

Retraining and Labor Market Adjustment
in Western Europe,

by

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Report Submitted to
Office of Manpower, Automation, and Training
U.S. Department of Labor...//
July 1964
(Supplementary Report to be Submitted Later)

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— University of California
— Berkeley, California July 1964

Acknowledgments

This report has been prepared under contract with the Office of Manpower, Automation, and Training, U.S. Department of Labor. The research on which it is based has also been generously supported by the Institute of Industrial Relations, University of California (Berkeley), through its regular research budget and through its Ford Foundation grant for research on Unemployment and the American Economy.

When I agreed to undertake this project late in 1962, an 18-month period seemed adequate for carrying out the research and completing the report. However, I returned from Europe with material relating to more facets of the problem than I had anticipated and with an outline for a ten-chapter report. It has proved impossible to complete all ten chapters in the five months since I returned. Chapters 8 and 9, which deal with specialized aspects of the subject, as well as a few sections of other chapters, will be submitted as a supplementary report. It seemed preferable to come close to meeting the original deadline for the main body of the report, rather than to delay the entire report until the missing chapters were completed, since the material in the chapters that I have finished will, I believe, be of considerable interest to those concerned with administering American retraining programs, as well as to the many persons who are doing research on related problems.

One of the most pleasant aspects of this study was the cooperation I received from the many government officials, as well as employer and labor representatives, whom I interviewed in Europe. It was a great advantage, also, to be working on a subject that was fairly closely

related to the study my husband was conducting on full employment policies in Western Europe. Our usual practice when we arrived in a new capital was to undertake a few initial interviews together, until we both had gained enough background information on economic and labor market conditions, as well as on the broader aspects of employment policy in the country. After that we would separate for interviews on the more specialized aspects of our respective projects and, in my case, for visits to training centers. Not only were we cordially received, but in many cases we were entertained at luncheons or dinners, chauffeured in official cars, and assisted in many other ways.

A complete list of all those whom I interviewed would be extremely lengthy. I owe a very special debt of gratitude, however, to individuals who arranged my schedule and made appointments for me in various countries, and I should like to express my great appreciation of their efforts.

I am particularly indebted to Mr. Sven Grabe, Director of the International Vocational Training Information and Research Center (CIRF) of the International Labor Office, Geneva, and to his able assistant, Miss Angela Butler, who arranged to have letters sent, at the appropriate time, to directors of ILO branch offices in various countries so that the branch offices could arrange my schedule of appointments for me. Not only did they give me this initial assistance, but, supplied with a copy of my itinerary, they kept track of my progress from country to country, and on several occasions Miss Butler telephoned me from Geneva to make certain that I had been able to see a particular official or had been given adequate assistance by the branch office. Toward the end of the trip, moreover, I had an opportunity for a most helpful two-hour session in Paris

with Mr. Grabe, who was there for a meeting, at which we discussed the outline of my report and some of my conclusions.

I am also deeply indebted to the following persons who arranged my schedule in various countries: Mr. Egon Wurster of the Federal Office for Industry, Trade, and Labor, Bern; Dr. F. Seib, Director, and Dr. H. Langen of the ILO Branch Office, Bonn; Mr. A. Verboven, Assistant Adviser, Belgian Office for Increasing Productivity, Brussels; Mr. Niesten of the Ministry of Social Affairs and Public Health, The Hague; Professor Erik Lundberg of the Department of Economics, University of Stockholm, and Mr. Gunnar Olsson, Head of the Information Section of the Swedish National Labor Market Board; Mr. P. P. Fano, Director, and Mr. I Cordischi of the ILO Branch Office, Rome; Sir Guildhaume Myrddin-Evans, Director of the ILO Branch Office, London, and Mr. J. Slater of the British Ministry of Labor; and Mme. A. Jouhaux, widow of the noted French labor leader and Director of the ILO Branch Office, Paris.

During the 18 months since the study was initiated, I have had the assistance of a number of research assistants and translators, including Ruth Fabricant, Richard Morrison, and Reinard Pollman, research assistants (Pollman also translated Dutch materials); Anna-Lisa Skär and Ulla Printz-Påhlson, Swedish translators; and Aldo Chiancone and Bianca Tonini, Italian translators. Most of the quotations or summarizations from French and German publications which appear in the report are based on my own translations. I am indebted to Mary Procter and David Gordon for voluntary assistance in translating some appendix materials in the last hectic weeks before the report was finished. My secretary, Mrs. Barbara Palmer, has displayed her usual efficiency and discrimination in

the typing of the report.

Because of the tight time schedule on which I was working, it has been impossible to have the report read by critics before submission, although I have had the benefit of critical comments from my husband. During the course of the coming academic year, I expect to expand the report into a book, which will cover the American and Canadian, as well as the European, experience with retraining programs. While the book is in preparation, I expect to send this report to government officials in the countries included in the study, in the hope that they will call my attention to any errors or misinterpretations.

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Berkeley, California
July 1964

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Chapter 1

Introduction

With the enactment of the Manpower Development and Training Act of 1962, the United States embarked on a large-scale government program for the retraining of unemployed workers. Provisions for the retraining of the unemployed were also included in the Area Redevelopment Act of 1961 and the Trade Expansion Act of 1962.

The need to stimulate the retraining of the unemployed had come to be widely recognized throughout the country, both by those who considered the uncomfortably high unemployment rates which had prevailed for some years to be attributable primarily to structural changes in the economy and by those who attributed the unemployment problem primarily to a deficiency of aggregate demand. Survey after survey of the unemployed had shown that most of those who were out of work, particularly the long-term unemployed, had a relatively low level of education and no specialized skills -- or in some cases skills that were nontransferable, rusty, or obsolescent. The "structuralists" quite naturally regarded retraining as the chief step required for solution of the unemployment problem, while those who felt that the solution lay chiefly in measures to stimulate aggregate demand nevertheless conceded that retraining was needed to encourage adaptation to the profound structural changes that were clearly taking place, even though they did not regard those structural changes as primarily responsible for the upward drift of the unemployment rate.

At the same time, both groups recognized that the government agencies

responsible for administration of the retraining programs would face serious difficulties. The most rapid expansion of employment opportunities was occurring in occupations of a professional, managerial, or technical nature requiring a high level of education or a high degree of technical skill. Such occupations were largely completely out of reach of the unemployed with their low level of education. So, to a considerable extent, were the more ordinary white-collar jobs which were also increasing in relative importance. With the downward drift in employment that was occurring in many branches of manufacturing, particularly for production workers, the sagging behavior of employment in the construction industry, and the sharp decline in employment in such industries as mining and railroad transportation, the outlook for employment in many blue-collar occupations was exceedingly poor. The chances were strong that a substantial proportion of the displaced blue-collar workers would achieve re-employment, if at all, in trade or service industries, where relatively little training was needed. Thus the problem of identifying those occupations for which unemployed workers might fruitfully be retrained was, if not insuperable, certainly anything but simple.

There were other difficulties as well. As the retraining program got under way and increased in magnitude, would it become increasingly difficult to place retrained workers in the absence of a much more pronounced expansion in total employment than the nation was experiencing in 1962 and 1963? To what extent should the retraining effort be directed primarily to those unemployed workers who would be best qualified for training programs and easiest to place when the training was over, and to what extent should it seek to include the harder-to-train, harder-to-place

groups, such as older workers, handicapped workers, and persons with a particularly low level of education or aptitude? What problems would be involved in inducing unemployed workers to enter retraining programs, and was the monetary incentive provided by the training and subsistence allowances adequate? Conversely, would some unemployed workers agree to enter retraining programs simply in order to receive training allowances, without any real intention of making the necessary effort to benefit from the program? If, eventually, legislation were enacted to launch a large-scale program for the training of unemployed teen-agers, what special problems would such a program face? Should there be provision for relocation allowances, as well as training allowances, to encourage the readaptation of the unemployed? What is the appropriate role of retraining in a well-rounded program of labor market adjustment?

A good many of these questions, as well as others, had been faced in the many Western European countries which had been operating retraining programs for the unemployed throughout the postwar period, and in some cases in the 1920's and 1930's as well. Undoubtedly some lessons of value for the United States could be learned from study of the experience with such retraining programs in selected European countries. In fact, some study had been made of European policies before our MDTA program was framed. Secretary of Labor Goldberg (now Justice Goldberg) and Dr. Seymour Wolfbein (Director of the Office of Manpower, Automation, and Training, U. S. Department of Labor) visited Europe in 1961 to look into retraining and other labor market adjustment policies, and there have been a good many additional contacts between American and European government officials as the program has got under way. However, it was felt that a more

systematic and intensive analysis of European experience with retraining, carried out over an extended period, would be useful, and it was for this reason that I agreed to undertake the present study.

The questions with which my investigation is primarily concerned have been suggested above in discussing the difficulties facing the American program.

The countries which have been selected for special emphasis and in which I have carried on extensive interviews are Belgium, France, West Germany, Italy, The Netherlands, Sweden, and the United Kingdom. These countries were chosen because they have had active retraining programs throughout the postwar period and because they tend to be the more highly industrialized countries of Western Europe, with labor market problems resembling those of the United States. Switzerland, where I also carried on interviews, will be brought into the discussion in certain contexts, but the Swiss have not implemented their retraining legislation because they have had so little unemployment throughout the postwar period.

The most serious difficulty which I have encountered in carrying out this study revolves around the contrast between the labor market situation in Western Europe and the United States in recent years. Unlike the United States, which has experienced lagging growth and an upward drift in the unemployment rate since the end of the Korean conflict, most countries of Western Europe have experienced spectacularly rapid rates of growth and increasingly tight labor markets throughout the greater part of this period. Among the countries which I visited for intensive study between June 1963 and January 1964, only Italy could be said to have a significant unemployment problem, and even there the unemployment rate had dropped far below

the levels of the early 1950's. Since there have been few unemployed workers to retrain, the numbers enrolled in retraining programs have fallen to low levels in some Western European countries as compared with earlier postwar years, whereas in other countries intensive efforts have been made in recent years to expand the scope of government retraining programs and, in some cases, to extend eligibility to workers who are not involuntarily unemployed. But under the tight labor market conditions prevailing in most of these countries, there are severe shortages of many types of skilled workers, and those who have completed adult training programs can usually be placed with relative ease.

In other words, because the labor market environment is so very different, the recent experience with retraining programs in Western Europe is not directly and obviously translatable into a neat set of "lessons" which have immediate relevance to the American situation. For this reason, I have devoted a good deal of attention to the European experience in the late 1940's and early 1950's, when unemployment rates in some countries were considerably higher and the role which retraining was expected to play was in some respects more closely analogous to that of the present American MDTA program. But I have also paid close attention to the more recent period because it is not without lessons of some value to the United States, although one must search a little harder to find them. For one thing, there are pockets of unemployment in almost every Western European country, in particular local labor markets or in entire regions, and there is much to be learned from an examination of the manner in which retraining and other labor market adjustment policies have been applied in these more localized situations. For another thing,

structural changes in the occupational and industrial distribution of employment in Western Europe have been somewhat similar to those in the United States (though we are clearly farther along on the road to automation), and thus Western European countries are being impelled toward adaptations in both their vocational training and retraining programs which are relevant to the American scene. Finally, it is becoming increasingly clear that the speed of technological change is creating an environment in which retraining and other labor market adjustment policies are likely to be accepted as permanent needs in industrial countries, irrespective of the state of the labor market at any particular time. If this is true, the United States must look forward to continuing concern with the specifics of retraining programs even though it succeeds in reducing its unemployment rate substantially below the levels of recent years, and many of the considerations entering into the framing of retraining policies in Western Europe today may be highly relevant to American problems in the future.

This study will be primarily concerned with government-sponsored retraining programs for the unemployed and with the relationship of such programs to other labor market adjustment policies. It will not be concerned with retraining conducted by employers, unions, or under joint management-labor auspices, except insofar as such retraining is subsidized by public funds and is part of a program aimed at combatting or preventing unemployment. Though retraining under private auspices is important, a comparative study of such programs in a substantial number of countries would be an extensive undertaking in itself and would take us too far from our main focus, which is on public policy in relation to

the retraining of the unemployed. For similar reasons, we shall not attempt to deal with adult vocational education in general, although it will be necessary to consider the relationship between retraining programs for the unemployed and more general adult education schemes at certain points.

One of the significant changes that is going on in Western Europe is that retraining programs which were originally developed for the unemployed are being opened up to other groups -- persons who leave a job voluntarily in order to enter a training program or who are temporarily released by their employers for this purpose, married women who would like to enter the labor market but are not unemployed in the sense of having experienced an involuntary separation from a job, and so on. In fact, in the case of France, involuntary unemployment has not been a condition of eligibility for the government retraining program since 1946. These changes are of great interest, in some countries are matters of controversy, and often give rise to much useful discussion of what the role of government toward retraining in a world of rapid technological changes ought to be. They are clearly of interest in relation to issues that may confront the United States in the future. Hence we must modify our definition of the scope of our study. We shall be concerned with retraining programs which are designed at least in part for the unemployed but which may also include other groups. An important distinguishing characteristic of the programs we are considering is that they provide for income maintenance for the trainee during his period of training, in contrast with other, more traditional, adult education programs under public or private auspices which do not provide for income

maintenance (except, in some cases, in the form of scholarships). Income maintenance may take the form of a special training allowance or of payment of unemployment benefits during the period of training, or, in the case of subsidized employer-sponsored training programs, of a wage paid by the employer.

What is meant by "retraining"? The term is not very exact, because the programs to be covered may include (a) vocational training for adults who have never had any specialized skill or training, (b) retraining for persons who possess a specialized skill which is obsolescent because of a change in the structure of labor demand or who made poor vocational choices initially in the light of their own personal sets of aptitudes, and (c) refresher or "further" training programs for persons whose skills have become rusty or require adaptation to changes in technology. The term "retraining" is used as a catchall to cover all these cases because it conveys the impression of vocational training for those who have had some labor market experience as distinct from initial vocational training for young persons who are preparing to enter the market. Moreover, where special programs have been designed for young persons who have attempted unsuccessfully to enter the labor market without appropriate skills or training, such programs will also be considered.

Nevertheless, an adequate understanding of retraining programs as defined above requires some knowledge of the basic vocational education system for youth in any given country and, indeed, as we shall discover, decisions with respect to the organization and scope of retraining programs are likely to be influenced by the character of the vocational education system. Furthermore, if it is becoming axiomatic that there will

be a continuing need for adult retraining in the future to cope with rapid technological change, it is also widely recognized that the extent and character of these retraining needs will be related to the breadth and quality of the basic vocational education system, and indeed, of education in general. In fact, it would be difficult to discover an industrial country which has not been subjecting its system of education, vocational and otherwise, to intensive scrutiny in recent years in the light of these considerations. Thus, although this study is concerned primarily with retraining programs for the unemployed, we shall have occasion at various points to refer to the relationship between such programs and vocational training for youth.

It must be emphasized that this is not a "how-to-do-it" study. As an economist with a special interest in labor market problems, I shall be concerned with retraining as an instrument of labor market adjustment rather than with the technical details of curriculum content which are of greater interest to the specialist in vocational training. This does not mean, however, that I shall ignore questions relating to the organization, scope, and duration of courses, which appear to have a significant bearing on the success of the retraining program.

Finally, a major purpose of this study is to develop a clearer notion of the role of retraining in relation to other economic and labor market policies in Western European countries. How significant, for example, was retraining in contributing to the spectacular decline in unemployment in West Germany between 1950 and 1955 or to the downward trend in unemployment in Italy in the last decade? What is the role assigned to retraining, in relation to other measures, in the Belgian

program for meeting the problem of displaced coal-miners in the Borinage? It is, perhaps, in connection with this range of questions that an analysis of European experience is of greatest value in relation to American problems.

Chapter 2

Postwar Labor Market Developments

As World War II drew to a close, and the countries of Western Europe began to consider the economic problems that would face them in the postwar period, memories of the disastrous unemployment of the 1930's were uppermost in the minds of statesmen and the general public. Everywhere it was taken for granted that sooner or later -- perhaps after the most urgent postwar reconstruction needs had been met -- nations would once more be faced with relatively serious unemployment problems, at least in cyclical recessions. At the same time, there was widespread evidence of a determination to combat unemployment and of a conviction -- profoundly influenced by Keynesian doctrines -- that it was possible for nations to pursue national economic policies which would largely assure the maintenance of full employment.

In fact, during the last few years of the war and the early postwar years, a number of countries adopted legislation committing the government to the pursuit of full employment policies. The laws adopted by Britain and Sweden were somewhat similar to the U.S. Employment Act of 1946, but in France and The Netherlands, the commitment to full employment was associated with the adoption of planning policies, and in Italy, with the adoption of the Vanoni plan.¹

Unemployment Rates

As it has turned out, most of the countries of Western Europe have largely escaped serious unemployment throughout the postwar period,

and in recent years unemployment has fallen to unprecedentedly low levels in a number of countries. In fact, there has been a tendency for the number of job vacancies to exceed the number of unemployed in most of the highly industrialized areas of Western Europe in recent years. In such circumstances, economists are inclined to regard the unemployment rate as operationally negative. This interpretation seems particularly appropriate when one considers that, at very low levels of unemployment, those who remain unemployed tend to consist to a substantial extent of the relatively unemployable.

Among the countries included in the present study, only Belgium, Italy, and West Germany experienced serious unemployment problems for any considerable length of time. Of the three, Italy's problem was the most severe, the most prolonged, and probably the most difficult to meet. Even so, Italy's unemployment rate has fallen steadily since 1956 and is now approaching the rates prevailing in a number of other Western European countries, although there remains a severe problem of poverty and underemployment in Southern Italy. Unemployment was also serious in West Germany in the early fifties, but the success of the West German economy in absorbing not only the large numbers who were unemployed at the beginning of the decade -- including a great many expellees and refugees from Eastern Europe -- but also the immense stream of refugees who poured in from East Germany throughout the 1950's has attracted widespread attention. Belgium's problem was less severe but nonetheless troublesome, for, as we shall see in the next section, it was associated with the relatively slow growth which characterized the Belgian economy until very recent years. Moreover, the national average unemployment data fail to convey the severity

of the problem in Flanders, where the unemployment was largely concentrated.

That unemployment statistics are not strictly comparable from country to country is well known, but the unemployment rates presented in Table 2.1, based on data published by the Organization for Economic Cooperation and Development, are more nearly comparable than the rates one might assemble on the basis of the officially published unemployment statistics of individual countries. This is partly because, in the computation of the rates published by the OECD, estimated unemployment in each country has been divided by the civilian labor force (the practice followed in the United States), whereas in a number of these countries the denominator used in computing the official unemployment rate is likely to be the total number of wage and salary workers or the total number of persons covered by the unemployment system. The effect of using the civilian labor force as the base for the computation, rather than, say, the total number of wage and salary workers, is usually to lower the unemployment rate, since unemployment tends to be relatively infrequent among the self-employed.

However, significant differences in unemployment statistics remain, chiefly with respect to the method of estimating total unemployment -- the numerator in the computation. In most countries of Western Europe, unemployment estimates were, as the report of the President's Committee to Appraise Employment and Unemployment Statistics pointed out, "initially based upon registrations at employment exchanges, or upon unemployment compensation or unemployment relief records."²

But a number of the countries whose statistics were analyzed in

Table 2.1

Per Cent of Civilian Labor Force Unemployed in Selected
European Countries and the United States, 1950-1962
(Per Cent)

Year	Belgium	France	Germany (Fed. Rep.)	Italy	Netherlands	Sweden	United Kingdom	United States
1950	4.9		7.2		2.0	2.2	1.2	5.2
1951	4.3		6.4		2.4	1.8	0.9	3.2
1952	5.0		6.1		3.5	2.3	1.4	2.9
1953	5.3		5.5		2.5	2.8	1.3	2.8
1954	5.0	1.6	5.2	8.7	1.8	2.6	1.0	5.3
1955	3.8	1.4	3.9	7.5	1.3	2.5	0.8	4.2
1956	2.8	1.1	3.1	9.3	0.9	1.7	0.9	4.0
1957	2.3	0.8	2.7	7.4	1.2	1.9	1.1	4.2
1958	3.3	0.9	2.7	6.4	2.3	2.5	1.7	6.6
1959	3.9	1.3	1.9	5.4	1.8	2.0	1.7	5.3
1960	3.3	1.2	0.9	4.0	1.1	1.8	1.3	5.4
1961	2.6	1.1	0.6	3.4	0.8	1.7	1.1	6.5
1962	2.0	1.2	0.5	2.9		1.5	1.6	5.4

SOURCE: Manpower Statistics, 1950-1962, Organization for Economic Cooperation and Development (Paris: 1963), except for Swedish data for 1950 to 1959, which are from International Labor Review, Statistical Supplement, Vol. LXX(November, 1954), p. 98, and Yearbook of Labour Statistics, 1962, International Labour Office (Geneva: 1962), Table 10. The horizontal lines in the Swedish column indicate minor changes in the method of compiling the statistics.

Note: Although the OECD has sought to bring about uniformity in methods of reporting data on unemployment and the civilian labor force, the definition of unemployment and the methods of estimating the civilian labor force vary considerably from country to country. The reader is referred to the text for a discussion of these differences.

the comparative study prepared for the President's Committee have in recent years added the household survey technique to their systems of gathering unemployment statistics. Whether or not the results of household surveys have been adopted as the source of officially reported unemployment rates, the data collected in these surveys have greatly facilitated the task of developing unemployment estimates as closely comparable as possible to the official unemployment estimates for the United States, which are based on the household survey technique. When the official statistics of seven countries were adjusted to conform as closely as possible to those of the United States, the average unemployment rate for 1960 was lowered in two instances (Germany and Italy) and raised in four others (France, Japan, Great Britain, and Sweden), as Table 2.2 indicates. However, the change was marked only in the case of Italy. After the adjustments were made (no adjustment was needed in the case of Canada), the unemployment rate in the United States was found to be substantially higher than those in Western Europe and Japan, although lower than in Canada. It should be noted that the 1960 official unadjusted rates for some countries shown in Table 2.2 differ somewhat from those shown in Table 2.1. This is explained partly by adjustments made by the OECD and partly by revisions made in the official statistics since the data for Table 2.2 were gathered.

One point that is worthy of comment has to do with the drop in the average annual unemployment rate for West Germany since 1959 (see Table 2.1). West German officials whom I interviewed indicated that the decline during these years -- to the extremely low level of 0.5 per cent for 1962 -- was in considerable part explained by the adoption of the

(To Follow p. II-4.)

Table 2.2

Rate of Unemployment in 1960, as Published and
After Adjustment to U.S. Definitions

Country	Unadjusted	Adjusted
United States	5.6	5.6
Canada	7.0	7.0
France	1.1	1.9
Germany (F.R.)	1.2	1.0
Great Britain	1.6	2.4
Italy	7.9	4.3
Japan	1.0	1.1
Sweden (1961)	1.2	1.5

SOURCE: Measuring Employment and Unemployment, President's
Committee to Appraise Employment and Unemployment
Statistics (Washington, D.C.: U.S. Government
Printing Office, 1962), p. 220.

Schlechtwettergeld (bad weather money) system, under which construction workers who are prevented from working because of bad weather receive compensation (at a rate slightly higher than unemployment insurance benefits) even though their employers have not laid them off.³ Before the adoption of this system, which is financed through the regular unemployment insurance contributions, large numbers of construction workers were unemployed during the winter and, I was told, in many cases migrated back from the cities to their native villages, where they lived on the unemployment insurance benefits which they received. Under the Schlechtwettergeld system, however, construction employers tend to refrain from laying off their employees during the winter, since they will receive compensation without having experienced an involuntary separation from the job, and the employer has an interest in holding his work force intact during the winter season. This has the effect of substantially reducing the unemployment rate in the winter, as well as the average annual unemployment rate, although it has little or no effect on the extremely low unemployment rates which have prevailed in recent years in West Germany during the months of good weather.

A number of other countries in Western Europe have somewhat similar systems, but I have not been able to determine just what the effect on their unemployment statistics is.

Any attempt to undertake a complete analysis of the reasons for the very low unemployment rates that have prevailed in Western Europe in recent years (and in some countries throughout the postwar period) would be well beyond the scope of the present report. There would be general agreement among economists, however, that high rates of economic growth --

to be discussed in the next section -- have played a major role in reducing unemployment to very low levels.

Rates of Growth

The extraordinarily high rates of economic growth achieved in a number of countries of Western Europe during the period since 1950 can best be appreciated if viewed in historical perspective (see Table 2.3). As Angus Maddison has put it, in his useful study of comparative economic growth:⁴

In continental Europe the decade of the 1950's was brilliant, with growth of output and consumption, productivity, investment and employment surpassing any recorded historical experience, and the rhythm of development virtually uninterrupted by recession In North America and the United Kingdom, the 1950's were no worse or better than many periods in the past, but in view of the continental experience, it seemed like stagnation.

Moreover, it now seems apparent that the performance of the continental European economies in at least the first half of the 1960's is likely to be no less impressive than it was in the 1950's. To be sure, West Germany's spectacular average annual growth rate of nine per cent in the first half of the 1950's, which was associated with the recovery of the West German economy from the disorganization of the early postwar period, is not likely to be repeated, but for the most part the growth rates of the continental economies in the early 1960's have compared

Table 2.3

Average Annual Rates of Growth of Gross National Product
at Constant Prices, Selected European Countries and
the United States, 1870-1962

Country	1870-1913	1913-1950	1950-1955	1955-1960	1961	1962
Belgium	2.7	1.0	3.3	2.4	4	4
France	1.6	0.7	4.4	4.2	4	5
Germany (Fed. Rep.)	2.9 ^a	1.2	9.0	6.1	5	4
Italy	1.4	1.3	6.0	5.9	8	6
Netherlands	2.2 ^b	2.1	5.6	4.2	3	3
Sweden	3.0	2.2	3.1	3.3	6	3
United Kingdom	2.2	1.7	2.4	2.4	3	
United States	4.3 ^a	2.9	4.3	2.3	2	6

SOURCES: 1870-1950, Angus Maddison, Economic Growth in the West (New York: Twentieth Century Fund, 1964), p. 28; 1950-1960, Basic Statistics for Fifteen European Countries, Statistical Office of the European Communities (Brussels: 1961), p. 30; and 1961 and 1962, World Economic Survey, 1962, United Nations (New York: 1963), p. 13.

^a1871-1913

^b1900-1913

favorably with those of both halves of the 1950's. This would be even more apparent if statistics for 1963, which was a year of rapid growth in most Western European countries, were available.

It is becoming increasingly clear, moreover, that the growth rate in Belgium, which was the laggard among the Common Market countries in the 1950's, will be significantly higher in the first half of the 1960's than in either half of the fifties.⁵ We shall have more to say about the reasons for the recent upsurge in Belgium's growth rate in later chapters, but the chief factors appear to be the adoption of more vigorous measures to stimulate investment by the Belgian government, the impact of tariff reductions within the Common Market on decisions of foreign firms to establish branch plants in Belgium, and an upsurge in exports.

Several recent studies shed a good deal of light on the reasons for the impressive performance of the continental European countries. In his interesting comparative study of growth rates in the Common Market and the United Kingdom, Lamfalussy shows that there has been a close correlation between growth rates and increases in the volume of exports of these countries.⁶ And, since foreign trade generally plays a relatively much larger role in the economies of these countries than in that of the United States, a boom in exports would inevitably have a relatively greater impact on the stimulus to investment and growth than would be the case in this country. In fact, Lamfalussy characterizes the years from 1953 to 1961 as a period of export-oriented growth for the E.E.C. countries, whereas the lagging performance of the British economy, he maintains, was closely associated with the slower rate of expansion of

exports from the United Kingdom and this, in turn, was associated with the unfavorable trend in unit labor costs in Great Britain in comparison with the Common Market countries.

Maddison places major emphasis on the maintenance of a high and steadily expanding level of aggregate demand in Western European countries, which has made entrepreneurs much more optimistic about profit and market expectations and has encouraged them to maintain a high rate of investment.⁷ He then goes on to stress the role of government policy in sustaining a high level of demand:⁸

A major reason for the postwar acceleration of economic growth in Europe was the action of governments in sustaining high and steady levels of demand and investment. Government policy helped to offset the recessionary or inflationary tendencies of the private sector, instead of exaggerating them as was often the case in prewar years.

Maddison attributes the poorer performance of the U.S. economy to the fact that "policy allowed demand to lag and that resources were wasted in unemployment."⁹ The British case he regards as more complicated. There the trouble was "not so much an inadequate level of demand," but constant interruptions in its momentum, and a low level of investment.¹⁰ Recognizing that a major difficulty faced by the British government was that it had to carry the responsibility of a reserve currency with inadequate reserves, he nevertheless criticizes British policy as it affected foreign payments for tackling rising prices simply by checking demand.¹¹

Like Lamfalussy, Maddison also devotes considerable attention to the role of foreign trade. As he puts it:¹²

...the domestic growth policies of individual countries have had a strong external effect. Buoyant demand at home has meant buoyant export markets for other countries.

The late Jack Downie, former Chief Economist of OECD, suggested that there is a certain plausibility in "the thesis that the relatively rapid growth of Europe is simply a correction of past disequilibria."¹³ But, like Maddison, he also argued that "The major reason why most of them [the European countries] have done better than the United States is that Europeans have been more determined that governmental capacities should be used."¹⁴

The notion that the continental European countries may have been experiencing a process of "catching up" with the United States and the United Kingdom, although occasionally discredited, is still regarded as plausible by a number of economists. In this view, the latter part of the 1960's might well pose a more severe test of the ability of European countries to maintain full employment than they have faced thus far. Such factors as a leveling off in the demand for automobiles and other consumer durable goods might slow up the expansion of demand, while an acceleration of technological change could result in a more serious problem of labor displacement. This type of speculation clearly involves complex issues which cannot be elaborated here. At present (spring of 1964), it would appear that shortages of labor and difficulty in curbing inflationary trends are the main factors threatening a retardation of growth.

Growth of the Labor Force

Basic to an understanding of differences in the labor market situation in the various countries of Western Europe is some consideration of variations in rates of growth of the labor force, which have been wide (see Table 2.4). And, although the differences are explained to a considerable extent by differences in the rate of natural increase of the adult population -- reflecting, in particular, differences in changes in birth rates in previous decades -- this is by no means the whole story. Variations in rates of labor force participation, particularly an increase in labor force participation rates of women, which has occurred in most countries included in this study, have played a significant role (see Table 2.5 and Appendix Table A-1). And in some countries, notably West Germany, the growth of the labor force has been influenced to an important degree by net immigration -- the arrival of large numbers of expellees and refugees from Eastern Europe in the early postwar period was followed by a heavy influx of refugees from East Germany throughout the 1950's, while after the erection of the Berlin wall and the virtual closing off of the possibility of exodus from East Germany, there was a large increase in the immigration of foreign workers from southern Europe. Immigration has also been a significant factor in changes in the labor force in a number of other countries -- not only where the labor force has been increasing substantially, but also in such countries as France and Belgium, where net immigration played the role of preventing or stemming a decline.

In my opinion, it is a mistake to treat the growth of the labor force as an exogenous factor in economic analysis, as many economists

Table 2.4

Persons in the Labor Force, Aged 15 to 64 Years, Selected
European Countries and the United States
Selected Years, 1950-1962

Countries and Sex	Number (in thousands)				Percentage Change		
	1950	1955	1960	1962	1950- 1955	1955- 1960	1960- 1962
Belgium							
Total	3,545	3,629	3,616	3,679	+ 2.4	- 0.4	+ 1.7
Men	2,555	2,583	2,527	2,549	+ 1.1	- 2.2	+ 0.9
Women	990	1,046	1,089	1,130	+ 5.7	+ 4.1	+ 3.8
France							
Total		19,501	19,528	19,860		+ 0.1	+ 1.7
Men ^a		(12,849)	(12,990)	(13,329)		(+ 1.1)	(+ 2.6)
Women ^a		(6,652)	(6,538)	(6,531)		(- 1.7)	(- 0.1)
Germany (Fed. Rep.)							
Total	21,950	24,165	25,570	26,185	+10.1	+ 5.8	+ 2.4
Men	14,235	15,435	16,140	16,650	+ 8.4	+ 4.6	+ 3.2
Women	7,715	8,730	9,430	9,535	+13.2	+ 8.0	+ 1.1
Italy							
Total		19,734	20,722	20,744		+ 5.0	+ 0.1
Men		14,782	15,120	14,976		+ 2.3	- 1.0
Women		4,952	5,602	5,768		+13.1	+ 3.0
Netherlands							
Total	3,915	4,178	4,396		+ 6.7	+ 5.2	
Men		3,196					
Women		982					
Sweden							
Total			3,586	3,770			+ 5.1
Men			2,332	2,396			+ 2.7
Women			1,254	1,374			+ 9.6
United Kingdom							
Total	23,526	24,486	25,010	25,486	+ 4.1	+ 2.1	+ 1.9
Men	16,069	16,473	16,631	16,861	+ 2.5	+ 1.0	+ 1.4
Women	7,457	8,013	8,379	8,625	+ 7.5	+ 4.6	+ 2.9
United States							
Total	64,749	68,896	73,126	74,681	+ 6.4	+ 6.1	+ 2.1
Men	46,069	48,054	49,507	50,175	+ 4.3	+ 3.0	+ 1.3
Women	18,680	20,842	23,619	24,507	+11.6	+13.3	+ 3.8

SOURCE: Manpower Statistics, 1950-1962, Organization for Economic Cooperation and Development (Paris: 1963).

^aFigures in parentheses are based on estimates by the OECD Secretariat.

(To Follow Table 2.4.)

Table 2.5

Per Cent of Population, Aged 15 to 64 Years, in the Labor Force,
by Sex, Selected European Countries and the United States,
1950, 1955, 1960, and 1962

Year and Sex	Belgium	France	Germany (Fed. Rep.)	Italy	Netherlands	Sweden	United Kingdom	United States
Men								
1950	87.7						(98.4) ^a	94.1
1955	87.8	94.2		94.0	97.5		99.9	95.1
1960	86.3	92.4	(95.8) ^a	93.2		94.5	99.0	92.9
1962		91.8				95.2	97.7	91.5
Women								
1950	33.4						(42.9) ^a	37.6
1955	35.1	47.0		30.0	29.3		46.4	40.4
1960	36.6	45.8	(49.1) ^a	33.3		51.0	48.2	43.2
1962		44.7				55.0	49.0	43.5

SOURCE: Manpower Statistics, 1950-62, Organization for Economic Cooperation and Development (Paris: 1963).

^a Figures in parentheses are based on estimates by the OECD Secretariat.

tend to do. It is true that, where changes in the labor force reflect primarily changes in the birth rate in previous decades, this attitude is somewhat more justifiable than in situations where changes in labor force participation rates or in migration are playing a major role. But there is considerable evidence that changes in labor force participation rates are influenced by changes in the state of the labor market.¹⁵ And, if one traces the changes in net migration into or out of Western European countries, one becomes impressed with the manner in which the volume of net immigration into the various countries tends to fluctuate with the degree of looseness or tightness of the labor market. This is scarcely surprising in view of the common practice throughout Western Europe of issuing work permits to permit entry of foreign workers only when there is either a general shortage of labor or a shortage of particular types of workers in particular industries. A major exception must be made, of course, for such largely political movements as the heavy flow of expellees and refugees into West Germany, the movement to France of the repatriates from Algeria after the end of the Algerian war, and the flow of repatriates from the Dutch West Indies to The Netherlands, which went on for a number of years in the late 1940's and 1950's. Even so, it can be argued that, to a considerable extent, the capacities of these economies to absorb the repatriates and refugees were greatly facilitated by high rates of growth.

Thus, although there appears to have been some rough tendency for high rates of economic growth and rapid increases in the labor force to have been positively related in the 1950's (see Tables 2.3 and 2.4), it would be a great mistake to jump to the conclusion that a simple one-way

causal relationship was involved. The addition of large numbers of expellees and refugees to West Germany's labor force was undoubtedly an important factor facilitating economic growth, but it is equally apparent that, in the absence of underlying economic circumstances favoring rapid recovery and growth and vigorous government action to facilitate the resettlement and re-employment of the expellees and refugees, these additions to the German labor force would not have been absorbed as readily.

Just as there is no simple relationship between rates of increase in the labor force and rates of economic expansion, so, also, there seems to be no simple or systematic relationship between the degrees of tightness in the labor market in Western European countries today and the rates of increase in their labor forces in the recent past. The labor market is very tight in both France and West Germany, for example, despite the marked differences in their rates of labor force change.

Nevertheless, differences in the sources from which countries are drawing their increased labor supplies do have an important influence on relative degrees of emphasis on various types of training and other labor market adjustment policies. The absence of government-sponsored retraining programs in Switzerland, for example, appears to be related to the extent to which Switzerland has relied on the immigration of foreign workers to meet labor shortages. Foreign workers, chiefly from Italy, now make up about a quarter of the Swiss labor force. However, the absence of public retraining programs is also related to the strong traditions of employer responsibility for training in Switzerland. On the other hand, there is evidence of some degree of reluctance to permit heavy immigration of

foreign workers into Sweden, and this attitude may help to explain the very strong emphasis on retraining and relocation policies in Sweden in recent years.¹⁶

Structural Changes in Employment

We have heard a great deal about structural changes in the economy and structural unemployment in the United States in recent years, but what is perhaps not generally realized is that a great deal of structural change has also been going on in Western Europe. And, wherever structural changes in employment are important, the need for some degree of retraining of adults is likely to exist, whether or not the structural changes are associated with unemployment.

Unfortunately, the almost complete absence of statistics on employment by occupation for Western European countries, except in a few cases for very recent years, severely hampers our ability to analyze structural changes, but one can make some informed guesses about occupational changes from a study of the data on industrial changes and from certain other sources of information.

In many respects, the structural changes that have been occurring in Western Europe are similar to those in the United States (see Table 2.6 and Appendix Table A-2). All the countries for which we have assembled data have experienced pronounced declines in agricultural employment, and in some cases the percentage decreases have been even larger than in the United States. Mining, too, is a sector that has been affected by marked decreases in employment, particularly in the 1955-62 period (actually, much of the decline in mining employment in Western Europe has occurred

Table 2.6

Percentage Changes in Civilian Employment by Branch of Activity,
Selected Countries, 1950-1955 and 1955-1962

Period and Country	Total	Agricul- ture etc.	Mining and Quarrying	Manu- facturing	Construc- tion	Electri- city etc.	Commerce	Transport etc.	Services
<u>1950-1955</u>									
Belgium	+ 1.3	-15.8	- 8.7	+ 2.5	+10.8	+ 3.6	+ 0.4	- 5.2	+11.1
Germany (Fed. Rep.)	+14.0	-14.6	←	+24.7	←	←	←	+21.5	←
Netherlands	+ 7.0	- 8.3	+17.3	+ 6.8	+14.4	+ 5.9	+ 9.7	+ 6.9	+12.1
United Kingdom	+ 4.2	- 8.6	+ 1.2	+ 8.0	+ 3.7	+ 6.7	+ 9.2	- 3.9	+ 0.9
United States	+ 8.0	-11.4	-13.1	+10.7	+18.3	+ 8.1	+11.8	+ 2.4	+13.0
<u>1955-1962</u>									
Belgium	+ 4.4	-22.6	-37.5	+ 6.4	+11.9	+ 3.4	+12.7	+ 1.7	+15.1
France	+ 1.1	-22.3	-14.8	+ 6.8	+16.8	+17.1	+17.4	+ 9.5	+ 8.9
Germany (Fed. Rep.)	+10.6	-19.1	←	+15.5	←	←	←	+20.0	←
Italy	+10.4	-19.2	←	+35.9	←	←	←	+20.3	←
Netherlands	+ 7.5	-13.1	- 8.2	+ 8.0	+10.3	--	+14.1	+ 8.6	+13.3
United Kingdom	+ 4.9	-14.0	-17.3	-- ^a	+11.4	+ 2.6	+20.1	- 1.4	-- ^a
United States	+ 6.1	-18.9	-18.5	- 0.8	+ 5.1	+ 4.0	+12.8	- 7.3	+23.0

SOURCE: Manpower Statistics, 1950-1962, Organization for Economic Cooperation and Development (Paris: 1963).

^aBecause of changes in classification, data for 1962 are not comparable with data for 1955.

since 1958, but our choice of dates for Table 2.6 obscures this). On the whole, the tendency toward rapid expansion of employment in commerce and in the services has also prevailed in most of these countries. On the other hand, whereas the United States experienced a decline in manufacturing employment from 1955 to 1962 (in fact, the postwar peak in factory employment in this country was reached in 1953), the tendency in Western Europe was for manufacturing employment to continue to show substantial increases during this period. In the construction industry, rates of increase in employment were considerably more pronounced in Western Europe than in the United States in the 1955-62 period, whereas this country experienced a particularly pronounced increase in the 1950-55 period. (Here again, the choice of terminal dates yields a somewhat misleading picture, since the increase in construction employment in the United States levelled off after 1956.) In transport, storage, and communication, also, the significant drop in U.S. employment in the more recent period was in contrast with the experience in France and The Netherlands, although there was also a slight decline in employment in this industry group in the United Kingdom and only a modest rise in Belgium.

Labor market reports and job vacancy data make it clear that one of the most pronounced contrasts between the situation in the United States and Western Europe in recent years has been the persistence of pronounced shortages of skilled building trades and metal trades workers in Western Europe, in contrast with the situation in the United States. These differences reflect the much sharper increase in construction employment in Europe and the continued increase in manufacturing

employment, which, if broken down, would reveal a relatively pronounced increase in employment in metal and metal products industries.

Despite the lack of data shedding light on occupational changes in Western Europe in recent years, one is undoubtedly quite safe in inferring that the sagging demand for semi-skilled blue-collar workers, which has been so conspicuous a feature of labor market trends in this country since 1953 and which has represented a reversal of the long-run trend, has no parallel in Western Europe.¹⁷ There is little question, also, that the fact that automation in the factory has clearly proceeded considerably farther in this country than in Western Europe helps to account for this difference, although it is by no means the sole reason. Our lagging growth undoubtedly represents part of the explanation.

One must rely on somewhat impressionistic evidence in attempting to assess the relative progress of automation in the U.S. and Western Europe, but it would appear that examples of what we define as automation in the factory are considerably less frequent in Western Europe than in the United States, although here and there automated production methods are being used. There has also been some degree of penetration of computer systems in office work, but, again, considerably less than in this country. The term automation seems, on the whole, to be used more loosely in Europe than in the United States. Europeans sometimes refer to the impact of automation when what they really mean is that a good many firms have been rationalizing methods of production and making more extensive use of mass production techniques. Even so, these developments do result in certain instances in the displacement of factory workers, and we shall have a good deal to say in later chapters about government

policies aimed at encouraging the retraining and re-employment of workers whose jobs are threatened or terminated under these circumstances.

It must be emphasized, however, that, under the tight labor market conditions prevailing in a number of European countries, displaced workers tend to find other jobs fairly quickly. The problem of labor displacement appears to pose the greatest difficulties when a relatively small or moderate-sized community is faced with the closing down of its only sizable factory or of one of its few factories. We shall have occasion at a later point to discuss some examples of the way in which public and private resources have been mobilized to meet this type of situation, particularly in West Germany and Sweden.

Even though automation has not proceeded as far in Western Europe as in this country, there is little question that in certain highly significant respects technological change is producing labor market effects similar to those we are experiencing. The increased demand for engineers, technicians of various types, and draftsmen is a conspicuous feature of the European labor market scene. Everywhere there is increasing recognition that the path of future technological change will call for more prolonged schooling and more broadly based vocational training, and throughout Western Europe there is a ferment of discussion and debate over education in general and vocational education in particular.

Another type of structural change which is significant in Western Europe is a substantial decline in the relative importance of self-employment in nonagricultural industries (see Table 2.7).¹⁸ In fact in Belgium, France, and The Netherlands, there has been a downward trend in the absolute number of persons in this type of employment. Anyone who

Table 2.7

Employers, Persons Working on Own Account,
and Unpaid Family Workers as Per Cent of
Nonagricultural Civilian Employment,
Selected European Countries and the
United States, 1950, 1955, and 1962

Country	1950	1955	1962
Belgium	20.9%	19.2%	17.4%
France		19.1	15.9
Germany (Fed. Rep.)	15.5	13.3	12.6
Italy		26.5	23.2
Netherlands	18.8	16.4	14.8
Sweden			9.4
United Kingdom	6.4	6.1	5.8
United States	12.4	11.4	11.0

SOURCE: Manpower Statistics, 1950-1962, Organization for
Economic Cooperation and Development (Paris: 1963).

has traveled on the Continent is aware of the prevalence of the boulangerie, patisserie, and charcuterie -- and of the fact that the farther south one travels in Europe, the more predominant the very small enterprise becomes in retail trade and the more likely one is to see roadside or streetside vendors selling trinkets. But the supermarket is making its appearance, particularly in England and France, and my guess is that it will spread rapidly in the next ten years.

There are other aspects of structural change which could be mentioned, but we shall have occasion to call attention to them in later chapters. What has been said in the present chapter should suffice to give the reader an appreciation of the marked contrasts in the labor market setting in which retraining programs are being conducted in Western Europe today, as compared with the United States, as well as of some of the more significant similarities.

Footnotes to Chapter 2

1. For a useful summary of the legislation adopted during this period, see Seymour E. Harris, ed., Economic Planning; The Plans of Fourteen Countries with Analysis of the Plans (New York: A. A. Knopf, 1949).

2. Measuring Employment and Unemployment, Report of the President's Committee to Appraise Employment and Unemployment Statistics (Washington, D.C.: U.S. Government Printing Office, 1962), p. 221. A special report on comparative levels of unemployment in industrial countries, prepared for the committee by Robert J. Myers and John H. Chandler of the U.S. Bureau of Labor Statistics, was published as Appendix A of the committee's report, and its chief conclusions were summarized in Chapter X.

3. See Ein Jahrzehnt Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung, 1952-1962, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: n.d.), pp. 56-57, for a description of the system.

4. Angus Maddison, Economic Growth in the West (New York: Twentieth Century Fund, 1964), p. 25.

5. For an interesting analysis of Belgium's slow rate of growth in the 1950's, see A. Lamfalussy, Investment and Growth in Mature Economies, The Case of Belgium (London: Macmillan, 1961).

6. A. Lamfalussy, The United Kingdom and the Six (Homewood, Ill.: Richard D. Irwin, 1963), especially Chapter V.

7. Maddison, op. cit., especially the introduction and Chapter II.

8. Ibid., p. 99.

9. Ibid., p. 101.

10. Loc. cit.

11. For a much more severe criticism of British policy in this respect, see Norman Macrae, Sunshades in October (London: Allen and Unwin, 1963).

12. Maddison, op. cit., p. 158.

13. See his paper in Arthur M. Ross, editor, Unemployment and the American Economy (New York: Wiley, 1964), p. 158.

14. Ibid., pp. 160-61.

15. See Alfred A. Tella, unpublished paper, Board of Governors, Federal Reserve system. See, also, Stuart H. Altman, Factors Affecting the Unemployment of Married Women, unpublished paper based on doctoral thesis, Board of Governors, Federal Reserve system. William G. Bowen of Princeton is undertaking extensive cross-sectional analysis, in which he is finding significant inverse relationships between labor force participation rates for various age and sex groups and unemployment rates by metropolitan area, as I once did for men aged 65 and older. See my "Work and Patterns of Retirement," in Robert H. Kleemeier, editor, Aging and Leisure: A Research Perspective into the Meaningful Use of Time (New York: Oxford University Press, 1961), pp. 23-24.

16. For further discussion of this point, see Chapter 4.

17. See Manpower Report of the President, Transmitted to the Congress, March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), Table A-7, which indicates that employment of the semi-skilled or "operatives" group reached a postwar peak in 1956.

18. Although the data in Table 2.7 include employers and persons working on own account, plus unpaid family workers, the self-employed are

the largest of these categories. Moreover, unpaid family workers are, in all probability, persons who are working for the self-employed in most instances, and a decline in the relative importance of self-employment would tend to be accompanied by a corresponding decline in the unpaid family worker category.

Chapter 3

Retraining in the First Postwar Decade, 1945-1955

Purposes of Programs

Of the seven European countries included in this study, six adopted legislation providing for public retraining programs for the unemployed in the early postwar years or shortly before the end of the war. The exception was West Germany, which did not begin to emphasize retraining until after the end of the occupation period. Moreover, in Sweden, although retraining programs were conducted under the general powers of the labor market authorities, they were on an extremely limited scale until about 1958, when greatly increased emphasis began to be placed on their expansion. In fact, the number of unemployed persons retrained in the first postwar decade in Sweden was so small that we shall not include Sweden in the discussion in the present chapter, although we shall have a good deal to say about Swedish policies in later chapters.

Early postwar legislation was designed in large part to serve three purposes: (1) to increase the employability of the unemployed, (2) to facilitate the return to civilian employment of veterans, war workers, former prisoners of war, and similar groups, and (3) to help relieve the shortages of labor which were anticipated in certain occupations, particularly building trades workers, whose ranks had been depleted by long years of reduced construction activity during the depressed thirties and the war, and who would be needed in greatly increased numbers for postwar reconstruction.

Nevertheless, even in this early stage in the formulation of postwar economic policies, retraining was regarded in several countries as a permanent instrument of labor market adjustment policy, rather than merely as a means of facilitating the transition from a wartime to a peacetime economy. The British White Paper on Employment Policy of 1944, which set forth the general guidelines for a postwar full employment policy and which undoubtedly had considerable influence on the Continent as well as in Britain, was particularly explicit on this point. The elimination of economic instability, it pointed out, required that (a) total expenditure on goods and services must be prevented from falling to a level where general unemployment appears; (b) the level of prices and wages must be kept reasonably stable; and (c) there must be sufficient mobility of workers between occupations and localities. As one means of encouraging labor mobility, the Government proposed to continue training schemes as a permanent measure after the resettlement of veterans and war workers had drawn to a close. It went on to spell out an appropriate division of responsibility between employers and the Government in meeting the training needs of the nation:¹

For jobs calling for no great amount of skill and requiring only a few weeks' instruction, employers should arrange to give the instruction in the course of employment.... For jobs calling for greater skill and requiring a more extended period of specialised instruction, the training should also be carried out as far as possible by employers. This type of training is best given under properly designed training schemes providing a definite course of instruction. Employers who provide such courses, approved by the appropriate Department, will receive

Government grants calculated on the capitation basis to be settled after consultation with the industry concerned.

There are great advantages in providing training in the factories, where the trainees can see ahead of them the jobs which they are qualifying themselves to fill. For certain occupations, however, training can be better given in a separate school or institution than in employers' workshops. To meet the need for this kind of training, which employers cannot provide, the facilities for institutional training which are provided in the Government Training Centres, Technical Colleges, etc., will be developed and extended.

It should be noted that Britain had at this time an extensive system of Government Training Centres, which had been used for accelerated training of workers for war industries. Moreover, along with a number of countries on the Continent, Britain had had a certain amount of experience with retraining programs during the inter-war period.²

Interestingly, also, the White Paper anticipated what was to be one of the major problems with retraining programs in postwar Britain, when it pointed out:³

If retraining schemes are to be a success there must be the fullest co-operation between employers and the Trade Unions. Difficulties have arisen in the past because some sections of industry have been reluctant to admit trainees During this war causes of friction, including demarcation, have been greatly reduced; and the Government believe that, with the creation of conditions designed to produce

full employment and stability, all parties in industry will agree that existing rules and practices may safely be modified to allow the ready admission of trainees, provided that proper steps are taken to train them to a standard which will justify the payment of the recognised rate of wages. Care will also be taken to ensure that the number of trainees does not exceed the number capable of being absorbed in the particular trade.

In Belgium, vocational retraining was to be organized within the framework of the employment service and unemployment insurance system, and was regarded as "essentially a means of reducing unemployment."⁴ Nevertheless, it was also looked upon as a means of achieving a distribution of manpower "closely related to the needs of the national economy" and as a way of ensuring that "all may have access to the trade or level of skill enabling them to contribute to the utmost of their capacity to the economic life of the country."⁵

Although the original purpose of the French retraining program was to meet temporary and occasional emergencies (severe unemployment or an urgent demand for manpower), as time went on accelerated vocational training for adults, as it came to be called, "showed itself to be the indispensable instrument of a manpower policy based on full employment and a balanced labour market."⁶ Moreover, as we have seen, France's commitment to a full employment policy was associated with her policy of national economic planning. In connection with the planning program, a manpower commission (Commission de la Main d'Oeuvre) was appointed very soon after the war to study the requirements of the plan with respect to the quantity and quality of manpower and to propose measures for satisfying

these requirements. Its first report emphasized, among other things, the importance of vocational training, as have its later reports.⁷

Organization and Administration

The organization and administration of retraining programs, as well as certain other aspects of retraining policies, have remained relatively unchanged in most of these countries throughout the postwar years, even though the numbers undergoing training and the types of training emphasized have changed significantly. Thus, in discussing problems of organization and administration, as well as certain other policies, in the present chapter, we shall use the present tense for the sake of simplicity whenever the original policies are those still prevailing.

In general, retraining programs are administered by the ministries of labor (or in The Netherlands, the Ministry of Social Affairs and Public Health, which includes the administration of the public employment service among its functions). However, there are substantial differences from country to country in the manner in which that responsibility is exercised. In Belgium, France, The Netherlands, and the United Kingdom, by far the greater part of the training has been conducted in government training centers, financed and operated by the ministry of labor (or social affairs), even though this was not in all cases the original intent of the law. In West Germany and Italy, however, the labor market authorities have operated some of the programs but have also entered rather extensively into agreements with other organizations and agencies for the carrying out of training courses on

a subsidized basis.

Interestingly, in both Belgium and France, a decision to place the main emphasis on government-operated training centers was made only after early efforts to encourage retraining by other organizations on a subsidized basis produced disappointing results. Although a royal decree of May 26, 1945 in Belgium contemplated the establishment of government training centers only in exceptional circumstances and anticipated that retraining for the unemployed would be conducted mainly under the auspices of employers or technical schools, a later decree promulgated early in 1948 authorized the establishment of government centers on an equal footing with those operated under other auspices.⁸ Disappointment with employer-sponsored training appears to have centered around the complaint that employers sometimes neglected the provision of the fullest possible training opportunities to the trainee in the interests of using him to increase output.⁹ Even so, it was recognized that in certain types of productive processes, e.g., the training of shipwrights, adequate training required complicated and costly equipment which could only be provided under employer auspices. Complaints about the training given in the technical schools, on the other hand, centered around the failure of instructors to adapt the training to the special requirements of the unemployed (e.g., the inclusion of more theoretical material than they could absorb), the overcrowding of the technical schools, and their lack of sufficient staff and facilities to serve the needs of the unemployed.

Unlike the situation in certain other countries, however, the concept of a government training center in Belgium was -- and, in fact,

still is -- highly flexible. Centers have been regarded to a considerable extent as temporary installations, to be established or discontinued in response to changes in the labor market situation in various parts of the country. A "center" may consist of a class for stenographers conducted in a large room in a public building, such as the one I visited in Brussels, a relatively small center conducting classes for about 45 trainees in the building and metal trades in an old factory building in Charleroi, or the more elaborate center for some 130 trainees in the building and metal trades in a building that was originally erected for the Brussels World's Fair of 1958.

A series of French decrees in 1945 and 1946 provided for two types of training centers which would be eligible for government support or subsidy: (1) community centers, run by associations, trade unions, or public corporations, which would be open to candidates presented by the manpower services, and (2) special centers designed to meet the needs of particular industrial establishments. A later decree, issued early in 1949, stipulated, among other things, that only centers providing training in priority occupations would be eligible for government subsidies and that the community centers would be managed and financed by a single body. This body was designated in a subsequent order as the Association Nationale Interprofessionnelle pour la Formation Rationnelle de la Main d'Oeuvre (National Inter-Occupational Association for the Rational Training of Manpower). ANIFRMO, as it came to be called, is a semi-governmental body administered by a managing board of 18 members, including six employers' representatives appointed by the National Council of French Employers, six workers' representatives appointed by the most representative trade union organizations, and six representatives of the Ministry

of Labor and Social Security. Its annual funds for the operation of the community training centers are provided through the budget of the Ministry of Labor and Social Security, which also determines not only the broad policies but also the rules and regulations under which vocational training in the centers is to be conducted. The functions of ANIFRMO relate to the detailed administration of the centers, the development and supervision of training methods and materials, and the training of instructors.¹⁰

The number of government training centers in France increased from 45 in November, 1945 to 127 in August, 1946.¹¹ Although this was probably not so true in the early stages of development of the program, many of the French centers today are sizable and well-equipped installations. They are located in all parts of the country, with at least one center in each département. Varying substantially in size and in the range of occupations for which training is provided, they may have from six to 40 sections for various trades, with an average capacity for all the centers of about 15 training sections. The larger centers have a sizable group of buildings (including offices, classrooms, a surgery and infirmary, dormitories, a canteen, and storage rooms), and a staff consisting of a director and several assistants, an instructor for each section, a canteen staff, and a domestic staff.¹²

Government training centers in Great Britain are somewhat similar in size and organization to those in France, but they are operated directly by the Ministry of Labor. Moreover, although the number of centers expanded rapidly in the early postwar years, it was cut back drastically in 1948, as we shall see. Furthermore, a substantial

proportion of the trainees in the British centers throughout most of the postwar period has consisted of disabled persons, whereas in France training for the disabled tends to be carried on under the auspices of the regional Social Security Funds or private organizations (which receive government subsidies), although it is subject to technical supervision by ANIFRMO.

In The Netherlands, most of the training is conducted in government training centers located throughout the country and is supervised by the bureau of vocational training within the government employment office of the Ministry of Social Affairs and Public Health.¹³ There has also been a program of subsidized employer-sponsored training, but the numbers enrolled have, until quite recently, been far smaller than the numbers trained in the government centers.

Responsibility for "occupational development measures," as they are called, in West Germany has, since 1952, been centered in the Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung (Federal Institution for Labor Placement and Unemployment Insurance), with headquarters in Nuremberg. Although subject to the supervision of the Ministry of Labor, the BAVAVG was set up as a corporate body under public law and is managed by an Administrative Council and an Executive Board, both of which include representatives of employer and labor organizations.¹⁴ Occupational development measures may be carried out directly by the public employment offices maintained by the BAVAVG and by other qualified institutions, such as technical colleges, vocational schools, vocational training centers of industrial trade associations, or trade unions. In some cases, training programs may be conducted

jointly by an employment office and another institution. Moreover, the extent of responsibility and of financial participation by these other institutions may vary greatly from case to case, although it would appear that in many cases the program is financed largely by the BAVAVG, which is also responsible for ensuring that adequate technical standards are met.¹⁵ Of a total of 2,609 courses conducted in 1956, 40 per cent were sponsored by the public employment service and the remainder by other agencies.¹⁶

Italy's situation resembles West Germany's in that courses are frequently organized under the sponsorship of agencies other than the public employment service, but in one respect it is similar to the French system in that responsibility for the detailed administration of a broad range of government-sponsored courses is delegated to a semi-autonomous body, the Istituto Nazionale per l'Addestramento ed il Perfezionamento dei Lavoratori della Industria (National Institute for the Training and Further Training of Industrial Laborers), known as INAPLI.¹⁷

Even where the courses are organized directly by the Ministry of Labor, there is usually an advisory committee consisting of employer, labor, and public representatives which makes recommendations on training programs and other aspects of manpower policies. Moreover, in most of these countries there are similar advisory committees attached to the local and regional offices, and in some countries, e.g., Belgium and (for some trades) the United Kingdom, the selection of individual candidates for training is subject to the approval of these local advisory committees.

The degree of centralization of responsibility for decisions with respect to the establishment or discontinuation of particular training programs varies somewhat from country to country, tending to reflect the degree of centralization of government activities generally. In West Germany, for example, proposals for training programs are initiated by the local employment offices and are subject to the approval of the Landesarbeitsamt (state labor office) in the relevant Land (state). However, proposals involving programs extending across the area of several Länder or requiring extraordinary financial support required the consent of the President of the Federal Institution (BAVAVG).¹⁸ In France, there is a departmental manpower committee which keeps in touch with developments on the local labor market in each département, as well as special committees representing the various trades in which training is offered. These committees meet every month, consider training needs in their départements, and make regular reports and recommendations to the national labor market authorities. Nationwide training needs are considered by similar advisory committees attached to ANIFRMO in Paris. These committees also meet every month, consider local needs in the light of the national situation, and propose alterations in the relative emphasis on various types of training throughout the country or in particular areas or centers.

On the vital question of the relative emphasis on local versus nationwide occupational shortages in determining types of training to be offered, and on the related question of the extent to which candidates for training are given opportunities for training outside their own local communities, we shall have more to say in later chapters.

Finally, it should be pointed out that there has been some type of provision for government-supported individual training in all these countries. Under these arrangements individuals are advised by the manpower authorities to enroll in courses in commercial or technical schools, or in employer-sponsored or union-sponsored training programs of one kind or another. Like the participants in government-sponsored training courses, such individuals receive a training allowance, and their course fees are paid by the labor market authorities. In the case of employer-sponsored training within a firm, trainees usually receive a wage which is often partially subsidized by the relevant government agency. However, the numbers of persons trained under such arrangements have tended to be small compared with the numbers trained in government training centers or publicly-sponsored courses. For this reason, we shall devote very little attention to such arrangements in this chapter but will consider in some detail provisions of this kind that are currently in effect in the next chapter.

Eligibility and Selection

Although intended in part to serve the needs of the unemployed, training programs in the early postwar period were also designed to improve employment opportunities for veterans, ex-prisoners of war, refugees (e.g., in West Germany), etc. Such persons were often eligible for training, and for training allowances, on the same basis as the unemployed, and in some countries were given priority of admission to government training centers.¹⁹

Apart from these special groups and (in some countries) the

disabled, admission to government training centers or courses was usually confined to the involuntarily unemployed. This was not, however, the case in France after 1946 or in the United Kingdom after enactment of the Employment and Training Act of 1948.

The French decree of October 12, 1945 amended an earlier 1939 decree which had provided subsidies for workers' training in industrial establishments (under certain conditions) and for occupational retraining centers for the unemployed.²⁰ However, a later decree of November 9, 1946 dropped the reference to occupational retraining centers for the unemployed and provided that community training centers should "recruit their trainees among the candidates presented by the manpower service." Special centers (in industrial and commercial establishments) would recruit their trainees "either among the personnel of the establishment or among candidates presented by the manpower service."²¹ It would appear that this change in policy reflected the relative absence of an unemployment problem in France after the war and the unlikelihood of finding enough suitable candidates for training among the ranks of the unemployed to meet prospective shortages of skilled labor. In fact, the trainees in French government training centers have consisted to a considerable extent of persons who voluntarily left their previous employment in order to upgrade themselves or of jobseekers who could have been referred to relatively unskilled jobs by the manpower authorities but were advised, instead, to enter a training center in order to qualify for a skilled job.²² Moreover, standards of admission to the French centers have been relatively rigorous, as we shall see, and have had the effect of eliminating older and less qualified unemployed persons

from the training programs.

The situation in Britain has been quite different. Although the Employment and Training Act of 1948 provided that the Minister of Labor and National Service could provide training courses for persons, "whether employed or not," who were above the compulsory school-leaving age,²³ I was informed that, in practice, admission to the British training centers has been confined to the disabled, ex-service personnel, and the unemployed. Furthermore, as we shall see, under agreements negotiated in the early postwar period between the Ministry of Labor and National Service and committees representing management and labor in various trades and industries, training for a number of occupations has until quite recently been confined to the disabled, or to the disabled and ex-service personnel.

Age limits. Of the six countries whose programs are considered in the present chapter, the majority impose upper age limits on admission to government training programs, usually through administrative regulations rather than through statutory requirements.

Upper age limits are particularly restrictive in France, and the age distribution of trainees has tended to be distinctly youthful. Although the information which I was given on this point by various French officials whom I interviewed was somewhat conflicting, it would appear that in general the maximum age limit is 35, although directors of local training centers may make exceptions in the case of applicants between 35 and 40 years of age if they meet other admission standards.²⁴

In Belgium, there are no general statutory or administrative upper age limits, but the advisory boards attached to the regional public

employment offices, who were given the authority to designate the unemployed persons to be selected for training under the 1945 decree, have in practice imposed upper age limits. In fact, according to M. Victor Martin, who has been the director of the vocational training program for adults in Belgium for many years, these consultative bodies "yielded to the temptation of continually lowering the age of admission" to the training centers as they gained experience with the program.²⁵ This policy, he suggested, was designed to ensure successful results from the training programs, in the light of the tendency for the capacity for vocational adaptation to "vary inversely with age." However, the policy was also strongly influenced by the difficulty of placing older workers, in view of the tendency of employers to refuse to hire them. "It was useless to attempt -- except in unusual cases -- the readaptation of aged workers, if one was convinced from the beginning that the chances of putting them to work at the end of the course were reduced to a minimum."²⁶ Although a good many of the regional advisory bodies have imposed limits of 40 or 45, in some regions the limits have been as low as 35, and, for stenographers, 30 years of age.²⁷ These policies are of particular interest in view of the fact that, throughout the fifties, Belgium had a substantial problem of long-term unemployment among older workers. Although unemployment among older workers was also a problem of some considerable concern in a number of other Western European countries in the first half of the fifties, the problem has been substantially alleviated under the tighter labor market conditions of the late fifties and early sixties, and even in Belgium, has been of somewhat less concern in the last few years.

Italy's unemployment problems have centered to a relatively greater extent in the younger age brackets. Although there does not appear to be a legal upper age limit on admission to government training centers in Italy, the courses for the unemployed cater to workers under the age of 40, and, under legislation enacted in 1949, a provision under which unemployment benefits are denied to unemployed workers who refuse to participate in a training program applies only to those under the age of 40.²⁸ Moreover, Italy's policies differ from those of most other countries in that there has been substantial emphasis on courses for unemployed juveniles. The need for such courses in Italy has undoubtedly been explained, not only by the problem of unemployment among youth, but also by the fact that traditional vocational education facilities for those who have completed the compulsory period of schooling -- either in the form of technical schools or of apprenticeship training -- have been decidedly underdeveloped in Italy as compared with many of the Northern European countries.

In The Netherlands, upper age limits on admission to government training centers have been less restrictive than in France or Belgium. The upper age limit was 55 until a few years ago, when it was reduced to 50. In explaining the policy of imposing an upper age limit, and the recent decision to reduce it, Dutch officials tend to place more emphasis on the difficulty of placing older workers than on that of training them.²⁹ However, not only is the Dutch upper age limit appreciably higher than those of the other countries discussed above, but in practice the age distribution of the Dutch trainees is also significantly higher.

Although Britain imposes no upper age limit on admission to its

government training centers, in practice relatively few workers over about age 45 have participated in the programs, probably in large part because they have difficulty in meeting the selection standards. In West Germany, although it would appear that the great majority of trainees are under 45 years of age, older persons do participate in the retraining programs to some extent, and in certain instances, particularly in West Berlin, special courses have been developed for older persons.

Not only are there upper age limits in the majority of these countries, but there are, and have been from the start, lower age limits in all of them. These lower age limits, which in most countries are subject to occasional exceptions, are designed to prevent young persons from entering these accelerated training programs rather than the traditional apprenticeship programs or the technical schools. Thus they tend to coincide with the age at which a young person would normally complete an apprenticeship or vocational education program, and in most cases are set at 17, 18, or 19. In Belgium, which has an extensive system of publicly operated or subsidized technical schools, the lower age limit in the middle fifties was 21, although young people aged 18 to 21 were occasionally admitted. A special program for juveniles aged 14 to 21, which was operated from 1949 to 1951, did not prove very successful.³⁰ However, under the revised policies adopted in 1961, to be discussed in the next chapter, persons aged 18 to 21 are regularly admitted provided they have had a stipulated amount of employment. Italy, as we have seen, has had an extensive special program for juveniles.

Selection Tests. All the countries whose programs are considered in this chapter use selection tests to a certain extent in admitting applicants to training programs, and, as has been suggested, even where upper age limits are not imposed, these selection tests usually pose greater difficulties for older unemployed persons, whose level of education tends to be relatively low and who are likely to be more apprehensive about undertaking tests than younger people, partly because their school years are so far behind them.

Probably the most rigorous program of testing is found in France, where every applicant for admission to a training center must undergo a medical examination and a psychotechnical examination, which consists of two parts: (1) a written examination which varies in difficulty according to the occupation for which training is sought, and (2) an oral interview.³¹ Candidates for training in Italy are subjected to a battery of physical and mental tests, which are administered by the Institute of Industrial Medicine, which is connected with the National Association for Prevention of Industrial Accidents. In The Netherlands, also, all candidates are subjected to psychotechnical tests, and, in addition, all are x-rayed. However, a complete physical examination is given only in the case of the disabled and those with physical complaints.

In the other three countries, tests are used less extensively. In Belgium, applicants are given a medical test, but psychotechnical tests have been given rather rarely, largely because the local and regional employment offices have lacked the specialized personnel that would be needed to administer them. Unsuitable candidates have, however, been weeded out during the first two or three weeks of training, on the

recommendation of the instructor to the local advisory committee.³² In West Germany, the regulations issued by the BAVAVG provide that tests may be administered if necessary, but they are evidently used rather infrequently except for certain occupations, such as stenographer. Although great emphasis is placed on careful selection, I was told that the placement officers in the local employment offices were usually well acquainted with the candidates for training and were in a good position to make informed selections.³³ Moreover, the local employment officers are required to keep in touch with the progress of trainees and to eliminate those whose performance is unsatisfactory. In the United Kingdom, satisfactory completion of an educational test is the condition of acceptance only for certain trades, such as engineering, draftsmanship, stenography, and radio and television servicing. However, candidates who are not given a pre-entry test must take an educational test, varying in difficulty for different trades, when they enter training, in order to determine whether further education is necessary. In the cases of those who need it, special lectures are given by the Education Officer during the first four weeks of training.

So far as I have been able to determine, candidates who cannot pass the more demanding tests given for the more highly skilled trades are not necessarily disqualified for training in any of these countries. An attempt is usually made in such cases to counsel them to enter training for trades with less demanding requirements. This point was particularly emphasized by officials whom I interviewed in Britain and The Netherlands.

Numbers of Trainees

It is difficult to assemble comparable statistics on the number of persons who have been trained under the programs we are examining. For one thing, the annual statistics available in some countries include all persons who have been enrolled in a training program in the course of a year, whereas in other countries they include only those who have completed a training course or those who have passed a final examination and received a certificate. In some cases, I have been able to obtain both types of statistics for some years but not for all years. A more serious difficulty arises from the fact that in some countries, e.g., the United Kingdom, disabled persons are trained in the government training centers along with the able-bodied, whereas in other countries, e.g., France, training for the disabled tends to be conducted under separate auspices and is not reflected in the data relating to government training centers.

Despite these difficulties, the data in Tables 3.1 and 3.2 do provide a general indication of differences in the magnitude of the programs from country to country. Moreover, since care has been taken to make certain that the statistics are comparable from year to year, they provide a reasonably accurate indication of changes in the numbers trained.

Although I have not been able to obtain any annual data for Italy for the early fifties, the OEEC report on accelerated vocational training indicates that a total of 1,286,640 persons were involved in training courses conducted under the auspices of the Italian Ministry of Labor from 1949 to June 30, 1957.³⁴ Of these, some 875,000 were enrolled in

Table 3.1

Persons Who Completed Government-sponsored Training
Programs for Adults, Number and Per Cent of Labor
Force, Selected Countries, 1946-1963
(number in thousands)

Year	Belgium		France		Germany (Fed. Rep.)		Nether- lands		United Kingdom		United States	
	Num- ber ^a	Per cent	Num- ber ^b	Per cent	Num- ber ^a	Per cent	Num- ber ^c	Per cent	Num- ber ^d	Per cent	Num- ber ^e	Per cent
1946	1.4						1.6		16.4			
1947	1.1		11.4				3.6		39.9			
1948	1.3		21.8				4.6		8.8			
1949	1.9		19.2				4.7		7.0			
1950	2.7	0.07	13.7				6.8	0.17	5.2	0.02		
1951	1.5	0.04	14.1				6.0	0.15	3.6	0.02		
1952	1.0	0.03	14.6				3.9	0.10	4.3	0.02		
1953	1.3	0.04	16.6		33.6	0.15	4.2	0.10	4.7	0.02		
1954	1.7	0.05	15.9	0.08	34.7	0.15	3.9	0.09	4.5	0.02		
1955	1.8	0.05	18.9	0.10	35.7	0.15	4.7	0.11	4.3	0.02		
1956	2.0	0.05	23.5	0.12	37.7	0.15	4.7	0.11	4.0	0.02		
1957			24.1	0.12			3.6	0.08	3.5	0.01		
1958	1.8	0.05	23.9	0.12			3.4	0.08	3.5	0.01		
1959	1.5	0.04					3.5	0.08	3.4	0.01		
1960					14.3	0.06	3.2	0.07	3.4	0.01		
1961			22.7	0.12	8.3	0.03	3.2	0.07	3.4	0.01		
1962			22.3	0.11	4.6	0.02	2.2	0.05	3.3	0.01	1.4	---g
1963			31.7 ^f	0.16					3.7	0.01	27.5	0.04

/Table continues next page/

SOURCES: Official publications of ministries of labor; Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for Economic Cooperation and Development (Paris: 1960); and, in some cases, supplied to me by government officials.

^aIncludes collective training and subsidized training for individuals; German figures are for fiscal years and do not include West Berlin, where the number of persons completing training in recent years was as follows: 1961--5,582; 1962--3,260.

^bIncludes full-time trainees who received certificates from government training centers; in 1961, an additional 4,366 persons received full-time training in government centers but did not receive a certificate. There were also 2,527 part-time trainees enrolled in 1961. See Revue française du travail, XVI (January-March, 1962), 103-109.

^cIncludes persons completing courses in government training centers and persons enrolled in subsidized on-the-job training programs.

^dIncludes persons who completed courses at government training centers.

^eIncludes persons who completed training under the Manpower Development and Training Act.

^fEstimated from data for the first nine months of 1963.

^gLess than 0.005 per cent.

(To Follow Table 3.1.)

Table 3.2

Persons Enrolled in Government-sponsored Training
Programs for Adults, Number and Per Cent of
Labor Force, Selected Countries, 1953-1963
(number in thousands)

Year	Belgium		Germany (Fed. Rep.)		Italy		Sweden		United States	
	Num- ber ^a	Per cent	Num- ber ^a	Per cent	Num- ber ^b	Per cent	Num- ber ^c	Per cent	Num- ber ^d	Per cent
1953	2.2		36.9							
1954	2.2	0.06	38.6	0.16						
1955	2.5	0.07	41.3	0.17						
1956	2.7	0.07	49.0	0.20						
1957			43.1	0.17	94.7	0.47				
1958							2.6			
1959							5.8			
1960	2.9	0.08					10.2	0.29		
1961	3.0	0.08					20.0	0.54		
1962	5.1	0.14			181.0	0.87	30.0	0.80	6.3	0.01
1963									65.0	0.09

SOURCES: See Table 3.1.

^aIncludes collective training and subsidized training for individuals; German data are for fiscal years and do not include West Berlin.

^bIncludes courses for adults, young adults, and (in 1962) Italian workers who were being trained for emigration to other Common Market countries. The 1957 figure relates to those enrolled on March 1; the 1962 figure is for the fiscal year 1961-62.

^cData for 1958-60 are for fiscal years; data for 1961 and 1962 are for calendar years.

^dIncludes persons enrolled in training under the Manpower Development and Training Act. In addition, between November, 1961 and the end of December, 1963, 26,895 persons enrolled in courses under the Area Redevelopment Act.

courses for the adult unemployed and 412,000 in courses for juveniles.³⁵ If the numbers were spread evenly over the years, this would mean an annual average of approximately 160,000, or about 0.76 per cent of the Italian labor force of roughly 21 million -- a larger percentage than in any other country during this period.

The general impression conveyed by the statistics is that the numbers trained tended to be small. In none of the countries except Italy did the numbers enrolled or the numbers completing training exceed 0.15 to 0.20 per cent of the labor force at any time in the first postwar decade.

For only four countries was it possible to compare year-to-year changes in the unemployment rate and the numbers completing training during the first postwar decade, and in none of these countries was there a very close relationship between changes in the two series.³⁶ More detailed analysis of the training data suggests that changes in labor market conditions for building trades workers, who formed a large proportion of the trainees, played a more important role in explaining fluctuations in numbers completing training than changes in the unemployment rate.

Types of Training

Emphasis on the Building and Metal Trades. Although the statistical data do not lend themselves to precise comparisons, there is no question that training for the building and metal trades tended to dominate the scene, particularly in the early postwar years (Table 3.3). It should be noted, in this connection, that on the Continent the term

Table 3.3

Percentage Distribution of Persons Who Completed Government-sponsored Training Programs for Adults, by Trades for Which They Were Trained, Selected Countries, Selected Years, 1945-1955

Trade or group of trades	France		Netherlands		United Kingdom	
	1947	1954	1947	1955	1947	1955
Total	11,400	16,332	3,575	3,864	39,864	4,266
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
Building trades	82.9	76.9	49.4	41.0	89.9 ^a	11.3 ^a
Metal trades	17.1	14.9	49.4	58.8	1.6 ^b	50.9 ^b
Miscellaneous	----	8.2	1.2	0.2	8.5	37.8

Trade or group of trades	Belgium		Germany (Fed. Rep.)	
	1945-47	1955	1953	1955
Total	2,427	1,792	33,551 ^c	35,710 ^c
Per cent	100.0	100.0	100.0	100.0
Building trades	39.4	42.9	6.2	2.3
Metal trades	27.6	19.3	16.8	15.9
Wood working trades	9.8	12.9		
Textile and clothing trades	7.0	2.1	5.6	7.7
White-collar occupations	n.a.	n.a.	58.9	62.1
Other	16.2	22.8	12.5	12.0

/Table continues next page/

Table 3.3

p. 2

SOURCES: See source reference for Table 3.1.

^aIncludes building and civil engineering trades.

^bIncludes engineering trades.

^cData are for fiscal years and do not include West Berlin.

metal trades tends to include a wide variety of metal-working occupations (including such trades, for example, as automobile mechanic), while in Britain the term engineering trades appears to be roughly equivalent to the term metal trades as used on the Continent.

In France, where training for the building trades was of overwhelming relative importance, and in The Netherlands, where trainees were more evenly distributed between the building and metal trades, there was practically no training except for these two groups of occupations in the first postwar decade. Although officials in both of these countries emphasized the point that the number of courses offered in various specific crafts, and also the number of government training centers in operation at any given time, tended to vary in response to the changing needs of the labor market, the data for these two countries suggest that there may be a certain degree of inflexibility associated with an organizational structure in which the bulk of the training is provided in sizable government training centers scattered throughout the country. Particularly in France, where a number of the centers are quite large and well equipped, the government by now has a very substantial investment in buildings and equipment. Although clearly much of the space in the training centers can be shifted from one type of use to another without great difficulty, the more specialized equipment cannot. It should be recognized, however, that the training programs in France have been somewhat more diversified in recent years, as will be seen in Chapter 4, but this has been less true of The Netherlands.

These two countries also resemble each other in that there has been very little emphasis on the training of women in their programs.

This situation has been, and still is, most extreme in The Netherlands. The OEEC report on accelerated vocational training, published in 1960 but prepared several years earlier, commented in its section on The Netherlands that "as yet Government Training Centres do not provide any training arrangements for women."³⁷ One of the Dutch officials whom I interviewed informed me that, in fact, women were eligible for the training programs in The Netherlands but that very few enrolled. It will be recalled that the percentage of women in the labor force in The Netherlands is relatively low (Table 2.5). This appears to reflect to a considerable extent the strong traditional Dutch attitude that woman's place is in the home, rather than any especially unusual characteristics of the structure of industry in Holland. It might be added that, although employment in construction and in manufacturing, particularly in metal products industries, increased throughout the fifties, so also did employment in the trade and service industries, where women tend to be employed in substantial numbers.

The French situation has been somewhat different. There was a limited amount of training for women in such trades as textiles, nursing, and clerical work -- apparently conducted chiefly in special (subsidized) centers and not reflected in the statistics for the government training centers -- in the early postwar period, but it will be recalled that a decree of January 11, 1949 provided that in the future only those centers for vocational training that were preparing workers for priority occupations (i.e., metallurgy and building) would be subsidized by the government. In the middle fifties, this policy was relaxed, and there has been some training in such predominantly female occupations as ladies'

clothing workers and stenographers in recent years, but on a limited scale.

Diversified Training in West Germany. The earliest detailed statistics I have been able to obtain for West Germany relate to the fiscal year 1953, but this does not mean there was no retraining activity earlier. I was informed by West German officials that in the early years of retraining activity, there was substantial emphasis on training for the building trades, as in other countries, but that, as the shortage of building trades workers began to be overcome, increasing relative emphasis began to be placed on training in the metal trades for men, on training for the textile and clothing industries for women, and on training for a wide variety of white-collar service occupations for both sexes. By the fiscal year 1953, as Table 3.3 indicates, three-fifths of those who completed training during the course of the year were trained for white-collar occupations -- chiefly, typing, shorthand, accounting, and sales work. Unlike the situation in other countries, moreover, female trainees were about as numerous as male trainees. Among 33,551 persons who completed training in 1953, 17,601 were men and 15,950 were women, while in the three following years more than half of those completing training were women.

In creating opportunities for the training of unemployed women, the German labor market authorities were responding to a situation in which unemployment among women had increased sharply following the currency reform. Between May, 1948 and March, 1950, the number of women registered at labor exchanges as unemployed rose from approximately 110,000 to 490,000. Some of these women were widows, others were married

women who decided to enter the labor force once the currency reform had put an end to the unsettling labor market effects of the previous inflationary period, and a good many were expellees or refugees. The increase in female unemployment was particularly large in Schleswig-Holstein, Hamburg, Lower Saxony, and Bavaria, where expellees and refugees tended to be concentrated.³⁹ Although employment of women increased rapidly in the early fifties, there continued to be a substantial flow of women into the labor market from what the Germans referred to as the stille Arbeitskraftsreserve (secret labor reserve), and, in 1952, average annual female unemployment still amounted to 463,000. After that, there was a fairly steady decline, but throughout the period from 1952 through 1957 the female unemployment rate was slightly higher than the male rate, according to the official figures.⁴⁰

The Special Case of Britain. The story of the marked rise in the number who were trained in Britain between 1945 and 1947, the subsequent sharp decline, and the sudden contraction of a large-scale program of training for the building trades following the severe winter of 1946-47, is a particularly interesting one.

Britain emerged from the war, as we have seen, with an employment policy which was to include substantial emphasis on measures to stimulate labor mobility as well as on fiscal and monetary policies aimed at full employment. Plans were developed for a rapid expansion of the number of government training centers, and it was anticipated that training for the building trades would be provided on a particularly large scale during the early postwar years. In fact, a special government report on training for the building industry, issued in 1943, pointed out that

there would be a large deficiency of building trades workers, which could not be made good by normal methods of recruitment and apprenticeship, and proposed a short-term plan for special training of up to 200,000 men under the auspices of the Ministry of Labor and National Service during the first three of four years of the postwar construction program. The plan was to be based on the principle that the industry must fully participate, both centrally and locally, in the administration of the schemes of training and the selection of trainees.⁴¹ In a speech at Aberdeen in the fall of 1945, the Minister of Labor and National Service announced that a scheme had been worked out in consultation with the National Joint Council of the Building Industry under which suitable candidates would be given six months of training at the government training centers, followed by 14 months of training with an employer. Trainees would receive the usual training allowance at the government centers, and then during the 14 months of employer-sponsored training would be paid by the employer at special rates, which were evidently to be somewhat below the normal rates for skilled workers, with the employers' payments to be subsidized by the government.⁴²

In fact, the number of training centers increased rapidly, from 17 at the end of the war to 77 at the end of 1946, by which time there were approximately 25,700 trainees enrolled in the government centers. In addition, approximately 3,800 were being trained under Ministry of Labor programs at technical colleges, another thousand in employers' establishments, and 295 in special residential training centers for the disabled.⁴³ Interestingly, also, there were 30,283 persons who had been accepted for training and were on a waiting list pending assignment to a

center. Of those in the government centers in the fall of 1946, 87 per cent were being trained for the building trades, and, as Table 3.3 indicates, 90 per cent of those who completed training in 1947 were trained for these trades.

However, the construction program was being held back at various points by shortages of building materials, and during the unusually severe winter of 1946-47 there was substantial unemployment among building trades workers. Widespread complaints arose among the workers over a government policy of adding to their ranks through training in the midst of unemployment, and, as a result of pressure from the union representatives on the National Joint Council, the Ministry of Labor and National Service agreed to limit training in the building trades to the disabled -- a policy which continued from that time on until very recently.⁴⁴

The effect on the government training centers was dramatic. The number of persons enrolled at these centers fell from approximately 25,700 at the end of 1946 to 19,300 at the beginning of June, 1947. By the end of 1947 it was down to 4,200, and many of the centers had been closed.⁴⁵ The decline reflected primarily a sharp contraction in the number of able-bodied persons admitted to the centers, but there was also a gradual decrease in the number of disabled persons enrolled (Appendix Table A-3).

The situation in the building trades was not the only reason for the contraction in the number of centers operated by the labor market authorities. The annual report of the Ministry of Labor and National Service for 1947 indicated that "under prevailing national circumstances"

training in the Vocational Training Schools had to be restricted "in many directions." Shortages of raw materials prevented the extension of training facilities for trades other than building, and the four government centers at which the Ministry had provided coal mining training, as well as the Mines Mechanization Center at Sheffield, were transferred to the National Coal Board.⁴⁶

The problem of union restrictionism in Britain has not been confined to the building trades. It has prevailed to a certain extent, also, in the engineering trades, particularly in the areas of higher unemployment in Northern England and Scotland, as well as in other trades. Until very recently, when agreements were renegotiated to pave the way for an expansion of training in the government centers,⁴⁷ there were, I was informed, unpublished agreements between the Ministry of Labor and industry representatives, limiting training in a number of trades to the disabled, or to the disabled and ex-service personnel.

These unpublished agreements in some cases probably took the form of amendments to a whole series of agreements in various industries which were negotiated shortly after the war and which were summarized in the Ministry of Labour Gazette during the fall of 1945 and in 1946 and 1947. Among these industries were cotton spinning and weaving, nursing, leather, pottery, furniture manufacturing, tailoring, boot and shoe repairing, brickmaking, and hairdressing. The agreements varied in detail, calling in some cases solely for employer-sponsored training, and in other cases for an initial course of training in a technical college or government training center, followed by a period of employer-sponsored training. In the furniture manufacturing industry, for example, the initial training

was to be given normally at a government training center and to vary in duration, lasting 26 weeks for wood finishing, mattress making, and chair and frame making, 28 weeks for wood machinery work, 30 weeks for cabinet making, and 36 weeks for upholstery. Trainees would receive the usual Ministry of Labor training allowance during this period, which would be followed by 24 weeks of employer-sponsored training in a firm at the "appropriate minimum rate of wages."⁴⁸

Under some of these agreements, a wage slightly lower than the appropriate skilled worker's minimum rate was stipulated for the period of employer-sponsored training, and in some cases the wage paid by the employer was to be partially subsidized by the Ministry of Labor and National Service. In boot and shoe repairing, for example, the employer was to receive a "training fee" of 10 s. a week for the first three months of the training period and 5 s. a week for the next three months, subject to the employer's undertaking to train the workers and retain them in employment for at least 12 months after the termination of government financial assistance.⁴⁹

In certain cases, the agreement stipulated that the number of trainees was to be "related to the opportunities for employment," and in others a definite maximum number of trainees was agreed on for the first year, e.g., 600 in gentlemen's or combined ladies' and gentlemen's hairdressing and 400 in ladies' hairdressing.⁵⁰ In boot and shoe repairing, the summary of the agreement stated that the total number to be trained was estimated at 500 for the first year but that the matter would be reviewed at quarterly intervals by the Ministry and the Wages Council.⁵¹

Of interest in relation to the American problem of relatively

heavy unemployment among persons with a very limited educational background is another British development of this period, the establishment of the National Institute of Houseworkers under the auspices of the Ministry of Labor and National Service. The objective was to raise the prestige of domestic employment and to attract more workers into this occupation. Training in domestic work would be arranged by the Institute, either in technical institutions or in training centers specifically set up for the purpose by the Institute. Those completing the courses would receive certificates of efficiency, and it was expected that they would be placed either in private employment or with the Home Helps Service (equivalent to homemaker services in the United States) which was then being developed by local authorities. Courses were to be six months in duration for women and girls over 17 years of age. In the case of girls under 17, the courses were to be nine months in duration and were to be followed by a period of 12 months, or up to age 18, of practical experience in a selected household, at the end of which the certificate would be granted. Training allowances were to be paid by the Institute at the same rates as under the regular Ministry of Labor Vocational Training Scheme, and the Institute also was to lay down minimum rates of wages which employers hiring certificate-holders and pre-diploma workers would be expected to pay.⁵²

During the early fifties, the number of persons enrolled in training programs under the auspices of the Ministry of Labor continued to show something of a declining tendency, although there were fluctuations upward and downward from year to year. Moreover, throughout this period the number of disabled enrolled in the programs exceeded the number

of able-bodied persons. It is apparent, also, that the number of male trainees greatly exceeded the number of female trainees throughout the first postwar decade, and that the women were enrolled chiefly in courses in technical and commercial colleges rather than in the government training centers (Appendix Table A-3). As time went on, moreover, even those enrolled in courses in the technical and commercial colleges, among both men and women, were predominantly the disabled.

So far as I have been able to determine, in none of the continental European countries included in this study has union restrictionism played anything like the role that it has played in Britain in limiting the scope of retraining. In general, the various labor federations on the Continent have vigorously supported the government training programs and have been the chief pressure groups in favor of their expansion. I shall have more to say about their role in this respect in the next two chapters. There seems to be general agreement among informed persons, moreover, that it is the narrow craft organization of the British union movement which primarily accounts for the restrictionist attitude of British labor.⁵³ Here and there on the Continent, particularly, for example, in the printing trades, one finds evidence of a restrictionist attitude toward training, but the national federation leaders have strongly supported retraining programs. Moreover, it must be kept in mind that, even when there was substantial unemployment on the Continent, as in Belgium, West Germany, and Italy during parts of the fifties, there were shortages in the occupations for which workers were being trained. In fact, in West Germany and Italy aggregate demand and employment were expanding rapidly, even though there was substantial unemployment.

Duration of Courses

The concept of "accelerated vocational training" for adults has strongly influenced methods of training and policies relating to the duration of courses throughout Western Europe during the postwar period. The principles and methods of accelerated vocational training, particularly in France and Italy, but also to a certain extent in other countries, have been modeled after methods developed by Carrard in Switzerland. In France, they were also strongly influenced by the similar approach of the National Institute of Pedagogy, based on the general principles of pedagogy advocated by the French philosopher Descartes. The Technical Director of ANIFRMO has described the main features of these methods as follows:⁵⁴

(a) complex operations should be broken down into their simple elements; (b) only one thing should be taught at a time, going from the simple to the complex; (c) the work done should be confined to knowledge already imparted; (d) interest should be maintained, while avoiding fatigue; (e) the lesson should be carefully planned; and (f) co-ordination of theory and practice should be insured by making a single person responsible for instruction in both.

The methods used for accelerated training, as the same author has pointed out:

are based on the very simple fact that those being taught are adults and not adolescents. The two groups cannot be treated in the same way: in particular, it is always

unpleasant for a manual worker to feel that he is "back at school." Moreover, many of the trainees have been earning their living and some of them have dependants; it would therefore be unthinkable that they should be made to undergo a longer course of training than is absolutely essential. Even if they are paid unemployment benefit or a special wage during their retraining or advanced training, the sums offered could never be equivalent to a normal wage.

There is little question, moreover, that the duration of courses was related, to some extent, to provisions relating to the maximum duration of unemployment benefits, particularly where the trainee received his regular unemployment benefit (plus perhaps a modest supplement) rather than a special training allowance during the course of training.

During the early years of the postwar period, courses lasting about six months appear to have been widely prevalent. However, in some countries, courses in some trades were even shorter. In Belgium, for example, the duration of courses varied from three months for tile-layers and masons to six months for such trades as carpenters, metal casters, and plumbers.⁵⁵ In The Netherlands, also, the length of courses varied among the different trades, ranging from a minimum of 12 weeks to substantially longer periods in the more difficult trades.⁵⁶ The Italian law of 1949 provided that courses should last not less than two months nor more than eight months,⁵⁷ but those conducted by INAPLI for adults have had a uniform duration of 21 weeks. The courses for juveniles in Italy, however, have lasted from one to two years and have placed more emphasis on basic training than the adult courses.

In West Germany, the regulations (Richtlinien) issued by the BAVAVG in 1955, which to a certain extent simply regularized policies that had been in effect previously, provided that courses were not to exceed 13 weeks as a rule, but that in exceptional cases they could last up to 26 weeks.

In none of these countries was it claimed that trainees reached the level of skilled workers who had been trained by more traditional methods by the time they completed the training programs, but there appears to be a good deal of evidence that, after periods of experience on the job ranging from, say, six months to a year, graduates of these courses were able to approach the level of skill and efficiency of experienced skilled workers. The British arrangements for subsidized employer-sponsored training periods to follow training in the government centers, which have been described in the preceding section, gave explicit recognition to the fact that those completing courses in the government centers could not be regarded as fully skilled workers until they had had further experience and training in a firm. In Italy, I was informed by Signor Palavicino, the Director of INAPLI, that it was considered very important to make it clear to the adult trainees that the 21-week course of training would only give them a start and that their further training would come on the job. Moreover, all graduates of the training courses are enrolled in ANEACI (Association of Former Pupils), which sends out literature to former trainees for a period of five years and sponsors lectures and correspondence courses which will aid them in improving their skills and knowledge of current developments in their trades.

As time went on, there was a tendency in some of these countries to provide for greater flexibility in the duration of courses and to introduce courses that exceeded six months in duration. In part, these changes were related to the introduction of a greater variety of courses, but they were also influenced by experience, which indicated that some of the early courses were too short. However, this trend has been more pronounced in recent years than in the first postwar decade and will be discussed at greater length in the following chapter.

Training Allowances

As suggested in Chapter 1, one of the most important distinguishing characteristics of the training programs with which we are concerned, as contrasted with more traditional forms of adult education under either public or private auspices, is that the trainee is provided with income maintenance from public funds during the period of training, as well as relieved of any financial obligation for course fees. The only exceptions arise when the trainee is placed with a firm for a program of employer-sponsored training, but in such cases the public agency sometimes subsidizes the wage paid by the employer during the training period, as we have seen. Moreover, although this was not always true of the earliest postwar laws, the principle came to be followed in a number of countries that the allowance available during a period of training should be somewhat larger than the unemployment benefit for which the individual might otherwise qualify, in order to provide a financial incentive for the unemployed worker to enter a program of training rather than merely rely on his unemployment benefit until he

found another job.

In Belgium, Italy, and West Germany, throughout the period under discussion, the trainee received unemployment benefits plus certain supplements during this period of training, but provisions for unemployment benefits differed widely among these three countries, and continue to show marked differences. Unemployment insurance benefits were very low, in relation to wages, in Italy and substantially higher in Belgium and West Germany.

In The Netherlands, in the middle fifties, a married male trainee received a training allowance that was equal to the unemployment benefit for which he would otherwise qualify, i.e., 80 per cent of his former earnings.⁵⁸ Unmarried trainees received a training allowance which amounted to 70 per cent of the minimum wage for an unskilled worker, a minimum which varied somewhat among five zones throughout the country to allow for differences in the cost of living.⁵⁹

In France, which did not have an unemployment insurance system, but rather an unemployment assistance system paying relatively low benefits on a means test basis, training allowances were set at 50 per cent of the minimum wage under the Decree of November 9, 1946. As in The Netherlands, the minimum wage in France varies somewhat by zones and is highest in the Paris region.

The British policy relating to training allowances has remained largely unchanged throughout the postwar period, although the allowances have been increased from time to time in response to increases in wage levels and in unemployment benefits. There is a scale of flat training allowances which varies by age and sex and which was originally set in

such a way as to be somewhat higher than the unemployment benefit (also a flat amount in Britain) but in general not higher than the wages likely to be received in the first employment after training.⁶⁰ In practice, I was informed by a Ministry of Labor official, the basic adult male allowance was set so as to equal the minimum wage for an agricultural laborer in Scotland, which is one of the lowest minimum wages in the country under Britain's system of variable minimum wages established by more than 60 tripartite wage boards in various trades and industries.⁶¹ In 1948 the weekly allowance for an adult male trainee living at home was 70 s., or about \$14 a week at the prevailing exchange rate. The rate for an adult female was 57 s., while rates for those aged 16 to 19 varied on an increasing scale by year of age from 35 s. to 55 s. 6 d. for boys and from 33 s. to 49 s. for girls. Rates were considerably lower for trainees living away from home, since lodging expenses were provided.

Nearly all these countries established systems of family allowances early in the postwar period, and, in general, a married trainee with dependents received family allowances (or, in some cases, special dependents' benefits) in addition to his basic unemployment benefit or training allowance. However, family allowances vary substantially from country to country and have tended to be considerably higher, relative to wages, in France, Belgium, and Italy than elsewhere. In general, moreover, in most of these countries a trainee was protected by health insurance, temporary disability or sickness insurance, and old-age and invalidity insurance, through special provisions similar to those under which an unemployed worker's social security protection was maintained

during a period of unemployment.

In general, also, these countries provided daily travel expenses for trainees living more than a certain minimal distance from the training center (e.g., two miles in Great Britain), as well as lodging allowances for those who had to live away from home during the period of training. Travel expenses were also provided for at least one round-trip in the case of those living away from home, and in some countries there were certain provisions for expenses for other trips home at stated intervals.

Finally there were various types of special supplements or bonuses for trainees, in some cases related to performance in the training program. In West Germany, the supplement was designed merely to compensate the trainee for expenses (e.g., for lunch) which the ordinary beneficiary of unemployment insurance would not necessarily incur. It was called Taschengeld (pocket money) and amount to two DM. (50¢) a day.

Belgium provided a bonus of 4.50 Belgian francs an hour (about nine cents) to trainees over and above their unemployment benefits and family allowances.⁶² In addition, a trainee who had successfully completed a course of training and, a year later, could show that he had been employed at least one month in the occupation for which he had been trained, was entitled to a bonus in kind not exceeding 250 to 800 Belgian francs (\$5 to \$16) in value depending on the length of the course. This bonus consisted of tools or working clothes which the trainee would need in his new occupation.

The French 1946 decree provided that the training allowance could be increased by a proficiency bonus, to be decided on by joint order of the Minister concerned, but I have found no other references to such a

bonus, nor was such a provision mentioned by any of the French officials whom I interviewed.⁶³ In The Netherlands, however, a bonus of 1.50 to 3.50 guilders a week (39¢ to 91¢ at exchange rates prevailing in 1955) was paid for particularly satisfactory work.⁶⁴ Trainees who finished their courses were also given a free set of the tools they would be likely to need in their new trade.

In Italy, trainees under the Ministry of Labor programs received a flat supplement to the unemployment benefit, amounting to 200 lire a day (about 32¢ at exchange rates prevailing in 1955) for the worker and 60 lire per day for each dependent. Those who were not eligible for unemployment benefits or who had exhausted their rights to benefits received the 200 lire plus an additional 100 lire, as well as the 60 lire for each dependent.⁶⁵ These provisions, which were included in the 1949 Act on Placement of Unemployed Persons and Unemployment Assistance, remain unchanged at present, but unemployment benefits have been adjusted upward with increases in the cost of living.

It should be noted that a number of these countries have an unemployment assistance system which provides benefits on the basis of need to persons who have exhausted their rights to unemployment insurance or are not eligible for unemployment insurance. Usually the benefits under such a system are somewhat lower than unemployment insurance benefits. Thus, in West Germany, for example, a trainee may be receiving unemployment assistance rather than unemployment insurance while pursuing his course of training. This was a particularly significant form of help for the many expellees and refugees who had not worked in West Germany and thus were ineligible for unemployment insurance. It also plays a

significant role in the case of widows, divorcees, and separated women who find they must enter the labor market to support themselves and their children, if any. A number of the female trainees who were enrolled in training courses which I visited in West Berlin were women in this type of situation who were receiving unemployment assistance while attending the course.

It had been my intention to include a section on the relative role in retraining in combatting unemployment at the end of the present chapter, but it has proved to be impossible to complete that section within the time-period available for completion of the present report. The section will be included in the supplementary report which will be submitted later this year, along with Chapters 8 and 9. It will be concerned primarily with the policies pursued in Belgium, West Germany, and Italy in combatting unemployment in the early fifties. Suffice it to add, at this point, that the section will indicate that retraining played a significant, but not a major role, in the attack on unemployment in each of the three countries.

Footnotes to Chapter 3

1. Employment Policy, Office of the Minister of Reconstruction, Cmd. 6527 (New York: Macmillan, 1944), p. 14.
2. For an account of this experience, see Vocational Training of Adults in the United Kingdom, International Labor Office (Geneva: 1948), pp. 3-10. Brief descriptions of prewar programs in certain other countries may be found in Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for European Economic Cooperation (Paris: 1960).
3. Employment Policy, pp. 14-15.
4. See Vocational Training of Adults in Belgium, International Labor Office (Geneva: 1949), p. 9.
5. Ibid., p. 10.
6. Accelerated Vocational Training..., p. 211.
7. See "Manpower Requirements in France," Ministry of Labour Gazette, LV (March, 1947), 87-88. The most recent report of the Commission is Rapport général de la Commission de la Main-d'Oeuvre, Quatrième Plan de Développement Économique et Social (1962-1965), Commissariat Général du Plan d'Équipement et de la Productivité (Paris: Imprimerie Nationale, 1961).
8. Vocational Training of Adults in Belgium, p. 26.
9. Ibid., p. 25, and Accelerated Vocational Training..., p. 101.
10. See Accelerated Vocational Training..., pp. 213-14, and E. Rossignol, "The Vocational Training of Adults," reprinted from International Labour Review (October, 1957), pp. 14-20.
11. C. Bettelheim, "Economic and Social Policy in France,"

International Labour Review, LIV (September 10, 1946), 139-59.

12. For further details, see Accelerated Vocational Training..., pp. 215-16, and Rossignol, op. cit., pp. 17-19.

13. Ibid., p. 429, and Vocational Training for Adults in The Netherlands, Ministry of Social Affairs and Public Health (The Hague: n.d.).

14. See Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung, Bundesrepublik Deutschland, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: 1961), p. 8, and Ein Jahrzehnt Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung, 1952-1962, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: n.d.), pp. 5-19. The BAVAVG is a successor to the Reichsanstalt für Arbeitsvermittlung und Arbeitslosenversicherung, which was established under the first German unemployment insurance law of 1927.

15. See Accelerated Vocational Training..., pp. 166 ff.

16. Ibid., p. 191.

17. Ibid., p. 321; and Industry and Labour, II (November 15, 1949), 398-404, and IV (September 1, 1950), 217-220.

18. See Richtlinien zur Durchführung beruflicher Bildungsmaßnahmen vom 4. August 1955, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: 1955), paragraph I, 6.

19. A French ordinance of May 1, 1945, for example, provided that demobilized men, former war prisoners, deported persons, etc., would have "priority of admission to a public or private establishment providing occupational training or retraining," if their opportunities for

employment were impaired because of a physical handicap, lack of previous training or interruption of training, a need to change occupation on account of new conditions of production, or because their skills had become rusty. Legislative Series, 1945 -- France, 6-A, International Labor Office (Geneva: 1946).

20. Ibid., 1939 -- France, 8, and 1945 -- France, 12.

21. Accelerated Vocational Training..., p. 232.

22. This has been particularly true in recent years. For further discussion of the characteristics of trainees in the French centers, see Chapters 4 and 5.

23. Legislative Series, 1948 -- United Kingdom, 4.

24. Accelerated Vocational Training..., p. 216. However, I was informed by M. Simon, the Director-General of ANIFRMO, that the real upper age limit in practice is 28 to 29. Whether this was equally true in the early postwar years I am not certain, although there are some indications that the age distribution of trainees has declined somewhat in recent years.

25. V. Martin, "Le développement de la Réadaptation professionnelle," reprinted from Revue du Travail, November-December, 1955, p. 13.

26. Ibid., p. 14. When I interviewed M. Martin in Brussels, it was the difficulty of placing older workers which he emphasized in discussing the question of upper age limits.

27. Ibid., p. 13 n., and Accelerated Vocational Training..., p. 103.

28. Act of April 29, 1949, on the Placement of Unemployed Persons and Unemployment Assistance. Legislative Series, 1949 -- Italy, 2.

29. This point was emphasized by Mr. Hillenius, the director of the government vocational training program for adults. But Hillenius also pointed out that the policies governing payments from the Common Market Social Fund to reimburse 50 per cent of the expenses incurred by member countries in their programs for retraining the unemployed tend to place a premium on selection policies which will contribute to a high rate of success in training and placement, since reimbursement depends on the number of persons in any given member country who not only completed a training program but also worked in the occupation for which they were trained at least six months during the year following completion of their training. For further discussion of these policies, see Chapter 9.

30. See Accelerated Vocational Training..., p. 103.

31. Ibid., p. 216, and International Labour Review, LV (March 4, 1947), 298-301.

32. Accelerated Vocational Training..., pp. 103-104.

33. On this point, see, also, ibid., p. 181.

34. Ibid., p. 321. It is not clear whether the data relate to persons enrolled in the program or to persons completing their training.

35. The courses for juveniles did not begin until 1951.

36. Comparisons were made for Belgium, France, The Netherlands, and the United Kingdom.

37. Accelerated Vocational Training..., p. 427.

38. Ibid., p. 192.

39. Industry and Labour, VI (November 15, 1951), 320-322.

40. Ein Jahrzehnt Bundesanstalt..., p. 21.

41. Ministry of Labour Gazette, LI (March, 1943), 35-36.

42. Ibid., LIII (September, 1945), 156-157.

43. Ibid., LV (February, 1947), 46.

44. Much of my information on this episode is based on interviews with Ministry of Labor officials.

45. The data have been compiled from the statistics which were regularly published during this period in the Ministry of Labour Gazette.

46. Ministry of Labour Gazette, LVI (November, 1948), 374-75. The report also indicated that during the year 1947 about 70,000 were trained at the government training centers. This is a substantially larger number than the figure of 39,864 for persons completing training in that year, which was supplied to me by Ministry of Labor officials whom I interviewed in London in December, 1963. The large difference may indicate that a substantial number of persons left the centers without completing their training during the course of the year. It probably also reflects the fact that coal mining trainees are included in the 70,000, but not in the figure supplied to me.

47. See pp. , below.

48. Ministry of Labour Gazette, LIV (June, 1946), 144.

49. Ibid., LIV (July, 1946), 183-84.

50. Ibid., LIV (September, 1946), 246.

51. Ibid., LIV (July, 1946), 183-84.

52. Ibid., LIV (February, 1946), 45; LIV (August, 1946), 213; and LV (August, 1947), 225.

53. For a useful discussion of the organization of unions in Britain, see Arthur M. Ross, "Prosperity and British Industrial Relations," Industrial Relations, II (February, 1963), 63-94.

54. Rossignol, op. cit., p. 9n.
55. Vocational Training for Adults in Belgium, p. 28.
56. Accelerated Vocational Training..., p. 431. It was reported in 1954 that the courses ranged from five to 12 months. See Industry and Labour, XI (November 15, 1954), 466-469.
57. Industry and Labour, V (November 15, 1949), 398-404.
58. Under the unemployment insurance law of September 9, 1949, a claimant who had worked at least 156 days in a particular industry received a so-called waiting allowance through a compulsory occupational scheme for a maximum period of at least 48 days, or longer if the particular occupational scheme permitted it. Persons who could not qualify for this benefit (but had worked at least 78 days in any occupation during the year preceding the beginning of unemployment) or who had exhausted their rights to a waiting allowance received an unemployment allowance for not more than 78 days if the claimant had previously drawn a waiting allowance, or 126 days otherwise. Both the waiting allowance and the unemployment allowance amounted to 80 per cent of earnings for a person with dependents, 70 per cent for an individual aged 18 or more who did not live at home, and 60 per cent for other single persons. See Industry and Labour, III (February 15, 1950), 150-151.
59. For a discussion of minimum wages in The Netherlands, and their relation to wages for semi-skilled and skilled workers, see B. C. Roberts, "National Wage Policy in The Netherlands," Economica (August, 1957), 191-204; also J. P. Windmuller, "Postwar Wage Determination in The Netherlands," Annals of the American Academy of Political and Social Science (March, 1957), 109-122.

60. See the summary of a statement made by the Minister of Labor and National Service in the House of Commons on June 14, 1945 relating to the policy governing the setting of training allowances, Ministry of Labour Gazette, LIII (June, 1945), 93.

61. On minimum wages in Great Britain, see R. L. Bowlby, "Union Policy Toward Minimum Wage Legislation in Postwar Britain," Industrial and Labor Relations Review, XI (October, 1957), 72-84, and Allan Flanders, "Wage Movements and Wage Policy in Postwar Britain," Annals of the American Academy of Political and Social Science, 301 (March, 1957), 87-98.

62. Under the 1945 Act, this bonus was paid to those retraining at employers' establishments or in special centers, but not in all cases of collective training. However, through a series of amendments adopted in 1954 and 1955 the bonus was made payable to all trainees in collective centers. (See Accelerated Vocational Training..., p. 104.)

63. For the text of the 1946 decree, see Accelerated Vocational Training..., pp. 231-35.

64. Industry and Labour, XII (November 11, 1954), 466-69.

65. Legislative Series, 1949 -- Italy, 2-A.

Chapter 4

Retraining in Tighter Labor Markets, 1955-1964

In the tighter labor markets that have prevailed in recent years, the need for retraining programs to improve the employability of the unemployed has markedly diminished. Moreover, the supply of retrainable unemployed workers has largely dried up, not only because of the drop in the unemployment rate but also because in a period of minimal unemployment the unemployed tend to consist, to a considerable extent, of persons who are relatively unsuitable for retraining, in view of their age, physical or mental condition, or a combination of these disadvantages.¹ As a result, in some of the countries in which the programs are still largely confined to the unemployed and disabled -- e.g., West Germany and The Netherlands -- the number of trainees has tended to decline quite sharply as unemployment has decreased.

In no country included in this study, however, have the programs been discontinued, and even in West Germany and The Netherlands the number being retrained each year is by no means negligible. In fact, the usefulness of retraining programs as a means of combatting shortages of workers with particular types of skills or training under tight labor market conditions has come to be increasingly recognized, and a number of countries have adopted changes in policies aimed at increasing the scope of the programs and making them more effective instruments for combatting labor scarcities. In some countries -- e.g., Belgium and France -- such steps have had a considerable effect in increasing the numbers enrolled, and in Great Britain a significant increase may be expected during the

course of 1964.

The outstanding example, however, of a country which has managed to bring about a sharp increase in the number of persons enrolled in government retraining programs in recent years is Sweden. The present policy of the Swedish government aims at retraining 35,000 workers annually, or about one per cent of the labor force, year in and year out, and the latest available statistics indicate that the program has been expanded to the point at which this goal is being approached. In the United States, one per cent of the labor force would amount to some 700,000 to 750,000 workers, or a vastly greater number than the 103,000 trainees who were admitted to training under the Manpower Development and Training Act in 1963.²

The emphasis on rapid growth, which has become increasingly apparent in the last decade or so in Western Europe, has much to do with the desire to emphasize retraining and other labor market adjustment policies. The unprecedentedly high growth rates achieved in a number of countries in the first half of the fifties has led to a general raising of growth goals on the Continent and to markedly increased concern about growth in the United Kingdom, where the rate, as we have seen, has lagged.

Particularly in those countries, of which there are a number in Western Europe, where the labor force is increasing very slowly or not at all, the achievement of a rapid rate of growth depends on achieving a high rate of increase in productivity, which in turn depends partly on increasing and improving the nation's stock of capital equipment and partly on measures aimed at increasing the productivity of the labor force.

Demand and supply factors are, of course, inseparably interrelated -- Maddison, as we have seen, has stressed the role of expanding demand in stimulating a high rate of investment -- but if we are considering the supply side of the equation, measures aimed at increasing labor productivity must be seen as playing a role of great importance in a program designed to increase the rate of growth.

Recognition of the need to keep pace in the growth and productivity race, moreover, has been strongly influenced by the reduction of trade barriers in the Common Market and also in the European Free Trade Association (the Outer Seven). Each country feels itself increasingly exposed to intensified competition in international trade and looks upon a high rate of increase in productivity as essential for economic survival. The Common Market is carrying out various policies designed to stimulate the mobility of labor and capital, e.g., through its Social Fund and Investment Fund, while member countries of the OECD have set themselves a collective 50 per cent growth target for the decade 1961-1970.

The rationale of increased emphasis on labor market adjustment policies has been articulated perhaps most explicitly in Sweden. As expressed by Professor Erik Lundberg of the University of Stockholm and Gösta Rehn, now Director of the Manpower and Social Affairs Division of OECD -- and both early and prominent proponents of vigorous application of labor market adjustment policies in Sweden -- the argument runs as follows:³

A price must be paid to labor as an inducement to overcome the material and psychological costs of

shifting occupations or places of work. But instead of the expansion-hampering and inflationary method of changing wage differentials, more direct methods must be used. These must take the form of compensation to the individual worker who takes the trouble to make a change in his vocational life in conformity with the changes in the economy's need for labor. The fluid labor market assumed in the old textbooks does not exist but must be created through an active labor market policy. This implies improved information and retraining facilities, cash payments to cover direct and indirect costs of geographical movements, subsistence during retraining periods, etc. Employers who are interested in attracting additional manpower often undertake some of these measures in order to avoid the dangerous consequences of changing wage differentials. However, because of the riskiness of the investment--employees recruited in this way are free to leave at any time--individual employers cannot be expected to adopt such measures to an extent that would satisfy all the economy's needs.

Who Can Be Retrained?

The basic dilemma involved in any attempt to emphasize public retraining programs in a tight labor market, clearly, stems from the drying up of the supply of retrainable unemployed persons. Nevertheless, as we have seen, a great deal of structural change is going on in

Western Europe, and even in the absence of structural change, workers would engage in a certain amount of voluntary job shifting to improve their positions in the labor market. Moreover, in each country, though in varying degrees, there are regional differences in unemployment, as well as a substantial amount of under-employment among workers in marginal firms or industries and in depressed or relatively underdeveloped areas. The most serious problem of under-employment, in the countries included in this study, is found in Southern Italy, but even in prosperous West Germany, one has only to get outside of the larger metropolitan areas to observe a good deal of poorly equipped, inefficient, peasant agriculture, in which farmers are deriving annual incomes far below those enjoyed by more prosperous sectors of the agricultural population or by the average industrial worker.

The problem, then, becomes to a considerable extent one of devising policies which will, so to speak, "catch" the worker in the act of undertaking a voluntary job shift, or of moving out of a position of under-employment, and attract him into a retraining program. Other significant sources of trainees are married women and young men who have just completed their compulsory military training. Finally, workers employed in seasonal industries can enroll in training programs in the off season. Indeed, in a number of countries, a good deal of the training of building trades workers goes on in the winter and takes the form of converting laborers or other relatively unskilled persons into skilled workers.

The policy changes which have been adopted to meet these changing conditions have included liberalization of eligibility conditions, greater variety in course offerings, greater flexibility in the duration of courses,

liberalization of training allowances, and greater emphasis on policies designed to encourage retraining for workers threatened with labor displacement, including new forms of subsidization of employer-sponsored training programs. By no means all these types of changes have occurred in all the countries we are studying, but practically every country has changed its policies in one or more of these directions.

Liberalization of Eligibility Provisions

The most important example of a decisive change in eligibility conditions in recent years is found in Belgium, where a law enacted February 14, 1961 created the basis for a new set of labor market policies and was followed by a series of decrees which gave more detailed expression to the new policies.⁴ So far as the government training program for adults was concerned, the most important change was the dropping of the requirement that an individual must be involuntarily unemployed to be eligible for a training program. This was accomplished through a decree of March 24, 1961, which established a new program of accelerated vocational training for adults which would operate alongside the existing program of vocational readaptation of the unemployed. Eligible for training would be:

1. active workers, including employees and self-employed persons, aged at least 21 years, who have been employed at least two years in the course of the three years preceding application for admission;
2. workers aged at least 18 but less than 21 who fulfill one of the following conditions:

- (a) have worked at least 12 months under a contract of work or apprenticeship;
- (b) have been registered at least 12 months as a jobseeker;
- (c) after interruption of technical or vocational instruction or after the end of a contract of apprenticeship, have worked at least six months under a contract of work or have been registered at least 12 months as a jobseeker.

3. workers employed by an employer who requests, with the permission of the affected workers, their enrollment in a course of accelerated vocational training; and

4. the unemployed, who were already eligible for vocational readaptation.

Along with these changes in eligibility conditions went significant changes in the provisions for training allowances which will be discussed in a later section, as well as a number of other changes which will be considered at appropriate points.

As we have seen, unemployment has not been a condition of eligibility in France since 1946, and many persons who have not experienced involuntary job separations enroll for training in France. In Britain, unemployment is not a legal condition of eligibility, but in practice, those who enroll tend to be unemployed, if they are not in the categories of disabled or ex-service personnel. The situation is similar in West Germany, where the regulations of the BAVAVG would permit the enrollment of an individual who was not involuntarily unemployed, but I was informed that this rarely happens in practice. Policies in The Netherlands appear

to be much like those in West Germany.

In most countries, persons who are threatened with unemployment, or about to lose their jobs, are also eligible for retraining, but there are substantial variations in the extent to which such provisions have been utilized. This question will be discussed more fully in the section on retraining and the prevention of unemployment later in this chapter.

The case of Sweden is somewhat special. Although all adults have a right to attend retraining courses, eligibility for training allowances is legally restricted to the unemployed, but this requirement is stretched to include persons about to become unemployed, housewives wishing to return to the labor market, and certain other categories with employment difficulties, including middle-aged and older persons whose employability might be increased by retraining.⁵ Moreover, a means test is supposed to be applied in the granting of training allowances, but I was informed by officials of the National Labor Market Board that it is actually enforced only in the case of married women whose husbands might be presumed to have enough income to support them during the training period. France also provides allowances only on the basis of a means test in certain centers, particularly for clerical workers.⁶

Sweden does not impose upper age limits on admission to training, and, as we shall see, a special effort has been made to encourage the training of older persons. In general, however, a lower age limit of 21 is imposed, but this limit can be disregarded in the cases of disabled persons, unmarried mothers, young persons who are provided with training allowances by the Labor Market Board to permit their attendance at government trade schools, and certain other categories.⁷ The suitability of an

applicant for training is determined on the basis of scrutiny of his work history and a personal interview, but aptitude tests are used rather sparingly, chiefly for admission to training for highly skilled occupations.

In the last few years, there have been some interesting developments in several countries in connection with selection and referral for training. In Italy, the concept of selection in connection with vocational guidance and referral of young persons for training was reported in 1963 to have been "superseded" by a concept of medical/psychological assistance and social service.⁸ This assistance is not to be confined to a single visit made at the time of admission of a young person to a vocational training course but takes the form of a series of contacts over a period of time, making it possible to follow the young worker's training over the entire training period.

In Belgium, where selection tests have been used infrequently, as we saw in the previous chapter, special centers for observation and vocational selection have been in operation since the end of 1960.⁹ These centers carry out a program of prolonged observation -- over a period of eight to ten weeks -- of the performance of trainees in various vocational tasks as a means of determining whether the individual should be referred to a specific type of training, rather than relying on tests as a method of selection. Their approach appears to be somewhat similar to that used in multi-occupational (prevocational) training programs under MDTA in the United States.¹⁰ First developed in connection with the training of a group of unemployed youths in an underdeveloped agricultural region, the method later came to be applied primarily to handicapped individuals.

A similar approach has also been used in the retraining of the disabled in the United Kingdom, as we shall see in the next chapter. In at least one center of this type in Belgium, however, a number of former miners who had lost their jobs as a result of the closing of mines, and who were not suffering from any substantial degree of physical handicap, but from psychological difficulties, were included in the program. All in all, 1,288 unemployed persons were enrolled in such centers in Belgium between December 1, 1960 and December 15, 1963, of whom 858 completed the prevocational program.¹¹

Although one might suspect that this approach would be appropriate for older unemployed persons, the Belgians have hesitated to include persons over about 50 years of age in these centers because of the difficulty of placing older workers.¹²

More Varied Types of Training

Although greater variety in course offerings has been one approach to encouraging expansion of retraining in recent years, it has not been particularly important outside of France and Sweden (Tables 4.1 and 4.2). In Belgium and The Netherlands, the great majority of trainees continue to receive training in the building or metal trades, but in both countries the relative importance of training in the metal trades has increased somewhat in recent years, and in The Netherlands the proportion trained for the building trades has shown a declining tendency.

In Italy, we must distinguish between vocational training for adults, which tends to be largely concentrated in the building trades, the metal trades, and certain other manual trades, and the courses for juveniles,

Table 4.1

Percentage Distribution of Trainees in Government-sponsored
Training Programs for Adults by Trades or Occupations
for Which They Were Trained, Selected Countries
Selected Years

Trade or occupation	France		Germany (Fed. Rep.)		Italy	United States
	1957	1962	1956	1962	1962	1963
Total number	21,266 ^a	26,266 ^b	37,730 ^c	4,603 ^c	13,314 ^d	119,335 ^e
Per Cent	100.0	100.0	100.0	100.0	100.0	100.0
Building trades	76.3	65.0	2.1		38.9	3.0
Woodworking and furniture trades					5.2	1.9
Metal trades	13.8	21.1	20.0	26.5	21.8	19.6
Textile and clothing trades	1.0	1.4	7.5	8.8	11.0	3.1
Other skilled and semi- skilled trades	3.7	2.7			14.3	15.7
Agricultural occupations	0.4	0.1			2.2	2.1
White-collar occupations	2.9	2.1	52.5	52.2	0.3	18.5
Clerical	2.9	2.1	52.5			16.3
Sales						1.9
Other						0.3
Service occupations	0.4	0.5	7.0	n.a.	5.3	10.6
Hotel and restaurant workers			3.6		5.0	3.6
Hospital workers						1.4
Nurses aides		0.2				3.8
Household workers						0.1
Other	0.4	0.3	3.4		0.3	1.7
Professional, semi-profes- sional and technical occupations	1.5	7.1	1.2	n.a.	0.2	7.7
Technicians	0.7	3.0	1.2			0.5
Draftsmen						1.4
Nurses	0.4	0.2				0.2
Practical nurses	0.3					4.0
Other	0.1	3.9				1.6
Miscellaneous	--	--	9.7	12.4	0.8	17.8

/Table continues next page/

Table 4.1
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Trade or occupation	Belgium		Netherlands		United Kingdom	
	1956	1962	1957	1962	1957	1962
Total number	1,953 ^f	2,411 ^f	2,925 ^f	1,598 ^f	3,544 ^f	3,336 ^f
Per Cent	100.0	100.0	100.0	100.0	100.0	100.0
Building trades	48.9	50.5	40.8	36.4	8.5 ^g	4.5 ^g
Woodworking trades	10.8	1.5	n.a.	n.a.	n.a.	n.a.
Metal trades	17.7	29.1	54.1	62.9	48.0 ^h	41.8 ^h
Textile and clothing trades	17.4	9.9	n.a.	n.a.	n.a.	n.a.
Miscellaneous	5.2	9.0	5.1	0.7	43.5	53.7

SOURCES: Official publications of ministries of labor; Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for Economic Cooperation and Development (Paris: 1960); and, in some cases, supplied to me by government officials.

^aIncludes total number of training places, November 1957.

^bIncludes those who completed courses at government training centers, whether or not they received certificates.

^cIncludes those who completed government-sponsored training courses; data are for fiscal years and do not include West Berlin.

^dIncludes only those enrolled in vocational training courses for adults.

^eIncludes all persons for whom training was approved in 1963.

^fIncludes those who completed courses at government centers.

^gIncludes building and civil engineering trades.

^hIncludes engineering trades (roughly equivalent to metal trades).

Table 4.2

Distribution of Persons Who Enrolled in Government-sponsored
Training Programs, in 1960, by Type of Training
and Sex, Sweden

Type of Training	Men	Women
Total	1,131 ^a	1,095 ^b
Per cent	100.0	100.0
Professional and technical occupations	4.3	7.7
Technical work	3.9	5.0
Chemists and physicists	0.1	0.2
Health and hospital work	0.1	1.4
Teaching	0.2	0.5
Other	---	0.6
Office work	2.7	45.7
Sales work	0.7	4.4
Farm and gardening	---	0.1
Forestry	0.1	---
Mining and stone work	0.5	---
Transport and communication	0.2	0.1
Textile and clothing work	0.5	18.4
Shoe and leather work	0.1	1.4
Fine mechanical work	6.5	0.3
Metal work	64.7	0.9
Electrical work	8.6	0.3
Woodwork	5.8	0.1
Painting and lacquering	1.1	---
Other building and construction work	1.4	---
Other manufacturing work	0.8	1.7
Machine and motor care	0.8	---
Household work	0.2	17.4
Caretaking and house-cleaning	0.6	---
Adaption courses for the blind, etc.	0.4	1.5

SOURCE: Undersökning Rörande Personer som Under År 1960 Påbörjade Yrkesutbildning för Arbetslösa, Arbetsmarknadsstatistik, No. 2B, 1964, Royal Labor Market Board (Stockholm), p. 18.

^aTotal who responded to a sample survey conducted in September 1962; the sample included every sixth man who started training in 1960, except that, for those starting May-August, the sample included every third man.

^bTotal who responded to a sample survey conducted in September 1962; in the case of women, all who started training in 1960 were included in the survey.

which cover a much broader range of occupations and in which the great majority of trainees have been enrolled in recent years. The program for juveniles, which will be more extensively discussed in Chapter 5, experienced an increase in enrollment from 159,000 in the fiscal year 1962 to 163,000 in fiscal 1963, while the number enrolled in the courses for adults fell from 24,000 in fiscal 1961 to 13,000 in fiscal 1962.¹³ It is to this last group of adult trainees that the Italian data in Table 4.1 apply, since comparison is being made with programs for adults in other countries.

In the United Kingdom, there has been an increase in the relative number of trainees in the miscellaneous group of occupations in recent years, but these occupations are limited almost entirely to skilled manual trades, chiefly those in which workers are predominantly male. Although the list of occupations in which training is offered has varied somewhat from time to time, according to a list recently published by the Ministry of Labor, among the 21 miscellaneous occupations in which training was offered in government training centers no white-collar occupations and only two service occupations (canteen cooking and men's hairdressing) were included (see Appendix B).

In West Germany, the occupational distribution of trainees has not changed greatly in recent years, although I have been unable to obtain as detailed a breakdown as for the middle fifties. The majority of trainees continue to be enrolled in courses for white-collar workers, and in some years the number of women completing training has exceeded the number of men. It should be noted that the data in Table 4.1 do not include West Berlin, which has had an extensive retraining program, but

for which I was unable to obtain data on trainees by occupation. A particularly interesting aspect of the West Berlin program, which will be discussed more extensively in Chapter 5, has been substantial emphasis on the training of older persons. As in the case of the Federal Republic, however, the number of persons completing training in West Berlin has declined substantially under the tighter labor market conditions of recent years, falling from about 5,600 in fiscal 1961 to approximately 3,300 in fiscal 1962. A list of the courses offered in West Berlin in 1963 may be found in Appendix C.

Local employment officers in West Germany sometimes display considerable ingenuity in recommending types of training which will serve local labor market needs and at the same time increase the employability of groups of unemployed persons. In one instance cited to me, older women wishing to enter the labor market were trained to sell phonograph records, with successful results.

Training in France is somewhat more diversified than in the early fifties, despite the continued emphasis on the building and metal trades. However, there has been a tendency for the proportion of trainees completing building trades courses to decline somewhat, while those completing metal trades courses have increased relatively. Although some training is offered in white-collar and service trades, the proportion of trainees enrolled in such courses tends to be quite small. The most important change in France in recent years has been increased emphasis on training for technical occupations, which has been encouraged under the provisions of legislation enacted in 1959, to be discussed in the next section. Detailed data on the occupational distribution of those completing

training in France in 1962 may be found in Appendix Table A-4.

The effort to bring about a marked expansion of retraining in Sweden dates from the appointment of Bertil Olsson as Director-General of the National Labor Market Board during the recession of 1957-58. Earlier in the postwar period retraining had been to a considerable extent confined to the disabled, although very small numbers of able-bodied unemployed persons had been retrained from year to year. In the initial stages of the recent effort, retraining was chiefly in the metal trades, but as time has gone on, course offerings have been greatly diversified and there has been strong emphasis on providing training for women as well as men. The proportion of women among those starting training increase from 17 per cent in 1959-60 to 43 per cent in 1961-62.¹⁴

Although the Swedish Labor Market Board does not regularly publish detailed data on the distribution of trainees by types of training, the statistics in Table 4.2, which are based on a follow-up survey of persons who started training in 1960, provide an indication of the situation in recent years. The contrast between the types of training for the two sexes are striking, with the men enrolled predominantly in courses of training for the metal and building trades, while the women were chiefly enrolled in training classes for white-collar and service occupations. We shall have more to say about the courses for youth, women, and older persons in Chapter 5. A detailed list of courses offered and planned in Sweden in 1962 may be found in Appendix D.

For purposes of comparison with the European data, I have included statistics relating to trainees approved for training up to the end of 1963

in the United States in Table 4.3. In the wide range of occupations for which individuals are being trained, American policies resemble those of West Germany and Sweden more than those of the other countries included in this study.

Training for Technical Occupations

One of the questions which has received increased attention in Western Europe in recent years has concerned the role of retraining programs in providing training for technical occupations, such as technician, industrial designer, and draftsman, in which marked labor shortages have developed under the impact of technological change. There are numerous problems involved in attempting to include training of this type in a government retraining program: (1) unemployed persons typically lack the educational background required for such training; (2) training allowances which may suffice for an unskilled worker wishing to upgrade himself will not be large enough to provide a financial incentive for retraining to a person who would be qualified for highly technical training, particularly in a tight labor market; (3) courses must last longer than the usual type of retraining course; and (4) some types of highly technical training, e.g., electronic technician, require equipment which is not only expensive but tends to become obsolescent quite rapidly.

Moreover, an attempt to include this type of training in a retraining program is not invariably considered desirable. In Belgium, I encountered opposition to such a policy on the part of management, labor, and government representatives alike, all of whom expressed the opinion that such training should be confined to the technical schools,

of which Belgium has a large number -- either publicly operated or heavily subsidized by the government.

In France, on the other hand, a feeling that the technical schools were not adapting their programs to technological change rapidly enough evidently had something to do with the decision to emphasize technical training in the government training centers. In any event, France is the one country which has adopted special legislative provisions designed to encourage such training in its retraining program. Under the Loi de Promotion Sociale (law of social development) of July 31, 1959, and subsequent decrees, a category of "second degree" training was created, which includes such occupations as technicians, draftsmen, chemists, physicists, construction supervisors, and training instructors.¹⁵ Enrollees receive an allocation complémentaire (supplementary allowance), which brings their total training allowance up to 80 per cent of their former resources (i.e., generally earnings, plus family allowances, if any).

Even before the law of 1959 was enacted, tentative steps had been taken in this direction. As early as 1947 courses for the training of construction designers and supervisors had been started at centers in Colmar, Toulouse, Meaux, and Paris, and in 1957 a pilot program for training electronic technicians was initiated in the center at Champs, a suburb of Paris.¹⁶

There is a lower age limit of 21 for admission to this type of program, and admission tests are more difficult than for the so-called first degree training programs. Even so, an inadequate background in mathematics does not necessarily rule out a candidate, since trainees

for technician jobs are given three months of preliminary training in mathematics if they need it, and then go on to the regular training program which lasts 11 months. According to M. Simon, the Director-General of ANIFRMO, some of the trainees in these programs come from industrial firms, but the majority come from technical schools without intermediate experience in industry. He commented that relatively few workers in industrial firms have an adequate level of education for this type of training. Trainees are chiefly single and tend to be about 22 years of age. This is attributable in part to the fact that these more technical training programs are concentrated in a few centers, recruiting their trainees from various parts of the country, and single persons are more likely to be willing to undertake training at a considerable distance from their homes. Moreover, graduates of these programs tend to find jobs away from their home areas. Although the trainees are chiefly male, I observed a few young women in some of the technical classes when I visited the center at Champs.

Despite the absence of special provisions designed to encourage it, technical training is provided to a certain extent in government retraining programs in West Germany, Italy (for young persons), Sweden, and the United Kingdom. West Germany has a well known course in which engineers are trained for the electronics industry in Dortmund, but the regulations of the BAVAVG on the duration of courses have had to be stretched to provide for it. Normally, as we saw in Chapter 3, courses are limited to a maximum of 13 weeks in duration, but may be extended up to 26 weeks in exceptional cases. Extension beyond 26 weeks requires special permission of the President of the BAVAVG. In the case of the Dortmund course,

however, the training is given in a sequence of two successive 26-week courses. Trainees come from all over West Germany and must have an adequate background in mathematics. Among unemployed persons who have qualified for this program, according to officials of the BAVAVG, have been individuals who had passed the first but not the second juridical examination, economists who couldn't find jobs in their field, veterinarians, musicians, and former soldiers. However, the scarcity of individuals with adequate education among the unemployed, the limitation on the duration of courses, and the fact that trainees receive only unemployment benefits plus a small supplement have proved obstacles to expansion of this type of program. When I was in Nuremberg in the summer of 1963, revised regulations which would attempt to get around these problems were under discussion, but there was some question in the minds of BAVAVG officials as to whether highly technical training should be the responsibility of an agency which was concerned primarily with the problem of unemployment.

Swedish officials have also been concerned with the question as to whether special provisions should be adopted to encourage technical training, recognizing that the limitation of eligibility for training allowances to the unemployed (with certain exceptions) and the policy of providing flat allowances militate against attracting trainees who would be qualified for such training. However, there would apparently be opposition to earnings-related training allowances from groups who consider the flat allowances to be more egalitarian.

Liberalization of Training Allowances

A trend toward liberalization of training allowances has been apparent in recent years, although France is the only country which has adopted special allowances for technical trainees. Despite this trend, however, inadequate training allowances are considered to be an obstacle to expansion of retraining programs in a number of countries.

Much of the difficulty appears to stem from the policy of providing a flat allowance, rather than an earnings-related payment, in the majority of countries. Flat training allowances involve somewhat the same basic dilemma as flat unemployment benefits.¹⁷ An unemployment benefit which is set at an appropriate level for an unskilled worker -- somewhat below what he could expect to earn if employed -- may be so low in relation to the earnings of a skilled worker as to require an extraordinary reduction in his normal level of expenditure. In the case of training allowances, the practice of setting them somewhat above unemployment benefits has now become generally accepted, and in several countries they are now equal to the minimum wage for an unskilled worker. Particularly under tight labor market conditions, allowances at this level are considered necessary to induce workers to enter training programs and stay in them until completion. Whereas unemployment benefits tend to be kept well below wages to discourage malingering, government officials are anxious to deter trainees from dropping out of training courses prematurely in order to take advantage of job opportunities that come their way. Nevertheless, an allowance which is appropriate for an unskilled worker who wishes to upgrade himself will tend to be too low to attract persons who are qualified for the more highly skilled and technical types of

training. And even in the case of relatively unskilled workers, an allowance which is equal to the minimum wage may not prevent dropping out to take jobs paying considerably higher wages.

In West Germany, the provisions relating to training allowances have not been changed in recent years. A trainee continues to receive his unemployment benefit plus pocket money. Unlike the situation in a number of European countries, unemployment insurance benefits are earnings-related. Benefits as a percentage of earnings vary inversely with wages, with the lowest paid workers receiving 90 per cent and the highest paid workers 40 per cent.¹⁸ On the average, in early 1963, a single beneficiary received 58.5 DM a week, or 56 per cent of previous earnings, while a worker with a wife and two dependent children received, after the addition of flat dependents' supplements, 85.5 DM, or about 69.5 per cent of previous earnings.¹⁹ Unemployed persons who are not eligible for unemployment insurance or who have exhausted their rights to benefits, may apply for unemployment assistance, which is available on a means test basis, is unlimited in duration, and under which payments average about 10 per cent less than unemployment insurance benefits. With the addition of the daily pocket allowance of 2 DM, the average German trainee who is eligible for unemployment insurance receives a benefit which is somewhat lower in relation to selected measures of earnings than in some other countries (Table 4.3), but West Germany is the only country among those included in this study in which allowances for all trainees are earnings-related, and thus the trainee with previous earnings somewhat above average would tend to fare better than his counterpart in other countries.

In Italy, also, provisions for training allowances have remained

Table 4.3

Training Allowances for a Single Man and for a Married
Man with Dependent Wife and Two Children, as
Approximate Per Cent of Wages in Selected
Types of Work, Selected Countries, 1963

Country and type of trainee	Allowance as per cent of wages -- single man			Allowance as per cent of wages -- married man with wife and two children		
	Bricklayer	Fitter	Manu- facturing	Bricklayer	Fitter	Manu- facturing
Belgium	79 ^a	85 ^a	75 ^b	82 ^a	87 ^a	78 ^b
France						
Basic training rate		50 ^c	73 ^d		58 ^c	78 ^d
Trainees eligible for private unemployment insurance		68 ^c (or more)	98 ^d (or more)		73 ^c (or more)	99 ^d (or more)
Germany (Fed. Rep.)						
Recipient of average unemployment insurance benefits	41 ^e	42 ^e	44 ^f	60 ^e	60 ^e	63 ^f
Italy						
Recipient of unemploy- ment insurance bene- fits	22 ^g	28 ^g	18 ^h	39 ^g	48 ^g	33 ^h
Sweden	41 ⁱ	53 ⁱ	42 ^j	46 ⁱ (+ rent)	58 ⁱ (+ rent)	47 ^j (+ rent)
United Kingdom	59 ^k	70 ^k	45 ^l	72 ^k	84 ^k	55 ^l
United States	21 ^m	32 ^m	35 ⁿ	26 ^m	41 ^m	45 ⁿ

SOURCES: Data on training allowances are from official publications of the ministry of labor (or other relevant ministry) for each country or were supplied to me by government officials; data on family allowances are from Étude comparée des prestations de sécurité sociale dans les pays de la C.E.E., European Economic Community (Brussels: 1962), and from Social Security Programs Throughout the World, 1961, U.S. Social Security Administration (Washington, D.C.: U.S. Government Printing Office, 1961); and data on wages are from International Labour Review, Statistical Supplement.

/Table continues next page/

^aMinimum hourly rates in Brussels, October 1962.

^bAverage daily factory earnings, men, March 1963.

^cAverage hourly earnings, Paris region, October 1962

^dAverage hourly factory earnings, men and women, September 1963.

^eAverage hourly earnings, October 1962.

^fAverage weekly factory earnings, men and women, September 1963.

^gPrevailing hourly rate, Rome, October 1962.

^hAverage hourly factory earnings, men and women, June 1963.

ⁱMinimum hourly rate, Stockholm, October 1962.

^jAverage hourly factory earnings, men and women, September 1963.

^kMinimum hourly rate, London, October 1962.

^lAverage weekly factory earnings, men, March 1963.

^mRegular training allowance (average unemployment benefit) in Illinois as per cent of minimum wage rate for bricklayer or fitter in Chicago; higher percentages in brackets for married men reflect the effect of the provision, adopted December 1963, for an addition of \$10 more to the weekly training allowance if needed because of family responsibilities or duration of the training program. In nearly a fourth of the states (including Illinois), unemployment insurance laws provide for small dependents' benefits, but it does not appear that a trainee could receive both the \$10 supplement and the dependents' benefits.

ⁿAverage regular training allowance in the U.S. as per cent of average weekly factory earnings, men and women, December 1963; see comments in footnote m on percentages in brackets.

Note: In countries providing family allowances, they have been added both to training allowances and to wages in computing the percentages in the right half of the table.

unchanged from those described in the previous chapter, but the basic (flat) unemployment benefit has been adjusted upward for changes in the cost of living.

There have been a number of increases in the basic training allowance in The Netherlands in recent years, and, under the most recent of these increases, effected in 1962, the allowance was made equal to the minimum wage for a grade three worker.²⁰ Grade three includes occupations requiring only a few months of practical experience, such as baker's roundsman, driver, or metal sprayer. It stands above such low-paid and unskilled occupations as digger, porter, or delivery man, while just above it, in grade 4, are such trades as hairdresser, bricklayer, baker, and street mason.²¹ It will be recalled that in the middle fifties a married worker received an allowance equal to his unemployment benefit (80 per cent of former earnings), while an unmarried worker received 70 per cent of the minimum wage for an unskilled worker.

The 1962 increase in the training allowance may have been partly responsible for a modest increase in the number of trainees enrolled in Dutch training centers, which began in the fourth quarter of 1962 and continued during 1963.²² However, there continues to be a problem of dropping out before completion of training, particularly in cases in which a trainee finds he can take advantage of "black wages" in the construction industry.²³

The 1961 Belgian law, which liberalized eligibility for retraining, also provided for a training allowance which was related to minimum wages. (It will be recalled that under the previous policy the trainee received his unemployment benefit plus certain supplements.) The allowance was to

equal the wage fixed by the appropriate commission for the occupation for which the worker was trained, which varied somewhat by region, but was not to exceed a maximum of 25.30 Belgian francs an hour, adjusted upward or downward for changes in the retail price index.²⁴ Interestingly, when I was in Brussels in August 1963, I was informed that the allowance was 25 francs (50 cents) an hour, but that wages had risen to a point at which this was proving inadequate. When I returned to Brussels for a second visit in January, 1964, I found that the allowance had been increased to 26.50 fr. (53 cents) an hour, and that for the moment at least, labor market officials considered it adequate. In the Charleroi area, for example, wages for an unskilled worker were 30 to 33 fr. an hour, and, if he trained to become a mason, he could expect to earn 40 fr. an hour. Many workers, I was told, did not regard the 26.50 allowance as representing too much of a sacrifice for a training period of four or five months, with the prospect of an earnings increase of 7 to 10 francs an hour awaiting them at the end of that period. Moreover, workers with dependents could receive family allowances, which are relatively high in Belgium, during the training period. The trainee is also eligible for a bonus, which varies from 900 to 1,800 fr. (\$18 to \$36) according to the length of the course, and which is paid partly in cash during the training period, and partly, either in cash or kind (i.e., tools or equipment) at the end of the course. Moreover, a bonus of 500 fr. (\$10) is payable to a worker who has completed a training program successfully and can show that, in the 12 months following the end of the course, he has worked at least six months in the occupation for which he was trained.²⁵ As we shall see in Chapter 9, this last bonus is clearly related to the

policy governing reimbursement of member countries by the Common Market Social Fund (under which the member country receives 50 per cent of the cost of retraining unemployed persons on the basis of the number employed in the occupation for which they were trained at least six months during the year following completion of training). The bonus is designed at least in part to encourage ex-trainees to reply to the follow-up questionnaires which are sent to them a year after completion of training.

Basic training allowances are equated to minimum wages in France. Although the decree of 1946 had stipulated an allowance equal to half the minimum wage for an ordinary laborer for trainees in government centers, the allowance was gradually liberalized and by 1957 was equal to the minimum wage, which varies somewhat by region.²⁶ Early in 1964, it amounted to 1.882 fr. (38 cents) an hour in the Paris region. The weekly training period was 40 hours, except in the building trades, where the training period was 44 hours weekly, and an overtime rate was paid for the additional four hours. Household heads with dependents also received family allowances, which are comparatively high in France, as in Belgium.

Until relatively recently, there was no unemployment insurance system in France, but unemployment assistance was available on a means test basis. However, in 1958 an agreement was reached through collective bargaining by the chief employer and labor federations, under which about five million French workers were to be entitled to unemployment insurance benefits amounting to 35 per cent of wages.²⁷ The scheme was to be financed by employer contributions amounting to 0.8 per cent of wages and employee contributions of 0.2 per cent, but with minimal

unemployment in recent years, it has been possible to reduce these contributions. Compliance with the scheme was made compulsory, by a government order of January 7, 1959, for all employers and workers in the industries affected by the agreement.²⁸

As a result of this scheme, unemployed workers enrolled in government training programs may receive the 35-per-cent unemployment insurance benefit in addition to the basic training allowance as long as they are eligible for the insurance payment. This has made a substantial difference for unemployed workers undertaking training, as Table 4.3 suggests.²⁹ However, labor representatives whom I interviewed in Paris commented that, although this arrangement worked well for individuals who had lost their jobs, the basic training allowance frequently offered an inadequate inducement for a worker who had not experienced an involuntary job separation (and thus was not eligible for the 35-per-cent benefit) to enter ordinary first degree training, particularly if he was married and had dependents. Although a married man with dependents would receive family allowances during training, his total compensation would still compare unfavorably, on the average, with his potential earnings plus family allowances. This consideration, as well as the upper age limits on admission, may help to explain the decidedly youthful age distribution of trainees in the French training centers, to be discussed later, as well as the absence of any appreciable number of married men.

As we have seen, however, those enrolled in training of the second degree are entitled to a total allowance equal to 80 per cent of their former resources, but in this case married men are likely to be deterred from participating by the necessity of leaving home to enter one of the

few centers in which such training is offered.

Until relatively recently, the British Ministry of Labor continued the policy which had prevailed throughout the postwar period of equating the basic training allowance to the minimum wage for an agricultural laborer in Scotland. Allowances were increased from time to time to keep pace with rising wage levels. In September, 1962, however, training allowances for men were increased to bring them somewhat above the Scotch farm laborer's rate, whereas allowances for women were left unchanged.³⁰ This decision, I was told by a Ministry of Labor official, was made at a time when there was growing concern about labor displacement, or "redundancy," as the British call it, growing out of technological and structural changes. Since then, there have been several increases for both men and women, the most recent of which, effective December 1963, brought the basic training allowance for a man to 160s. (\$22.40) a week and for a woman to 127s. 6d. a week. A man with a wife and two dependent children under 16 years of age would receive 200s.³¹ Allowances, however, are lower for young people than for adults, ranging under the latest schedule by one-year-of-age steps from 55s. at age 15 to 130s. at age 20 for a boy, and from 50s. at age 15 to 100s. at age 20 for a girl.

Despite the recent increases, there is considerable dissatisfaction with the allowances paid in Britain in a number of quarters. The Trades Union Congress considers the allowances inadequate and has pressed for larger increases than the government is prepared to grant. The National Economic Development Council has suggested a policy under which allowances would vary by trade and area, as do minimum wages.³² Such a policy, however, would pose a political problem for Members of Parliament

representing areas in which allowances would be relatively low.

The fact that unemployment benefits, like most other social insurance benefits in Britain, are flat weekly amounts presents an obstacle to adoption of a policy of variable training allowances. However, the policy of flat social insurance benefits, which was strongly supported on egalitarian grounds in an earlier era, has come increasingly under question in recent years under the impact of rapidly rising wages and living standards. The whole question is now being extensively studied by the Ministry of Pensions and National Insurance, and the National Economic Development Council has pointed out that "there seems to be much to be said for the replacement of the existing National Insurance Scheme by a comprehensive wage-related contribution and benefit scheme."³³

In Sweden, flat training allowances are provided, even though unemployment insurance benefits are related to earnings. The basic training allowance is 410 kr. a month (about \$82) for an unmarried trainee, plus a rental allowance which varies from 85 to 125 kr. a month according to the local cost of living. In the case of married men, a wife's supplement of 55 kr. a month is available, as well as 45 kr. a month for each child under 16 years of age. A married trainee also receives a rental allowance equal to the rent actually paid, and, if he must undergo training away from his home area, he is entitled to an additional allowance for his own rent equal to that of an unmarried trainee. Moreover, the wife's allowance may be raised up to a maximum of 140 kr. a month if the husband must live away from home during the period of training. Family allowances are also provided, but these are relatively small in Sweden. Youthful trainees aged 16 to 18 attending beginner's courses and living at home receive a

study allowance of 34 kr. a month without a means test, but scholarships are also available on the basis of a means test, as well as living allowances for youthful trainees living away from home.³⁴ In the case of married women, the basic training allowance is subject to reduction on the basis of a means test.

There is no legal minimum wage in Sweden, but practically all wage rates are established through collective bargaining. Unemployment benefits range from 6 to 20 kr. a day on an earnings-related basis and are payable for a maximum of six days a week, under a system of unemployment insurance funds established voluntarily by unions but subject to government regulation and substantial public subsidies. Thus the basic training allowance of 410 kr. a month is somewhat lower than the maximum unemployment benefit available for a full month of unemployment but higher than the benefit which many unemployed workers would receive. Dependents' supplements available for married trainees are roughly equivalent to those available under the unemployment insurance system, but the unemployment funds do not provide rental allowances. Although an unemployed worker entering a training program may choose between receiving unemployment insurance benefits (as long as he is eligible for them) and training allowances, it is usually to his advantage to receive training allowances, not only because the total monthly amount received is likely to be larger, but also because he does not "use up" his days of eligibility for unemployment insurance, which are generally subject to a maximum of 156 days. Unemployment assistance is usually available for individuals who are not eligible for unemployment insurance.

The comparisons presented in Table 4.3 must be interpreted in the

light of the various provisions affecting training allowances which have been discussed above. Moreover, the wage rates which have been used as a base in the computation of percentages are not precisely comparable from country to country. A further difficulty arises from the fact that the rates which I have used for bricklayers and fitters, which are based on a special ILO report, were those prevailing in October 1962, whereas my information on training allowances relates, in general, to provisions in effect when I visited the countries in question between June 1963 and January 1964.

The comparisons may also be somewhat misleading because of differences in wage structures, and the difficulty I faced in choosing the most representative rate for purposes of comparison where several rates were available. In Stockholm, for example, average earnings of bricklayers in October 1962 were more than double the minimum bricklayers' rate, a considerably larger differential than in other countries where similar data were available. I chose in this case to use the minimum rate as a base for my computations, on the ground that it would more nearly represent the wage a trainee might expect to receive immediately after completion of training and would probably be closer to what he might have earned before entering training, but clearly I would have arrived at a considerably smaller percentage had I chosen to use average earnings of bricklayers as a base.

Despite these qualifications, the percentages probably provide a reasonably good indication of variations in training allowances as a percentage of wages from country to country. It should be noted that the married man with dependents appears to fare better, as compared with

the single trainee, in West Germany, Italy, Sweden, and the United Kingdom than in France or Belgium. This is because these countries provide dependents' supplements for trainees (in West Germany in the form of supplements to unemployment benefits) which are not available for the employed worker. In Belgium and France, there are no special dependents' supplements, but the married trainee with dependents receives the same family allowances which he would receive if employed, and these family allowances have therefore been added to both training allowances and earnings in the computation of the percentages in Table 4.3. The policy of providing special dependents' supplements in West Germany, Sweden, and the United Kingdom is clearly influenced by the fact that family allowances in these countries are small. In Italy, family allowances are relatively more generous, but unemployment benefits are very low -- hence the need for special dependents' supplements for married trainees.

Although training allowances are by no means the only factor influencing enrollment in training programs, there is evidence, as suggested above, that where decisive steps have been taken to raise allowances in relation to wage levels, an increase in enrollment has tended to result. It should be pointed out, also, that in Italy, where training allowances are particularly low in relation to earnings (as are unemployment benefits), there has been a considerable drop in the enrollment of adults in retraining courses in recent years, although the number of young people enrolled in the courses for juveniles has tended to increase.

Decisions to increase training allowances in recent years have clearly been influenced to some extent by increases in the maximum duration

of courses, since it has come to be generally recognized that an adequate training allowance is particularly necessary as an inducement to undertake and complete a long period of training, especially for married persons with dependents.

Increased Flexibility in the Duration of Courses

Although there are exceptions, variations in the length of courses are greater and maximum duration is considerably longer in most of the countries included in this study than was true in the early postwar period.

Variations in the duration of courses appear to be greatest in The Netherlands and Sweden, where training periods may range from as little as three months in some trades to as long as two years in some cases.³⁵ Among the courses offered in the industrial city of Norrköping, Sweden, in 1963, the shortest was a course lasting 12 weeks for sewing machine operators, while the longest were courses lasting 72 weeks for instrument repairmen and television repairmen. Between these extremes were courses in, for example, welding, 20 weeks; clerical work, 39 weeks; and courses for a variety of trades such as electricians, sheet-metal workers, cabinet makers, and home craft lasting 48 weeks.³⁶

Differences in the length of courses in The Netherlands are somewhat similar, although, as we have seen, the Dutch courses are almost entirely confined to the building and metal trades.

Outside of Sweden and The Netherlands, courses lasting longer than a year are exceptional. In Belgium, courses generally range in length from four to eight months; in France, they vary from three to six months for most manual courses, but from nine to eleven months for second degree

courses (which sometimes, as we have seen, are preceded by three months of preliminary training in mathematics); in Italy, the courses for adults conducted by INAPLI last 21 weeks, but some of the other adult courses are longer, ranging from six to ten months; and in the United Kingdom, courses tend to range from about six months to a year in length.

In West Germany, the 1955 regulations of the BAVAVG limiting course duration, in general, to 13 weeks, which were described in the previous chapter, were still in effect when I was there in the summer of 1963, although the possibility of liberalizing the regulations was being discussed. It will be recalled that in exceptional cases the duration of a course may be extended up to 26 weeks. There is also a provision under which longer courses may be given with special permission of the President of the BAVAVG. In practice, the situation seems to be somewhat more flexible than these regulations suggest. We saw how a sequence of two 26-week courses was created to permit the training of electronic engineers in Dortmund. Apparently, moreover, the practice of permitting a trainee to go on to more advanced training in a second course, after he has completed an initial course, is not uncommon. In several of the classes that I visited in West Berlin, which will be discussed in more detail in the next chapter, I was informed that some of the trainees would probably go on to further training in a more advanced course after completing the first course.

An extremely interesting aspect of Dutch training policies is the practice of permitting a trainee to enter a course at any time and proceed from one training assignment to the next more or less at his own pace. Loose-leaf sets of instructions are used for each phase of the course,

and a trainee who has had some previous training or experience in a given trade may be permitted to skip parts of the course. Moreover, he is graded on each assignment, and proceeds from one assignment to the next on the basis of his grades, receiving a bonus for satisfactory performance, as we saw in the previous chapter. Since the training takes the form to a large extent of supervised practical work, rather than formal class instruction, the fact that the members of a training class may be at widely differing stages of the training period does not, according to Dutch officials, place the beginners at any particular disadvantage.

As a result of these policies, some trainees may complete a course of training in less than the normal period, whereas others take considerably longer than the normal period. Thus, a chart which I was shown presented data on the average duration of training for each trade, but an individual trainee might require a longer or shorter period to finish his training. Although the longest training programs had an average duration of about 72 weeks, I was told that individual trainees in some instances might require up to two years to complete these longer courses. This approach is strongly advocated by Mr. Hillenius, the director of vocational training for adults in The Netherlands. Among the advantages he emphasized in discussing these policies with me were the fact that an unemployed person did not have to wait to enter a course and the fact that progression from one phase of training to the next on the basis of performance rather than a rigid time schedule contributed greatly to the thoroughness of the training.

The Netherlands is not the only country in which a trainee may enter a course at any time. Similar policies are followed to some extent

in Belgium, France, Sweden, and the United Kingdom, but I have the impression that the Dutch have placed more emphasis on training instructions and procedures which permit a trainee to proceed at his own pace than other countries. An official of the Swedish Labor Market Board admitted to me, for example, that although Sweden followed the policy of permitting an individual to enter a course at any time, the Swedes had much to learn from the Dutch with respect to training methods.

Furthermore, one of the advantages of this approach that was stressed by Mr. Hillenius -- the fact that an unemployed person may be referred to a course without delay -- will not exist in practice if the capacity of training centers or classes is deficient. In France, for example, although training policies permit a trainee to enter a course at any time, I was informed early in 1964 that there were waiting periods ranging from three months to two and a half years for admission to various types of courses.

Criticism of the practice of permitting a trainee to enter a course at any time, moreover, was expressed by trainees who were interviewed in a study conducted by sociologists at the University of Ghent. The study included all 41 persons who were enrolled in retraining programs in the city of Ghent in October, 1959. The trainees, who were exclusively male and were being trained for the metal trades, were interviewed during the course of their training. The study indicated that the fact that not all trainees began the program at the same time was a source of discouragement to those who entered late. However, the chief complaint, which was evidently expressed by a substantial proportion of the interviewees, was that the period of instruction was too short. Practical training was

hurried, and theoretical instruction often did not sink in. The lack of a good general education, the investigators reported, usually accounted for the latter defect.³⁷ Clearly there is a need for more studies of this type, in which trainees are interviewed during or after their training.

It may well be that the practice of permitting a trainee to enter a course at any time is not very satisfactory if the course is too short, the instruction is hurried, and training procedures are not carefully designed to permit a trainee to progress to a considerable extent at his own pace, as in The Netherlands. Moreover, in comparing the Belgian and Dutch programs, it should be kept in mind that selection tests have been used infrequently in Belgium but are required of all applicants for training in The Netherlands.

I have dwelt at some length on these Dutch policies and procedures, because they differ so strikingly from those in the United States. So far as I have been able to determine, MDTA policies do not ordinarily permit continuous training programs, of the type found in government training centers in The Netherlands and a number of other countries, which may be entered by trainees at any time (with the qualification that particular course offerings and entire training centers may be discontinued as a result of changes in the labor market). On the contrary, our policies require specific approval by state and federal authorities of each individual training project (though a project may in some instances involve a group of courses or the offering of a particular course more than one time), on the basis of a finding that there is an inadequate supply of workers in a particular occupation in a given community and that there is a supply of potential trainees who are qualified for and could benefit from

such training. As a project proposal proceeds through various stages up to final approval by appropriate federal officials in a given state,³⁸ there are inevitable delays of weeks or months, during which potential trainees may become discouraged and take unskilled jobs, drop out of the labor market, or move away. Although the Dutch procedures may seem more appropriate for a tight labor market situation, there may well be some communities with a continuing demand for particular types of workers in which experiments with procedures more closely approaching those in The Netherlands would be worthwhile.

Subsidized Training for the Unemployed in Industry

All the countries included in this study have provisions of some type for subsidized training or retraining of adults in industry, but, as was suggested in the previous chapter, the number of persons retrained under such provisions has, in general, been much smaller than the number retrained in government training courses. However, there have been some indications in recent years that provisions of this type may become relatively more important in the future than they have been in the past, particularly in situations of threatened labor displacement. In any case, they are of interest in relation to our own retraining policies, which do provide for subsidized on-the-job training, although thus far this type of training has been much less important than institutional training in the MDTA program.³⁹ In discussing European policies, however, I shall avoid use of the term "on-the-job" training and refer instead to subsidized training in industry, because I have found that Europeans tend to interpret the phrase on the job literally, to mean training that is

exclusively on the job and does not involve any group of classroom type of instruction.

Traditionally, in most European countries, there has been a good deal of reliance on nonsubsidized training in industry, as in the United States, although it has been emphasized in some countries much more than in others. Training for semi-skilled workers in manufacturing tends to be provided on an on-the-job basis and usually requires a comparatively short period, as in this country. For skilled workers, training is likely to be provided through apprenticeship programs or through some combination of technical schools and apprenticeship training. Moreover, in the European countries with strong apprenticeship programs, apprenticeship tends to cover a much wider range of occupations than in this country. Public subsidization of apprenticeship programs is also found in certain European countries, financed in some cases through a special tax on employers.⁴⁰

Not only are there substantial variations from country to country in the relative degree of emphasis on training in industry, but there are wide differences of opinion with respect to the relative roles of industry and government in the provision of vocational training. Increasingly, however, it is coming to be recognized in most countries that the appropriate division of responsibility between industry and government cannot be settled once and for all as a matter of theory or principle, that it has changed over the course of time, and that it is likely to continue to change in the future, along with changes in technology and in the occupational and industrial structure. As technology advances, basic educational requirements are likely to increase, compulsory school-leaving ages to be

raised (there has been a significant trend toward raising them in postwar Europe, though they still tend to be lower than in this country), and the relative role of educational institutions to increase, as compared with training in industry. At the same time, there will always be a role for some training within industry, especially in the use of highly specialized equipment or in the application of particular methods or managerial policies. Despite these general tendencies, there is still a good deal of resistance to any important changes in the relative roles of industry and government, particularly in countries with especially strong apprenticeship traditions, such as West Germany and Switzerland.

In the field of retraining for the unemployed, however, there has been less resistance to government intervention than in the field of apprenticeship and ordinary on-the-job training, with the result, as already suggested, that most countries have provisions of one kind or another for subsidized retraining in industry. The advantages of using subsidies as a means of inducing employers to assume some of the responsibility for retraining the unemployed or those threatened with unemployment are fairly obvious. Although the government shares in the cost of the training, the average costs per trainee tend to be much lower than when the government assumes the entire responsibility. Moreover, in some industries and for some types of production, the equipment is so specialized and expensive that the cost of maintaining up-to-date equipment in government training centers is practically prohibitive.

On the other hand, in much of Western Europe, as in the United States, there appears to be a good deal of employer resistance against recruiting workers through the public employment service, where unemployment

insurance recipients are generally required to register. This is probably less true in West Germany and Sweden than elsewhere. In both of these countries, the public employment service has a superior reputation and maintains effective relations with employers. In Sweden it handles some 25 to 30 per cent of all placements and in West Germany 40 per cent, as compared with a proportion of about 20 to 25 per cent in the United States and the United Kingdom. But for the most part recruitment channels in Europe are not very different from those that prevail in this country -- workers hear about job openings through friends and relatives already employed in a given company, and there is also a good deal of hiring "at the gate." Moreover, the failure of employers to hire manual workers through the public employment service probably reflects to a certain extent a feeling that they are less likely to find satisfactory workers among those registered as unemployed at public employment offices than through other channels of recruitment. This is particularly likely to be true under tight labor market conditions, when the supply of retrainable unemployed persons tends to be very small.

Under these circumstances, even though a public retraining subsidy is available, employers apparently frequently prefer to recruit workers through their usual channels and, if necessary, train them on a nonsubsidized basis rather than become involved in providing subsidized training for unemployed persons recruited through the public employment service. Furthermore -- and these points were particularly stressed by Dutch labor market officials whom I interviewed -- employers who do not maintain close contact with the public employment service are not likely to have heard about the availability of government retraining subsidies or, if they have, may object to the detailed reporting and supervision that

are frequently associated with training workers under this type of program.

In addition, early experience with this type of approach to the problem of retraining the unemployed in such countries as Belgium and France, as indicated in the previous chapter, was not considered very satisfactory. Training tended to be subordinated, it was charged, to the needs of production, with the result that the training received through this type of program was not very thorough.

Policies relating to the division of costs between the government and the employer vary a good deal from country to country. Moreover, in a number of countries subsidies tend to be more generous for firms locating in depressed areas or in areas which have been designated for regional economic development. These policies will be discussed more fully in Chapter 8.

In West Germany, as we saw in Chapter 3, the BAVAVG conducts some training programs under its own auspices but also frequently enters into agreements with a variety of other sponsors of courses, including commercial or technical schools, employers, chambers of commerce and industry, and unions. Its regulations provide that, before a training program is instituted, the local employment office must determine whether a course can be operated in a simpler or more economical way by another sponsor. The instruction is provided in a classroom rather than an on-the-job setting in most instances, but if the co-sponsor is an industrial firm, it may be given on company premises in rooms not currently being used for production, as in the case of a course for metal workers co-sponsored by the BAVAVG and a machinery firm in Cologne.⁴¹ So far as I have been

able to determine, the trainee would receive his unemployment benefits plus Taschengeld, as in the case of a course conducted directly by the public employment service, but the division of costs of instruction between the BAVAVG and the co-sponsoring firm would vary from case to case, depending on the nature of the agreement between the public agency and the firm. In a number of cases, apparently, the BAVAVG pays the instructor's compensation, but the firm or other sponsoring agency provides the space for the training and may provide the equipment.

Although I was not able to obtain detailed information on the relative importance of employer-sponsored courses in recent years -- it will be recalled that there has been a marked decline in the number of courses and trainees in West Germany since about 1957 -- data reported to the OEEC on the sponsorship of courses conducted in 1957 are of interest. Among 107 courses of a continuing nature involving sponsors other than the public employment service, 28 were sponsored by employers or by employer groups, such as the German Welding Techniques Association. The others were sponsored by commercial or vocational schools, unions, stenographer clubs, or religious organizations. There were also a large number of courses of a temporary or ad hoc nature, with a somewhat similar distribution of sponsors.⁴²

In Italy, also, courses may be sponsored by a variety of agencies, including industrial firms. Sponsors must show that they have suitable equipment, but, if their proposals for training are approved, the Ministry of Labor and Social Welfare pays for the costs of instruction, as well as the usual unemployment compensation and allowances for trainees.⁴³ There are also special provisions for subsidized retraining for employees of

large firms, which will be considered in the next section on retraining as a measure for preventing unemployment.

In Sweden, the Labor Market Board has entered into arrangements with industrial firms in some instances, in which the Board provided the usual training allowances to the trainees, while the firm paid the costs of instruction and additional compensation of one kr. an hour to each trainee. However, these arrangements involved retraining for employees who would otherwise have become redundant and thus will be considered in a later section on retraining as a preventive measure. Apart from such arrangements, I was told, subsidized retraining in industrial firms has largely been associated with Sweden's "localization" policy, i.e., its policy of stimulating industrial development in areas of higher unemployment, which will be considered in Chapter 8. There have been a number of instances in which the Labor Market Board has purchased training facilities from enterprises, but in such instances the firm has not been involved in any form of co-sponsorship.

Outside of West Germany, Italy, and Sweden, provisions for subsidized training in industry usually call for payment of a wage rather than a training allowance or unemployment benefit to the trainee, and for partial government subsidization of this wage. The most intriguing system of subsidization is found in The Netherlands, where the government has attempted to work out a formula which will partially compensate the employer for the difference between the productivity of a trainee and a fully trained worker. The arrangement applies to cases in which the firm is prepared to provide training for unemployed workers age 18 or more or for workers who are in danger of losing their jobs. Exceptions

to the lower age limit may be made if the trainee is an expected emigrant⁴⁴ or if he wishes to acquire some basic training in agriculture. Training methods and procedures are supervised by the public employment service. The training allowance or subsidy paid to the firm amounts to half of the weekly or monthly wage minus the estimated "achievement value" of the worker when he starts training, multiplied by the number of weeks or months involved in the training period. The length of the period is agreed upon in advance. On the theory that a trainee's productivity will gradually approach that of a trained worker the subsidy is paid to the firm in four installments at the end of each quarter of the total training period in progressively declining amounts of 40, 30, 20, and 10 per cent of the total training allowance. Under an amendment adopted in 1961, firms may not receive a subsidy for level two training except in the case of plants that are less than two years old.⁴⁵ Apart from the special training allowance, the firms meet the costs of the training.

The Netherlands is the only country for which I was able to obtain annual statistics on the number of trainees involved in this type of program. The data indicate that, although the number continues to be comparatively small, it is now much larger than when this system was first adopted and in some recent years has represented nearly half of the total number of persons trained under programs administered by the public employment service. In 1961, the total number of workers accepted for subsidized training in industry was 1,361, as compared with 56 in 1948, the first year of the program. However, there was a decline to 621 in 1962, which was attributed by Dutch officials to the very tight labor market conditions prevailing.⁴⁶

Training under this subsidized system covers a somewhat wider range of occupations than training in the Dutch government centers, although it is preponderantly in the metal trades. Other industries or occupations represented in 1960 were diamond worker, building trades, chemicals, woodworking leather and rubber, textiles, agriculture, office worker, and miscellaneous.⁴⁷

In appraising the results of this Dutch policy, it is important to recognize that the procedures applying to firms in "problem" areas are much simpler. The employer is not required to enter into a special agreement with the employment service or to keep training reports, and it may also be arranged that the training allowance be paid in full at the end of the training period. These simpler procedures may help to explain the fact that most of the firms providing training on this subsidized basis in recent years have been in the three northern provinces of Friesland, Groningen, and Drenthe, where the problem areas are chiefly located. Of interest, also, in this connection is the fact that I was informed by an official of the Swedish Labor Market Board that his agency had experimented with a sliding-scale subsidy formula resembling that used in The Netherlands but had found it complicated to administer and had decided that a uniform subsidy for each week of training determined on a rule-of-thumb basis for firms in localization areas was preferable.

Outside of the depressed areas, where the Board of Trade may subsidize the training of workers for firms establishing or expanding plants in the area, there is very little subsidized retraining in industry in the United Kingdom. To the extent that it exists, it follows the lines

of the agreements with joint industry groups which were discussed in the previous chapter. A special feature of some of these British arrangements is the provision for a period of employer-sponsored training, with wages in some cases subsidized by the Ministry of Labor, to follow an initial period of training in a government center. There are somewhat similar arrangements in certain countries for such groups as the disabled or the long-term unemployed, to be discussed in the next chapter.

Subsidized training within industry in Belgium in recent years has been conducted largely under legislation designed to stimulate the establishment, expansion, or reconversion of plants and in France under legislation to encourage decentralization or reconversion of firms. Insofar as these policies are aimed at preventing the displacement of a firm's employees in cases of modernization or reconversion, it is appropriate to consider them in the following section.

Retraining and the Prevention of Unemployment

Concern over the impact of technological and structural changes, and their tendency to give rise to what is usually referred to in Europe as a problem of redundancy, has led to the development of various types of policies in recent years designed to encourage the retraining of employed workers who are threatened with displacement or to alert the public employment service to a situation of impending lay-off of workers, so that steps can be taken promptly to prepare for their re-employment and, if necessary, for their retraining. These policies should be of special interest in the United States, where the problem of redundancy has been far more serious than in Europe and where thus far provisions

designed specifically to cushion the impact of lay-offs or to provide for the retraining of workers threatened with lay-offs are confined largely to collective bargaining agreements.

Early warning systems. Probably the best known of the European arrangements of this type is the Swedish "early warning" system. This is a voluntary arrangement under which employers' associations have entered into agreements with the National Labor Market Board to give advance notice of impending lay-offs or closing down of all or part of their operations. The agreements cover a major part of the private sector, and there are corresponding official policies in the public sector. However, municipal corporations and authorities, as well as parts of the private sector, are uncovered.⁴⁹

Swedish officials consider that the system has worked well. As might be expected, the number of workers affected by lay-offs or shortened work-weeks notified in advance to the Labor Market Board was substantially larger in the recession year of 1958 than in subsequent years, as the following data indicate:⁴⁹

<u>Year</u>	<u>Number of notices</u>	<u>Affected Workers</u>		<u>Total</u>
		<u>Unemployed through dismissal</u>	<u>Shortened work-week</u>	
1958	800	26,800	15,500	42,300
1959	270	8,900	3,700	12,600
1960	150	6,700	950	7,650
1961	210	8,300	1,100	9,400
1962	225	10,000	500	10,500

In January 1963, a special Bureau for Industrial Employment was established within the Labor Market Board to administer the system. Legislation which would make the system compulsory has been introduced in the Swedish

Parliament but has not been enacted.

Among the various decrees on employment policy enacted in Belgium in 1961 was a provision under which firms contemplating reconversion must submit to the National Office of Employment, three months in advance, detailed information on the purpose, nature, and cost of the reconversion plan and on the number of employees to be retained, temporarily suspended, or permanently dismissed, as well as a statement with respect to needs for retraining and the costs that would be associated with it. The measure also provides for maintaining the compensation of workers who are suspended or temporarily placed on part-time work at a level of 90 per cent of their former earnings for a period of six months, with the government and the employer sharing these payments on a 50-50 basis.⁵⁰

In West Germany, employers are required to notify the public employment service within three days of any dismissal of employees. There are laws affecting dismissal procedures in France and West Germany, and in Belgium advance notice to workers of their impending dismissal is required under a national collective agreement of 1958.⁵¹ In Britain there are numerous provisions for advance notice to workers and severance pay under collective bargaining agreements. There has also been a good deal of controversy in Britain recently over a proposal for legislation requiring severance pay, but both employer and labor organizations have objections to various aspects of the proposal. Detailed discussion of these legal or collective bargaining provisions would, however, take us too far afield.

Retraining for workers threatened with displacement. As already suggested, Belgium has legislation under which subsidized training in

industry may be provided in new or expanding establishments and in firms undergoing modernization or reconversion. The provisions, like those calling for advance notice of reconversion plans, were embodied in the series of decrees adopted early in 1961. They call for a procedure under which the National Office of Employment will enter into agreements with employers for the in-firm training of workers recruited in connection with the creation, extension, or conversion of a particular firm. The employment service may also provide assistance in the selection of workers and compensation for moving expenses.

In practice, applications have been chiefly for assistance in connection with training rather than in relation to selection or moving expenses. In most cases short-term training for semi-skilled workers has been involved, much of it apparently on the job and lasting, on the average, about 40 days. Because of the difficulty of determining the relative time devoted to training and production, the National Office of Employment adopted a policy of fixing the government contribution arbitrarily at 25 per cent of the cost of compensation and social charges (fringe benefits) for the trainee during the training period. The rate of compensation may be higher, however, when the firm will have a substantial impact on employment at either the regional or national level.⁵² Moreover, if the trainees are aged 50 to 55, have been employed by the firm, and are being transferred to a new unit of production, the rate of subsidy is 35 per cent, while in the case of newly recruited workers in this age bracket the subsidy is 40 per cent. The corresponding rates for workers aged 55 or more are 45 and 50 per cent. These higher subsidies are designed to make up for the fact that the return from the firm's

training costs will be limited to a shorter work-life expectancy in the case of older workers. Furthermore, subsidy rates will be raised 10 per cent if the firm is being established in an economic development zone.⁵³

Among the industries represented by firms applying for subsidies in 1962 were the textile, plastics, metal products, nuclear energy, and electronics industries. A total of 57 applications had been submitted by the end of that year, of which 18 had been turned down or filed without decision, 13 had received final approval, and 26 were still being processed. There were some cases in which employees, including older workers, were being transferred to new units of production in reconverting firms, although the majority of applications were from firms undertaking expansion or establishing a new branch plant rather than from firms undergoing reconversion. The special subsidy arrangements had thus far had very little effect in inducing the hiring of older workers.

From what sources do these firms recruit their workers, in Belgium's increasingly tight labor market? The case of a new branch plant of the Ford Motor Company in Ghent, about which I was told when I was in Brussels early in 1964, is probably fairly typical of firms establishing in Flanders, where much of the foreign investment in Belgium is taking place. The Ford workers were recruited partly from agriculture, partly from foreign countries, and partly from groups of Belgian workers who formerly commuted over the frontier to work in Holland.

Although Belgian officials recognize that training subsidies would not be likely to be an important element in a decision of a foreign company to invest in Belgium, they are regarded as one element in an array of locational factors.

In France subsidized retraining in industry is carried out under the provisions of a decree of December 6, 1954, which established a Manpower Redistribution Fund to facilitate the occupational rehabilitation and redistribution of workers affected by the closing or reconversion of a firm or by a merger. An Industrial Conversion fund providing for loans and other types of assistance to such firms had been established several months earlier. The Manpower Redistribution Fund may be used to provide assistance not only to firms retraining employees affected by reconversion, closing, etc., but also to firms which agree to undertake the retraining of workers who have been dismissed or laid off from other firms. Assistance may likewise be provided to special training centers established under the decree of 1946 and discussed in the previous chapter. Moreover, the Fund may provide relocation allowances for workers moving out of areas where job opportunities are poor.⁵⁴

Under policies currently in effect, the subsidy covers part or all of the wages of instructors and workers, including social charges, for a minimum training period of three weeks or a maximum of six months. It also covers all or part of the cost of equipment. Just what proportion the public agency pays is determined by agreement with the individual firm. The Fund also pays in full the cost of training instructors (one-week educational briefing courses are organized for skilled workers qualified to serve as instructors at the National Vocational Training Institute in Paris), the cost of selection tests, and the cost of technical and financial control.⁵⁵ The program is administered by the Ministry of Labor and Social Security and the Ministry of Finance, Economic Affairs, and Planning.

It has been difficult to obtain precise information on the experience under these provisions. Although financed by the Manpower Redistribution Fund, the retraining activities were largely carried out in cooperation with the National Development Directorate in the Ministry of Reconstruction and Town Planning, which has administered the National Economic Development Fund. Early cases of retraining involved firms in the clothing industry (e.g., hat or hosiery factories) which were converting to totally different types of production, such as plastics.⁵⁶ During the year 1956, nearly 3,000 workers were reported to have been retrained through the Manpower Redistribution Fund.⁵⁷ Indirect evidence that the number of workers retrained under these provisions has increased substantially over the years is suggested by the fact that the number retrained under publicly sponsored or subsidized facilities other than the government training centers increased from about 4,000 in 1957 to nearly 19,000 in 1962, but these figures include training in publicly-owned enterprises such as Renault and retraining of the disabled under varied auspices, as well as subsidized training in firms.⁵⁸

Under the French procedures, the initiative for an employer-sponsored retraining program in an establishment undergoing reconversion must come from the firm, but unions representing workers in individual firms may exert pressure on employers through the Comités d'entreprises, which are obligatory in French industry and include representatives of the employers and the workers. However, union officials whom I interviewed in Paris early in 1964 complained that there were a good many instances in which firms undergoing reconversion or other types of changes were dismissing workers without providing opportunities for retraining.

In a speech in June 1963, M. P. Laurent, the Director-General of Labor and Manpower, expressed the opinion that some tens of thousands of workers were being affected in France each year by modifications of technology which gave rise to collective dismissals and that in many of these cases certain categories of workers were dismissed, while others considered more adaptable to the new needs were hired.⁵⁹ Officials whom I interviewed in the Ministry of Labor and Social Security indicated that increasing emphasis was being placed on an effort to bring about the retraining of workers in such situations, and in December 1963 the National Employment Fund was established, with an initial allocation of 24 million fr. for a two-year period, to pay allowances for retraining and resettlement.

In Italy, there have been provisions for subsidized retraining by large firms since 1949. Firms employing more than 1,000 workers may be authorized to provide such training for skilled workers under 45 years of age. The courses must be from three to eight months in duration and must be given on premises other than those used for the normal activity of the firm. Trainees receive a wage supplement of 2/3 of their wages in respect of hours worked between 24 and 40 a week, as well as a daily allowance of 200 lire. State financial assistance is limited to 50 per cent of training allowances and the end-of-course bonus, while the firms must pay the cost of operating and equipping the courses.⁶⁰ According to the provisions of the 1949 act, such courses could be inaugurated if the firm's skilled workers did not fulfill the requirements of the undertaking or if the firm had an excess of manpower. At the end of the courses, the unsuccessful trainees were to be dismissed and the successful trainees

to be absorbed as far as possible by the enterprise. It was also provided that two or more firms might request permission to start joint courses.⁶¹

In Sweden, the question as to whether, apart from localization areas, retraining should be provided in firms for workers threatened with displacement is a matter of controversy. In 1958 and 1959, arrangements were made with certain companies for retraining of personnel who would otherwise have been redundant. They involved firms in the mining, sawmill, clothing, and engineering industries in which there were impending or threatened lay-offs. The firms paid the costs of instruction, and usually, also, 1 kr. (19¢) an hour to the trainees, while the County Labor Board provided the usual training allowances.⁶² As indicated above, however, officials of the Labor Market Board whom I interviewed in the fall of 1963 informed me that subsidized retraining in industry was confined to firms settling in localization areas. Objections of employer groups have evidently been responsible for forestalling any broader application of such policies, for a representative of the Swedish Employers' Confederation whom I interviewed informed me that the employers objected to subsidized retraining of employed workers, since this might create an opportunity for the Labor Market Board to exercise an influence on which workers were retrained and which dismissed in situations of threatened labor displacement, and thus interfere with the employer's freedom to decide on the dismissal of certain categories of workers.⁶³ Union representatives, on the other hand, advocate the extension of subsidized retraining to such situations and, more generally, suggest that it might be desirable to extend eligibility for training

allowances to persons who are not unemployed but wish to learn a new trade.⁶⁴

Clearly, there are substantial differences from country to country in policies affecting situations of threatened redundancy, but the issue is a lively one, and, under the impact of technological change, increasing emphasis on policies designed to bring about the retraining of workers threatened with displacement is highly likely. To the extent that publicly provided subsidies can be successfully used as an inducement to encourage employers to retrain workers who might otherwise be displaced, the total social costs are likely to be lower than under policies which confine public retraining facilities to workers who have already lost their jobs. But, as the Swedish situation illustrates, management is likely to attach great importance to preventing any encroachment on its right to control the composition of its work force. The French approach of leaving the initiative to the employer to come forward with a proposal for retraining, with the union exerting its influence through collective bargaining to see that this is done, might be more acceptable to American employers than a policy which would give public agencies power to intervene in situations of threatened labor displacement. But the question of whether and to what extent an early warning system might be developed is closely related. As we shall see in Chapter 8, in both Sweden and West Germany there have been a number of successful attacks on problems of labor displacement in local communities, involving cooperation between the public employment service, employers, and other community agencies. The fact that in both of these countries the public employment service appears to have been particularly successful in developing a cooperative relationship with

employers plays an important role, along with the early warning system in Sweden, in increasing the likelihood that the public agency will be apprised of a situation of labor displacement well in advance and can begin negotiations aimed at bringing new firms into the community and retraining displaced workers for jobs in these firms.

Retraining for Individuals

As suggested in the previous chapter, all the countries included in this study have provisions under which the labor market authorities may refer individuals to courses offered under other auspices, such as commercial or technical schools. If the individual meets the usual eligibility conditions for a training allowance, he will typically receive the same allowance as in a government retraining program, and his course fees will be provided. I shall not deal extensively with these arrangements, since the number of individuals involved has tended to be very small, apparently chiefly because the courses available are not usually geared to the needs of the unemployed. The arrangement appears to be used chiefly for women desiring training in stenography or typewriting, and to some extent in nursing. It is also used in some cases to meet unusual training needs. In England, for example, I was told of the case of a disabled woman who, because she was found to have the requisite educational background and some prior knowledge of the language, was referred for training in German and later successfully placed with a travel agency.

The one country which seems to have made a particular effort to expand retraining for individuals in recent years is West Germany. Under special provisions adopted in 1962, a program of grants or loans without

interest to individuals, to be administered by the BAVAVG, was initiated. These grants or loans are apparently available on the basis of need, and eligibility is not confined to persons who are involuntarily unemployed. Allowances can be granted for the maintenance of the applicant, his wife (or her husband) and children, and for training fees, any necessary travel expenses, and maintenance of his sickness insurance contributions. Between July 1962 and March 1963, approximately 21,000 applications were received by the labor offices under this program, and the average allowance granted was 1,530 DM.⁶⁵

Footnotes to Chapter 4

1. There have been special surveys of the characteristics of the unemployed, or of the long-term unemployed, in several countries in recent years which have provided clear evidence on this point. A British survey, conducted in August 1961, indicated that 59 per cent of the men claiming unemployment insurance were judged by employment officials to be difficult to place because of age or physical condition. Moreover, 95 per cent were considered either to be unsuitable for training of any kind or to have reasonable prospects of placing without it. Results for single women were similar, but among married women about half were considered good placing propositions, and the proportion considered unsuitable for training was considerably smaller. See Ministry of Labour Gazette, LXX (April, 1962), 131-137.

A Swedish survey of the long-term unemployed in 1957 indicated that 51 per cent were handicapped, and an additional 16 per cent found it difficult to leave their home communities (where job opportunities were evidently limited). See Industry and Labour, XXI (May 1, 1959), 332-334.

Belgian data for June 1963 indicated that three-fourths of the men and nearly a half of the women who were wholly unemployed were aged 50 or more, while 85 per cent of the men and 60 per cent of the women were judged to have reduced capacity for work. See Recensement annuel des demandeurs d'emploi: chomeurs complets à fin juin 1963, National Office of Employment (Brussels: 1963).

2. Manpower Report of the President, Transmitted to the Congress March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), p. 252.

3. Gösta Rehn and Erik Lundberg, "Employment and Welfare: Some Swedish Issues," Industrial Relations, II (February, 1963), 6.

4. For a discussion of the new policies, the texts of the law of February 14, 1961, and the subsequent decrees, see La politique de l'emploi, Ministry of Employment and Labor (Brussels: Imprimerie Clarence Denis, 1961).

5. See Labour Market Policy in Sweden, OECD Reviews of Manpower and Social Policies, Organization for Economic Cooperation and Development (Paris: 1963), p. 55.

6. Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for European Economic Cooperation (Paris: 1960), p. 218. It should be noted that the U.S. Manpower Development and Training Act also distinguishes between referral for training, in which priority is granted to the unemployed, and eligibility for a training allowance, which is confined to unemployed heads of households with at least two years of work experience and youths aged at least 17 who need an allowance to undertake training. Members of households with unemployed heads are also eligible for allowances (provided not more than one member of a household receives an allowance at any given time), while members of farm families with less than \$1,200 annual income are treated as unemployed. See the text of the act, incorporating 1963 amendments, in Manpower Research and Training, A Report by the Secretary of Labor, Transmitted to the Congress March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), pp. 187-188.

7. Until 1963, the lower age limit for adult training courses was 18.

8. See Reply to Questionnaire MO(63)17, Italy, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 7.
9. See Victor Martin, "Les centres spéciaux d'observation et de sélection professionnelle," reprinted from Revue du Travail (October, 1963).
10. Manpower Research and Training, p. 80.
11. Martin, op. cit., p. 2.
12. See the discussion of age limits in Belgium in the previous chapter, as well as some further comments on the problem of retraining older persons in Belgium in Chapter 5.
13. Reply to Questionnaire MO(63)17, Italy, p. 6.
14. Ingeborg Jönsson, Vocational Training of Middle-aged Female Labour, Translation of an article in Arbetsmarknaden, No. 7, 1962 (Stockholm: 1962, mimeographed).
15. See Revue française du Travail, XIII (July-September, 1959), 3-31.
16. La Formation professionnelle en France, Bulletin d'Information du Bureau d'Études Économiques et Sociales, No. 10, November, 1963, La Confédération Générale du Travail: Force Ouvrière (Paris), p. 44.
17. For a discussion of this problem in relation to unemployment benefits, see my Economics of Welfare Policies (New York: Columbia University Press, 1963), pp. 100-104.
18. There is an earnings ceiling, but it is not nearly as restrictive as the ceilings under most state unemployment insurance laws in the United States.

19. Data supplied by the Ministry of Labor, Bonn.
20. Jaarverslag, Royal Labor Bureau, 1962 (The Hague, mimeographed).
21. Industry and Labour, XIV (November 11, 1955), 402-404.
22. Reply to Questionnaire MO(63)17, The Netherlands, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 9.
23. This problem was mentioned by a number of persons whom I interviewed in The Hague in the late summer of 1963.
24. La Politique de l'Emploi, pp. 14-15.
25. Ibid., p. 15.
26. On minimum wage policies in France, see Adolph Sturmthal, Contemporary Collective Bargaining (Geneva, New York: W. F. Humphrey Press, Inc., 1957), pp. 127-167 and "New Minimum Pay Standards for French Workers," Monthly Labor Review, 78 (January, 1955), 86. On training allowances in 1957, see E. Rossignol, "The Vocational Training of Adults," reprinted from International Labour Review (October, 1957), p. 18.
27. Industry and Labour, XXI (January-June, 1959), 263-266.
28. Reply to Questionnaire MO(63)17, France, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 12.
29. In computing the percentages in Table 4.3 for workers entitled to these private unemployment insurance benefits, I assumed that the individual's former wage equalled the minimum wage in the Paris region. Obviously for many workers the former wage would be higher than

this amount.

30. See Ministry of Labour Gazette, LXX (October, 1962), 387.

31. Ibid., LXXII (January, 1964), 5. If a child is over 16 but is receiving full-time instruction in a school or full-time training as an apprentice, the child's supplement is available until he reaches the age of 18. Family allowances are also available in Britain, but do not apply to the first child in a family and are much smaller, relative to wages, than in France or Belgium.

32. Conditions Favourable to Faster Growth, National Economic Development Council (London: Her Majesty's Stationery Office, 1963), p. 8.

33. Ibid., p. 13.

34. See Anna Wiman, Vocational Training for Adults in Sweden, The Swedish Institute for Cultural Relations with Foreign Countries (Stockholm: 1962), pp. 12-13.

35. Ibid.

36. I am indebted to Miss Sylvia van Eltz of the U.S. Embassy in Stockholm for an opportunity to read her detailed notes on visits to a number of local employment offices in Sweden, which yielded this information on courses in Norrköping, as well as other interesting details about labor market programs in various Swedish communities.

37. See M. Versichelen, Onderzoek naar de Sociale en Psychologische Gevolgen van Arbeidsmutaties, Seminar for Sociology, National University of Ghent (Ghent: 1961, mimeographed), Chapter 2. Several of the sociologists who participated in this group of studies spent several hours discussing their findings with me when I interviewed them

in Ghent in August 1963.

38. For a general account of these procedures, see Manpower Research and Training, pp. 9-10.

39. See ibid., pp. 47-52.

40. I had originally hoped to include a chapter on the relationship between Vocational training for adults and basic vocational education systems for young people in this report, but it has been impossible to complete such a chapter within the time available. However, I do plan to include it in the expanded version of the report which will be published in book form. For a good recent account of differences in apprenticeship systems, see Gertrude Williams, Apprenticeship in Europe: The Lesson for Britain (London: Chapman and Hall, 1963).

41. Accelerated Vocational Training..., p. 176.

42. Ibid., p. 41.

43. See the provisions of the Act of 1949 on Placement of Unemployed Persons and Unemployment Assistance in Legislative Series, 1949, Italy 2-A, International Labor Office (Geneva: 1951), pp. 17-18.

44. With its relatively high birth rate and rapid population growth, The Netherlands has had a policy of encouraging emigration through various forms of government aid, as has Italy. However, this policy has tended to diminish in importance in recent years under tighter labor market conditions.

45. For a description of skill levels, see p. , above.

46. The data have been compiled from Jaarverslag, the annual yearbook of the Ministry of Social Affairs and Public Health for various years, and from Arbeidsmarkt Beschrijving, its annual report on labor

market conditions.

47. Resultaten van de Vakopleiding in 1960, Ministry of Social Affairs and Public Health (The Hague: 1963, mimeographed), p. 8.

48. Swedish Labour Market Policy, Memorandum, National Labor Market Board (Stockholm: 1962, mimeographed), pp. 4-5.

49. AMS-Kontakt: Information för arbetsmarknadsverkets personal, No. 1, January 15, 1964, Labor Market Board Information Service (Stockholm), p. 6.

50. La Politique de l'Emploi, pp. 89-91.

51. "Redundancy Abroad," Ministry of Labour Gazette, LXXI (April, 1963), 148.

52. Rapport Annuel, 1962, National Office of Employment (Brussels: 1963), pp. 67-74.

53. See Chapter 8, for further discussion of zones of economic development.

54. Industry and Labour, XIII (March 1, 1955), 203-206.

55. Reply to Questionnaire MO(63)17, France, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 6.

56. Industry and Labour, XI (October 1, 1954), 323-332.

57. Industry and Labour, XX (November 15, 1958), 368-377.

58. See E. Rossignol, "The Vocational Training of Adults," reprinted from International Labour Review (October, 1957), 20, and Revue française du Travail, XVII (January-March, 1963), 73-79.

59. "Les aspects nouveau de la politique de l'emploi," Revue française du Travail, XVII (April-June, 1963), 13-14.

60. Ministry of Labour Gazette, LXXI (May, 1963), 200.
61. Legislative Series, 1949 -- Italy, 2-A, p. 19.
62. Swedish Labour Market Policy, National Labor Market Board (Stockholm: 1962, mimeographed), pp. 14-15.
63. See, also, the report by Gunnar Lindström of the Swedish Employers' Confederation to the OECD Employers' Seminar, April 14-17, 1964, which states (p. 18) that the idea of extending removal and retraining grants to persons in full employment has been canvassed but has been strongly opposed by the employers' side. I am indebted to Mr. Karl O. Faxén of the Swedish Employers' Confederation for sending me a copy of this report after I had returned to the United States.
64. These points were made by Dr. Rudolf Meidner of the Swedish Confederation of Trade Unions and other union representatives at a seminar which Meidner organized for my husband and me in Stockholm in September 1963. See, also, T. L. Johnston, editor and translator, Economic Expansion and Structural Change: A Trade Union Manifesto, Report submitted to the 16th Congress of the Swedish Confederation of Trade Unions (London: Allen and Unwin, 1963), p. 126.
65. Reply to Questionnaire MO(63)17, Federal Republic of Germany, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 9.

Chapter 5

Older Workers, Younger Workers, and Other Special Groups

Although average unemployment rates are very low in Western Europe, age differentials in unemployment are frequently quite pronounced, and unemployment rates for some age and sex groups are high enough to create a problem of significant dimensions (Tables 5.1 and 5.2). The pattern of age differentials in rates (or the distribution of unemployment by age, where rates are not available) differs quite markedly from country to country, reflecting differences in labor market practices, the age structure of the population, social security policies, and other factors. Sex differentials also differ substantially, as does the pattern of sex differentials by age group.

Although I have not been able to obtain recent data for West Germany, I was informed that the problem of unemployment among young people was negligible. Large proportions of both boys and girls leaving school (the compulsory school-leaving age is 14 in many of the Länder, but has been raised to 15 in a few of them) enter apprenticeship programs and remain in them until completion, with the result that the employment pattern for young people is extremely stable. Comparatively low unemployment rates for young people in Great Britain are also evidently attributable in large part to the high proportion of young people entering apprenticeship or on-the-job training.¹ In Belgium and The Netherlands, wage practices under which the teen-ager is paid a differentially low rate which rises gradually from ages 14-15 until the adult rate is reached at age 20 or 21, encourage the employment of young people. In France and Sweden, on

Table 5.1

Unemployment Rates by Age and Sex, and Ratios to Average Rates,
France, Sweden, Great Britain, and United States
Selected Recent Years

Age	Francea (1960)		Age	Swedenb (1960)		Age	Great Britainc (1963)		Age	United States (1963)	
	Men	Women		Men	Women		Men	Women		Men	Women
Total	1.3%	4.2%	Total	1.6%	3.3%	Total	2.2%	1.3%	Total	5.3%	6.5%
14-19	6.6	9.7	14-17	4.4	8.4	under 18	2.7	1.9	14-19	15.5	15.7
20-24	2.8	5.6	18-24	2.8	5.2	18-19	2.3	1.6	20-24	8.8	8.9
25-29	0.5	4.5	25-34	1.1	2.1	20-24	2.2	2.0	25-34	4.5	6.9
30-34	0.3	3.8	35-44	0.3	1.9	25-29	2.1	1.8	35-44	3.5	5.1
35-39	0.4	4.3	45-54	1.1	2.4	30-34	2.1	1.2	45-54	3.6	4.2
40-44	0.5	2.8	55-64	2.2	3.2	35-39	2.0	1.0	55-64	4.3	3.6
45-49	0.6	3.5	65 or more	2.8	5.8	40-44	2.0	0.9	65 or more	4.5	3.2
50-54	1.1	2.2				45-49	1.7	0.9			
55-59	1.3	2.8				50-54	1.8	1.1			
60-64	2.2	1.7				55-59	2.2	1.4			
65-69	2.1	3.4				60-64	4.8	0.3			
70-74	1.5	0.7				65 or more	0.7				
75 or more	---	---									

Ratios to Average Rates

Age	Francea (1960)		Age	Swedenb (1960)		Age	Great Britainc (1963)		Age	United States (1963)	
	Men	Women		Men	Women		Men	Women		Men	Women
Total	1.0	1.0	Total	1.0	1.0	Total	1.0	1.0	Total	1.0	1.0
14-19	5.1	2.3	14-17	2.8	2.5	under 18	1.2	1.5	14-19	2.9	2.4
20-24	2.2	1.3	18-24	1.8	1.6	18-19	1.0	1.2	20-24	1.7	1.4
25-29	0.4	1.1	25-34	0.7	0.6	20-24	1.0	1.5	25-34	0.8	1.0
30-34	0.2	0.9	35-44	0.2	0.6	25-29	1.0	1.4	35-44	0.7	0.8
35-39	0.3	1.0	45-54	0.7	0.7	30-34	1.0	0.9	45-54	0.7	0.6
40-44	0.4	0.7	55-64	1.4	1.0	35-39	0.9	0.8	55-64	0.8	0.6
45-49	0.5	0.8	65 or more	1.8	1.8	40-44	0.9	0.7	65 or more	0.8	0.5
50-54	0.8	0.5				45-49	0.8	0.7			
55-59	1.0	0.7				50-54	0.8	0.8			
60-64	1.7	0.4				55-59	1.0	1.1			
65-69	1.6	0.8				60-64	2.2	0.2			
70-74	1.2	0.2				65 or more	0.3				
75 or more	---	---									

/Table continues next page/

Table 5.1
p. 2.

SOURCES: For France, Enquête "Emploi" d'Octobre 1960, National Institute of Statistics and Economic Studies (Paris: 1963), pp. 9 and 13; for Sweden, Arbetsmarknaden, No. 7, September, 1960, p. 158; for Great Britain, Ministry of Labour Gazette, LXXI (June, 1963), 232, and (August, 1963), 327; and for the United States, Manpower Report of the President, Transmitted to the Congress, March 1964 (Washington, D.C.: U.S. Government Printing Office, 1963), p. 200.

^aIncludes the regular unemployed and the marginally unemployed.

^bData were read from a bar chart, since I did not have access to the statistical table on which the chart was based.

^cUnemployment rates have been computed by dividing the number of unemployed in July 1963 by the data relating to the number of employees by age group in Great Britain in June 1962.

(To Follow Table 5.1)

Table 5.2

Percentage Distribution of Unemployed, by Age and Sex,
Selected Countries, Selected Recent Years

Age	Belgium (1963)		Age	France ^a (1960)		Age	Great Britain (1963)	
	Men	Women		Men	Women		Men	Women
Total	100.0	100.0	Total	100.0	100.0	Total	100.0	100.0
under 20	0.8	3.3	14-19	35.5	24.6	under 18	6.5	13.8
20-35	7.1	22.1	20-24	11.1	16.1	18-19	4.5	8.9
35-50	17.3	27.3	25-34	7.2	18.6	20-24	9.6	19.2
50-65	74.8	47.3	35-44	7.2	15.0	25-34	19.1	17.8
			45-54	14.0	14.1	35-44	18.9	14.0
			55-64	19.7	9.0	45-54	16.1	16.3
			65 or more	5.3	2.6	55-59	9.1	8.9
						60-64	15.1	1.1
						65 or more	11.1	

Age	Italy (1963)		Age	Sweden (1963)		Age	United States (1963)	
	All un- employed	Men		Men	Women		Men	Women
Total	100.0	100.0	Total	100.0	100.0	Total	100.0	100.0
14-30	43.6	37.0	under 18	6.5	25.7	14-19	22.4	25.3
35-50	41.0	43.6	18-21	5.4	12.7	20-24	15.6	16.1
50 or more	15.4	19.4	22-24	4.2	4.8	25-34	17.5	17.6
			25-34	10.4	9.3	35-44	15.2	17.6
			35-44	13.2	13.5	45-54	14.1	14.2
			45-54	16.3	15.4	55-64	11.4	7.4
			55-59	9.3	7.5	65 or more	3.8	1.8
			60-66	24.8	9.7			
			67 or more	9.9	1.4			

SOURCES: For France, Great Britain, and the United States, see source reference to Table 5.1. For Belgium, Recensement annuel des demandeurs d'emploi: chomeurs complets à fin juin 1963, National Office of Employment (Brussels: 1963), pp. 2-3; for Italy, Rilevazione Nazionale delle Forze di Lavoro, 10 maggio 1963, Central Institute of Statistics (Rome: 1963), p. 40; and, for Sweden, Arbetsmarknadsstatistik, No. 8, 1963, p. 17.

^aSee footnote a, Table 5.1.

the other hand, unemployment rates for teen-agers, particularly young girls, are relatively high. Although I have not been able to make a special study of this question, the fact that a relatively large proportion of young people receive their vocational training in technical or commercial schools, rather than in apprenticeship or on-the-job training programs, in these countries apparently helps to explain the comparatively higher unemployment rates for youth. A young person leaving a technical or commercial school tends to go through a period of joblessness before he gets his first job, and, like the young worker in the United States, is likely to experience a number of job changes before he settles down in a relatively permanent job. Moreover, both France and Sweden have been experiencing a bulge in their teen-age populations and associated problems of inadequate capacity of their vocational training schools. In Italy, neither apprenticeship programs nor technical schools have been especially well developed, and unemployment rates among young people are evidently relatively high, although I have not been able to obtain recent data on rates by age.

In Sweden, particularly for women, and in Great Britain, particularly for men, unemployment rates in certain older age groups are higher, relative to average rates, than in the United States. An extremely large proportion of the unemployed in Belgium, especially among men, is in the 50 and older age group.

It will be apparent to the reader that policies relating to the relative emphasis on various age groups in government retraining programs, discussed in the two preceding chapters, are not unrelated to these differences in unemployment by age. However, the unemployment data would

suggest a need for increased emphasis on training for older persons of both sexes in Belgium and for older men in Britain.

Older Workers

More attention, as we have seen, has been paid to the problem of providing retraining opportunities for older workers in Sweden and in West Germany than in the other countries included in this study, although even in these countries older persons make up a relatively small percentage of all trainees. In Sweden, the proportion of trainees aged 45 or more increased from 12 per cent in May 1961 to 15 per cent in May 1962, suggesting, as did my interviews with Swedish officials, that an increasing effort is being made to provide retraining opportunities for older persons. By comparison, the proportion of persons aged 45 and over among those starting training under the U.S. MDTA program in 1963 was 10 per cent.² Comparable data are not available for West Germany, but information on the age composition of trainees in three presumably typical courses indicates that the proportions of workers over 45 years of age was 7, 20, and 15 per cent, respectively.³

Older people unquestionably have more resistance to the idea of retraining than younger persons, I was informed by Swedish officials, but attitudes of older, as well as younger persons, have gradually become more receptive to retraining in the last five or six years, apparently at least partly as a result of the efforts of the Labor Market Board to arouse interest in retraining through publicity campaigns. Older persons have in some cases been put into courses with younger persons, and in other instances special courses have been developed for them. Experience with

special courses for older persons has not been very satisfactory, and I was told that it was unlikely that much emphasis would be placed on them in the future. Older persons tend to do better in courses with younger workers, where they appear to be stimulated by the progress of the younger trainees, whereas in the special courses for older persons there is an atmosphere of lack of confidence and enthusiasm which militates against the success of the training. Moreover, it is argued, training in a mixed age group is likely to have better long-run results, because the older person will have to adjust himself to working with a mixed age group after training.

Although I was not able to obtain information on what types of training were considered appropriate for older men, I was informed that "Home Samaritan" courses were considered particularly suitable for older women. Home Samaritan work, like homemaker services in the United States, involves looking after old and ill persons in their homes, often on a part-time basis, thus relieving some of the pressure on hospital and nursing-home space. In both Sweden and Great Britain such services are provided free of charge on a means test basis from public funds to families who cannot afford them, whereas, in the United States, so far as I know, the only basis on which they have been available for needy families has been through private charitable agencies in a limited number of areas. There has been a good deal of interest in them in this country among groups concerned with the welfare of older people, since they seem to offer one highly appropriate way in which older persons may be employed to help other older or ill people, but, at least in the San Francisco area, where I am acquainted with the situation, it has been difficult to

get provision for the necessary funds added to community chest budgets, in competition with other proposals for additions. Here is an instance, among many, in which our reluctance to expand public expenditures for social services makes it difficult to carry out a line of attack on a social problem which has proved successful abroad. The number of home samaritans trained under Sweden's retraining program in 1961/62 was 2,900 -- roughly equivalent to some 58,000 in this country in terms of the relative size of our labor force.

In West Germany, the retraining of older persons has been particularly emphasized in West Berlin, where there was for many years a serious problem of unemployment among older persons who had formerly done white-collar work, often of a routine nature (e.g., handling ration cards), for the central government when Berlin was the capital of Nazi Germany. In the early fifties, it was virtually impossible for such persons to find jobs in West Berlin, where the unemployment rate was considerably above the average for the Federal Republic. In order to provide support for this group, the so-called Notstandsprogramm (emergency program) was developed, under which individuals worked on public work relief programs -- involving such activities as record-keeping in archives and other public agencies -- for nine months and then received unemployment benefits for an extended period, after which they went back on public work relief. In this way a limited number of work relief jobs was stretched to provide as much work as possible under a program which involved about 70,000 people in 1951 and had gradually dwindled to 9,000 persons by the summer of 1963, when I was in West Berlin. Some of the original group had found jobs, some had died, and some had qualified for

old-age pensions. As the employment situation in West Berlin gradually improved, and the prospect of placing these older people became somewhat more favorable, the Landesarbeitsamt (state labor office) undertook to retrain as many as possible. Some were trained for sales work and some for manual jobs, but it was not easy to induce these ex-white-collar workers to accept the idea of training for manual employment, while some of the older women resisted getting out of the Notstandsprogramm and into regular work.

In one of the classes which I visited in West Berlin, the participants were chiefly persons who had been on the Notstandsprogramm. They were being given a relatively simple type of training for office work, including instruction in arithmetic. Although they had been given aptitude tests before being admitted to the class, the course itself was designed as a kind of testing program to see whether the participants might be qualified for placement efforts or for further training. It was anticipated that only about 10 to 20 per cent would get jobs, and even those only after a second and more advanced course. This, of course, is an extremely low placement rate, but it must be kept in mind that the people involved were chiefly permanent public charges, and a retraining effort which resulted in jobs for even a small proportion of them probably represented a worthwhile investment for the employment service, particularly in view of the fact that trainees in West Germany merely receive their unemployment benefits plus Taschengeld during training, so that the additional expense of retraining for unemployed persons over and above the cost of maintaining them on unemployment insurance or unemployment assistance is not very large. Moreover, retraining and other labor market

adjustment programs in West Germany are financed entirely through unemployment insurance reserves, and, with minimal unemployment in recent years, there has been a tendency for unemployment reserves to pile up. In fact it has been possible to suspend contributory payments, which are divided equally between employers and employees, during certain periods.⁴ Under such circumstances, it is probably easier for the BAVAVG to justify retraining programs which yield a poor return in terms of placement than it would be if the programs were financed entirely from general revenues, as they are, for example, in France, where there is no public unemployment insurance system.⁵

A second class in West Berlin in which the participants were chiefly older women (say, 45 or older) was one in bookkeeping, stenography, and typing. These women were nearly all divorcees who were receiving unemployment assistance (unless the ex-husband's pay was high enough to provide sufficient alimony for their support). The course lasted 11 weeks, but was followed by another course lasting 13 weeks, to which the more qualified trainees would go on. Among those not qualified for the more advanced course, about 50 per cent would probably be placed in employment, while some would be referred to training for manual work. Here again, the expected placement rate was far below the average for West Germany, which is about 80 to 90 per cent, but the BAVAVG evidently considered the expenditure a worthwhile contribution toward meeting a social problem and achieving an eventual saving of unemployment assistance costs. It should be kept in mind that unemployment assistance is unlimited in duration in West Germany and that the women who were wholly dependent on unemployment assistance would be permanent social charges

unless they eventually found employment or remarried. A particularly interesting aspect of German policies, exemplified here, is that of referring those who do not do well in a white-collar training program to training for manual work. It is another example of German flexibility with respect to the duration of training, despite the seeming rigidity of the BAVAVG regulations on the duration of courses. In fact, I was told in West Gerlin that the limitation on duration really meant very little, because of the fact that people were often referred to a second, or even a third or fourth course -- apparently in some cases because they did well and would profit from further training, but in other cases because they did poorly and needed a different type of training.

Another interesting West Berlin class in which some of the participants were older people involved more advanced training in office work than was being given in the first class. The participants were better qualified, consisting of unemployment insurance recipients who had lost their former jobs because the firm had gone out of business or needed fewer workers. At the time I observed the class, the trainees were carrying out a simulated program of processing purchase orders in a dummy firm, with each participant handling a particular assignment on the office staff of the firm. The expected placement rate for this group was 40 per cent, and it was anticipated that very few of the older members of the group would be placed.⁶ Here again, however, those who were not eventually placed would be permanent public charges, since they would be eligible for unemployment assistance of unlimited duration once their unemployment insurance benefit rights were exhausted.

In Belgium, there appears to be a difference in attitude toward the problem of retraining older workers between some of the officials in the top echelons of the Ministry of Employment and Placement and those directly responsible for the vocational retraining program. Formal age limits no longer apply to admission to the government training centers, now that selection has been transferred from the regional advisory committees to the directors of the regional employment offices under the 1961 legislation, but in practice most trainees are in their twenties or early thirties, and I observed no trainees who appeared to be over about 45 in the three training centers that I visited in Belgium. On my tour of the training center at Teleexpo, I was told that the most favorable age for training was 20 to 30 years. As suggested in Chapter 3, however, it was the difficulty of placing older trainees, rather than the difficulty of training them, that was stressed by M. Martin, director of vocational training for adults, as the main reason for excluding older persons. In his article on the new special centers for observation and vocational selection, discussed in Chapter 4, he commented that with respect to workers aged 55 and over, and sometimes with respect to those older than 50 or even 45, "the National Office of Employment is partially powerless to overcome reasons or prejudices invoked by enterprises with regard to their re-engagement."⁷ However, in these centers, policies on admission of older workers appear to be somewhat more liberal than in the regular government training centers, with trainees ranging in age from 25 to 50 years.⁸

An adviser to the Minister of Employment and Placement, however, suggested that those directly concerned with the retraining program were

anxious to achieve a high placement rate as a justification for adequate appropriations for their program.⁹ He felt that greater efforts should be made to adapt the programs to the needs of the 35 and older group, in view of the age composition of unemployment in Belgium. British studies had indicated that older persons could be successfully retrained but that it required a longer training period. Negotiations were under way, he informed me, for a study of the learning capabilities of older persons at the psychological laboratory of the University of Ghent and for an interdisciplinary study of problems of older workers at the University of Liège. He added that, under the impact of technological change, a good many workers were being displaced in Belgium, and that private collective bargaining arrangements negotiated by the unions through the Conseils d'entreprises (similar to the Comités d'entreprises in France) aimed especially at providing supplementary unemployment benefits for displaced workers in the older age groups. Early pensions have also been negotiated in some cases, as in many recent collective bargaining agreements in the United States. It should be added that the very wage practices, mentioned above, which encourage steady employment for teen-agers in Belgium give the employer an inducement to let older workers go and replace them with younger workers.

In evaluating retraining policies for older workers in Western Europe, it must be kept in mind not only that collective bargaining agreements in such countries as Belgium and England are beginning to include various special provisions to protect the displaced redundant worker, but also that the displaced older worker is considerably more likely to qualify for some type of public social security benefit than in this country.

Extensive discussion of these provisions would be beyond the scope of this report but they include: (1) unemployment insurance benefits of unlimited duration in Belgium, provided the unemployed worker is genuinely in the labor force and continuing to seek work; (2) provisions for extended unemployment insurance benefits for persons with records of substantial employment in the preceding several years in West Germany and the United Kingdom;¹⁰ various types of provisions under which individuals may qualify for a regular old-age pension at age 60 or earlier under special conditions, including the interesting provision in West Germany under which a regular old-age pension (based on a formula under which the amount of the pension benefit depends on earnings adjusted for wage changes and the individual's years of service) becomes payable from age 60 on if the individual has been unemployed a year or more; a regular pensionable age of 60 for those with enough years of contributions in France and pensionable ages of 60 for men and 55 for women in Italy; invalidity (permanent disability) insurance systems under which eligibility conditions are considerably more liberal than under our OASDI program and which are significant in relation to the problem of income maintenance for displaced older workers, since the proportion of older unemployed persons with some type of disability tends to be appreciable; and unemployment assistance systems which provide protection on the basis of need for unemployed persons who are not eligible for any other type of social security benefit -- in some cases, as in West Germany, for an unlimited period.

Even so, as our discussion of retraining programs for older persons in West Berlin has suggested, an investment in retraining for older persons

may be highly justifiable in terms of reducing social security costs as well as in terms of making possible a higher income and perhaps a more rewarding life for some of the individuals involved, despite the fact that the expected placement rate may be quite low and the total period of training relatively long. Where tight labor market conditions and minimal unemployment prevail, such an investment can be easily financed through the unemployment insurance reserves that are likely to accumulate. The high average cost per trainee and the particularly high average cost per placed trainee, however, may be more difficult to justify under conditions of heavier unemployment, when the number of unemployed workers of prime working age who are qualified for retraining is large and when the prospects of placing older retrained persons are extremely poor. The costs and probable returns of such an effort need to be carefully weighed against alternative approaches involving greater emphasis on work relief programs and/or more adequate income maintenance policies for older displaced workers.

Before leaving the subject of older workers, mention should also be made of Belgium's policy of subsidizing the employment of workers who are difficult to place because of age or disability and West Germany's similar policy of subsidizing the employment of the long-term unemployed.

The Belgian policy dates, as do many of the other recent changes in employment policy in Belgium discussed in Chapter 4, from the series of decrees enacted early in 1961. Unemployed workers who are eligible for subsidized employment include:¹¹

- (1) those who, in the course of the 18 months preceding placement, received unemployment benefits during at least 12 months and

who, at the time of placement were at least 55 years of age in the case of wage-earners and at least 40 years of age in the case of white-collar workers (although these age limits may be adjusted administratively for various regions, occupations, and industries);

- (2) those who, in the course of the nine months preceding placement, received compensation during at least six months and whose earning capacity, at the time of placement, is reduced by 30 per cent because of a physical handicap or 20 per cent because of a mental handicap.

An employer hiring a worker under this program receives a subsidy amounting to 20 per cent of the worker's remuneration for the first six months of employment, 15 per cent for each of the three months which follow, and 10 per cent for the last three months. Remuneration is defined to include minimum wages fixed by collective agreements or by custom and social charges (costs of fringe benefits) resulting from legal provisions or collective agreements.

Since there have been various proposals for subsidized employment of older or handicapped workers in the United States, Belgian's early experience under this legislation, as discussed in the 1962 annual report of the National Office of Employment, is worth quoting at length:¹²

The application of these provisions has resulted in 620 subsidized placements in 1962.

They represent only part of the placements of handicapped or older persons effected by the ONEM; there have also been 13,180 non-subsidized placements of difficult-

to-place unemployed persons. In about 2,900 of these cases no application for subsidy on the part of the employers was involved; in the 10,280 other cases, the unemployed workers met the criteria for inaptitude or age fixed in the decree, but had not experienced the required period of unemployment....

The relatively small number of subsidized placements suggests that employers attach only slight importance to the advantages offered by the decree of February 25, 1961.

It seems, according to information received on this subject, that the rate of subsidization of the wage is considered insufficient and that it involves administrative formalities which, however necessary they may be, are a source of complications, particularly unwelcome when the worker abandons his job after some days of employment or must be dismissed.

Certain employers show reluctance to employ an older or handicapped worker. They anticipate absenteeism of those involved and a decrease in the output of the establishment. They point out that in numerous cases the vocational training of these workers involves important expenses and that the moral obligations of providing employment above all for their own handicapped employees leads them to reserve light occupational assignments for persons with a number of years of employment in the firm....

It has also been shown that the majority of the handicapped are found in the group of ordinary laborers with a lack of qualifications and often a varied employment history.

Finally, it is necessary to emphasize the special character of numerous jobseekers embittered by successive failures which they have experienced in the course of periods of inactivity which have sometimes been long.

All these factors indicate that the task of the placement services of ONEM is difficult and requires personnel with a special dedication.

West Germany's program for the long-term unemployed has been in operation since 1956, includes emphasis on retraining, and appears to have been reasonably successful, although, as in the case of the early experience with the Belgian law, the number of employers who hire workers under its provisions is apparently rather small.

According to the most recent regulations of the BAVAVG governing the operation of this program, issued in June 1963,¹³ subsidies are available for employers who hire long-term unemployed workers and probably are in a position to provide a permanent job for them. Persons who have received unemployment benefits uninterruptedly for at least 52 weeks, or at least 26 weeks in the case of those 45 years of age and older, are considered as long-term unemployed. Periods of incapacity for work or periods of employment, including self-employment, up to 13 weeks may be counted as part of the period of unbroken unemployment. The period and amount of the subsidies will depend on the circumstances of the particular

case, especially the duration of the individual's unemployment and his age. Ordinarily the duration of the subsidy period is not to exceed 26 weeks, but the President of the BAVAVG can extend it in exceptional cases. The subsidy will normally amount to 50 per cent of the gross compensation but can be increased to 70 per cent for the first 26 weeks in exceptional cases. In most cases the subsidy is to be paid in the form of a grant but in some cases it can take the form of a loan.

A report on the first year of operation of this program indicated that 480 men and 999 women among the long-term unemployed had been given special training programs, chiefly in public courses, but in some cases in collaboration with firms or on an individual basis. The choice of occupations for which the long-term unemployed were to be trained had to take into account local employment possibilities as well as the applicant's personal qualifications and aptitudes. The men had been trained chiefly in woodworking trades, in various relatively unskilled occupations in the metal trades, and in some cases for simple office work. The women, on the other hand, had been trained chiefly in traditionally female occupations, such as sewing, mending, household work, and nursing. By the end of the year, despite the fact that the first period of training had ended just before Christmas, 11 per cent of those who had received the special training had found permanent employment, while it had been possible to transfer others to the regular vocational training courses for adults.¹⁴

Although I have not been able to obtain more recent statistical information on the operation of this program, I was told by German officials whom I interviewed that the program had worked out reasonably well, in the sense that employers who had hired workers under its terms were

usually satisfied with the results. However, not many employers have been attracted to the idea of hiring the long-term unemployed under its terms, and those who have participated have been chiefly small and medium-sized firms.

Younger Workers

By far the largest program for the training of youthful unemployed workers, among the countries included in this study, is found in Italy. As the unemployment rate in the country has declined, there has been a tendency for the number of adults enrolled in courses for the unemployed to decrease, while increased emphasis has been placed on the development of training centers for youth, and the number of young persons enrolled in courses under the sponsorship of the Ministry of Labor and Social Provision has increased. With a school-leaving age of 14, inadequate enforcement of compulsory school attendance, particularly in Southern Italy, and a large proportion of young people in low-income families who cannot afford to continue their education beyond the elementary school, the need for special programs for unemployed and inadequately trained young persons is considerably more acute than in Northern Europe. The problem of illiteracy is still serious, even among young people in Italy. Although the proportion of illiterates is highest in the southern part of the country, the heavy migration from the South to the North helps to explain a substantial problem of illiteracy in the northern cities as well.¹⁵ Moreover, it was not until the enactment of a law relating to apprenticeship in 1955 that there was any appreciable development of apprenticeship programs in Italy, and the technical schools system is

less extensive than in many of the countries of northern Europe.

As indicated in the previous chapter, the number enrolled in courses for young persons financed by the Ministry of Labor and Social Provision increased from 159,000 in the fiscal year 1962 to 163,000 in fiscal 1963.¹⁶ These courses -- sometimes referred to as "normal" courses -- are actually not confined to unemployed young persons, but are for those aged 14 to 18 not attending school and not in apprenticeship programs or for older persons (up to age 40) who are employed but desire to obtain better jobs.¹⁷ Although trainees receive instruction free of charge, they do not receive training allowances. The courses for young people are apparently given chiefly in government training centers, but the Ministry also sponsors evening class for employed persons. In Southern Italy there are, in addition, courses sponsored by the Cassa per il Mezzogiorno (Fund for the Mezzogiorno region). Ministry of Labor courses for young people last approximately two years and involve considerably more basic training than the courses for adults. They are also much more varied -- including substantial emphasis on agricultural training, training in office work, and training for a variety of professional and service occupations, as well as the more usual manual training (Table 5.3).

There has evidently been something of a problem over the division of responsibility between the Ministry of Education and the Ministry of Labor in the vocational training of Italian youth. A joint circular issued April 15, 1959 stipulated that the two agencies should not compete but should integrate their efforts, and that the courses provided by the Ministry of Education were to be given in vocational schools and were intended for persons 14 to 18. The Ministry of Labor's courses were to

Table 5.3

Percentage Distribution of Trainees Enrolled in Courses for
Young Persons Financed by the Italian Ministry of Labor, by
Types of Training, 1962-63

Types of training	Per cent of trainees
Total number	163,000
Per cent	100.00
Metal work	25.66
Electrical work	11.42
Office work	9.25
Building trades	3.47
Professional occupations	2.73
Woodworking, furniture, etc.	2.70
Hotel and restaurant work	2.41
Apparel work and interior decoration	2.00
Photography	1.80
Hunting and fishing	1.53
Sales work	1.26
Chemical work	0.96
Sanitary and hygienic services	0.93
Treatment of nonmetallic minerals	0.71
Textile work	0.67
Processing of food and beverages	0.24
Leather work	0.13
Communications	0.12
Entertainment	0.09
Occupations in the paper and paperboard industry	0.06
Courses for hostesses	0.04
Language courses for emigrants	0.02
Agricultural work	31.60
Other	0.20

SOURCE: Tables supplied by the Direzione Generale dell'orientamento e dell'addestramento professionale dei lavoratori, Ministry of Labor and Social Provision (Rome).

aim at enabling young people who for any reason had been unable to attend regular vocational school to acquire basic technical training and were to be given in "vocational training centers." Moreover, legislation which had recently been approved at that time provided that the courses of the Ministry of Labor were intended, generally speaking, for young persons over 18 years of age.¹⁸ However, it would appear that the Ministry of Labor's courses actually include a good many young people under the age of 18.¹⁹

In Sweden, the training program of the Labor Market Board includes beginners', advanced, and retraining courses. Young persons aged 15 to 25 who cannot be accommodated in the regular vocational schools or who cannot get a job may enroll in the beginners' courses. These courses were started during the recession of 1958-59, when young people in some areas were hard hit by unemployment, and, because of shortages of capacity in the regular vocational training school system, it was considered desirable to organize beginners' courses for unemployed youth. However, in recent years young persons have represented a declining proportion of trainees in the courses sponsored by the Labor Market Board. Although 23 per cent of the males and 24 per cent of the females who began training in 1960, according to a follow-up sample survey, were under 18 years of age, the proportion of trainees in this age group had fallen to 10 per cent for males and 9 per cent for females by October, 1963.²⁰ Moreover, it will be recalled that in 1962 the lower age limit was raised to 21, although exceptions may be made for young persons who are given training allowances by the Labor Market Board to permit their attendance at government trade schools. According to a report issued in that year, the Board intended to

confine beginners' courses in the future to backward young people, since in this field the resources of the ordinary vocational training system were considered inadequate.

Sweden's policy of providing a study grant of 50 kr. a month for any student aged 16 to 18 attending its tuition-free vocational training schools and other secondary schools reduces the need for a special program of courses for unemployed young people under 18. This basic grant is available without application, but students may also apply for other study grants, while maintenance grants are available for those who must live away from home to attend school, and state scholarships as well as travel allowances are available on a means test basis for those who show aptitude for study.²¹ However, the number of young people in Sweden has been increasing quite rapidly, as a result of a relatively high birth rate during and after the war, and the number of applicants for admission to the vocational schools greatly exceeds their capacity. It was reported in 1962 that only a little over 50 per cent of the applicants could be accepted.²²

It will be recalled that in Belgium there have been provisions permitting the admission of young people aged 18 to 21 who meet stipulated conditions with respect to previous employment into the government training centers since 1961. Although I have not been able to obtain recent statistical information on the proportion of trainees in this age bracket, I have the impression it is fairly substantial. Moreover, in view of the shortage of building trades workers, the unions are exerting pressure to drop the lower age limit to 16 for this type of training. They argue that training for the building trades is not very well developed

in the technical schools and thus there is no problem of competing with them.

In Britain, the only special provision for youth in the Ministry of Labor's program takes the form of a policy inaugurated in 1960 under which the first year of apprenticeship training in certain trades is given in the Government Training Centers. The scheme aims at encouraging emphasis on basic training in the first year of apprenticeship and is considered particularly advantageous for small employers who do not have the facilities for offering such training. The apprentices to be trained under the scheme are nominated by their employers, who are responsible for paying their wages at the regular apprenticeship rate, national insurance contributions, and day-release course fees. The Ministry of Labor pays traveling expenses where these exceed 1s. 6d. a day, and provides free lodging or a lodging allowance for boys who must live away from home. It was reported in 1963 that the total number of available places for such training had increased to 800 -- limited, thus far, to certain engineering (metal) trades, radio and electronics servicing, electrical trades, and sheet and plate metal work.²³ When I visited the training center at Perivale in the outskirts of London, I was informed that the local technical school, where the boys went for their day-release training, chiefly in mathematics, had cooperated very well with the center.

Although France does not have a special program for youth, the lower age limit for admission to government training centers is 17, and, as we shall see in the next chapter, the proportion of trainees in their late teens is very substantial. The accent on youth in the French program was defended by virtually all those whom I interviewed in Paris. For one

thing the French are concerned about the "bulge" of young people currently entering the labor market and about the fact that the unemployment rates for teen-agers, though not alarmingly high, are considerably higher than for other age groups. For another, adequate training for young people is considered essential in relation to the problem of equipping the labor force to meet present and future technological changes. Moreover, there is a good deal of criticism of the technical schools in France, on the ground that they have not kept pace with technological change and do not have adequate capacity or equipment. A representative of the Force Ouvrière (one of the three major labor federations) informed me that the problem of labor force adjustment for those in the 17 to 21 age bracket is a difficult one. Many leave school at age 17 with inadequate training and do not succeed in getting very good jobs. After a few years in the labor force, they are called up for compulsory military training (in practice at age 19 years and six months). When they get out of the army, whatever skills they may have had are rusty and they are poorly equipped to re-enter the labor market.

In recognition of this problem, a program of collaboration has been developed among the ministries of the Army, Labor, and National Education. Young men are given as much training as possible while they are in the Army within the limits posed by legitimate military needs. They are also given lectures on labor market conditions, opportunities in the various trades, and means of access to information which will help them to make an informed choice with respect to their future careers. The program involves the establishment of contacts between the young men and representatives of the employment service while they are still in the

army, so that they can be promptly placed in an appropriate job or referred for training in a government center when they are discharged.²⁴

The other side of the coin is that there is not a great deal of concern over the problem of older workers in France. Although older people who lose their jobs have difficulty achieving re-employment, the numbers involved are not large, as the data in Table 5.1 suggest. Union representatives argue that the problem of unemployment among older workers would be more serious if their job security had not been protected through collective bargaining.

Retraining for Women

As our discussion of types of training has indicated, the only two countries included in this study which place substantial emphasis on retraining opportunities for women are West Germany and Sweden. There is, however, one important difference between these two countries. In West Germany, a woman would not be entitled to income maintenance during a program of retraining unless she could qualify for unemployment insurance or unemployment assistance. A married woman desiring to enter the labor force would not be eligible for unemployment insurance and could not receive unemployment assistance unless she could demonstrate need, which would be unlikely if her husband had steady full-time employment. In Sweden, however, a married woman may qualify for a full training allowance on a means test basis and may receive a reduced training allowance if her husband's income is such that she cannot qualify for the full allowance. Moreover, I have the impression that the means test is not enforced very stringently, although I did not get detailed information.

on the amounts of family income that would be associated with reductions in allowances. A representative of the local employment service who accompanied me on a visit to various training programs in Stockholm commented that "some" local offices might deduct part of the training allowance in the case of a married woman whose husband had a "sizable" income. Among married female trainees getting at least the full training allowance of 410 kr. a month with whom I had brief conversations during my visits to these Stockholm classes was one whose husband was a car salesman and another whose husband was an engineer. The engineer's wife was getting an allowance of 485 kr., which, as I recall, included an allowance for one of her children (who were aged 5 and 18) and provision for her commuting expenses. A factor in her case, which may have affected the decision to give her the full allowance plus provision for her child, was her need to have someone in the house to care for the younger child while she attended the course.

These relatively liberal policies with respect to training allowances for married women undoubtedly play an important role in explaining the fact that, with a much smaller labor force and population, Sweden has a considerably larger absolute number of women enrolled in retraining programs than West Germany. Furthermore, in the absence of the substantial increase that has occurred in the enrollment of women, who represent about 45 per cent of the trainees, it is difficult to see how Sweden could have come as near to its goal of retraining 35,000 persons a year as it has in the last year or so.

Swedish officials maintain that they will have to rely heavily on increased labor force participation of married women to achieve their

desired rate of growth in the next decade or so. Interestingly, however, the OECD Examiners who were given the task of appraising Swedish labor market policy expressed the opinion that Sweden was relying too heavily on achieving a large increase in the labor force participation rate of married women, which is already high. A few passages from their report are worth quoting in this connection:²⁵

The Swedish Long-Term Planning Commission anticipates that the national income will increase during 1960-65 by about 4 per cent per year on the assumption that the labour force will increase by 0.7 per cent (28,000 persons) and the rate of productivity by 3.3 per cent.

This forecast, however, will only hold good if gainful occupation of married women continues to increase (to 50 per cent in 1970) and if annual net immigration remains at 10,000.

Whether these hypotheses will prove correct will depend, among other things, on whether the present 45-hour week is influenced by a reduction of hours of work in E. E. C. countries. It will also depend on whether the gainfully employed housewives increasingly prefer to take up part-time (rather than full-time) work. This is the case particularly with those who have children of pre-school age, as this is the category which will be particularly affected in any further mobilisation of female labour reserves.

It is also quite possible that the number of foreign workers employed in Sweden will decline, especially if the

wage levels of other Scandinavian countries approach those of Sweden.

If Sweden wishes to increase her production on the scale required by the objectives of O.E.C.D., the Swedish labour market authorities will have to consider increasing the economically active population by a broader immigration policy than at present.

Such a step would appear reasonable, as up to now the Swedish authorities have seemed reluctant to increase the labour force through immigration from Southern European and other countries. This restrictive attitude seems, however, to be justified because during periods of recession Sweden gives the same rights to immigrant workers who have settled in the country as to Swedish workers.

And, again, in a discussion of retraining policies:²⁶

A problem for these housewives, however, is the care of their children. For even though nursery schools have been set up in some places by local authorities or employers, the vocational training may not give the gainfully employed housewife a well enough paid job to enable her to pay for the nursery school from her earnings.

The gainfully employed housewife may nevertheless contribute to a net increase of the national product.

Here, too, it is an open question, whether the increased use of foreign manpower would not provide a greater increase of the national income and cause less social inconvenience.

From a purely economic point of view, foreign manpower is preferable, if the total consumption of the immigrants is less than the consumption increase resulting from gainful employment of housewives.

In any case, significant results have been obtained by vocational training of both housewives and older women so that this category of manpower meets the requirements of the other workers as well as of the employers.

It still seems doubtful, on the other hand, if it will be possible in the near future to increase the rate of employment, as regards housewives, to 50 per cent without interfering with the freedom of workers and employers.

There are substantial differences between West Germany and Sweden in the types of training provided for women, as the following data on the percentage distribution of female trainees in various types of courses in the fiscal year 1961-62 suggest:²⁷

	<u>West Germany</u>		<u>Sweden</u>
Textile trades	19%	Clerical work	26%
White-collar work	69	Retail trade	5
Other	12	Industrial and	
	<u>100</u>	technical	
		occupations	5
Total number	2,116	Domestic services,	
		catering, etc.	5
		Nursing	43
		Enterprise train-	
		ing	9
		Regular schools	
		of vocational	
		training	7
			<u>100</u>
		Total number	7,282

In West Germany the training provided is overwhelmingly in the field of white-collar work, i.e., for the most part, office and sales work. The number trained for the textile trades makes up an appreciable part of the remainder, while a miscellaneous group is trained for service occupations, probably consisting chiefly of hotel and restaurant work and of private household work, judging from more detailed data available for 1956-57.²⁸

In Sweden, training for clerical and sales work is relatively less important (though the numbers involved are substantial), while more than two-fifths of the trainees were enrolled in nursing courses in 1961-62. It would appear, however, that the 2,900 women who enrolled in training courses for home samaritan work -- already discussed in the section on older workers -- are included among the 3,147 who were receiving training in nursing. But efforts were being made to expand nursing training of other types. The Board of Health, the National Labor Market Board, and the Board of Vocational Training were cooperating in arranging courses designed to relieve trained nurses of some of their duties by training women to become specialists in such fields as x-ray work, radiotherapy, and operation assistants. Moreover, training capacity for hospital laboratorians had been expanded from 100 to 600 students annually, while refresher courses were being offered for women returning to nursing after some years of household work, as well as courses for clerical workers aimed at relieving trained nurses of office work. There is a problem, however, in connection with the referral of a married woman for training in regular nursing work, over her eligibility to receive a training allowance for the requisite period. Although, in general, there is no limit

to the length of time a person may receive a training allowance, under a strict interpretation of the law a married woman desiring to re-enter the labor force is not considered involuntarily unemployed. Local offices stretch the law to provide training allowances for married women in this situation, but some of them, apparently, would hesitate to permit them to receive training allowances for a two-year program of training in a nursing school. Even for a divorced woman, I was told, there would be some question about her right to receive a training allowance for such a program.²⁹

If the legal situation with respect to the rights of married women and divorcees to receive training allowances is somewhat cloudy, Swedish policies tend to provide ample encouragement for such groups as widows and unmarried mothers to receive training in order to improve their earning capacity. One of the trainees whom I had a chance to interview (through an interpreter) in Stockholm was an unmarried mother aged 19 who was enrolled in a course for key punchers, which, incidentally, had an upper age limit of 35 (contrary to the normal Swedish policy of avoiding upper age limits), on the ground that experience had shown that older women made relatively inferior progress in this type of training. This unmarried mother had been earning 650 kr. a month as a messenger girl in an insurance company but had been advised by the counselor assigned to her through Sweden's social service system to undertake a training program so that she could qualify for a higher paid job. Her total income during training was 647 kr. a month -- almost what she had been earning -- which consisted of her own training allowance, an allowance for her child, and a rent allowance. She received only part

of the usual rent allowance because she was living with her parents. Even so, her "take-home" pay was actually higher than when she had been working, since her allowances were tax-free. When she completed the course, she would qualify for a key puncher's entry wage of 883 kr. a month (about \$177) and would be placed without any difficulty.

A woman entitled to a full widow's pension of 3,325 kr. a year or 277 kr. a month -- payable without a means test to a widow with children under 16 or to a widow aged 50 or more at the time of her husband's death -- would also receive a reduced training allowance of 135 kr., or possibly more, depending on her circumstances. Each of her children under 16 years of age would receive a child's pension of 1,000 kr. a year.³⁰

One Swedish official with whom I was discussing the question of retraining opportunities for women expressed the opinion that they were much more likely to be emphasized in the Protestant countries than in the Catholic countries of Europe, where the labor force participation of women continued to be viewed with disfavor. His explanation certainly seems relevant in the cases of Belgium, Italy, and The Netherlands (though Protestants and Catholics both wield an important influence in Dutch affairs), but it hardly fits the case of England, and some of my French interviewees vigorously denied that it was relevant in the case of France, where the proportion of women in the labor force has tended to be relatively high.

In Britain the Ministry of Labor has taken the attitude that it is much more important to retrain redundant men than married women. (It will be recalled that in 1962, when the Ministry began to be concerned

about the problem of redundancy, the training allowance for men was raised, while that for women was left unchanged.) When I asked whether structural changes in employment were not resulting in a greatly increased demand for office workers, and perhaps associated shortages of female clerical workers, I was told that there was no shortage of clerical workers except in London, and that it was difficult to get clerical work in the provinces.

The National Economic Development Council takes a rather different view of the question of retraining opportunities for women, as indicated in its report on Conditions Favourable to Faster Growth:³¹

The Ministry of Labour might also review the training courses offered at G. T. Cs. with the object of giving training opportunities to men and women in a wider range of occupations. This might suggest the need for a range of short courses aimed at training in the operation of particular machines or processes in addition to the normal six months' courses and possibly for even longer courses in certain highly technical trades in co-operation with firms which have specialised experience of the kind required. In areas of labour shortage the provision of short introductory courses for married women with little or no previous industrial experience might help to reduce employers' difficulties in employing them and refresher courses for married women with previous training and experience who wish to return to work might also provide a valuable addition to the labour force. An extension of the courses

offered at G. T. Cs. and the broadening of the categories of persons eligible for them could not be undertaken without the goodwill of the unions and employers in the industries concerned. A more rapidly growing economy, however, should provide the context for the necessary changes of attitudes.

In France, on the other hand, the Commissariat du Plan does not appear to be prepared as yet to push for a substantial expansion of retraining opportunities for women, even though it is exerting pressure toward an increase in the capacity of the government training centers and in the scope of the program of subsidized training in industry. The report of the Commission de la Main-d'Oeuvre on the Fourth Plan (for the period 1962-65) included the following interesting passage:³²

Without doubt the employment and promotion of women meet difficulties, and all the more so because the problem has not been studied in its entirety. A priori, it seems abnormal that there is a scarcity of technicians, engineers, and skilled personnel, while so many young girls cannot find careers where the facts, however, show that women can succeed.

Opinion still remains more or less consciously reserved and hostile to the entry of women into certain careers of a sort in which even females holding diplomas are badly utilized, which can discourage future generations and divert young women from interest in the same paths.

The Commission has considered it necessary to examine the entire question in a profound manner; a study will certainly be undertaken to ascertain the positive results obtained in

certain enterprises: to encourage the desires and aspirations of young women, to draw the attention of employers to the possibility of hiring women and young girls.

The Commission has not been able to study this problem in the course of its work. But a study group will be formed in the weeks to come, which will be charged with the study of these questions.

A member of the staff of the Commissariat du Plan informed me that he thought there was little likelihood of an increase in emphasis on retraining for women in the near future, although it might come in five or six years, when the "bulge" of young people had tapered off. He said there was no disposition to allocate scarce resources to the training of women in France at a time of growing concern over the inadequacy of training facilities for men. In the technical colleges, as well as in the government training centers, there is an acute shortage of capacity, and preference in admission tends to be given to boys. Parents of girls, he maintained, would be embarrassed to fight this tendency. He disputed the view that differences in French and Swedish policy were to be explained on a Catholic versus Protestant basis and pointed out that, since the labor force participation rate of French women was among the highest in Europe, there was no feeling of urgency about encouraging an increase in the proportion of women in the labor force.

A number of my interviewees informed me that many entrepreneurs do not want to hire women and/or to provide training for them. M. Simon, Director-General of ANIFRMO, also indicated that there was some union opposition within ANIFRMO's various advisory committees to expanding

retraining facilities for women. I should surmise, also, that the manner in which France's system of advisory committees is structured militates against pressure toward encouraging training for women. Although the board of directors of ANIFRMO includes representatives of the general employer and labor federations, representation on the more specialized advisory committees and the local advisory bodies appears to be largely confined to representatives of the particular industries and trades in which training is being provided.

Among French union representatives whom I interviewed, I found differences in attitudes toward the issue of retraining opportunities for women. Although one might expect unfavorable attitudes toward the interests of women in the labor force to be centered in the Christian trade union federation, it was a representative of the Force Ouvrière who expressed the opinion to me that married women tended to work only when it was a matter of economic necessity and that the unions had vigorously supported the family allowance system in France, which was aimed at least in part at making it economically feasible for working class women to stay at home with their children. Interestingly, in this connection, a recent study of the position of women in French society indicated that male opposition to the employment of women was more pronounced in the working class than in the lower middle or well-to-do classes.³³

To the extent that there are retraining opportunities for women in France, they are chiefly in the clothing industry and in office work. Although the custom-made (couturière) industry is declining in France, the ready-to-wear industry is expanding, particularly in Provence, where,

according to union officials, there is a tendency for employers to hire untrained women at low wages outside the union contract for the first four or five months and provide some training in the shop.³⁴ With respect to office work, a major obstacle to the expansion of retraining programs, also found in other countries to some extent, is the insistence of the Ministry of Education that training for clerical positions be carried on in the regular commercial schools which are under its jurisdiction, rather than under the programs of the Ministry of Labor and Social Security.³⁵

If retraining opportunities for clerical workers are not viewed as a critical need in England, France, and some of the other countries I visited, the explanation seems to lie partly in the fact that the demand for clerical workers has not expanded nearly as much as in this country. I am not certain about the situation in industrial firms, but it comes as something of a surprise to an American visiting government offices in Europe that even fairly top officials have to get along without their own secretaries.

This raises a broader point bearing on the concern over increasing productivity in Europe. Outside of Sweden, and perhaps to some extent West Germany, among the countries I visited, the goal of increasing productivity appears to be rather narrowly conceived as a problem of increasing output per manhour in manufacturing, construction, and to some extent in transportation and distribution activities. As per capita income rises, the allocation of funds to provide adequate secretarial services for harried officials may eventually come to be viewed as a legitimate part of a program of increasing national output per man-hour.

Disabled Workers

The question of the relationship of retraining for disabled workers to retraining provisions for the unemployed is one with which I have concerned myself in this study. In a number of European countries, however, public policies relating to the rehabilitation and re-employment of the disabled include such varied facets as the maintenance of an official register for the disabled, laws requiring firms to employ a given quota of disabled persons, invalidity insurance schemes with considerably less restrictive eligibility conditions than under our federal OASDI system, and extensive sheltered workshop programs. Since it would be impossible to do justice to these questions within the time-period available for completion of this report, I plan to include a section on disabled workers in my supplementary report.

Other Special Groups

Foreign workers. Most of the countries included in this study permit the enrollment of foreign workers in retraining programs under specified conditions. Moreover, liberalization of provisions relating to the immigration of foreign workers, and the extension of social security and other rights to such workers, are among the goals of the European Economic Community, to be considered in Chapter 9.

In France, for example, the number of aliens admitted to government training centers varies according to the labor market situation and the availability of French applicants for admission to training for various occupations. The total number of aliens being trained at any given time may not exceed 10 per cent of all trainees in the centers.

Aliens are subject to the same selection standards as French applicants and also must have an adequate knowledge of the French language. Preference is given to young aliens residing in France or having family ties with French nationals.³⁶ Moreover, the French Government has entered into arrangements with underdeveloped countries, particularly former French colonies in Africa, under which nationals of those countries are brought to France for training in the government centers.

The governments of West Germany and The Netherlands have been involved in agreements with the Italian government in the last few years under which Italian workers recruited for emigration to these two countries are given an initial period of training in Italy followed by employer-sponsored training in the country of immigration. This type of arrangement is partially financed by the Common Market Social Fund and will be considered in more detail in Chapter 9.

In Sweden, there are no restrictions on the immigration of workers from other Scandinavian countries, and such workers are eligible for government retraining programs if they reside in Sweden. Other aliens may be admitted to vocational training courses for adults if they have had steady employment in Sweden for at least six months and otherwise meet the usual eligibility conditions.³⁷

Minority groups. Although the problem of minority groups assumes much smaller dimensions in Western Europe than in the United States, it is not altogether absent. The visitor is perhaps most aware of the problem in England, where Negroes from the West Indies and Africa now occupy many of the less skilled jobs. Unemployed Negroes are admitted to government training centers in Britain, provided they are accepted by

the advisory committees for their trades and meet other selection standards. I observed a number of Negroes among the trainees at the training center in Perivale on the outskirts of London, but, interestingly, nearly all of them were in a single class which was being trained for wood machinery work. I was told that the admission standards for this class would require some knowledge of mathematics but were considerably easier to meet than for certain other types of training, such as instrument making or radio and television repair. The concentration of Negroes in this class may have been explained by these easier admission standards, but a more liberal policy toward admission to training on the part of the advisory committee concerned probably also played a role. The manager of the center informed me that the Negroes in this class were likely to be placed eventually, but that it would take longer than in the case of Caucasian trainees and that some employers discriminated against Negroes.

During the early 1950's large numbers of young North Africans came to France in search of employment, and there was a substantial problem of unemployment among them, apparently in large part because of their lack of vocational training and ability. In 1952 it was estimated that there were about 230,000 of these North Africans in the country, of whom 130,000 were unemployed. As in the case of many streams of migration of this type, the gross movement to and from France was much larger than the net movement. Many of those who could not find jobs in France became discouraged and returned to North Africa.

Numerous steps were taken by public and private agencies in France to meet this situation. From 1949 on, government responsibility toward

the North African immigrants was centered in the Ministry of Interior, which developed reception centers, vocational guidance services, provisions for the repatriation of unsuitable applicants for work, and vocational training centers. These centers, so far as I have been able to determine, were administered separately from those under the auspices of the Ministry of Labor and Social Security. In 1952, there were 76 such centers, offering 146 courses, and attendance was increasing rapidly.

Repatriates. Rather different was the problem facing France when the Algerian war came to a close, and approximately 700,000 French colons were repatriated from North Africa during the year 1962. Although a large proportion of them consisted of children, wives, and older persons who were not in the labor force, the number of repatriated jobseekers registered with the French public employment service reached a peak of 74,000 on December 1, 1962.

French efforts to bring about the employment of these repatriates centered around intensified placement activity, although I have been informed that retraining opportunities were provided for some of them and that upper age limits on admission to the government training centers were ignored in some of these cases. Although Ministry of Labor officials were somewhat disappointed at the slowness with which the repatriates were placed -- only 30,000 had been placed by the end of March 1963, at a time when industrial establishments were reporting large numbers of
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 job vacancies -- by the end of 1963 most of the repatriates had found employment. However, the experience convinced French labor market officials that intensified efforts needed to be made to bring about more effective matching of job offers and jobseekers. When I was in Paris

early in 1964 a plan was being considered under which each local employment office would notify the Paris office within 24 hours of any unfilled job vacancies. All the information included in such notices would be entered on punch cards. Information on registered jobseekers in all parts of the country would be similarly coded and entered on punch cards in Paris. In this way jobseekers who were qualified for the job openings could be identified by computer. Since the job openings and jobseekers might be widely separated geographically, the proposal also called for providing travel expenses for up to two round trips by unemployed workers, to permit them to investigate job openings in other parts of the country, as well as relocation expenses for those who moved. As will be seen in Chapter 8, relocation allowances in France have been limited to workers moving out of areas of higher unemployment. A special study of these proposals was being made by a regional inspector from Marseilles who had had unusual success in placing repatriates.³⁹

Another country which has had success in absorbing a large number of repatriates into her economy is The Netherlands. However, the stream of repatriates from Indonesia was not as heavily concentrated in a single year as was the flow of repatriates from Algeria to France. Nevertheless, a substantial effort was made in The Netherlands, particularly in the late forties and early fifties, to provide retraining opportunities and effective placement services for the repatriates.

Footnotes to Chapter 5

1. Cf. E. Kalachek and R. Westebbe, "Rates of Unemployment in Great Britain and the United States, 1950-1960," Review of Economics and Statistics, XLIII (November, 1961), 340-350.
2. Manpower Research and Training, A Report by the Secretary of Labor, Transmitted to the Congress March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), p. 19.
3. Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for European Economic Cooperation (Paris: 1960), pp. 174 and 176.
4. Contributions were suspended from August 1 to December 31, 1961, for example. See Industry and Labour, XXVI (December 1 and 15, 1961), 414.
5. Because of the difficulty of completing this report within the time-period available, I have omitted a section on financing of retraining programs which I had planned to include. The most typical financing arrangement appears to be one in which retraining is financed partly through unemployment insurance funds and partly through general revenues. West Germany is, so far as I know, the only country which relies entirely on unemployment insurance contributions (except to the extent that trainees are being supported through unemployment assistance), while both France and Sweden rely entirely on general revenues. The absence of a public unemployment insurance system in France, as suggested in the text, and the fact that the unemployment system in Sweden is a quasi-voluntary system administered by the trade unions appear to explain the reliance on general revenues in these two countries.

6. All the expected placement rates cited for these West Berlin courses were estimated on the basis of previous experience with similar groups, and the base for the percentage was the total number starting the course, including those who later dropped out.

7. Victor Martin, "Les centres spéciaux d'observation et de sélection professionnelle," reprinted from Revue du Travail (October, 1963), p. 4.

8. Ibid., p. 7.

9. Interview with M. J. Deroo, August 1963.

10. For more extended discussion of these provisions, see my paper on "National Retirement Policies and the Displaced Older Worker," to be published in the proceedings of the Sixth International Congress of Gerontology, Copenhagen, August 1963. See also my article on "U.S. Welfare Policies in Perspective," Industrial Relations, II (February, 1963), 33-61.

11. La Politique de l'Emploi, Ministry of Employment and Labor (Brussels: n.d.), pp. 33-35.

12. Rapport Annuel, 1962, National Office of Employment (Brussels: 1963), pp. 34-35.

13. Richtlinien zur Förderung der Arbeitsaufnahme vom 7 Juni 1963, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: 1963), especially pp. 11-12.

14. Industry and Labour, XVII (June 1, 1957), 443-44.

15. See Bruno Lesbo, "Formazione professionale: una politica per il mezzogiorno," Qualificazione: Rivista dell'INAPLI, January-February, 1963, pp. 27-42.

16. Reply to Questionnaire MO(63)17, Italy, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 6.

17. Cf. Vera Lutz, Italy: A Study in Economic Development (London, New York, and Toronto: Oxford University Press, 1962), p. 240.

18. Industry and Labour, XXII (November 15, 1959), 336-338.

19. According to Signor Aldo Pallavicino, Director of INAPLI, the so-called extra-scholastic and special training courses for youth are intended for young people who have reached the age of 14 and cannot afford a regular school. See his article, "Esperienze italiane in materia di formazione professionale dei lavoratori," in Qualificazione: Rivista dell'INAPLI, July-August, 1963, pp. 29-34.

20. Undersökning Rörande Personer som Under År 1960 Påbörjade Yrkesutbildning för Arbetslösa, Arbetsmarknadsstatistik, No. 2B, 1964, Royal Labor Market Board (Stockholm), p. 6.

21. Social Benefits in Sweden, published by the Swedish Institute and other cooperating organizations (Stockholm: 1962), pp. 5-7.

22. Tore Hessler, Survey of the Swedish Vocational School System, The Swedish Institute (Stockholm: 1962), p. 1.

23. See Reply to Questionnaire MO(63)17, United Kingdom, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1963, mimeographed), p. 8, and Ministry of Labour Gazette, LXXI (November, 1963), 435.

24. "Les aspects nouveaux de la politique de l'emploi," Revue française du Travail, XVII (April-June, 1963), 16.

25. Labour Market Policy in Sweden, OECD Review of Manpower and

Social Policies, Organization for Economic Cooperation and Development (Paris: 1963), pp. 52-53.

26. Ibid., p. 56.

27. West German data were supplied by the Federal Institution for Labor Placement and Unemployment Insurance, Nuremberg; Swedish data are from Ingeborg Jönsson, Vocational Training of Middle-Aged Female Labour, National Labor Market Board (Stockholm: 1962, mimeographed), p. 6. The German data relate to those who completed training, whereas the Swedish data relate to those who started training during the year.

28. Accelerated Vocational Training..., p. 192. See, also, Table 4.1, which does not, however, provide a breakdown by sex.

29. The question of the legal eligibility of married women desiring to re-enter the labor force for a training allowance was discussed in a conversation with Bertil Olsson, Director-General of the National Labor Market Board, while the problem of providing married and divorced women training allowances for a lengthy period of nursing training came up in discussions with a representative of the Stockholm local employment service in the course of my visits to training classes in Stockholm.

30. See Social Benefits in Sweden, pp. 41-42.

31. Conditions Favourable to Faster Growth, National Economic Development Council (London: H.M. Stationery Office, 1963), p. 8.

32. Rapport général de la Commission de la Main-d'Oeuvre, Quatrième Plan de développement économique et social (1962-1965), Commissariat Général du Plan d'Équipement et de la Productivité (Paris: Imprimerie Nationale, 1961), p. 28.

33. "The Position of Women in French Society: A Psycho-sociological Survey," International Labour Review, LXXXIX (May, 1964), 509-514 (a summary of a study conducted by Marie-José and Paul-Henry Chombart de Lauwe and others at the Centre national de la recherche scientifique, Paris).

34. Interview with Mme. Troisgros and other officials of the Christian Federation of Trade Unions, January 1964.

35. This point was made by Madame A. Jouhaux, Director of the Paris branch office of the ILO, in discussions I had with her on the position of women in the French labor market.

36. Industry and Labour, XIII (March 15, 1955), 269-270.

37. Swedish Labour Market Policy, National Labor Market Board (Stockholm: 1962, mimeographed), p. 14.

38. "Les aspects nouveaux de la politique de l'emploi," p. 17.

39. This information was supplied by Mr. Heater, Labor Attaché, U.S. Embassy, Paris, in an interview with my husband in January 1964.

Chapter 6

Results of Retraining

The wealth of statistics that has already poured out of the U.S. Department of Labor on the characteristics of trainees and other aspects of our MDTA program must astonish officials in European ministries of labor, whose budgets for data collection are obviously extremely limited. I should hazard a guess, also, that more research on retraining has been initiated under our ARA and MDTA programs than has been conducted in all of Western Europe in the entire postwar period.

When I asked for data on numbers of trainees and occupations for which they had been trained, I was in some cases supplied with a table which had been typed out for me by a clerk, and in one case I was given a lengthy table which had been carefully copied out by hand. It proved impossible, anywhere, to get statistical data on the characteristics of persons who applied for retraining but, for one reason or another, were not admitted, and most of the available statistics on characteristics of trainees are based, not on routine administrative data collection, but on follow-up surveys.

Despite these difficulties, most countries were able to supply some information on placement rates, and the majority of countries included in this study have conducted follow-up surveys which shed a good deal of light on the characteristics of trainees and on the proportion employed in the occupations for which they were trained a year or so after the completion of training. The fact that member countries may be reimbursed through the Common Market Social Fund for 50 per cent of

the costs of retraining unemployed workers, on the basis of the number employed in the occupation for which they were trained at least six months during the year following completion of training, has forced the Common Market countries to develop procedures for contacting ex-trainees a year after they complete their training, as has been suggested in earlier chapters.

Placement Rates

Placement rates for persons completing training tend to be very high -- of the order of 90 to 100 per cent -- in Belgium, France, The Netherlands, and the United Kingdom, where the labor market is tight, trainees are chiefly relatively young males, and selection standards are high, or, as in Belgium, unqualified trainees are weeded out in the first few weeks. Even in these countries, however, placement rates vary with the degree of shortage of particular skills and with the state of the labor market in various parts of the country.

It is important to recognize, moreover, that data on placement rates are not precisely comparable because of differences in methods of compiling them. In most countries, I was not able to learn exactly what time period following completion of training was used in determining placement rates, although a few countries were quite precise about this. Another complication in the interpretation of placement rates revolves around the practice of providing retraining for building trades workers during the winter, when construction work is slack. Some of these workers simply return to their former employers when construction activity increases at the end of the winter, while the rest tend to be

placed with ease because of the seasonal pickup, and it may be surmised that most of them would have been hired regardless of whether or not they had been enrolled in a retraining program. In Belgium, I found that employers in the construction industry sometimes released their workers for a few weeks of training when building activity was slack, called them back to work when business picked up, and perhaps released them for some more retraining several weeks later. Thus, in comparing placement rates from country to country, it is important to keep in mind the fact that, the larger the proportion of trainees enrolled in building trades courses, the more important the role of the seasonal pick-up factor is likely to be in determining placement rates.

In France I was told that 95 per cent of those completing training in the government training centers were placed within 15 days following the completion of training. In Britain, the overall placement rate was reported to be about per cent, but Ministry of Labor officials indicated that it varied with the degree of tightness of the labor market in various occupations and in various parts of the country.

In West Germany and Sweden, where the range of occupations for which training is provided is wider, and special efforts are made to provide training for older persons, placement rates tend to be lower. In neither of these countries, moreover, does training for the building trades play anything like the predominant role that it plays in Belgium, France, and The Netherlands. The overall placement rate in Sweden is about 80 per cent, and in West Germany it was reported in the late fifties to be about 80-90 per cent,¹ but in both countries rates vary for different types of trainees. The very low expected placement rates

for certain groups of predominantly older trainees in West Berlin were discussed in the previous chapter.

In the United States, with its higher unemployment rate, 70 per cent of those who completed training under the MDTA program during 1963 were reported to be employed by the end of the year -- 88 per cent of them in training-related jobs.² Since this is an average figure for all those completing training in the course of the year, it is not precisely comparable with some of the rates cited above for European countries, particularly that for France, where the rate was reported to apply to placement within 15 days of completion of training.

Not all placements occur through the public employment service, but the effectiveness of the public employment service is likely to be a factor in placement success. This is probably less true, however, in tight labor markets, where those trained for shortage occupations tend to find jobs with ease almost regardless of the placement efforts of the public employment offices.

Nevertheless, I was impressed by the many indications that efforts directed toward the placement of trainees are initiated in a number of countries well before the completion of training. In France, employer representatives on the advisory committees in the various départements are reported to visit the training centers at frequent intervals and often hire the trainees for their own firms or facilitate their placement with fellow employers.³ In West Germany, placement efforts begin during the second half of the training period. Employers are given an opportunity to visit the courses and to observe the performance of the trainees. Similarly, in England, the manager of the training center which I visited

at Perivale informed me that he attaches great importance to his efforts to encourage employers to visit the center and observe the performance of trainees shortly before they have completed training. He commented that employers have tended to assume that the training provided in the government centers was inferior to that provided in industry, but that frequently these prejudices vanished when they were given an opportunity to observe the work of the trainees.

In The Netherlands, also, efforts are made to contact employers several weeks before a trainee leaves the center. Not only is the gap between completion of training and employment reduced to a minimum as a result of this procedure, but, it is argued, if the trainee knows where he is to be employed well in advance, he is able to prepare himself mentally for his new job. Older trainees, especially, seem to encounter fewer difficulties in adjusting to the job if they "have previously been given the opportunity of getting acquainted with the sphere and customs of the new surroundings."⁴

Drop-outs

Everywhere there is a certain amount of attrition through drop-outs, although information for some countries is scanty. A follow-up study in Ghent indicated that 25 per cent of those who had been enrolled in courses in that city from 1952 to 1958 had dropped out before completion of the course.⁵ In The Netherlands, annual data on drop-out rates have been compiled, indicating that they have varied somewhat from year to year, ranging from a low of about 15 per cent to a high of 34 per cent in the period from 1947 to 1956.⁶ Financial reasons, including

the opportunity to take a job at an attractive wage, account for a substantial proportion of drop-outs.⁷ When I was in The Hague in the summer of 1963, I was informed that a good many men dropped out of building trades courses to take advantage of "black wages" in the construction industry.

In Sweden, a follow-up survey of those who started training in 1960 indicated that 30 per cent of the men and about 15-16 per cent of the women had dropped out before completion of the course. The fact that the duration of the training period tended to be considerably longer for the men than for the women was regarded as an important factor in explaining this difference.⁸ Interestingly, an analysis of drop-outs in the United States in the third quarter of 1963 also revealed a higher rate for men (25 per cent) than for women (20 per cent). The fact that a substantially higher proportion of the men than of the women gave financial reasons for dropping out was regarded as being explained, in large part, by the fact that the men were more likely to have family responsibilities. The women were somewhat more likely to mention lack of progress, illness, or family problems as reasons for dropping out.⁹

As suggested in Chapter 4, increases in training allowances in various countries have been aimed partly at discouraging dropping out before the completion of training. I have not, however, been able to obtain sufficiently detailed data to determine whether recent increases which have significantly affected relationships between training allowances and wage rates in a number of countries have had any effect on drop-out rates.

Follow-up Surveys

Of special interest are the results of follow-up surveys which have been conducted in certain countries, though the results are not precisely comparable because of various differences in methodology, particularly with respect to the time-lag between completion of training and the date of the survey. Even so, the information on subsequent employment experience of trainees seems generally consistent from country to country.

Apart from yielding data on subsequent employment experience, most of the available statistical data on characteristics of trainees stem from these follow-up surveys, as already suggested. Let us turn first to this aspect of the survey data.

Characteristics of trainees. Judging from the results of follow-up surveys and other sources of information, the accent on youth is most pronounced in the French retraining program. It seems likely, also, on the basis of what has been said about the predominant importance of the training program for young persons in Italy, that the age distribution of all trainees in ministry of labor programs is at least as youthful in Italy as in France, but I have not been able to obtain statistical data on the age distribution of Italian trainees, and it must be remembered that the so-called courses for young persons in Italy are not confined to teen-agers.

A study conducted in 1958 by the Centre d'Études et Recherches Psychotechniques in Paris obtained information (chiefly through interviews, but partly through mailed questionnaires) on a random sample of approximately 1,500 trainees who completed training in the government

training centers in France between the middle of 1954 and the middle of 1955. The results indicated that the 1954 age of nearly three-fifths of these trainees was less than 20, while 28 per cent were aged 20 to 27. Only 12 per cent were in the age bracket 28 to 35 and only one per cent over 35. Moreover, almost all of the trainees were unmarried, which would tend to confirm the skepticism on the part of union officials, cited earlier, about the ability of married men to support their families on the training allowances.¹⁰ It should be recognized, however, that government policies have changed somewhat since 1954-55, and it may well be that the proportion of teen-agers is somewhat lower and the proportion of married men somewhat higher at present than indicated by this survey. It will be recalled that the lower age limit for the "second degree" training programs is 21, and that training allowances for those who can qualify for private unemployment insurance, as well as for those enrolled in second degree programs, are higher relative to wages than the allowances available in 1954-55. I was informed by a representative of the Force Ouvrière, which recently published a report on vocational training in France, that the average age of trainees in the government centers was about 24.

The Versichelen study of 41 trainees enrolled in courses in the city of Ghent in the fall of 1959 indicated that all were men and that only seven per cent were less than 21 years of age, while nearly half were aged 21 to 30. Most of the rest were in their thirties, but 15 per cent of the trainees were over 40 years of age.¹¹ Here again, however, policies have changed in a number of respects since 1959, and there are now special provisions relating to those aged 18 to 21 in Belgium, as we

have seen. I should judge from my observations and from what I was told about the age of trainees in the training centers that I visited in Belgium that the proportion of trainees under age 21 would now be somewhat higher than that suggested by the Ghent sample. On the other hand, many of the women enrolled in a course of stenographers in Brussels appeared to be around age 35 or older, while the age distribution of trainees in the new special centers for observation and selection appears to be somewhat higher than in the regular training centers, as indicated in the previous chapter.

In the early 1950's Dutch trainees were predominantly youthful. Among those who completed training in 1953, for example, 73 per cent were less than 30 years of age.¹² More recent information indicates that the average age of Dutch trainees is about 28 1/2 years.¹³

As suggested in the previous chapter, there has been increased emphasis on retraining opportunities for older persons in Sweden in recent years and a tendency to confine training for youth in courses sponsored by the Ministry of Labor to backward young persons. These policy changes are reflected in a gradual upward shift of the age distribution of Swedish trainees, as indicated by data for 1960 to 1962:¹⁴

Age in years	1960		1961 (May)	1962 (May)
	Men	Women	Both Sexes	
Under 18	22.9	23.9	20.2	16.5
18 to 21	19.0	22.8	20.1	19.9
22 to 34	34.5	22.9	29.9	30.0
35 to 44	16.0	20.9	17.9	18.7
45 or more	7.6	9.5	11.9	14.9

Occupation before training. Interesting relationships between the occupations of trainees before they enrolled in training programs and the occupations for which they were trained are provided by the results of follow-up surveys and other sources of information.

The Versichelen study in Ghent indicated that about three-fourths of the trainees were being trained in occupations they had practiced before.¹⁵ More detailed data from the French 1958 survey indicate that those who entered training for cement work, bricklaying, etc. were predominantly from the building trades, agriculture, and the unemployed (Table 6.1). According to the Director of ANIFRMO, those with backgrounds in the building trades are chiefly laborers wanting to upgrade themselves. Those who undertook training in the so-called second level building trades included a somewhat larger proportion from miscellaneous occupations and from apprenticeship centers or schools than did those training for the less skilled building trades. The majority of those undertaking training in the metal trades, on the other hand, had come from industrial or miscellaneous occupations, and the percentage from apprenticeship centers or schools was higher than for other trainees.

French policies are deliberately designed to encourage persons leaving agriculture to enter training for the building trades. As the Director-General of ANIFRMO put it to me, agriculture is the main source of dégagement (movement out of an industry), but those with agricultural backgrounds are regarded as unqualified for training in the metal trades and as suited, rather, for training in such occupations as bricklaying and cement work. Training centers for the building trades are located throughout the country in every département, so as to be accessible to

(To follow p. VI-10)

Table 6.1

Vocational Origin of FPA Trainees, by Groups of Courses in Which They Received Training, France, 1954-55

Groups of courses	Vocational Origin of FPA Trainees ^b					Did Not Work		
	Occupational Sectors							
	Agriculture	Building	Industry	Miscellaneous	Unemployed or sick	School or center	Other	
Cement work	27%	42%	5%	7%	13%	2%	4%	
Concrete, brick-laying, plastering	17	31	11	14	20	5	2	
Second level building trades	16	22	12	18	21	9	2	
Metal trades	10	4	33	22	14	13	4	
Total ^a	19	28	12	14	18	6	3	

SOURCE: Jean Grisez, "La situation professionnelle des anciens stagiaires F.P.A.," reprinted from Revue française du Travail, January-March, 1960, p. 12. As indicated in the text, the survey was conducted in 1958 and included a random sample of persons who completed training in the French government training centers in 1954-55.

^aThe sample included 1,472 trainees, of whom 119 could not be located or had died. The number of respondents in the various groups of courses (i.e., the base for the percentages in the various rows) was as follows: cement work, 223; concrete, bricklaying, and plastering, 372; second level building trades, 446; and metal trades, 431.

^bAs explained in the text of the report, the data on vocational origin of trainees refer to the occupation in which they were employed or the type of activity in which they were engaged just previous to their application for training.

those living in rural villages who would like to get out of agriculture and into another occupation. Metal trades centers, however, are more likely to be located in or near cities producing metal products, while second degree training, as we have seen, tends to be concentrated in relatively few centers.

Dutch policies with respect to the location of training centers are very similar to those in France, and there is similar emphasis on encouraging persons moving out of agriculture to train for the building trades. Fifteen per cent of those completing training in The Netherlands in 1960 had previously been employed in agriculture. Dutch data on the relationship between the skill level for which workers were being trained and their previous skill levels are of interest (Table 6.2). The great majority of trainees who completed training in the government centers in 1960 had previously been employed at skill levels one to three, while all but a relatively small number were trained for skill levels four or five. Among those who were trained for level five occupations, the proportion whose previous skill level was four or higher was relatively large. Skill levels two through five are described as follows in a recent Dutch report:¹⁶

- Level two -- little initiative required; only a few weeks of training necessary; examples, delivery boy, construction helper.
- Level three -- practical experience of some months required; examples, chauffeur, spray painter.
- Level four -- quite a lot of practical experience and some theoretical understanding required; examples, baker, bricklayer, street and road work.
- Level five -- ability, experience, theoretical knowledge necessary to a greater extent than in level 4; examples, tailor, instrument maker, auto mechanic.

Table 6.2

Skill Level for Which Those Who Completed
Training Were Trained, by Previous
Skill Level, The Netherlands, 1960

Previous skill level	Skill level for which trained				Total
	3	4	5	6	
Total number	44	830	825	6	1,705
Per cent	100%	100%	100%	100%	100%
No occupation		1	3		2
1 - 2	5	40	31		35
3	79	37	28		33
4	16	16	20	17	18
5 - 6 - 7		6	18	83	12

SOURCE: Resultaten van de Vakopleiding in 1960, Ministry of Social Affairs
and Public Health (The Hague: 1963, mimeographed), p. 7.

The only other country for which I have been able to obtain statistical data on the previous occupations of trainees is Sweden (Table 6.3). As in France and The Netherlands, a significant proportion of the men had previously been employed in agriculture, while substantial percentages had been employed in industrial trades or had previously been enrolled in courses for youth. About three-tenths of the women had been enrolled in courses for youth, while significant proportions had previously been engaged in housework, service work, or office work.

Although none of the available statistical data on the occupational backgrounds of trainees are sufficiently detailed to identify persons who were previously self-employed, I was informed on my visit to the center at Charleroi in Belgium that a number of the trainees in the center were persons who had formerly been self-employed. I should suspect that the self-employed form a significant source of trainees in some other countries as well, although probably a very minor source in France because of the particularly restrictive age limits on admission to the centers. The decline in the relative importance of self-employment in Western Europe, it will be called, was discussed in Chapter 2 as a significant type of structural change in employment.

The data in Chapter 2 indicate, also, that mining is a significant source of dégagement, but we shall deal with the question of displaced miners in Chapters 8 and 9 in connection with regional economic development policies and the policies of the European Coal and Steel Community. Another industry in which there have been problems of labor displacement in a number of European countries is the textile industry, but, for the many displaced textile workers who are women, access to retraining may be

Table 6.3

Percentage Distribution of Persons Who Enrolled in Government-sponsored Training Programs in 1960, by Previous Occupational Background or Experience, Sweden

Type of Training	Men	Women
Total	1,131 ^a	1,095 ^b
Per cent	100.0	100.0
Agricultural occupations	15.4	0.3
Industrial trades	23.1	9.1
Building trades	9.1	--
Transport and storage occupations	11.9	2.2
Office workers	4.3	13.2
Service workers	1.9	14.6
Housework	--	25.5
Courses for youth	21.5	29.7
Other	12.8	5.4

SOURCE: Undersökning Rörande Personer som Under År 1960 Påbörjade Yrkesutbildning för Arbetslösa, Arbetsmarknadsstatistik, No. 2B, 1964, Royal Labor Market Board (Stockholm), p. 8.

^aTotal who responded to a sample survey conducted in September 1962; the sample included every sixth man who started training in 1960, except that, for those starting May-August, the sample included every third man.

^bTotal who responded to a sample survey conducted in September 1962; in the case of women, all who started training in 1960 were included in the survey.

limited in countries which have not emphasized retraining for women. Among the studies conducted by the Seminar for Sociology at the University of Ghent was a study of workers who had lost their jobs when a textile plant in the city had closed about the end of 1957. Some of the displaced female textile workers who were interviewed complained about the complete absence of retraining opportunities for women in Ghent at the time, although many of the older women were quite content to leave the labor force after they lost their jobs.¹⁷

Subsequent employment experience. As suggested above, data relating to the subsequent employment experience of those who completed training seem generally consistent from country to country, despite differences in the time period between the completion of training and the dates of the various follow-up surveys.

The Versichelen study carried out in Ghent in 1959 indicated that 69 per cent of all trainees who had completed training in the Ghent area during the 1945-59 period were still employed in the occupation for which they were trained, while 70 per cent of a sample of those who completed training in 1956 were so employed.¹⁸

The Grisez 1958 French survey of a sample of persons completing training in 1954-55 indicated that 365 of the 1,353 who were interviewed or returned mailed questionnaires were in military service at the time of the survey.¹⁹ For those in military service, information on their employment status and occupation just before entering military service was used as a basis for determining whether or not they were working in the occupation for which they had been trained.²⁰ It was found that, for the respondents as a whole, including those in military service at the time

of the survey, 65 per cent were employed in precisely the occupation for which they were trained, while 73 per cent were employed in that or a closely related occupation. Excluding those in military service, the corresponding proportions were 62 and 70 per cent. Reasons given for abandoning the trade for which they had been trained were, in order of importance, problems of health, low wages, unpleasant conditions of work, dismissal at the end of a building project, and advantages of another trade.²¹

The Dutch data are particularly interesting because graduates of training programs have regularly been contacted a year after completion of training, though not all can be reached. In the years from 1956 to 1962, the percentages found to be employed in the occupation for which they were trained ranged from 75 per cent in 1958 (a recession year) to 92 per cent in 1962 (a year of very low unemployment).²² It should be noted that these percentages were based on the number of persons for whom information could be obtained, excluding those who could not be located, had emigrated, or were in military service. If the percentage for those completing training in 1960 (89 per cent) is recomputed, including nonrespondents in the base and assuming that one of the nonrespondents is employed in the occupation for which he was trained, it becomes 75 per cent. However, it seems likely that some of the emigrees find employment in the occupations for which they were trained and that some of those in the military service are likely to be employed in those occupations when they are discharged. In this connection, it should be noted that if the French percentages, excluding the military, cited above are recomputed on the assumption that none of the nonrespondents was employed in the

occupation for which he was trained, it is found that 57.5 per cent were employed in precisely the occupation for which they were trained and 65 per cent in that or a closely related occupation. In comparing these percentages with the Dutch data, it must be kept in mind that the French survey was conducted in 1958, when the Dutch percentage, excluding non-respondents, was only 75 per cent, and that the French survey was conducted some three to four years after the trainees had left their training, whereas the Dutch surveys are based on a procedure in which an effort is made to contact each trainee a year after he has completed training.

In this connection, however, it is interesting to point out that the Dutch have found that any difficulties the trainees encounter in "settling down in their new trades" will "always be apparent" within six months following completion of training.²³ The French 1958 survey, however, indicated that only 22 per cent of those who had abandoned the occupation for which they had been trained had done so within the first six months, whereas almost half had not abandoned it until two years or more of employment in the occupation. Interestingly also, these percentages were very similar for the building and metal trades.²⁴

Results of a Swedish survey conducted in September 1962, which investigated the status of persons who had started their training in 1960, are not comparable with the Belgian, French, and Dutch results because those who dropped out before completion of the course are included in the computation of percentages, and data are not available which would permit adjusting the percentages. However, the Swedish Labor Market Board has also published statistics relating to the subsequent employment status of persons who completed training in the first quarter

of 1959, the first quarter of 1960, and the second quarter of 1960, but the data related to their employment status less than two months after the end of the quarter:²⁵

	May 25, 1959 (those completing training first quarter of 1959)	May 25, 1960 (those completing training first quarter of 1960)	August 25, 1960 (those completing training second quarter of 1960)
Total number	319	1,121	1,149
Per cent	100%	100%	100%
In occupation for which training	53	65	67
In allied occupa- tion	11	6	7
In different occupation	10	9	12
Seeking employment	16	4	3
Undergoing voca- tional rehabili- tation	2	2	2
Not currently seeking employment (National Services, illness, etc.)	8	14	10

The fact that the percentage seeking employment was much larger in May 1959, when Sweden was still feeling the effects of the 1958-59 recession, than it was in either May 1960 or August 1960 is an interesting aspect of these Swedish data. The September 1962 survey, mentioned above, which includes drop-outs, provides data on the percentage distribution of those who started training in 1960 according to the manner in which they spent more than half of the weeks intervening between their departure from

the course and the survey data. The results indicate that 77 per cent of the men and 70 per cent of the women spent more than half of these weeks in the labor force. Among the men, nearly nine per cent spent more than half of the time out of the labor force for miscellaneous reasons, while illness and military service accounted for the time out of the labor force for most of the others. Among the women, 13.5 per cent were engaged in household work during more than half of these weeks, while most of the others were out of the labor force more than half of the time for miscellaneous reasons or because of illness.²⁶ These results, as well as somewhat similar data relating to the distribution of weeks according to the manner in which they were spent by men and women, suggest that, where women make up a substantial proportion of all trainees, the proportion of trainees engaged in the occupation for which they were trained some time after completion of training is likely to be lower than in countries where trainees are predominantly male, because of the tendency of married women to move into and out of the labor force.

Of interest, also, are data resulting from this Swedish survey indicating that trainees of both sexes in Västerbottens and Norrbottens, areas of higher unemployment, spent a substantially larger number of weeks unemployed between the time they left training and the survey date than trainees in other parts of the country.²⁷

The French 1958 survey showed no significant age differences in the percentages employed in the occupations for which they were trained, but it must be kept in mind that only 13 per cent of the trainees were more than 27 years of age and only one per cent over 35. Dutch data for those who completed training suggest that adverse effects of age do not begin to

show up until after about age 35. The percentage of those aged 35 to 39 who were employed in the occupation for which they were trained a year after completion of training was somewhat lower (84 per cent) than the corresponding percentages for younger age groups (90 to 92 per cent). Although there were some trainees aged 40 or more, the number was not large enough to yield a reliable measure of the percentage of "success." The Dutch data also indicate that, among those who started training in 1960 but did not complete it, only 36 per cent were employed in the occupation for which they were trained, as compared with 89 per cent of those who completed their training.²⁸

Both French and Dutch follow-up surveys have indicated that the percentage employed in the occupations for which they were trained tended to be somewhat higher in the metal trades than in the building trades. This is probably largely explained by the short-term nature of many jobs in the building trades. It will be recalled that "dismissal at the end of a building project" was one of the reasons given by French respondents for abandoning the trade in which they had been trained. The French survey also showed that there was a higher rate of abandonment among those who had been employed by small building establishments, and also among building trades workers in relatively large communities, where there is likely to be a broader range of alternative job opportunities.²⁹

The similarities in the results of these follow-up surveys suggest that it may be possible eventually to develop reasonably accurate predictions with respect to the probable results of retraining in various occupations and under varying labor market conditions. However, there is a need for more systematic and regular publication of statistics relating to

the operation of retraining programs and of follow-up surveys in countries that have not attempted them. Moreover, the results could obviously be more readily compared if the various countries would agree on a standard methodology for such surveys. Such standardization is likely to develop in the Common Market countries but could also be encouraged for a larger group of countries by the OECD. There is also a need for more studies involving interviews with trainees, such as the Ghent studies, as well as with employers who have hired those who have completed training programs. And finally, there is a decided need for studies in which the subsequent employment experience of trainees is compared with the experience of control groups, consisting, for example, as in the case of Somers' studies in West Virginia, of persons who have dropped out of training or of job-seekers who have not entered training programs.³⁰ I did not come across surveys using this approach in any of the countries included in this study.

Qualitative Appraisals

Although careful evaluation of the results of retraining programs must rest, to a considerable extent, on statistical data, it is also important to take into account the opinions of informed persons such as the employer and labor representatives whom I interviewed in various countries. In general, I encountered very little criticism of the quality of the training provided through these government programs, although there was some tendency on the part of employer representatives in countries with strong apprenticeship traditions to regard the training given in government centers as inferior to training in industrial establishments. On the other

hand, the government officials responsible for retraining programs were often critical of the training offered in industry. Union representatives tended to be favorably impressed with the quality and usefulness of the programs, confining their critical comments to difficulties which they felt stood in the way of their expansion, such as inadequate appropriations or inadequate training allowances.

As suggested in Chapter 3, rarely is it claimed that those who have completed retraining programs are as well trained as persons who have gone through an apprenticeship program or a complete course of training in a technical or commercial school. On the other hand, there is widespread recognition of the fact that adults who have been accustomed to working do not require as long a period of training as the youngster entering an apprenticeship program, and in many cases the graduates of these accelerated training programs for adults can approach the skill of a more thoroughly trained worker after six months to a year on the job. Moreover, success with these accelerated programs has undoubtedly been a factor in arousing widespread criticism of policies requiring overly long apprenticeship periods and in bringing about a significant trend toward reduction in the length of apprenticeship programs and toward greater flexibility in duration according to the needs of individual trades. On the other hand, as suggested in the introduction, technological changes are leading to increasing emphasis on the need to provide young persons with more broadly based training. If retraining programs for adults have come to be recognized as a permanent instrument of labor market policy, to encourage adaptation to technological change, it is also recognized that they are no substitute for adequate training at

the start and that the retraining problems of the future will be exacerbated if young people entering the labor market now and in the near future do not have an adequate educational background.

Footnotes to Chapter 6

1. See Bertil Olsson, "Employment Policy in Sweden," International Labour Review, LXXXVII (May, 1963), 16, and Accelerated Vocational Training for Unskilled and Semi-skilled Manpower, Organization for European Economic Cooperation (Paris: 1960), p. 198.
2. Manpower Research and Training, Report of the Secretary of Labor, Transmitted to Congress March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), p. 33.
3. E. Rossignol, "The Vocational Training of Adults," reprinted from International Labour Review, October, 1957, p. 17.
4. Vocational Training for Adults in The Netherlands, Ministry of Social Affairs and Public Health (The Hague, n.d.), p. 96.
5. M. Versichelen, Onderzoek naar de Sociale en Psychologische Gevolgen van Arbeidsmutaties, Seminar for Sociology, University of Ghent (Ghent: 1961, mimeographed), pp. 8-36.
6. Accelerated Vocational Training..., p. 432.
7. Industry and Labour, V (June 1, 1951), 423-425.
8. Undersökning Rörande Personer som Under År 1960 Påbörjade Yrkesutbildning för Arbetslösa, Arbetsmarknadsstatistik, No. 2B, 1964, Royal Labour Market Board (Stockholm: 1964, mimeographed), p. 12.
9. Manpower Research and Training, p. 35.
10. Jean Grisez, "La situation professionnelle des anciens stagiaires F. P. A.," reprinted from the Revue française du Travail, January-March, 1960, p. 11.
11. Versichelen, op. cit.
12. Industry and Labour, XIV (November 1, 1955), 402-404.

13. Resultaten van de Vakopleiding in 1960, Ministry of Social Affairs and Public Health (The Hague: 1963, mimeographed), p. 4.

14. For 1960 data, see Undersökning Rörande..., p. 6. For the sampling method used in this survey, see footnotes to Table 4.2. Data for 1961 and 1962 are from Håkan E. Håkanson, Vocational Training of Unemployed Persons, National Labour Market Board (Stockholm: 1962, mimeographed), p. 12.

15. Versichelen, op. cit.

16. Resultaten van de Vakopleiding in 1960, p. 6.

17. Versichelen, op. cit.

18. Ibid., pp. 8-36.

19. Data relating to 139 persons who left military training during the course of the study indicated that those who were working in the occupation for which they were trained just before entering the service were highly likely to return to that occupation upon completion of their military training, whereas those who had not been employed in it before entering the army were unlikely to return to it afterward.

20. Ibid., p. 15.

21. Ibid., pp. 17 and 27.

22. See Resultaten van de Vakopleiding in 1960, p. 3, and Jaarverslag Rijksarbeidsbureau (Annual Report of the National Labor Bureau), 1961 and 1962 (The Hague: mimeographed).

23. Industry and Labour, XII (November 15, 1954), 466-469.

24. Grisez, op. cit., p. 25.

25. Håkanson, op. cit., p. 13.

26. Undersökning Rörande..., p. 13.

27. Ibid., p. 15.

28. In his studies of retraining in West Virginia, Professor Gerald G. Somers has found a significant decline in placement rates with advancing age and much lower placement rates for persons who dropped out before completion of training. See his paper on "Retraining: An Evaluation of Gains and Costs," to be published in the proceedings of the second annual conference held in connection with the University of California research program on Unemployment and the American Economy (see my Acknowledgments section), which was held at Boulder, Colorado, June 15-19, 1964.

29. Grisez, op. cit., pp. 28-29.

30. Somers, op. cit.

Chapter 7

Current and Future Problems

In the previous chapters we have discussed a number of factors which have played a role in the development and expansion of retraining programs, including the breadth and variety of course offerings, the adequacy of training allowances, and policies relating to training opportunities for special groups. In the present chapter, we shall consider certain other factors which have affected the numbers enrolled in retraining programs (Tables 3.1 and 3.2) and which may be expected to play a role in the future.

Inadequate Appropriations

Inadequate appropriations for retraining have held back expansion that might otherwise have occurred, particularly in France and Italy, and perhaps also to some extent in Sweden.

Whether and to what extent the problem of inadequate appropriations is likely to play a role depends at least in part on the method of financing. As suggested earlier, retraining in West Germany is financed entirely through unemployment insurance reserves, and, with very low unemployment rates in recent years, the funds available have been ample to meet the costs of retraining and other labor market adjustment policies. In fact, I was told by BAVAVG officials that there is no upper limit on the amount a local employment office might be authorized to spend in combatting a particularly difficult local unemployment situation resulting, let us say, from the closing of a plant which had played an important role in providing

jobs in the area. If the numbers enrolled in retraining courses in West Germany have fallen off sharply, it is not because of inadequate funds but because no decisive steps have been taken to adapt eligibility conditions and other provisions which were developed in a period of heavy unemployment to the changing needs of an extremely tight labor market.

The situation in France is very different. There is no public unemployment insurance system in France, and the costs of retraining programs sponsored by the Ministry of Labor and Social Security are met entirely through appropriations from general revenues. During the early years after the war, the retraining program was regarded as provisional and was aimed particularly at meeting the postwar shortage of building trades workers. About 1951, the program began to be looked upon as a permanent and important part of the campaign to increase productivity. However, appropriations fluctuated for several years until about 1955-57, when a large increase occurred, and the capacity of nonbuilding training sectors was doubled and then tripled.¹

Despite the expansion that occurred in the middle fifties and later, there is clear evidence that appropriations have been inadequate in France to provide enough training capacity for those applying for training or referred to training by the public employment service. I was informed by the Director-General of ANIFRMO early in 1964 that there were waiting periods ranging from three months to 2 1/2 years for various types of courses.

Part of the difficulty, according to a report prepared by the Force Ouvrière, is that training for the metal trades requires much more expensive equipment than training for the building trades, with the result

that the training facilities are still excessively "oriented toward building."² As indicated in Chapter 4, second degree training, in particular, tends to require very expensive equipment and has had to be concentrated in a few centers. It appears, in general, that if the French retraining program has acquired an enviable reputation for high quality, it is partly because great emphasis has been placed on providing adequate equipment for the trainees. Despite the far lower wage rates in France (which affect instructors' costs and training allowances), average costs per trainee of some 5,000 to 6,000 francs (\$1,000 to \$1,200) are not much below the average costs of \$1,200 to \$1,400 per trainee under our MDTA program.³ By comparison, BAVAVG regulations in West Germany limit costs per trainee to 1,000 DM (\$250), although this does not include the cost of the unemployment benefits received by trainees.⁴ On the assumption that expenses other than unemployment benefits represent roughly half of the costs (as under MDTA, where expenses other than training allowances represent about half), this would still mean that average costs in West Germany were less than half those in France. I should judge, however, that the 1,000 DM limitation in West Germany relates to a single course. As we have seen, individual trainees are sometimes referred to a second course, and in certain instances to a third or fourth course.

In its report on the Fourth Plan, the French Commission de la Main-d'Oeuvre pointed out that vocational reconversion and social development would be essentials in the years to come. It called for more diversified training and suggested that existing training programs in the building and metal trades would have to be adapted to meet new needs.⁵

Partly as a result of these recommendations, the Ministry of Labor and Social Security announced plans for a substantial expansion in the number and capacity of the government training centers in the summer of 1963. The present goal is an increase in the annual number trained in the centers to 45,000 by 1965.⁶ There will also be increased emphasis on the retraining and relocation of workers affected by reconversion and modernization of firms, as indicated in Chapter 4.

Closely related to the problem of inadequate appropriations are shortages of instructors and inadequate instructors' salaries. Complaints about shortages of instructors seem to be more prevalent in France and Italy than elsewhere, and union representatives in France maintain that inadequate instructors' salaries continue to be a serious deterrent to expansion of the program.⁷ Experienced skilled workers can earn more at their trades than as instructors, they maintain, with the result that the government training centers have difficulty not only in recruiting instructors but also in retaining their existing staff in the face of attractive job offers from industrial firms. In this connection, however, it is important to call attention to the fact that instructors' training is classified as second degree training in France, so that skilled workers wishing to prepare themselves to take jobs as instructors are eligible for the supplementary training allowance discussed in Chapter 4. Great emphasis has been placed, also, on providing high-quality training for instructors at the National Vocational Training Institute in Paris. Italy also maintains centers for the training of instructors, including those which were established with the cooperation of the ILO in Genoa and Naples in the early 1950's, but there have been frequent complaints that existing

centers for instructor training do not have enough capacity to take care of the need.

Narrow Skill Differentials

Skill differentials tend to be more compressed in Western Europe than in the United States with the result that the gains in earnings that can be realized through retraining are sometimes insufficient to provide an incentive to the worker considering entering a retraining program. This was mentioned as a problem by officials whom I interviewed in the British Ministry of Labor, but I suspect it is also a problem in other countries. It was impossible to undertake a careful study of comparative wage differentials within the scope of the present research project, but it seems to me that there is a need for such a study if we are to have a thorough understanding of the factors encouraging or deterring expansion of retraining programs. Such a study would obviously have to take into account, not only the wage differentials established through collective bargaining and other wage-setting procedures, but also the relative impact of the "wage drift" in various countries. Moreover, as much of my discussion of training allowances has suggested, anyone undertaking such a study should consider carefully the relationship between training allowances and potential earnings of workers at various levels of skill.

Union Restrictionism

As we found in Chapter 3, the problem of a restrictionist attitude on the part of craft unions has been a deterrent to retraining in Great Britain. There were, however, indications when I was in London late in

1963 that the union movement in Britain, particularly at the level of the Trades Union Congress, was adopting a much more constructive attitude toward expansion of retraining. Ministry of Labor officials informed me that the unpublished agreements restricting training in various trades to the disabled, or to the disabled and ex-service personnel, had in a number of cases been revised to permit retraining for the unemployed.

The change in union policies and attitudes reflects the growing concern over Britain's lagging growth and over the need to meet problems of redundancy. Union representatives on the National Economic Development Council have given their support to the expansion of the government retraining program that is currently under way and have evidently also made an effort to educate the rest of the union movement to a better understanding of the need for expansion of retraining facilities. This does not mean, however, that there may not be occasional problems with particular craft union groups, especially in the areas of higher unemployment in Northern England and Scotland.

In 1962, the Ministry of Labor decided to expand the capacity of its retraining program by increasing the total number of government training centers from 13 to 31. The decision was influenced in part by contraction in the mining and shipbuilding industries and the redundancies expected in connection with the reorganization of the British railways, but it was also strongly influenced by the need to meet shortages of skilled labor, particularly in the engineering and building trades. The plan called for locating more than half of the added capacity in Northern England and Scotland. This represented a significant change in policy, for, as we shall see in Chapter 8, throughout most of the postwar period

the Ministry of Labor had refrained from locating training centers in the areas of higher unemployment. Approximately half of the additional capacity was to be for training in the engineering and building trades, and, when the new centers were in full operation, about 10,000 persons were to be trained annually.⁸

Progress in opening the new centers was slow during 1963, but the May 1964 issue of the Ministry of Labour Gazette listed 29 that were already established or to be opened in the near future.⁹ Enrollment, which had been approximately 3,000 for a number of years, began to increase substantially in the fall of 1963 and had reached about 3,850 by March 1964.¹⁰ Since many of the courses last only about six months, this could mean that the total number completing training in 1964 (even after allowing for drop-outs) might run well above this number.

How genuine the union change in attitude has been will be tested, not only in connection with this expansion of the Ministry of Labor's retraining program, but also in relation to the operation of the Industrial Training Act, adopted early in 1964, which gives the Ministry of Labor the power to set up industrial training boards for individual industries. These boards will be given the responsibility for securing the provision of adequate training to meet training needs in their industries and will be required to raise a levy on employers to provide funds for the subsidization of training in individual firms.¹¹ One of the problems facing the Ministry of Labor in connection with the administration of this act will be to determine just how narrowly or broadly the individual industries will be defined. Broad definitions would help to break down the control of narrow craft unions over apprenticeship agreements, but experts on

apprenticeship problems in Britain are not overly optimistic about this prospect.

Presumably a recession, bringing on higher unemployment rates than those that have generally prevailed in recent years, could mean a sharp set-back with respect to the changes that have been occurring in union attitudes toward training and retraining, although I was assured by a representative of the Trades Union Congress that such a set-back would not be serious. His view was that concern over the need to increase Britain's rate of growth and her capacity to compete with the Common Market countries would continue to be a powerful influence toward a more constructive policy.

There is a possibility that looser labor market conditions on the Continent might lead labor federations to take a more restrictionist attitude toward retraining programs, although I am inclined to doubt that this would happen. A considerably greater likelihood would be union pressure toward vigorous government fiscal and monetary measures aimed at increasing aggregate demand, along with expansion of provisions for the retraining of workers threatened with labor displacement.

Conflicts Between Ministries of Labor and Ministries of Education

In several countries of Western Europe, notably Sweden, laws relating to retraining provide, as in the United States, that training courses must with certain exceptions actually be offered through the vocational education system, which comes under the auspices of the Ministry of Education. This is not the case, however, in Belgium, France, The Netherlands, and the United Kingdom, where the ministries of labor have

been largely free to develop their retraining programs without conflict with any other ministry. Even in some of these countries, however, there have been certain problems of conflict, as suggested in Chapter 5, over the offering of courses for stenographers and certain other groups, with ministries of education insisting that such courses be confined to commercial or technical schools in the regular vocational education system.

In West Germany and Italy, as we have seen, the labor market authorities have in some cases entered into agreements with technical schools with respect to the sponsorship of courses, and in Italy there has been some conflict over the division of responsibility between the Ministry of Labor and the Ministry of Education with respect to the training of teen-agers. In West Germany there have also been certain problems revolving around the fact that the BAVAVG is a federal agency (though with state and local offices) whereas vocational education is under the auspices of the Länder (states). This, I was told, has interfered to a certain extent with the freedom of the BAVAVG to offer training in trades covered by apprenticeship programs.

The most serious problem of conflict with respect to jurisdiction over adult retraining which I encountered, however, was in Sweden. When the National Labor Market Board undertook its policy of vigorous expansion of retraining in the 1958-59 recession, it found its efforts obstructed by unwillingness on the part of the Board of Vocational Education to move rapidly enough in the organization and staffing of the additional courses recommended by the Labor Market Board.

The conflict led to the establishment, in November 1960, of a joint body to bring about cooperation between the two agencies. Its

functions are:¹²

(1) to advise the National Labour Market Board and the National Board of Technical and Vocational Education;

(2) to give advice concerning the planning and total scope of retraining, the policy as regards the distribution of courses among occupations and geographical areas, and the length and content of courses;

(3) to take such independent initiative to promote retraining as it considers necessary;

(4) to comment on all questions referred to it by the National Labour Market Board or the National Board of Technical and Vocational Education;

(5) to follow with particular interest vocational training in industry and commerce, and adult training in particular.

Officials of the Labor Market Board are apparently quite satisfied, in general, with the progress that has been made since this joint body was established. Among other things, it has devoted a good deal of time to bringing about a transfer of responsibility for various details from the National Board of Technical and Vocational Education to the County Labor Boards. Moreover, as we have seen, a rapid expansion of the number enrolled in retraining programs has occurred in the last few years -- an expansion which could not have occurred without more effective cooperation from the vocational education board. If there are latent complaints, I suspect they have to do chiefly with questions of methods of instruction, although officials of the National Labor Market Board

were hesitant to engage in open criticism of the vocational education system. However, in a discussion about Dutch training methods, mentioned in Chapter 4, I suspected that the Swedish official who was expressing admiration for Dutch techniques may have felt that the Labor Market Board would be in a better position to experiment with methods of training adults which had been successful in other countries if it were more free to develop its own courses.

Government Policies and the Structure of Labor Demand

Government economic policies aimed at maintaining high and expanding levels of aggregate demand have played an important role in explaining the high rates of growth achieved in Western Europe since the early fifties, as we saw in Chapter 2. There we were referring primarily to fiscal and monetary policies directed toward achieving a high rate of expansion of demand in the economy as a whole. More specific government policies impinging on particular sectors of the economy, however, have also played a role in influencing the structure of the demand for labor, which in turn has an important bearing on retraining possibilities. As we move toward a more active manpower policy in the United States, we shall need to pay far more attention to the impact of specific government policies on the structure of labor demand than we have been accustomed to pay in the past. This subject has so many ramifications that several volumes could be devoted to them. All I can attempt to do here is to mention a few examples of the manner in which government policies have affected the demand for labor in Western Europe and some of their implications in relation to American policies.

The persistent shortage of building trades workers which has prevailed in a number of countries of Western Europe throughout the postwar period is in some measure attributable to housing policies which have placed great emphasis on increasing the supply of housing for lower and lower-middle income groups. Government intervention in the housing market in Western Europe, as is well known, tends to be far more extensive than in this country. The results have not been altogether satisfactory. The chronic housing shortage which prevails throughout Western Europe is to some extent a result of the particular types of policies that have been pursued as well as a factor underlying the need for continued government intervention. Rents have been held below the levels they would have reached if market forces had been allowed free play, and emphasis on elaborate planning of housing developments at the municipal level is alleged, e.g. in Sweden, to result in prolonged delays before the actual construction stage is reached. Whereas American policy has placed primary emphasis on liberal credit terms (through FHA and other agencies), European policies have, in general, placed much more emphasis on public or quasi-public housing developments, although examples may be found, e.g., in West Germany, of at least some degree of emphasis on policies resembling our FHA approach. Broadly speaking, and ignoring many exceptions and qualifications, the supply of housing in the United States has been allocated according to purchasing power, while policies in some European countries have tended to result to a considerably greater extent in the rationing of housing supply on the basis of certain criteria of social need, e.g., size of family. An expert in this field has summed up the situation as follows:¹³

Housing policies and programs in Sweden, West Germany, and the United Kingdom were successful in directing public and private investment toward improving the housing standards of low-income groups of the population. Programs in the United States have relied upon high production rates of new housing and the filtering process to improve general housing standards. Programs for direct improvement of the housing status of low-income and other special groups have, for various reasons, exhibited a number of shortcomings and have been, on the whole, relatively insignificant.

The pros and cons of a vigorous attack on the problem of inadequate housing for low income groups in the United States have often been debated in terms of meeting a social need, on the one hand, versus interfering with private enterprise on the other. At present, there is a special need to emphasize the impact of such policies on the demand for labor. That the effects of such a policy on the demand for building trades workers would not be identical with the effects of similar policies in most countries in Western Europe would have to be recognized at the start. Although I have not made a special study of this question and am forced to rely on general impressions, it seems fairly clear that construction techniques are considerably more advanced in the United States than in most countries of Western Europe and that the number of building trades jobs that would be "created" through a comparable amount of public investment in housing would be appreciably smaller. However, the multiplier effects on employment, particularly in the trade and service sectors, would be an important part of the case for such a policy.

Postwar economic policies in a number of Western European countries have also placed more consistent emphasis on countercyclical and counterseasonal public works programs than has been the case in the United States. Since these policies have swung into action in periods when construction activity was slack, their effect, on the whole, has been to contribute to more stable employment for construction workers rather than to increase the demand for such workers. However, it has come to be recognized, particularly in Sweden, that technological changes have reduced the amount of employment that can be directly created through public works policies and increased the total expenditure per job created. Reduced reliance on countercyclical and counterseasonal public works and increased reliance on retraining and relocation policies have been advocated partly for this reason.¹⁴

Gunnar Myrdal has recently argued that the combination of fiscal policies, notably the tax cut, and increased emphasis on retraining measures on which we are largely relying in the United States will not suffice to overcome our unemployment problem. He advocates much greater emphasis on housing programs, public works, urban slum clearance, and the like, aimed at rapid creation of jobs to take up the slack until the longer-run effects of policies aimed at the expansion of aggregate demand take hold.¹⁵ I am inclined to agree. Although I would be the last person to suggest that we reduce the scale of our retraining programs, it seems apparent that we are running a risk that many of those who are retrained will not be placed in the absence of more vigorous job-creating measures.

The fact that the United States is spending relatively more on

defense and foreign aid than Western European countries, of course, helps to explain our reluctance to expand other types of public expenditure. Yet in the area of defense spending we can be accused of paying too little attention to the impact of changes in the amount and composition of military expenditure on the structure of the demand for labor. Clearly the shift from aircraft to missiles, as well as other similar changes, has reduced the demand for semi-skilled blue collar workers and increased the demand for engineers, technicians, and other highly educated or skilled workers. This is a problem of particular concern in California, which is heavily dependent on defense expenditures. There is a strong case for government policies which would cushion the effects of these changes through, e.g., temporarily expanded expenditures on public works in the communities affected by such shifts. Particularly in those cases in which government contracts are involved, procedures resembling Sweden's early warning system, accompanied by cooperation between the public employment service, other appropriate federal, state, and local agencies, and employer and labor groups to develop a plan aimed at temporary employment and ultimate re-employment of the affected workers, are badly needed. The plan should include provisions for retraining, but retraining alone can hardly be relied on to meet a situation such as that which faced San Diego when a large aircraft plant closed down.

Another important area in which European policies affect the structure of labor demand is the broad field of social security and other welfare policies. Here again the subject is large and complex, and only a few examples can be mentioned. In connection with the training of "home samaritans" in Sweden, we noted that both Sweden and the United Kingdom --

as well as certain other countries -- provide homemaker services to needy families from public funds on a means test basis. Another example of a type of public policy which has received far more emphasis in several European countries than in the United States, notably in The Netherlands and the United Kingdom, has been the development of sheltered workshops for the severely disabled.

As suggested earlier, the general theme of this section could be pursued at great length. Important differences in the impact of specific government policies on labor demand among European countries would be revealed if these questions were examined in detail. My purpose here is to call attention to a line of approach to the problem of unemployment and labor market adjustment which has been too much neglected in the United States. When we ask what types of retraining are appropriate for unemployed workers, we should also ask how, without radically changing our basic economic philosophy and system, we might influence the structure of labor demand in such a way as to provide more appropriate jobs for the retrainable unemployed, including some of the more disadvantaged groups who are not prime candidates for retraining.

Footnotes to Chapter 7

1. This information is based in large part on my interview with M. Faget of the Force Ouvrière in January 1964. Much of what he told me is also included in La formation professionnelle en France, Bulletin d'Information du Bureau d'Études Économiques et Sociales, Confédération Générale du Travail: Force Ouvrière (Paris: 1963).

2. La formation professionnelle..., p. 49.

3. Information on average costs per trainee in France was given to me by an official of the Ministry of Labor and Social Security. The data on average costs per trainee in the United States are from Manpower Research and Training, Report of the Secretary of Labor, Transmitted to Congress March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), p. 16.

4. Richtlinien zur Durchführung beruflicher Bildungsmaßnahmen vom 4 August 1955, Federal Institution for Labor Placement and Unemployment Insurance (Nuremberg: 1955).

5. Rapport général de la Commission de la Main-d'Oeuvre, Quatrième Plan de développement économique et social (1962-1965), Commissariat Général du Plan d'Équipement et de la Productivité (Paris: Imprimerie Nationale, 1961), p. 27.

6. This information is based on an interview with M. Madinier, a member of the staff of the Commissariat du Plan, in January 1964.

7. This point was stressed by representatives of The Christian Federation of Trade Unions as well as of the Force Ouvrière. See Memorandum sur Les Activités, le Role, et la Situation de la Formation Professionnelle des Adultes, Étude présentée par la Confédération Force Ouvrière et la

Syndicat National du Personnel de la F. P. A. (Paris: n.d., mimeographed).

8. Reply to Questionnaire MO(63)17, United Kingdom, Annual Reports, Manpower and Social Affairs Committee, Organization for Economic Cooperation and Development (Paris: 1962, mimeographed), p. 7.

9. Ministry of Labour Gazette, LXXII (May, 1964), 197.

10. Ibid., p. 215.

11. Ibid., LXXII (March, 1964), 104.

12. Labour Market Policy in Sweden, OECD Reviews of Manpower and Social Policies, Organization for Economic Cooperation and Development (Paris: 1963), pp. 37-38.

13. Paul F. Wendt, Housing Policy--The Search for Solutions: A Comparison of the United Kingdom, Sweden, West Germany, and the United States since World War II (Berkeley and Los Angeles: University of California Press, 1963), p. 269.

14. Gösta Rehn and Erik Lundberg, "Employment and Welfare: Some Swedish Issues," Industrial Relations, II (February, 1963), 7.

15. Gunnar Myrdal, A Challenge to Affluence (New York: Pantheon Books, 1963).

Chapters 8 and 9

(To be supplied later)

Chapter 10

Conclusions

The primary purpose of this study has been to discover what can be learned from European experience with retraining programs that may be of value in relation to American retraining problems. As I pointed out in the introduction, the search for "lessons" has been complicated because of the marked contrast between labor market conditions in the United States and Europe in recent years. Particularly on the vital question of the types of occupations for which workers should be retrained, European experience is not neatly translatable into American terms. The major conclusion that can be drawn from European experience in this area is the rather obvious one that decisions must be based on careful analysis of labor market conditions at the local, regional, and national level. If any criticism of American policies is called for, it may lie in over-emphasis on identification of labor shortages in local communities and under-emphasis on regional and national labor needs, but my conclusions on this point must await completion of Chapters 8 and 9, which bear on this question.¹ Apart from this broad point, there are specific suggestions on promising approaches to retraining problems to be found here and there in Western Europe, but these are matters of detail which have been covered in the main body of the report and need not be recapitulated here.

Despite the differences in labor market conditions, I am convinced that there are a number of lessons of value to be learned from the European experience. In some respects, they are not at all the lessons I was seeking

when I set out on this voyage of discovery but are the results of a process of reflection and reaction extending over many months.

A Permanent Retraining Program

The most important lesson to be drawn from an examination of the postwar development of retraining programs in Western Europe, in my opinion, lies in the fact that European countries have come to accept government retraining programs as a permanent instrument of manpower policy, as valuable in a period of full or over-full employment as in a period of unemployment. There is little question in my mind that we should move toward official acceptance of this view of retraining in the United States and that we should not wait until the Manpower Development and Training Act is about to expire (in mid-1966) before reaching this decision. There is increasing agreement among labor market experts that we shall have a difficult residual problem of structural unemployment even if we succeed in reducing the overall unemployment rate to four per cent or below. Moreover, as was pointed out in Chapter 2, retraining in its broader sense should be looked upon as a method of encouraging adaptation to structural changes in employment, whether or not those changes are accompanied by any appreciable problem of unemployment. And it should hardly be necessary to add that we can expect a continuation of structural changes in employment for many decades to come.

As we move toward a position of full employment, the case for retraining will rest not only on the need to combat structural unemployment but also on the need to hold our own in the growth and productivity race. On this aspect of the problem, there is little likelihood of

disagreement in the United States among liberals and conservatives. If we have been able to rely to a considerable extent in the past on technological superiority, it is becoming increasingly clear that Western Europe is catching up very fast.

Acceptance of retraining as a permanent program in the United States would have important implications with respect to various specific aspects of retraining policy. We should begin immediately to distinguish more clearly between the short-run and the long-run objectives of retraining policies. Thus far we have been looking upon retraining as an emergency crash program aimed at increasing the employability of the present unemployed. But particularly as it relates to the more disadvantaged among the unemployed -- especially the functional illiterates and others with an abysmally low level of education -- it should be clear that the job is not going to be accomplished within a short span of a few years or even within a whole generation. The children who are growing up in urban slum areas and in backward rural areas today are going to contribute their share to a problem of inadequate preparation for the labor market a decade or two hence. And the problem of labor displacement is hardly likely to disappear. Indeed, it could well become more serious, particularly if automation in the office begins to result in a more difficult problem of displacement of white-collar workers, along with continuation of the more familiar problem of displacement of blue-collar workers.

The development of a large retraining program requires expansion of the number of vocational training instructors and, particularly in the case of special programs for disadvantaged groups, the training of

counsellors and other types of personnel equipped to deal with such groups. In many situations, it requires the acquisition of specialized equipment and the rental, purchase, or construction of buildings to house training classes. In the light of these needs it is scarcely surprising that our MDTA program was slow to get under way in the first year or two. Examination of the European experience certainly seems to suggest that we would have been far better off if we had developed this type of program earlier in the postwar period. Moreover, once we have an adequate staff and facilities for a large-scale retraining program, it would seem a great mistake to discontinue their use.

The French experience seems particularly relevant in this connection. As the Director of ANIFRMO pointed out to me, one of the reasons for the success of the French program is that it was built up during a prolonged period of full employment. And practically in the same breath he added that the retraining facilities and staff which have been developed over a period of nearly two decades would be a great asset if labor market conditions were to deteriorate and the French were to be faced with a serious problem of unemployment.

The Relative Role of Retraining

A second, and closely related, lesson is that the role of retraining in attacking unemployment in Western Europe has been significant, but distinctly secondary. The authors of careful comparative studies, like those of Maddison and Lamfalussy, have concluded, as we saw in Chapter 2, that the maintenance of a high and expanding level of aggregate demand, along with the mutually stimulating effects of expanding markets for

exports, has been the major factor underlying European success in maintaining full employment and achieving rapid growth. Even in those situations involving a proloner problem of heavy unemployment -- in Belgium, Italy, and West Germany, particularly in the early fifties -- underlying economic factors and policy measures which had the effect of stimulating aggregate demand largely accounted for the decline in the unemployment rate, although more specific labor market adjustment policies played a role. And, among labor market adjustment policies, such measures as resettlement of the expellees and refugees in West Germany, public works in Belgium, and a combination of public works and assisted emigration in Italy tended to play a more important role than retraining. (These episodes will be examined at some length in my supplementary report.)

Efficiency versus Broader Social Objectives

Comparison of retraining policies in Western Europe reveals marked contrasts between those countries in which efficiency appears to be the predominant objective -- France and The Netherlands -- and those countries which have placed at least some degree of emphasis on providing retraining opportunities for the more disadvantaged among the unemployed -- West Germany and Sweden. (Belgium, Italy, and the United Kingdom are not quite so clearly classifiable.) An emphasis on efficiency implies selecting young and highly qualified potential trainees, training largely for those occupations in which labor shortages are most acute, achieving a high rate of placement, and thereby, presumably, making a maximum contribution to increasing productivity. Greater emphasis on increasing the employability of the more disadvantaged among the unemployed implies policies which avoid

the screening out of older persons, relatively uneducated persons, and other disadvantaged groups.

The choice clearly involves the problem of the relative values attached to various conflicting social and economic goals and is essentially a choice which each country must make for itself. Moreover, in interpreting and evaluating the pronounced differences in policy among European countries in this respect, it is important to consider variations in the pattern of differentials in unemployment rates by age and sex, as well as such factors as the relative availability of various types of income maintenance measures for displaced older persons. Even so, I have found myself wondering, as suggested in Chapter 5, whether the policies followed in some countries do not imply too narrow a conception of the goal of increased productivity. Is this goal to be confined largely to the manufacturing and construction sectors of the economy, and, within these sectors, to blue-collar occupations?

The choice between policies emphasizing efficiency and those giving at least some weight to providing retraining opportunities for the more disadvantaged among the unemployed is clearly a central issue in the formulation of retraining policies, and it is one to which I have given a great deal of thought in the course of this study. On the whole, the blend of the two approaches in our MDTA program seems appropriate, given our serious unemployment problem and heterogeneous labor force, and some of the 1963 amendments, which tended to encourage a shift toward somewhat greater emphasis on attempts to provide retraining opportunities for the disadvantaged, are to be commended. Moreover, there is probably a strong case for distinguishing rather sharply, in evaluating results, between

training projects that are intended for the more qualified among the unemployed and those aimed at the seriously disadvantaged groups. Those who are qualified to meet fairly rigorous selection standards and to make rapid progress in an accelerated program should be given every opportunity to enter and complete retraining courses without being held back as a result of inclusion of slow-learners in the same classes. (A minor qualification might be made here with respect to the inclusion of older persons in classes along with the young, in the light of Swedish experience.) And from this part of our program we should aim at and expect high placement rates. In the programs developed for the more disadvantaged groups we may very well have to settle for a considerably lower success rate, as has the public employment service in West Berlin in some of its courses for older persons.

At the same time, it seems to me that, in attacking the problems of individuals with extremely poor preparation for the labor force, we must be careful not to put all of our eggs in the basket of retraining. If we do, the results are likely to be disappointing. I would urge, along the lines of the discussion in the last section of Chapter 7, increasing attention to other government policies which would have an impact on the structure of labor demand.

Anticipating Problems of Labor Displacement

In recent years, a number of countries of Western Europe have adopted legislation or developed policies aimed at anticipating problems of labor displacement, through early warning systems and subsidies designed to encourage the retraining of workers threatened with labor displacement

before actual dismissal occurs. Close relations between the public employment service and the management and labor community have also played an important role in encouraging concerted and effective attacks on problems of labor displacement in local communities in such countries as West Germany and Sweden.

These policies deserve careful study and consideration in the United States, although European experience in this area tends to be more recent and less adequately reported than the experience with public retraining programs. But there is a good deal of innovation and experimentation going on, and I suspect that we shall see further policy developments and changes concerned with the problem of meeting labor redundancy. These developments will bear close watching, as will the accumulating experience under existing legislation.

Training Allowances

By European standards, the training allowances available under MDTA are seriously inadequate, using as a basis of comparison the relationship between allowances and prevailing wage rates (which seems to me the only workable standard for comparison). It can be argued, of course, that higher training allowances are needed under European conditions, in which the aim is to attract workers to seek retraining in a tight labor market situation. But employment is now expanding quite rapidly in the United States, and there has been a significant decline in unemployment rates for adults in the prime working age groups. Unless training allowances are made more attractive, we are increasingly likely to find that the more qualified unemployed workers will avoid retraining in an environment

of improving job opportunities or will drop out of courses before completion, particularly if the course is relatively lengthy.

The basic problem, of course, is that training allowances are related to unemployment insurance benefits, which are much too low. Although there may be some argument as to where, between, say 50 and 75 per cent of previous earnings, unemployment benefits should be set, there should be little argument over the inadequacy of benefits which, for the country as a whole, average only about 35 per cent of earnings. Enactment of the proposals on unemployment insurance submitted to Congress by the Kennedy Administration in the spring of 1963 would go far toward providing for a more adequate level of unemployment insurance benefits and, indirectly, of the training allowances which are geared to them. Moreover, if we succeed in getting the unemployment rate down to lower levels, it may eventually be feasible to finance the retraining program through a combination of unemployment insurance contributions and general revenues, as a number of Western European countries do. The relative ease with which retraining is financed under tight labor market conditions in West Germany, where funds are derived entirely from unemployment insurance revenues, has been discussed in Chapter 7. But I believe the federal government's role in the financing and administration of the retraining program should continue to be an important one, and that its relative role in the financing of unemployment insurance should be increased, before unemployment insurance revenues are tapped as a source of funds for retraining. I have also become increasingly convinced that there is a strong case for a modest employee contribution in unemployment insurance, imposed at the federal level but including some type of offset

feature.

As we gain experience with our retraining programs, we may also find it desirable to increase the maximum duration of training allowances so as to encourage types of training that are not feasible with a maximum duration of 52 weeks.² Sweden and The Netherlands, as we have seen, permit the payment of training allowances for periods as long as two years in some instances.

If we succeed in reducing the unemployment rate materially below present levels, it may also be desirable to consider liberalizing eligibility for training allowances. Under conditions of relatively heavy unemployment, policies which, with certain exceptions, confine training allowances to unemployed heads of families with a given amount of employment experience make a good deal of sense, but, if we move toward tighter labor market conditions, and the goal of increasing productivity assumes greater relative importance as a retraining objective, more liberal eligibility conditions for training allowances should be seriously considered.

Retraining and Vocational Education

If adult retraining has received a good deal of attention in Western Europe in recent years, even more attention has been given to the need for improving and expanding basic vocational education for young people. There has been a ferment of discussion and debate on the pros and cons of technical schools versus apprenticeship training and a strong tendency to recognize the need for increased emphasis on basic theoretical training, including a generous amount of mathematics, before specialized craft training

is undertaken. This is likely to mean gradually increased emphasis on a preliminary period of training in a vocational or technical school, even though it may be followed by a period of apprenticeship. Ancient and time-honored apprenticeship rules and policies are being critically re-examined, particularly in countries where apprenticeship periods have been lengthy and rigid, and it was considered a day of great triumph for a more progressive approach when the building trades in Britain, relatively recently, agreed to a reduction in the length of apprenticeship from five years to four. Various experiments are being tried in a number of countries, involving new forms of cooperation between the technical schools and firms providing on-the-job training, including alternating periods of training in the school and in the firm.

Although it has not been possible to include a detailed examination of vocational education systems and issues in this report, it has been clear, at various points in our discussion, particularly in connection with training programs for young people sponsored by European ministries of labor, that an essential aspect of an adult retraining program is a logical and carefully considered relationship with a country's basic vocational education system for youth. Clearly, also, as we have suggested at several points, improvements in vocational training for young people will simplify the problems facing adult retraining programs in the future, although, given the certainty of continued technological and structural changes, such improvements will not remove the need for adult retraining facilities.

In the course of my European trip, I collected a great deal of material on vocational education and its relationships to labor market

differences, which I shall eventually write up, but in the meantime I would urge that the whole question of the relationship between differences in vocational education systems and the stability of employment conditions for young people is an important field of comparative labor market research which has scarcely been touched. Studies in this area should encompass differences in wage practices, as they bear on the employment of youth, and differences in employer and union practices which impinge on the ease or difficulty with which young people can enter the labor market. Given the severity of the youth unemployment problem in the United States, such studies should be given high priority.

Footnotes to Chapter 10

1. Although I have attempted to learn as much as possible about European methods of predicting occupational changes, this again is a problem with which I have not been able to deal within the time-period available and which will be covered in my supplementary report. My general impression, however, is that European countries do not have much to teach us about the methodology of predicting labor force and occupational changes.

2. The 1963 amendments extended this period by 20 weeks, but only for persons requiring a preliminary program of basic education before undertaking regular vocational training.

Appendix
Table A-1

Per Cent of Working Age Population in the Labor Force, by Age,
Sex, and Marital Status, Selected Countries, Selected Years,
1950-1963

France																
Sex and year	Total	Age														
		14 years	15- 19	20- 24	25- 29	30- 34	35- 39	40- 44	45- 49	50- 54	55- 59	60- 64	65- 69	70- 74	75 or more	
Men																
1954 ^a		25.0	66.5	92.3	96.8	97.0	96.8	96.8	96.5	94.0	82.0	68.0	49.5	33.5	18.0	
1960		23	58	89	97	98	98	98	97	94	84	69	38	28	11	
Women																
1954 ^a		15.0	49.0	54.9	41.3	38.3	39.8	44.8	46.9	46.0	41.8	33.3	19.6	12.0	6.0	
1960		17	49	65	46	42	41	42	48	48	42	35	18	11	5	
Germany (Fed. Rep.)																
Sex and year	Total	Age														
		14 years	15- 20	20- 25	25- 30	30- 35	35- 40	40- 45	45- 50	50- 55	55- 60	60- 65	65- 70	70- 75	75 or more	
Men																
1950	63.2	n.a.	84.7	93.4	94.4	96.4	97.3	97.1	96.7	93.4	87.4	73.0	← 26.8	→		
1957	64.9	n.a.	80.7	92.3	96.5	97.4	97.6	96.9	96.3	94.7	89.1	74.7	← 25.1	→		
1959	64.0	27.7	77.3	91.6	95.9	98.1	97.6	97.2	95.9	94.2	89.2	72.6	35.1	22.4	11.7	
1961	63.7	22.9	77.1	90.4	96.2	98.3	98.0	97.1	96.2	94.1	89.1	74.0	35.3	22.0	11.6	
Women																
1950	31.4	n.a.	77.6	70.4	50.3	40.0	36.2	35.4	35.9	33.8	29.4	21.2	← 9.7	→		
1957	34.2	n.a.	76.2	75.6	51.7	44.9	43.7	41.6	38.9	35.7	31.7	23.0	← 10.0	→		
1959	33.5	26.3	74.5	76.4	51.0	44.0	44.3	42.3	39.7	36.3	32.0	20.8	13.2	7.8	3.5	
1961	33.1	20.0	74.0	75.8	52.3	43.5	44.7	44.6	40.8	37.5	32.7	21.6	13.5	7.8	3.4	

/Table continues next page/

Table A-1 (cont.)

Great Britain													
Sex and year	Total	Age											
		15- 19	20- 24	25- 29	30- 34	35- 39	40- 44	45- 49	50- 54	55- 59	60- 64	65- 69	70 or more
Men													
1952	87	79	98	98.5	97.5	99.5	98	97.5	96	93.5	87	48	19.5
1962	86	73	97	97.5	98.5	99.5	98.5	98.5	95.5	95	90.5	41	17
Women - single, widowed, and divorced													
1952	55	78.5	92.5	91	89	77	80.5	73	65.5	54.5	26	← 6.5 →	← 6.5 →
1962	53	74.5	99	99	99	96.5	95	87.5	75.5	61.5	30	← 5.5 →	← 5.5 →
Women - married													
1952	25.5	55.5	42	29	26.5	29.5	31	31	27	21	9.5	← 2 →	← 2 →
1962	33	39.5	38.5	32	31.5	37.5	42.5	44	40.5	33	17.5	← 6.5 →	← 6.5 →
Italy													
Sex and year	Total	Age											
		10- 14	14- 20	20- 30	30- 40	40- 50	50- 60	60- 65	65 or more				
Men													
1963	59.3	2.9	55.7	85.0	97.9	95.9	88.6	56.0	20.2				
Women													
1963	22.3	2.6	38.8	40.8	31.7	30.1	24.6	15.4	5.0				

/Table continues next page/

Table A-1 (cont..)

		Sweden							
		Age							
Sex and year ^b	Total	14- 17	18- 24	25- 34	35- 44	45- 54	55- 64	65 or more	
Men									
1960	80.2	43.5	76.4	98.1	99.2	96.1	86.9	28.7	
1963	77.9	32.6	74.0	94.6	96.0	96.3	87.7	28.5	
Unmarried women									
1960	49.2	29.1	74.8	87.2	85.0	81.5	49.7	6.6	
1963	46.0	22.3	71.8	83.4	83.9	82.5	51.6	5.8	
Married women									
1960	40.0	--	46.2	48.7	45.8	46.4	28.5	3.5	
1963	44.2	--	45.7	47.9	55.3	53.2	32.7	4.4	
United States									
		Age							
Sex and year	Total	14- 19	20- 24	25- 34	35- 44	45- 54	55- 64	65 or more	
Men									
1950	84.4	53.2	89.0	96.2	97.6	95.8	87.0	45.8	
1963	78.8	43.5	88.3	97.3	97.6	95.8	86.2	28.4	
Women									
1950	33.1	31.5	46.1	34.0	39.1	38.0	27.0	9.7	
1963	37.0	28.4	47.6	37.2	44.9	50.6	39.7	9.6	

/Table continues next page/

Table A-1 (cont.)

SOURCES: For France, Enquête "Emploi" d'Octobre 1960, Institut National de la Statistique et des Études Économiques (Paris: 1963), p. 116; for West Germany, reprints from Wirtschaft und Statistik, October, 1959, p. 544, September, 1961, p. 516, and September, 1962, p. 535; for Italy, Rilevazione Nazionale delle Forze di Lavoro, 10 maggio 1963, Istituto Centrale di Statistica (Rome: 1963), p. 21; for Sweden, Arbetsmarknadsstatistik, No. 8, 1963, Royal Labor Market Board (Stockholm: 1963), p. 11; for Great Britain, Ministry of Labour Gazette, LXXI (October, 1963), 390; and for the United States, Manpower Report of the President, Transmitted to the Congress, March 1964 (Washington, D.C.: U.S. Government Printing Office, 1964), p. 196. It should be noted that the statistics in this table are based either on decennial census or household survey data, except for the British figures, which have been estimated largely on the basis of social insurance statistics. Differences between the data in this table and those in Table 2.5 are attributable partly to differences in methods of compilation and partly to the fact that Table 2.5 relates only to the population aged 15 to 64.

^a1954 data are from a complete population census, whereas 1960 data are from a sample household survey.

^bData refer to the month of May.

Appendix
Table A-2

Civilian Employment, by Branch of Activity, Selected
European Countries and the United States, Selected
Years, 1950-1962

Country and branch of activity	Number (in thousands)			
	1950	1955	1960	1962
<u>Belgium</u>				
Total, all activities	3,306	3,348	3,385	3,494
Agriculture, forestry, hunting, and fishing	368	310	257	240
Mining and quarrying	184	168	131	105
Manufacturing	1,127	1,155	1,172	1,229
Construction	212	235	243	263
Electricity, gas, water, and sanitary services	28	29	30	30
Commerce	472	474	498	534
Transport, storage, and communication	250	237	240	241
Services	666	740	815	852
<u>France</u>				
Total, all activities		18,504	18,356	18,715
Agriculture, forestry, hunting, and fishing		4,996	4,165	3,882
Mining and quarrying		379	347	323
Manufacturing		5,035	5,228	5,378
Construction		1,394	1,526	1,628
Electricity, gas, water, and sanitary services		158	172	185
Commerce		2,231	2,484	2,619
Transport, storage, and communication		985	1,039	1,079
Services		3,325	3,397	3,621
<u>Germany (Fed. Rep.)</u>				
Total, all activities	20,365	23,210	25,040	25,680
Agriculture, forestry, hunting, and fishing	5,020	4,285	3,615	3,465
Industry ^a	8,730	10,890	12,165	12,575
Others ^b	6,615	8,035	9,260	9,640

/Table continues next page/

Table A-2 (cont.)

Country and branch of activity	Number (in thousands)			
	1950	1955	1960	1962
<u>Italy</u>				
Total, all activities		17,869	19,514	19,734
Agriculture, forestry, hunting, and fishing		6,829	6,077	5,521
Industry ^a		5,963	7,502	8,105
Others ^b		5,077	5,935	6,108
<u>Netherlands</u>				
Total, all activities	3,727	3,989	4,142	4,289
Agriculture, forestry, hunting, and fishing	533	489	442	425
Mining and quarrying	52	61	61	56
Manufacturing	1,151	1,229	1,257	1,327
Construction	306	350	365	386
Electricity, gas, water, and sanitary services	34	36	37	36
Commerce	554	608	664	694
Transport, storage, and communication	261	279	297	303
Services	836	937	1,019	1,062
<u>United Kingdom</u>				
Total, all activities	22,539	23,477	24,173	24,638
Agriculture, forestry, hunting, and Fishing	1,262	1,154	1,062	993
Mining and quarrying	856	866	764	716
Manufacturing	8,716	9,416	9,001 ^c	9,029 ^c
Construction	1,468	1,523	1,607	1,697
Electricity, gas, water, and sanitary services	360	384	377	394
Commerce	3,083	3,366	3,919	4,042
Transport, storage, and communication	1,812	1,742	1,691	1,717
Services	4,982	5,026	5,752 ^c	6,050 ^c

/Table continues next page/

Table A-2 (cont.)

Country and branch of activity	Number (in thousands)			
	1950	1955	1960	1962
<u>United States</u>				
Total, all activities	58,868	63,592	66,459	67,441
Agriculture, forestry, hunting, and fishing	7,973	7,061	6,188	5,728
Mining and quarrying	951	826	723	673
Manufacturing	15,163	16,792	16,549	16,663
Construction	3,392	4,012	4,189	4,217
Electricity, gas, water, and sanitary services	559	604	628	628
Commerce	13,453	15,043	16,503	16,961
Transport, storage, and communication	3,566	3,652	3,486	3,385
Services	13,806	15,597	18,189	19,182
Others and not specified	5	5	4	4

SOURCE: Manpower Statistics, 1950-1962, Organization for Economic Cooperation and Development (Paris: 1963).

^aIncludes mining and quarrying, manufacturing, construction, and utilities.

^bIncludes commerce, "transport, storage, and communication," and services.

^cBecause of changes in classification, data for these years are not comparable with data for earlier years.

Appendix Table A-3

(To be supplied later)

Appendix Table A-4

(To be supplied later)

Appendix B

List of Courses Available at Government
Training Centres, Great Britain
May, 1964

Building

Bricklaying
Carpentry
Heating and ventilating fitting
House painting and decorating
Plastering
Plumbing
Slating and tiling

Civil engineering

Contractors' plant maintenance
Electrical contracting
Street masonry and paving

Engineering

Draughtsmanship
Fitting--general
 jig and tool
Instrument bench and machine work
Centre lathe turning
Capstan setting operating
Milling setting operating
Precision grinding
Welding--electric arc
 oxy-acetylene

Miscellaneous

Agricultural machinery
 repairing
Boot and shoe repairing
Canteen cooking
Furniture--cabinet making
Scientific (bench) glass
 blowing
Hairdressing (men's)
Instrument maintenance
Motor repairing
Radio, T.V. and electronic
 servicing
Screen process printing
Storekeeping
Tailoring (retail bespoke)
Typewriter repairing
Vehicle building--
 body building
 coach painting
Watch and clock repairing
Woodcutting machining
Blind persons:
 Capstan operating
 Repetition assembly work
 Inspection work

SOURCE: Ministry of Labour Gazette, LXXII (May, 1964), 197.

Appendix C

Summary of Occupational Training Courses
Offered in the Past Few Years,
West Berlin State Labor Office,
August, 1963

1) White-collar courses

a) Commercial occupations

Vocational training courses

Shorthand, typewriting and German

Typewriting and German

Bookkeeping

Training for office workers

Practical firm experience

b) Artistic occupations

Vocational training courses for singers, actors and
dancers

c) Other occupations

Retraining courses in indexing, programming, and
technical draftsmanship

Training for radar-operators and pilots (acquisition
of blind-flying certificate)

Refresher course for those trained as x-ray assistants

Training for homemaker services for the aged

2) Industrial courses

Retraining courses for the following occupations:

drain masonry

spray-lacquer helper

electrical welding

locksmith's helper

mechanic's helper

electrician's helper (from which one can go on to training
for radio and television installation)

lathe operator

book binder's helper

seamstress for ready-made clothing (work on special
machines)

bulldozer operator

derrick operator

crane operator

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Training Courses at Present Time
West Berlin State Labor Office,
August, 1963

<u>Institution offering course</u>	<u>Training goal</u>
Universal Foundation Helmut Ziegner	Retraining of prisoners for work in metal and electrical indus- tries
Vocational office Grüntaler Str. 62	Aptitude counseling and retrain- ing, especially for metal and electrical industries
Union for technical education	Retraining for metal as well as electrical occupations
Labor office IV Berlin (West)	Continuation and retraining courses for commercial positions
Hofmeister School	Foundation course in retailing
Rackow School	Bookkeeping course
D A G Bernburger Str.	Vocational training for stenographers
Worker's welfare office	Qualification and retraining courses for seamstresses
Youth construction work	Retraining for seamstresses
WAH Neighborhood office Lütgeweg 15	Retraining for persons in emergency program (Notstandsprogramm)

Appendix D

Current and Planned Courses as of June 30, 1962, Sweden

	<u>Current</u>	<u>Planned</u>
<u>Ore mining</u>		
Machine drillers	1	-
<u>Metal industry</u>		
Car electricians	8	1
Spray painters (cars)	2	3
Car mech., and tractor rep.	38	6
Bicycle, moped and mc rep.	1	-
Insulators	1	1
Coil winders/rep.	5	1
Goldsmiths' helpers	-	1
Industrial electricians	8	8
Instrument repairers	18	12
Refrigeration mechanics	2	1
Machine and engine rep.	8	3
Machine and engine operators	19	5
Mechanics	162	65
Tool makers	-	5
Platers (cars)	4	3
Platers (heavy)	2	1
Platers (light)	28	9
Welding, smithying and repairs	75	17
Welders	42	8

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p. 2.

	<u>Current</u>	<u>Planned</u>
Shipyard workers	1	-
Tele repairers	34	1
El. fitters	-	1
Spray painters	1	-
<u>Technical</u>		
Surveyors' assistants	1	-
Laboratory assistants	2	6
Technicians	-	3
Draughtsmen's assistants	21	11
Geotechnical assistants	-	1
Cartographers	-	1
<u>Paper and printing industry</u>		
Machine operators	-	1
Photo-technicians	2	-
<u>Wood products industry</u>		
Fittings and machine joiners	31	4
Woodwork	2	1
<u>Textile and clothing industry</u>		
Sewing of ready-made garments	4	3
Pattern-cutters	1	1
Weaving	1	1
<u>Leather, furs and rubber products industry</u>		
Leather sewing	1	-
Sewing of shoes	1	-

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p. 3.

	<u>Current</u>	<u>Planned</u>
<u>Building and construction</u>		
Concrete workers	2	-
Carpenters	8	1
Electricians	2	-
Bricklayers	-	1
Painters	3	-
<u>Road transport</u>		
Truck service	2	1
<u>Shipping</u>		
Deck hands	1	-
Ship's cooks	1	-
<u>Commerce</u>		
Retail trade	7	17
Punchcard operators	3	2
Clerical training	28	22
Adaptation training for blind	6	2
<u>Hotels and restaurants</u>		
Kitchen personnel	4	7
Buffet personnel	2	4
Cooks	1	4
Waitresses	-	3
Cleaners	-	2
Personnel for Mountain Hotels	-	2

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p. 4

	<u>Current</u>	<u>Planned</u>
<u>Hospitals and nursing</u>		
Nursing	1	9
Operation assistants	3	2
X-ray assistants	2	2
Radiotherapy assistants	1	-
Laboratory assistants	2	1
Practical nurses	-	1
<u>Housework</u>		
Housekeeper training	4	3
<u>Unspecified</u>		
Boiler firemen and repair	1	1
	<hr/>	
Total as of 30/6/1962	611	272

SOURCE: Håkan E. Håkanson, Vocational Training of Unemployed Persons,
National Labour Market Board (Stockholm: 1962, mimeographed),
pp. 9-11.