% and 56% respectively

in the relevant age groups.

The provincial breakdown shows participation rates in regulated vocational training which range from 15% in Almería and Jaén (in the east of Andalucía) to 18/19% in Seville, Cadiz and Huelva (in the west of the region). The highest participation rates in non-vocational education are found in the provinces of Málaga (61%), Granada, whose capital is a major university centre, (60%), and Seville (59%).

Of the centres providing regulated vocational training, 150 are run by the Government of Andalucía and 140 are private institutions.

At the university level there was little change in the student population between 1982-83 and 1983-84. Of the four provincial capitals with universities or university colleges, Seville and Granada each had around 35 000 students; the figures for Córdoba and Cádiz were 10 700 and 8 700 respectively. Only in Seville are there Higher Technical Colleges or Polytechnics of any consequence, with around 2 500 students of engineering and architecture; in Córdoba 620 students were following courses of this type. There are as yet no comparable institutions in Granada and Cádiz.

In recent years the faculties which have experienced the greatest growth in student numbers have been those concerned with sciences, psychology, computer studies,

economic and business studies and fine arts.

More directly linked to employment, and thus depending on and influencing the flows of economic activity, is the system of job-related training, with its short programmes (in 1985 they averaged 280 hours) closely tied to the practical requirements of work.

Job-related training is the responsibility of the Ministry of Labour and Social Security and is run by the National Institute of Employment (INEM), an autonomous body linked to the Ministry. Planning thus takes place at the national rather than regional level, and the courses are provided in each province through a network of INEM centres.

INEM's operations at the national and provincial level are controlled and revised by its General Council and Provincial Executive Committees, all of which are tripartite in composition. In practice INEM works through its own centres and courses, subsidizes courses in private centres and collaborates with other institutions and firms.

The planned national total for participants in job-related training in 1986 was 366 000; the corresponding figure for Andalucia was almost 70 000, of whom 20 000 were to take part in the rural programme of training aimed at unemployed agricultural workers having to change their occupation or seeking to become self-employed.

A further 18 000 places were provided on courses aimed either at firms undergoing restructuring or at young people employed by firms under contracts which required their employers to devote at least one quarter of their time at work to in-firm training.

Young unemployed people needing to complete their education with a course of vocational training accounted for another 12 000 places.

Finally, almost 10 000 of the 70 000 job-related training places in Andalucía were intended for unemployed persons aged over 25 who have been on the unemployment register for more than a year.

The main fields of study covered by regulated vocational training in Andalucía, in both public and private institutions, are administrative and commercial studies, electrical engineering and electronics, workshop and vehicle engineering, draughtsmanship, laboratory chemistry, hairdressing and beauty treatment, certain health studies and hotel studies. Rather less common are courses on computers in management, radiography and radiotherapy, dietetics and nutrition, automation, solar energy and certain courses in livestock management and fisheries.

The qualifications provided at the end of courses of regulated vocational training entitle the holder to apply for employment or to pursue academic studies.

The occupational qualifications which can be obtained by following INEM courses serve in principle to secure a craft or trade apprenticeship. This will remain the case until the establishment of the General Council on Vocational Training (which recently received legal approval), in which qualifications of this type will have to be submitted for recognition by employers and workers; it will also be necessary to identify equivalences with corresponding qualifications from regulated vocational training, where appropriate.

The courses which INEM provides in Andalucía relate to the types of work which are commonest in the region: extensive farming, horticulture and the cultivation of ornamental [illegible], textiles and clothes manufacture, administratic [illegible]el and catering activities, business methods and t[illegible] use of computers.

In the recent past the content of courses of both regulated vocational training and job-related training have generally been determined by convention and by the interests of the teachers.

From the start of the 1985-86 academic year the Bureau of Education of the Government of Andalucía has introduced specialized areas of study into the curricula of vocational training which, respecting the programmes for large groups of specialties or branches of training (e.g. chemistry), adapts the less common courses to the specialties most relevant to the geographical areas served.

by the centre concerned (e.g. chemistry as applied to oenology).

1.1.2. Changes in the strategies, programmes and relations with the community of training agencies.

(a) Regional institutions of vocational education and offer four groups of subjects, each branching after a common first year, namely: mechanical engineering; natural sciences; electrical engineering and electronics; and business and administration. The natural sciences group, for example, is divided into such branches as health studies, agrarian studies and chemistry, each of which is in turn applied to specialized areas of activity.

Before the transfer of responsibilities to the Autonomous Community in these areas, there were 58 specialties, all of which also divide up the curricula after the first year.

The development of institutions and courses of regulated vocational training will be affected both by the work now underway on gearing training modules and programmes to the needs of firms and associations and by an accord approved last March between the Bureau of Education and Science and the Bureau of Labour and Social Security on the one hand and on the other the Confederation of Andalusian Employers (CEA), which is designed to help those who complete courses of vocational training to make contact with firms.

This accord will alter the relationship between the system of regulated vocational training and the world around it. Under the accord employers undertake to facilitate the practical training of students in regulated vocational training, while the agencies of the Government of Andalucía undertake to survey the labour market on a permanent basis (in keeping with the Economic and Social Accord reached nationally by employers' and workers' organizations and the Government in 1984). The work of surveying the labour market will be facilitated by the study of employment in Andalucía, sector by sector, which the Confederation of Employers has undertaken to carry out. Each specific agreement on in-firm practical training will be signed by the principals of the training institutions and employers in their area; the trainee's consent is a requirement; the practical work will be carried out on an alternance basis, not exceeding 300 hours per course.

An important aspect of the accord is the requirement that applicants for jobs relating to these courses should possess the relevant qualifications from regulated vocational training.

(b) In the field of job-related training the National Institute of Employment (INEM) has the advantage of being able to plan and provide courses which are tailor--made both for employers offering work and for those who seek it. Through its network of provincial offices, INEM centres and collaborating centres, both public and

private, the National Institute of Employment is able to offer increasing numbers of courses for both young people and adults, whether they are seeking employment or looking for better jobs. Through its on-going surveys of employers and the registers maintained in its Employment Offices (of which there is one or more in every important centre of population) INEM receives up-to-date information on skilled labour requirements. In this way it can up-date its programmes with a continuous process of content revision, occupation by occupation, using a system of grouping specialties into "occupational families".

The new occupations and the changes in the content of the more traditional ones are also taken into account by INEM experts, and steps are taken to encourage the establishment of grant-aided collaborating centres, including firm-based centres.

There are plans for job-related courses in Andalucia in fish farming, oenology and certain crafts linked to the maintenance of historic monuments, as well as courses for persons involved in the promotion of tourism and socio-cultural activities. Training is already given in intensive farming, office automation, business management techniques, microelectronics etc.

(c) As regards qualifications awarded in regulated vocational training, the same levels and groups of specialties apply in Andalucia as in the rest of the

country. At present the Ministry of Education and Science is experimenting in some other regions with a form of school-leaving examination comparable with the Technical Branch of Secondary Education which will lead to qualifications more appropriate to a thorough training in applied technologies (in such areas as computer studies, electronics and new materials) - a training, in brief, which will better meet young people's need to enter the labour market with a thorough technical preparation allowing them to take up a variety of jobs with a short period of training in the firm.

In the case of the job-related training schemes run by the Ministry of Labour, the General Council for Vocational Training (a tripartite consultative body whose establishment was recently approved) will deal with issues relating to the recognition of occupational qualifications, their comparability with other qualifications, and the institution of tests which will allow many groups of workers to obtain, through years of the exercise of their profession, qualifications which they do not now hold in order to be able to apply for certain jobs notably in public and quasi-public enterprises.

(d) INEM has also begun up-dating teaching methods, focusing notably on interactive and group-work approaches; methodologists are being located in the region with the job of both up-dating the skills of INEM's own training staff and providing short courses and seminars

to familiarize the specialists taken on to give courses in their own special fields with the methodologies of job-related training.

For its part the Andalusian Bureau of Education is resourcing twenty teacher-training centres on an area basis. It has also set up a number of Educational Development and Guidance Teams (EPOE) to reinforce the work of teachers in Basic General Education.

(e) INEM Employment Offices and the Educational Guidance and Information Centres (COIE) attempt, albeit inadequately, to carry out the functions of vocational guidance and information.

In addition, as was noted earlier, the studies of the Andalusian economy carried out by the University Institute of Regional Development, the journal "Temas Laborales" and the Bureau of Economic Affairs of the Government of Andalucía for the purpose of economic planning are helping to guide regulated vocational training towards programmes more in accord with the economic dynamic of each province of the region. The goal, of course, is that a regional body should plan vocational training needs and should incorporate them into a national plan.

All these mechanisms for linking training with economic development are suffering, in their early years of operation, from the fact that they are not integrated into a single system of vocational training: while

responsibility for regulated vocational training was recently transferred to the Government of Andalucía, job-related training remains a centralized responsibility, and as a result studies and activities concerned with the determination of training needs are carried out sometimes by regional agencies and sometimes by centralized bodies with a branch network at the provincial level.

1.1.3. In this situation priority groups and targets are identified by local agencies (through such regional organizations as the Confederation of Andalusian Employers) in the case of regulated vocational training, and in the case of job-related training by a National Plan for Training and Employment, drawn up by the Ministry of Labour, which coincides in large measure with the recommendations of the European Social Fund (which provides finance). In this two-year period efforts will be targeted on those aged under 26 without employment or work experience, on the long-term unemployed, on the rural unemployed etc.

Despite the existence of an extensive network of Employment Offices, in which information on job offers and applications is held in automated registers, no computerized system has yet been installed which would automatically record the technical and professional characteristics of the jobs offered and the occupational profiles of job-seekers.

1.1.4. Both INEM's Provincial Executive Committees and the General Council for Vocational Training at national level are tripartite in composition, the Council including representatives of the Ministries of Education and Labour. Their effectiveness will depend at all times on each party's commitment to solving the problems that arise. Statements by national and regional authorities contain sufficient indications of the extent to which vocational training is seen as a factor of production of growing importance.

Increasing numbers of agreements are being reached between training agencies and individual firms or groups of firms. Reference has already been made to the accord between the Confederation of Andalusian Employers and the Government of Andalucía; others are discussed below.

Agreements have been reached between INEM and local authorities (municipalities) on matters ranging from the temporary employment of unemployed workers to the planning and funding of job-related training schemes for young people and for the long-term adult unemployed. The plan for job-related training in rural areas, to which reference was made earlier, makes use to a greater of lesser extent of the former agreement.

In addition to these two types of wide-ranging agreement INEM reaches agreements with firms in each province to deal directly with their needs for skilled labour.

The Government of Andalucía has also recently entered into an agreement with INEM aimed at simplifying the procedures involved in courses for which funds are obtained from the European Social Fund.

Agreements with both firms and training centres recognized by INEM allow the content of the training provided by both to be collected together; INEM then passes on this content through its own programmes, given the nature of the content already tried, specifically in the case of the firms.

Trainers working in industry may also attend refresher courses in the methodologies of job-related training; in addition, as was noted earlier, INEM makes use both of specialists which it employs for particular courses and of firms which agree to provide work-experience facilities for INEM trainers.

In this way the interaction between the machinery of vocational training and both industry and those who continue to be involved in the work of production becomes an on-going dynamic process.

1.1.5. In the regions the targets for job-related training are determined, province by province, and put forward for inclusion in Madrid in the annual National Plan for Training and Employment (PLANFIP), mentioned earlier.

Alongside the mechanisms which are common to all Spanish

provinces for the identification of training needs, there exists a committee which brings together INEM, the Institute for the Industrialization of Andalucía (IPIA), agricultural agencies of the Government of Andalucía and municipal representatives. If this committee can overcome the natural reservations of those who for many years have executed policies always decided by national bodies, we shall have succeeded in establishing machinery for the determination of training needs and planning courses very similar to the local committees which operate for example in Great Britain with the same end in view.

Given that the network of centres of regulated vocational training do not constitute a truly coherent regional training system (for instance, provinces with the same number of centres offer widely differing ranges of subjects to widely differing numbers of trainees), such committees must at least serve as a central point for the redistribution of subjects among centres.

There is thus ample opportunity for the planning of job-related training courses; the main problem will lie in realizing them.

The surveys being carried out, the checking of proposals through an ad hoc committee (which complements the INEM Provincial Executive Committee), the ability to give quick answers and to follow up the results which was demonstrated following the introduction of the

decentralized plan for job-related training in rural areas[8] - all point to the conclusion that, given that the instruments for monitoring and follow-up exist, the linking of vocational training with regional economic development projects is simply a question of political will on the part of both sides (training and development).

1.2. Industrial restructuring policies

1.2.1. Spain's experience in the area of large-scale industrial restructuring exercises is of very recent date. In Andalucía the subsectors most affected by reorganization of one form or another are extensive farming, textiles and shipbuilding. In addition many hotel firms, some enterprises in the areas of fishing, mining and quarrying and, of course, the many service industries connected directly or indirectly with tourism (from motor-vehicle repair to administration) are adapting to new techniques and the need to increase competitiveness.

Public and quasi-public enterprises concerned with basic chemicals, shipbuilding and hotels have undertaken adjustments to their workforce involving the dismissal or reassignment/retraining of workers.

In Andalucia the Employment Promotion Funds operate as public agencies for the reassignment and retraining of redundant shipbuilding workers. The Bay of Cádiz Priority Reindustrialization Zone (ZUR) was established with a scheme of public subsidy to firms for the reabsorption of some of the workers concerned.

Private firms based in Andalucía or with branches in the region do not follow any clear policy or strategy with regard to human resources when undergoing retructuring. It is therefore not possible to come to any firm conclusion on this point at this time.

1.2.2. All firms may receive public subsidy in respect of part-time contracts of employment, training contracts, work-experience contracts and training workshops, all of which enable a flexible approach to be adopted to restructuring/retraining activities.

Andalucía faces a serious problem in the lack of managerial training facilities. According to the Economic Advancement and Reorganization Corporation (SOPREA) there exist no undertakings, institutions or machinery for business training.

The development societies (Andalusian Society for the Development of Computers and Electronics, SADIEL), headed by SOPREA, seek through "soft loans" to finance micro-enterprises (a clear example is "Computers for Education").

1.2.3. Both small and large enterprises seek to support the internal training they need through the use of funds: the Solidarity Fund, established by the tripartite Economic and Social Accord which operated until February 1984, and its successor the European Social Fund. While the management of these mechanisms is in the hands of

central government, now that Andalucia has been declared a region of "absolute priority" by the Fund, the margin for manoeuvre is greater.

Major training programmes have already been approved in which the European Social Fund is involved. Some of these were applied for directly as programmes of provincial scope, though the greater part of what has been approved for Andalucía corresponds to the allocations calculated for the region by INEM, the body responsible for the management of such training funds. It is to be hoped nevertheless, in view of such agreements as that already mentioned between the Government of Andalucía and the Confederation of Employers, that industry will have an increasing influence on the development of the machinery for vocational training.

1.2.4. The low levels of qualification and training found particularly in rural areas are being tackled in different ways by the institutions of vocational training.

Job-related training seeks to meet the qualifications requirements which are identified through samplings of employment offices and direct surveys in the municipalities. Albeit without the methodological rigour which one might desire, INEM's provincial network of offices seeks to identify the areas of special training most likely to afford employment opportunities. In Andalucía many of these provide skills which assist

self-employment or "hidden" employment; as regards the latter INEM, as a specialist provider of training, is not in a position to prevent such situations of illegality arising (which are generally not revealed by those concerned other than when registering for a course). A fair number of the programmes for job-related training in rural areas - given the range of subjects offered in 1985[9] - provide some opportunity for employment of this type.

Nevertheless the intensification of programmes for young people seeking their first job, of compensatory training for those who have not completed their basic education and of training in new technologies has a dominant role in INEM's current planning in Andalucía as in the rest of Spain.

For the implementation of certain of these programmes INEM operates in the framework of its agreement with the Government of Andalucía, and in specific cases (notably in the programme of compensatory education) many training centres of the Bureau of Education of the Government of Andalucía operate as collaborating centres with INEM.

For its part the Government of Andalucía, through its Directorate General for Educational Innovation and Development, establishes each year Educational Innovation Projects; these programmes seek to meet the needs of a particular area, taking into account requirements

of its active population. By way of example, programmes concerned with chemistry in the field of foodstuffs are designed to train specialists in an area of enormous potential in a region like Andalucia; until almost 1980 the region did not possess a freezing industry or freeze-drying plants.

The regional government is also providing short (six m) courses in a number of Agricultural Training Centres which seek to remedy gaps in vocational knowledge and skills and to provide information on the operation of cooperatives. These are concentrated in the areas affected by the Agrarian Reform Act.

1.2.5. Andalusian industry, while it has no long tradition of using external public facilities for reorganization and retraining purposes, has already established a standardized procedure in this area under the agreement between the Government of Andalucía and the Confederation of Employers. In addition the Employment Promotion Funds, at the national level, have concerned themselves with the retraining of groups of workers affected by restructuring processes, in both public and private undertakings.

At the regional level, the Institute for the Industrial Advancement of Andalucía (IPIA), as a public-sector research centre, and SOPREA's subsidiary societies undertake advisory and research functions in connection with projects for the establishment or reorganization

of firms. In some cases the projects may involve firms operating in more than one region. IPIA is also experimenting with direct training activities for "managers of enterprises". Together with this Institute, the Directorate General for Agricultural Research of the Government of Andalucía runs a number of Agricultural Research and Experimentation Centres, which are taking on young graduates with the object of assisting in the development of agricultural production.

The Universities of Córdoba and Granada have initiated training programmes of province-wide scope, linked in the case of Córdoba to the development of technologies in the agricultural sector and in that of Granada to the application of new technologies (microelectronics, computers, biotechnology) in the restructuring or reorganization of small businesses.

To sum up, with the creation of these various facilities and procedures (the National Plan for Training and Employment, with specific programmes for restructuring situations; the agreement between the Government of Andalucía and the Confederation of Employers; bilateral agreements between universities and firms) and of relevant bodies (SOPREA; IPIA; Employment Promotion Funds; agricultural research and development centres; educational innovation projects etc.), employers in Andalucía have a wide range of facilities at their disposal to support their projects through advice, training and the transmission of technologies.

1.2.6. Nevertheless it could hardly be said that training policies currently exist in firms. As was noted earlier, the majority of units of production are small, and most of them are agricultural. The possibility that policies and programmes which hardly exist could overlap with others in the public sector, whether national or regional, is thus very remote.

1.3. Public policy and retraining for employment

1.3.1. In recent years targets in the area of job-related training, in terms of both students and fields of study, have been estimated year by year using on the one hand projections from surveys on employment at the two-digit level for an initial subsectoral and provincial allocation. Within each province, on the other hand, the investigation of training needs has been direct, in localities, using "key informants", with the results then being grouped by provinces.

In 1985 INEM made use almost solely of the direct investigation approach, which it supplemented with an economic survey of manufacturing and service establishments. In the same period the regulated vocational training authorities in Andalucía did not carry out any innovative study in the field of the investigation of occupations and levels of qualification.

By decision of the Ministry of Labour and Social Security the National Plan for Training and Employment has multiplied by five the overall targets for trainee numbers

as compared with the previous two years. The target proposed is almost 400 000, of whom 70 000 - as was noted earlier - would be in Andalucía.

As a result selecting policies and objectives based on thorough and systematic studies of qualifications requirements on the labour market becomes an unavoidable duty for the public authorities.

While there has been no change in the methods of identifying targets, two pilot studies have been initiated: [illegible] by the Government of Andalucía) to guide the temporary employment of 14 000 young people, and the other (by INEM) to ascertain in terms of volume and content the demand for labour being generated by the financial sector. The results of these studies will be used to design model studies for subsectors, using also the models tested in other countries of the European Community for monitoring the labour market.

In addition it is hoped in the near future to computerize the employment records of job-seekers held in the registers of INEM employment offices. In Andalucía, unfortunately, these offices are less mechanized than in other regions.

At the local or area level both the agreements between INEM and local authorities as they apply to training activities (promotion and establishment of cooperatives, training for self-employment, training workshops etc.) and the plan for job-related training in rural areas

assume a practice of fitting training targets to local needs.

For its part the Government of Andalucía, with its Bureau of Labour Affairs, has set in motion programmes ranging from the very specific (such as the experimental "Craftsmen's Network" programme, aimed at enabling former drug addicts to follow an apprenticeship in a craft trade) to the general (such as that of the Employment Promotion Units, to which further reference will be made in the section on development experts).

1.3.2. Public policies on retraining in Andalucia suffer particularly from the lack of coordination between areas of market employment and areas of administrative operation. For example, extra-regional geographical mobility has yet to be included as a programme in a wider programme, of national scope, related to the support which is given in terms of vocational training to Spanish emigrants in other countries of Europe.

Nor have we yet gone beyond the stage of outlining a plan for the integration of research and training in fish farming into the existing programmes of public economic support to this sector. While there exists a coordinating body for the coastal regions of Spain with the job of developing an integrated research and training policy, there remain differences between the regions as to the powers ceded to that body. Although

an isolated example, this could soon be a proven experiment in integration.

As for the question of the formulation of exogenous development strategies for Andalucía, the normal formula does not differ essentially from that used in the case of other Autonomous communities. At the national level funds are transferred to Andalucía, through the Inter-territorial Compensation Fund, on the basis of economic indicators (basically income and output) and population. The Priority Reidustrialization Zones also form part of a national policy, and Andalucia has received its share of these.

1.3.3. Two basic tripartite mechanisms exist both for the setting of targets and for the integration of programmes into training and restructuring policies. One, the Economic and Social Accord of 1984 (due for revision in the next few months) is national in scope and places obligations on the parties regarding the distribution of funds for training and the shaping of the programmes. The implementation of the Accord has nevertheless been sharply criticized by both employers and unions, e.g. on the occasion of the formulation of the National Plan for Training and Employment (PLANFIP).

At the provincial level there are the INEM Executive Committees, the effectiveness of which is variable.

The other mechanism referred to is the National Council for Vocational Training. The job of this tripartite body will be to set targets for each National Plan for Vocational Training and, very importantly, to secure agreement among employers, unions and the education and labour ministries on levels of vocational qualifications and the comparability of such qualifications as between regulated vocational training on the one hand and job-related training on the other. This will have its consequences for employers and workers in Andalucía.

Finally, with regard to the recent agreement between the Government of Andalucía and the Ministry of Labour on the promotion of employment and training programmes, it is to be hoped that the committee set up to supervise its implementation will devote specific attention to the coordination and monitoring of integrated employment programmes with training components.

1.3.4. (See 1.2.4.)

1.3.5. With regard to the adaptability of the principal body concerned with the training of adults, INEM, this question was discussed at some length in section 1.1.2. (under b. and d.) in relation to the introduction of subjects and programmes in response to identified needs and the up-dating, in both technical and methodological terms, of INEM's network of teachers and experts.

Here we need only add that in Andalucía INEM needs to place greater stress on the promotion of private centres and experts able to concern themselves with those aspects of the processing and service industries likely to be of increasing importance in the future, namely livestock farming, hydroponics, fish-farming, polymetallic minerals, solar energy, biomass, tourism etc., as already listed in section 3 of the Introduction. There is also likely to be an increase in the number of "business analysts" and in training tailored to particular requirements, to which topics we return in chapter 2.

1.3.6. In addition to the versatility inherent in job-related training, with its ability to adapt to individualized training requirements, its geographical mobility, the adjustment of its training curricula etc., if by "less formal" is meant training on employers' premises, we may reiterate at this point that under the system of training contracts, which has also spread through Andalucía, employers undertake - in return for certain indirect subsidies - to set aside some time for training. The programmes of technical theory are designed for distance training, while practical training is followed in the firm or workshop concerned. INEM ensures that the firms concerned receive these programmes, and to that end has entered into an agreement with the National Association of Distance Learning Centres (ANCED). With this exception little has been done by way of organizing programmes of self-instruction or of using radio and

television for the purpose of vocaitonal training.

1.4. Coordination of efforts in the up-dating and retraining of human resources

It is emphasized in all circles concerned with employment and training, at both national and regional level, that the tripartite General Council for Vocational Training will have a fundamental part to play in the consolidation of the progress being made in the retraining of workers and the restructuring of industry and in facilitating the movement of skilled workers between regions and countries, whatever its complexity as a mechanism (see 1.1.1.c).

In Andalucía, with its high rates of migration, we have much to hope from the effective operation of this Ministry of Labour body.

CHAPTER 2. DEVELOPMENT EXPERTS

2.1. Typology

The experience of both national and Autonomous Community institutions in the use of experts on employment promotion, the development of training and the management of human resources is of recent date only, and as a result their duties tend to be ill-defined and to overlap. Four categories of expert are taking shape in the institutions concerned with human resources in the development of an area or of a group of workers or in the restructuring of productive processes

The employment promotor, working on a municipal or area basis, seeks to bring together interested parties and to promote with them the creation of small businesses, cooperatives and companies, making a choice of investment aids and training and advisory services from those provided by agencies of the regional government. The institutional structure which serves as their base is the Employment Promotion Unit; these Units, which are located in the larger municipalities of some economic importance, are the responsibility of the Bureau of Labour Affairs of the Government of Andalucía. In this first phase 28 employment promotors will be at work; the only requirement as regards their background was that they should have a higher-level qualification, preferably in the social sciences.

The promotors of training and initial employment investigate vocational training requirements, on a decentralized

basis, gathering information on employment prospects, the availability of funds for employment promotion and ways of extending the range of training on offer by bringing in other private centres and outside experts who can be employed in job-related training. Some twelve of these experts carry out the function of vocational guidance in the Employment Offices. Their work, in relation to both information gathering and the National Plan for Training and Employment (PLANFIP) and employment promotion, is based on information from primary sources and is restricted to a particular geographical area within a province. This work is coordinated in each province of Andalucía by other INEM experts.

As regards their background, they are required to hold intermediate university qualifications, and in the selection of the first 400 taken on over the whole country stress was placed on experience or knowledge in the field of the social sciences.

The work of socio-cultural development officers is less well defined. Regional and local authorities (Youth Institutes and municipalities) seek to create facilities - especially in the provincial capitals - for the development of work- and leisure-related activities among young people and for the diffusion of social and vocational information and guidance within this age group, hard hit as it is by the shortage of job opportunities. In addition to specific training programmes, normally developed by specialized centres

funded by municipalities and by INEM, there are plans to incorporate into this network a programme of continuing training. This project, which has not yet gone beyond the planning stage, involves the Municipal Youth Institute of Seville and the Youth Council of the Government of Andalucía.

In the appointment of socio-cultural development workers preference is given to applicants with an intermediate qualification.

The business analyst, an INEM innovation, is concerned with the analysis of occupational structures within firms and their branches and with the formulation of plans for the further or conversion training of their workforce. So far INEM has assigned five such experts to Andalucía, but where the need arises it can transfer teams from Madrid or other provinces to deal with training problems in a firm. The experts appointed have been specialist teachers in the area of job-related training; the desirable background would be that of occupational analyst.

2.2. and 2.3. Feed-back effects of the work of development experts

The results of the work of the various experts mentioned will no doubt enable the institutions concerned - the Government of Andalucía and INEM - to plan and organize the processes of recruitment and assignment of the personnel involved.

In INEM, whose experience in these matters is more extensive, and in Andalucía plans are already underway for the employment of promotors whose job profiles will be better defined, while a number of teaching experts involved in business analysis are up-dating their professional skills in the areas of occupational analysis and training programmes for new process and methods (see 2.1., last paragraph).

For its part the Government of Andalucía has applied to the European Social Fund for approval of a programme of training for trainers for its employment promotors.

2.4.-7. Supervision and coordination of development experts

In the light of preceding sections it is evident that our experience of the work of the four types of expert described is of too recent a date to allow us to talk about a "specific policy" for the creation of a differentiated body of experts or to set a value on their work - or even to talk about specific training programmes.

In Andalucía, as we have seen in the course of this study, a range of schemes are being tried for the diffusion, promotion and support of economic and social development, with stress being placed for the first time in the region's history on the training and valuation of human resources.

The stage of monitoring and follow-up has, however, not yet been reached. A possible explanation for this apparent lack of interest in coordinating and checking the effectiveness of these various training and development activities and in upgrading both the programmes and those responsible for them may well be the indeterminacies which were brought out in the introduction - indeterminacies relating particularly to the resolution of conflicts of authority - national government, the Autonomous Community and provincial and municipal bodies - and the fact that in such areas as employment promotion and job-related training national responsibilities coexist with regional responsibilities.

NOTES

1. Delgado, M. "Dependencia y marginación de la economía andaluza", Revista de Estudios Andaluces, No.3, 1984.
2. Over the past three years the gap between the two regions has in fact widened. No figures are included because the method of recording unemployment was altered between the two periods.
3. Spanish National Income, 1981. Banco de Bilbao.
4. National Institute of Employment (INEM) and Institute for the Industrial Advancement of Andalucía (IPIA), Caravaca Barroso, 1984.
5. Survey of Active Population (EPA), fourth quarter, 1984, National Institute of Statistics (INE).
6. EPA, third quarter, 1985.
7. Since August 1981 such workers have been classed as "not unemployed" rather than "occupied". Community schemes have involved increasing numbers of Andalusian workers (some 70% of the national total in 1983).
8. In 1985 the programme of job-related training in rural areas covered 1 212 courses, with more than 19 000 participants. By decision of the local authorities courses were introduced which had not initially been envisaged. A wide range of agricultural and industrial fields were covered (over 25). The drawbacks inherent in this kind of flexibility were manifested only as shortcomings in the selection of experts and trainees.
9. The range of subjects covered, in order of frequency, were: bricklaying; agricultural machinery; various types of crop processing; management and bookkeeping; farm management; livestock farming; glasshouse crops

and plant rearing; solar energy; wickerwork; canning; industrial refrigeration; basic information processing; cookery; health studies.

Annex I

Persons consulted and their institutions

Fabriciano Torrecillas, Head of Vocational Training Service, Bureau of Labour Affairs, Government of Andalucía.

Francisco Yepez Pérez, Vocational Training Service, Bureau of Labour Affairs, Government of Andalucía.

José Manuel Clemente Ruíz, Head of Planning and Management Service, Job-Related Training, National Institute of Employment, Madrid.

Adolfo Hernández Gordillo, Training of Trainers Section, National Institute of Employment, Madrid.

Carmina Gonzalez Seara, Technical Consultant, Job-Related Training Division, National Institute of Employment, Madrid.

Jose Luis Perez, Provincial Director, National Institute of Employment, Seville.

Jerónimo Romero, Job-Related Training Section, Provincial Office of the National Institute of Employment, Seville.

Manuel Dominguez Abascal, Board Member, Economic Advancement and Reorganization Corporation of Andalucía (SOPREA).

Patricio Rodríguez-Buzón Calle, Economic Affairs Officer, Municipality of Osuna, Seville.

Africa Olmos, Head of the Documentation Unit, Bureau of Education, Government of Andalucía.

Juan Cruz, Institute of Training and Trade Union Studies, General Workers' Union (UGT), Seville.

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INEM promotors and vocational guidance officers in various provinces.

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