

Approved 3-27-90
Date

MINUTES OF THE Senate COMMITTEE ON Economic Development

The meeting was called to order by Senator Dave Kerr at
Chairperson

8:00 a.m./~~p.m.~~ on March 22, 1990 in room 123-S of the Capitol.

All members were present except:
Senator McClure
Senator Winter

Committee staff present:
Bill Edds, Revisor of Statutes' Office
Lynne Holt, Kansas Legislative Research Dept.
Sue Pettet, Secretary to the Committee

Conferees appearing before the committee:

Dr. Bernd-Georg Spies, Head of Policy Development for the Dept. of
Labor, Health and Social Affairs, Hamburg, West Germany.

Chairman Kerr called the meeting to order and announced that
the committee was going to be honored by the presence of Dr.
Bernd-Georg Spies, Head of Policy Development for the Dept.
of Labor, Health and Social Affairs, Hamburg, West Germany.

Charles Warren introduced Dr. Spies to the committee.
Attachments 1 & 2 are articles submitted to the committee by
Dr. Spies.

Dr. Spies informed the committee that his home town of Hamburg,
West Germany has 1.5 million people in residence. The recent
developments in Eastern Europe provide a setting of global
challenge.

He stated that one of their more serious problems is long term
unemployment, which leads to lack of skills, and eventually
unemployability.

He stated that he felt there needs to be much more emphasis
on the training of skills, along with the ability to be able
to analyze problems and solve them. Human skill is not a
commodity that can be shelved and retained. The skill will
become obsolete. He, therefore, feels that much more attention
needs to be given to training and skill retention.

He stated that the changes in Europe have not only brought the
hope of freedom, but have unfortunately also caused some serious
problems. The influx of immigrants into an already tight housing
and employment situation is causing West Germany much difficulty.
The political atmosphere is extremely tense because of efforts to
combat inflation and all other related social problems. They are
a long way from solving social and economic problems because of
the many changes they have recently undergone.

There was a time of interaction with the committee as several
members asked Dr. Spies questions.

Chairman Kerr explained that all bills previously heard would
be worked the following week.

Does myth blur the facts of West German training?

The West German training system has been put on a pedestal by many influential people in Britain as a shining example for us to emulate. Cited as a model in several major studies, it has few critics. Bernd-Georg Spies, a researcher at the Tavistock Institute, is one of the few. Here he outlines his doubts about this current obsession.

There are two flaws in the current British myth about training in West Germany.

First, the system has shortcomings and pitfalls which have been virtually ignored in the public debate. Second, training was by no means the main factor in Germany's post-war economic success, nor would copying the German model by itself create conditions for an economic recovery in this country.

To take the second point first, it is my belief that to single out one factor in the complex set of parameters determining the economic performance of a company and ultimately a whole country is insufficient. The level of skills available in the workforce has to be seen in conjunction with the age and performance of the production technology, management strategies and industrial relations.

There is some evidence to suggest that Britain's lacklustre economic performance is as much to blame on the relative backwardness of its technological equipment and the poor state of industrial relations as on shortcomings in its education and training system.

A recent OECD survey indicates for example a significantly lower investment level in the UK than in other industrialised countries. Only 14.7 per cent of national income per head is spent on investment, compared with 32.4 per cent in Japan, 25 per cent in West Germany and 20.3 per cent in the US.

This is not to say that education and training efforts don't matter with regard to the overall economic performance of countries. A sustained economic recovery,

however, will not be brought about solely by concentrating public attention and resources in one policy area, like training.

It is also important that people in this country who might have been persuaded to emulate the German training system should know exactly how it works and where it has gone wrong.

The system of vocational training in Germany is characterised by its dualism, combining both in-company and academic training (see panel).

This dual system of training, in which employers provide places on in-company apprenticeship schemes with apprentices attending occupational training school on day release or — increasingly important — block release, accounts for up to 50 per cent of all training opportunities provided for young people in search of vocational training.

Because employers have to uphold training standards set by state regulations, there is a high uniformity in the level of aptitude of trainees. For employers this offers significant advantages for their manpower planning. Young people possessing a 'skilled workers' certificate can fairly safely be expected to have a defined set of skills, abilities and knowledge at their disposal. But because employers are firmly in the driving seat, federal or state governments have hardly any instruments to influence the supply side of the training system directly.

The power of employers and their organisations and the limitations of government action on this most crucial aspect was vividly illustrated by the ill-fated Law on the Availability of Training Places in 1976.

During the 1974/75 recession many companies resorted to cuts in their training budgets which curtailed the number of apprenticeships offered to school-leavers. The law entitled the government to impose a training levy and subsequently allocate

Who trains whom in Germany?

There are 401 institutions involved in vocational training, working on standard set monitoring and funding.

The employers

- provide places on in-company apprenticeships covering 439 blue collar and white collar occupations across industry
- sign training contracts with trainees
- train to standards set by federal government
- invested £4,000 million in training young people in 1981 according to government figures.

Occupational Training Schools

- provide day and — increasingly — block release courses for apprentices from companies
- are funded by public money through the states — or Länder. They spent £1,600 million on apprentice training in 1981.

The Federal Government

- issues regulations for training from the federal minister for trade and industry in agreement with the minister for education and science. They provide a curriculum and criteria for examinations for the 'skilled workers' certificate
- funds the Federal Institute for Vocational Training, set up on a tripartite basis, which carries out research, advises the government, prepares regulations for government approval and attempts to harmonise companies' procedures.

The Federal Employment Institute

(equivalent to the MSC)

- spent about £920 million in 1984 on individual and institutional support for training. Of this, £320 million was spent on supporting the employer system and topping up allowances and £600 million had to be allocated to special schemes to alleviate the problems of the losers in the competition for training places — similar to MSC schemes.

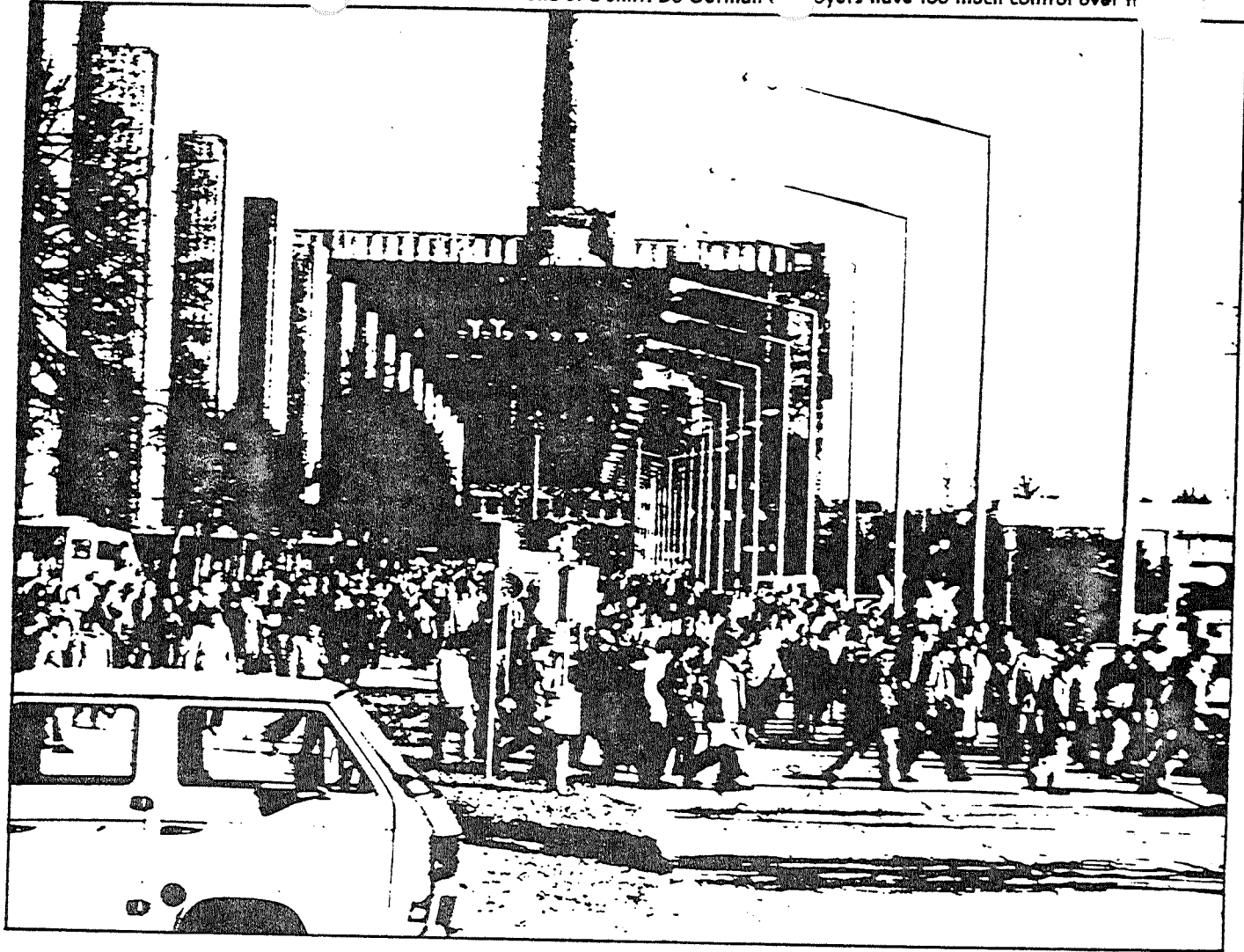
Chambers of Commerce

- monitor and control the in-house employer-based element of training
- register every training contract signed between companies and apprentices
- control and supervise exam procedures
- offer training for instructors

(Chambers include bodies representing trade, the professions, manual crafts and agriculture.)

training grants to employers, whenever the supply of training places exceeded demand by less than 12.5 per cent. This margin was deemed necessary to provide young people with a certain freedom of choice and allow for sectoral and regional disparities in the overall balance of supply and demand.

Although the supply of training places did not meet the required level several times in the following years, the legal powers were never exercised. The employers and their organisations, anxious to retain comprehensive control over the training system threatened not to create any new training places and launched a powerful public campaign against the law.



It was declared partly unconstitutional by the Federal High Court in 1981 and later largely repealed. The fact that a law was felt necessary highlighted the growing and widespread dissatisfaction with the training system as the recession brought structural deficiencies to the fore.

One problem has been the growing mismatch between supply of training places and demand for them among young people. More young people are seeking training places as result of demographic factors — baby-bulge — now affecting the labour market. Moreover, waning employment prospects of some academic professions, in particular those mainly located in the public sector and affected by tight fiscal policies, have made many young people reconsider their academic career ambitions and aim for an apprenticeship as the 'safe' first step in their career.

Mounting pressure

Almost half of all applicants for apprenticeship in 1984 were 18 years or older, while this age group accounted for only 30 per cent of all applicants three years earlier, indicating the growing demand amongst school leavers with higher educational attainments.

This growing attraction of apprenticeship is not limited to the upper tier of the labour market. The gradual decline of the number of jobs available to unskilled workers has also contributed to the mounting pressure on the dual system.

Government figures appear to show how well the training system has been able to adapt to this emerging situation. From 1976 to 1984 the supply of apprenticeship places has soared by 41 per cent from 513,900 in 1976 to 726,689 in 1984, while demand for places had gone up at a marginally higher rate of 45 per cent from 523,500 to 763,981.

This would mean that by 1984 there was still only a gap of about 40,000 — 763,981-726,689 — between supply and demand:

only 40,000 young people who wanted training were unable to get it.

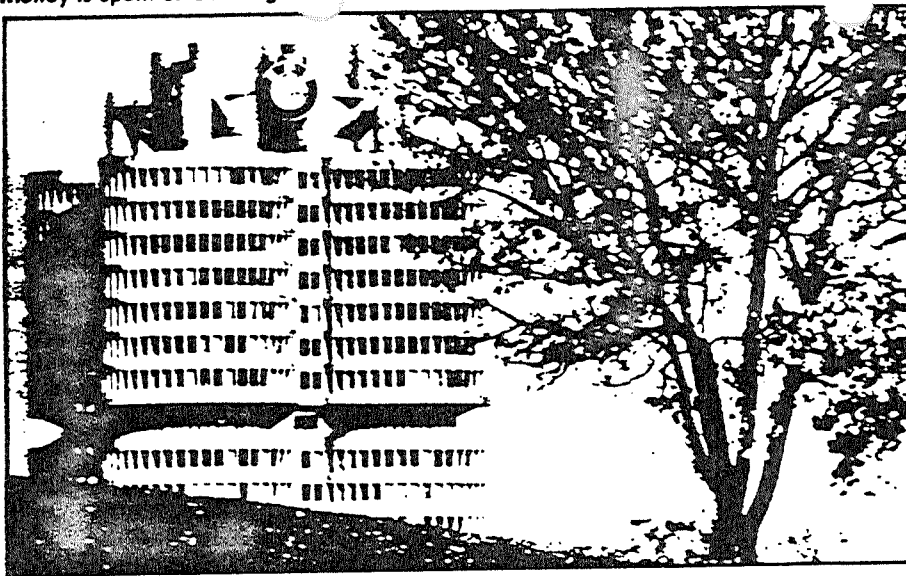
But in contrast, a survey conducted by the German Trades Federation shows almost 300,000 youngsters under 25 without training leading to qualifications recognised in the labour market.

The discrepancy between these figures is mainly due to different methods of calculation. The official report compares supply and demand figures on an annual basis, while the trade union survey includes those who, having failed to obtain a training place in the first year, have been placed in government schemes and entered 'waiting loops' but still have to be considered training seekers.

Short-term benefits

As outlined above, the decisions of individual firms to offer training places are paramount for the operation of the training system.

This prerogative is anxiously defended by employers' organisations and the chambers of industry, commerce and other trades. There has been growing concern that the short-term benefits of training are so attractive that the decision to train may not be based on sensible long-term ▶



planning. The provision of training places, it was argued, may not adequately reflect occupational changes and thus create problems for the tuning of training and employment.

To understand employers' rationale it has to be pointed out that allowances paid to trainees average 25 per cent of the wages of skilled adult employees. This comparative cost advantage renders the recruitment of trainees a very interesting option for firms with a high proportion of their total costs attributable to wages.

From this results a pattern of over-representation of small firms in services or manual crafts — compared with their share in the overall economy — as providers of training. As a training contract constitutes no rights of subsequent employment, trainees tend to be employed to reduce costs in those trades and find themselves in possession of skills with limited transferability after their training contract has expired.

The proportion of trainees in the total workforce is only 2 per cent in companies with more than 1,000 employees, but in contrast 8.2 per cent in craft firms with a workforce of less than 20.

From 1971 to 1981 manual craft trades increased their supply of training places by 65 per cent, manufacturing industry by 14.4 per cent and the number of clerical apprentice places rose by only 0.3 per cent.

Firms without a special training infrastructure, of training workshops and instructors who are largely full-time, take on youngsters for the cost-advantage this offers and train them in occupations with restricted employment prospects.

To illustrate this argument: between 1970 and 1980 the numbers of apprentices trained to become bakers grew by 124.1 per cent, while overall bakery employment in the same period declined by 25.4 per cent.

While apprentices made up 13.1 per cent of the overall workforce in this trade in 1970, their share had rocketed to almost 40 per cent in 1980.

For employers, the attraction of training also means a deferral of the problem of youth unemployment. The 16-19 age group is largely absorbed by the dual system, while additional state schemes, higher and further education and conscription to military service act as palliatives.

The problem erupts when young people reach the age of 20. In September 1983 623,324 youngsters under 25 had registered as unemployed — almost 25 per cent of the unemployment total. Particularly affected are young men with occupational skills such as car mechanics, bakers, gardeners, garage attendants and hairdressers. All these occupations are either manual crafts or performed in small to medium sized firms to which the economic rationale described above applies.

Young school leavers benefit unequally from the supply of training places. Depending on gender and nationality, particular patterns of discrimination in the recruitment of trainees have emerged. Of those 100,000 youngsters who, according to government figures in 1984, had failed to obtain a training place, 64 per cent were girls, who accounted for 56 per cent of the applicants. Girls not only encounter more difficulties when entering the training system, they also have access to a much more limited range of occupations.

Youngsters of foreign nationality, often the children of what officially are called "guest workers", also find themselves in a difficult position in the training system. They tend to have fewer opportunities to participate in vocational training schemes: 8.7 per cent of the total German workforce are in training, but the corresponding figure for foreigners is 2.7 per cent. Overall

50 per cent of all 16-19 year olds are in vocational training; among the young population this drops to 21.4 per cent.

In line with the general picture of regional economic developments, the regional balance of supply and demand for training places also shows considerable discrepancies. Not only does a school leaver in Bremen, an unemployment blackspot with steel and shipbuilding, stand less chance of getting into the dual system than his counterpart in Munich where unemployment is well below national average, and jobs are in electronics, services and the car industry, but the range of occupational options is also much more limited.

The perception of the West German training system in this country is blinkered by the present preoccupation with 16-19 year olds. The German vocational training system seems to be comparatively well equipped to cater for this age group. But the German case shows that a training policy unconnected with a general attempt to revitalise the economy and employment merely acts as a palliative. Youth unemployment is deferred, although the unemployed may be well trained.

Cynics therefore label the German unemployed as the "best trained dole queue in the world".

Government at federal, state and local level, is still not in a position to influence the supply of training opportunities directly, and finds itself more and more in the position of 'fire fighting'.

The increased demand for training has made employers more selective in their recruitment practices. The growing tendency among those with university entry qualifications to start their career with vocational training has triggered off a crowding out of those with lower educational attainments.

Need for reform

So more public schemes are needed to cater for the casualties of the training system. In some states up to 40 per cent of the places in the dual system are funded by public schemes — Berlin 37 per cent, Bremen 25 per cent — and this is in addition to myriad special schemes for regionally or personally disadvantaged groups.

Some federal states and social groups, like the trade unions, take this growing level of state involvement as proof of the need for a fundamental reform of the German training system.

One model discussed in this context proposes to overcome regional and occupational disparities by a statutory training levy, to be administered by industrial sector-based tripartite bodies. Is there perhaps something the history of vocational training in Britain (at least until 1982) could teach the Germans? **1**

Bernd-Georg Spies is a researcher at the Tavistock Institute and formerly worked for the German equivalent of the TUC.

Hamburg's answer to shipyard redundancies

A new initiative in West Germany aims to use training to minimise the number and impact of redundancies in the Hamburg shipyards before they take place, while linking training to economic policies. Bernd-Georg Spies, head of the policy development unit, in the Hamburg department of labour, youth and social affairs, and journalist Georgina Watkins, describe the scheme and ask if it has lessons for some of Britain's dying industries.

A new training initiative in West German shipbuilding and repair throws a small beam of hope over the troubled waters of the industry in Europe.

West German shipyards are still afloat, but like others in Western Europe, their existence is increasingly precarious. Far Eastern competitors, among which China is the latest recruit, have closed in fast on traditional markets. In West Germany, this has been measured by the loss of nearly half its shipyard jobs in the last decade. At least a quarter of the remaining jobs seem doomed to be lost.

Hefty subsidies

To keep above water, European shipbuilders are buoyed up by hefty subsidies which never seem high enough to compete with the low wages and weak currencies of rivals in newly industrialised countries.

Subsidies for the shipbuilding industry are a sore point in Europe. Not long ago, British Shipbuilders warned that the European industry was virtually doomed to extinction unless industry ministers agreed to raise subsidies to levels allowing them to compete fairly with Far Eastern yards. Subsidy ceilings have since been raised, but not for German yards. Their appeal last year to the Bonn government was briskly turned down by economics minister Martin Bangemann.

As the table shows, Hamburg has suffered disproportionately in the decline of the German shipyards — and suffered the steepest dip in employment in general between 1980 and 1986. With the other three coastal 'Länder' (Bremen, Schleswig-Holstein and Lower Saxony), it accounts for 91 per cent of shipyard jobs.

In the five years to 1986 Hamburg lost 34 per cent of its shipyard workers, but a new programme for the industry is designed to slow that haemorrhage. By financing the retraining of shipyard workers in new skills, it is hoped to encourage the companies to diversify into new products and ensure better job prospects for at least some Hamburgers. The idea has been greeted with interest in the other coastal Länder and there is no reason why it should not be imitated elsewhere — in Britain, for example.

A timely financial injection from central government will help to finance the initiative. After years of being lobbied by the coastal states for special help, the Bonn government, late last year, came up with a meagre 300 million Deutschmarks. A previously agreed formula entitled Hamburg to 20 per cent, or 60 million Deutschmarks.

Hamburg's government thought initially that the money would be used to enhance conditions of redundancy schemes and accelerate the 'streamlining' of the industry by shedding more jobs. But experience has

shown that reduction of the workforce has not produced a sound basis for long term recovery. Rather, it has sparked further decline. Therefore a different approach was sought, putting emphasis on employment stabilisation but, at the same time, helping yards to diversify.

In a nutshell, Hamburg's Social Democratic government has put together a 90 million Deutschmarks financial package, funded out of its own coffers (30 million Deutschmarks) and the Bonn government's, to subsidise the wages of workers otherwise marked out for redundancy while they are retrained for up to two years. Then it is hoped they will find work either in newly established branches of the same company, or they will have acquired skills to enable them to find jobs elsewhere. In the meantime, however, the workers are legally on the company's payroll, with full pension, holiday and other rights.

The same package includes provision — taking the skilling idea a step further — for subsidies towards diversification of production. ▶

Employment in the West German shipbuilding industry

	Number of employees		% change 1980/86
	1980	1986	
<i>Hamburg</i>			
Shipyards	13,108	9,163	- 34.1
Total employment	767,367	714,877	- 6.8
<i>Schleswig-Holstein</i>			
Shipyards	17,602	13,351	- 24.2
Total employment	733,243	720,075	- 1.8
<i>Bremen/Lower Saxony</i>			
Shipyards	23,579	18,790	- 20.3
Total employment	2,485,753	2,386,416	- 2.9
<i>West German total</i>			
Shipyards	59,557	45,224	- 24.1
All employment	20,953,864	20,730,107	- 1.1

◀ How does this fit into West Germany's overall training picture, which is so often admired from abroad? A 'dual' vocational training system provided by industry and the education system prepares school leavers not bound for higher education for work. About 70 per cent of pupils start learning skills or trades from the age of 15. A coordinated vocational curriculum with a mix of on and off-the-job training is thorough enough to prime them for a real job when the apprenticeship period comes to an end, normally after three years. Despite such early career channelling, there is still flexibility; many school leavers subsequently switch to another career.

But how easy is it for experienced workers to switch and adapt? Adult training is organised federally, mainly by the Bundesanstalt für Arbeit, or BA, the equivalent of the Manpower Services Commission, which spends about five billion Deutschmarks a year. An average 250,000 people are in schemes or on courses at any given time.

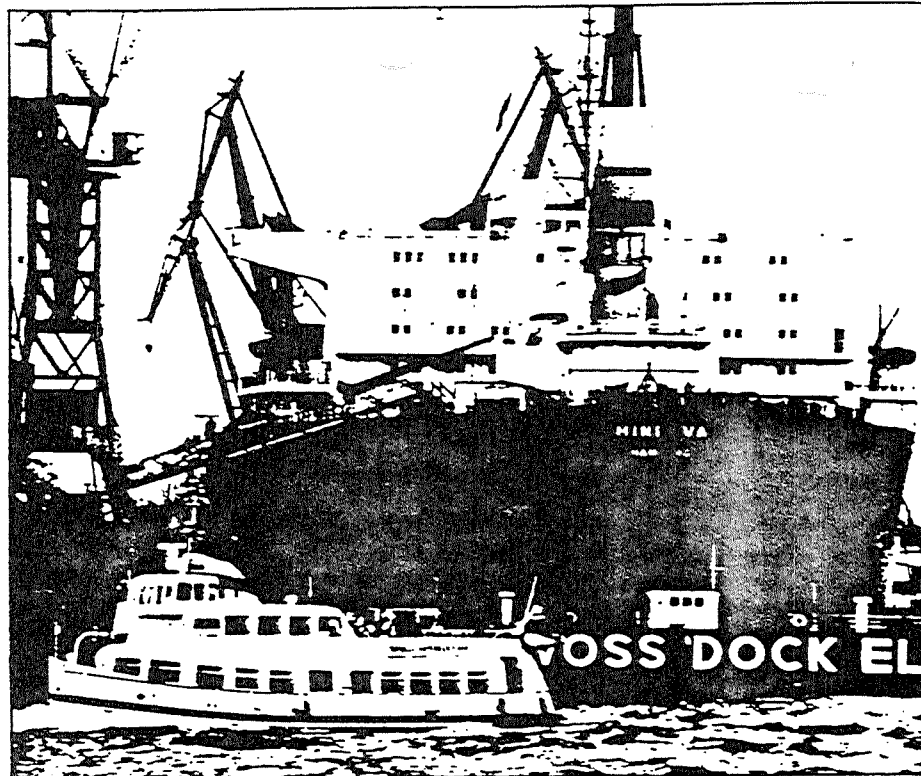
Differing courses

Courses differ enormously in terms of level of attainment and duration. They are not organised solely as an instrument for training, but the fact that the BA and its local branches are involved indicates that courses are seen as part of labour market strategy. Enabling people to learn new skills is seen as a major contribution to accelerating industrial and technological change, and as essential to maintaining German competitiveness internationally.

In the last decade the concept of further training has become more targeted towards the unemployed. Jobless numbers have exploded from 500,000 in 1974 to over two million last year so that now two thirds of those on further training schemes are registered unemployed.

How is this training organised? The BA commissions certain courses from private training agencies, of which there is a bewildering number. In Hamburg alone, with a population of 1.6 million and 100,000 unemployed, the BA employs 140 different sponsors providing training. Most participants are either out of work, or trying to prepare themselves to re-enter employment, as with apprentices unable to find a job to fit their skills, or women returning to the job market after having children. Participants in these schemes receive a training allowance, according to their marital status, from 65 to 73 per cent of their former net income for the duration of their training.

The instruments for this training, called *Fortbildung* and *Umschulung* (respectively,



The Blohm and Voss yard, the largest of the three big shipbuilders that still remain in Hamburg. The town has lost a third of its shipyard workers in the past six years.

training for further qualifications and retraining for a new profession or trade), are also available as a prophylactic against unemployment.

However, they have not often been used preventively, partly because the legal framework means the grant does not apply to courses run by companies for their own staff.

But there is one exception — and this is where the Hamburg scheme fits in — for candidates who, without proper training, would otherwise face redundancy, or the threat of it. In these circumstances, the BA can finance in-house training schemes. Shipyard workers are unhappy examples of this exception, which is where the innovative Hamburg approach, combining training and industrial policy, took its cue.

Avoiding the dole

As well as retaining their rights on the payroll, remaining in the workplace and avoiding the dole queue, the first workers to take part in the Hamburg scheme at the largest yard, Blohm and Voss, qualify for the training allowance mentioned above. This allowance of 65 to 73 per cent of their last net wage is paid by the local BA. But to make the scheme more attractive, the Hamburg government has agreed to top up that allowance to 90 per cent of regular monthly net income. The BA also covers all the costs of training — managing agents' expenses, salaries of teachers, materials and premises.

The importance of keeping skilled shipyard workers in work is illustrated by the role of the port and its industry in the local economy. Work in and around the shipyards accounts for as many as 140,000 jobs in the city state. Clearly, maintaining the industry is crucial to the local labour market, where unemployment, at 13.8 per cent, is well above the national average of 8.8 per cent.

The industry has now shrunk to three large yards, Blohm and Voss, HDW Ross-Industrie, and Sietas, as well as some 15 smaller companies. Sietas, unusually for a Western shipyard, is profitable and has a fairly good employment record. Its recipe for success has been to become highly specialised, building smallish coastal and refrigerated vessels.

Blohm and Voss now incorporates the bulk of the former HDW, a company shed by the state steel concern Salzgitter in 1983 and which is now known as Ross-Industrie. Blohm and Voss itself is part of the Thyssen group. Blohm and Voss has made attempts to diversify, but this has resulted largely in increased military production, not just of naval vessels, but of chassis for Leopard tanks.

It has also, rather haphazardly, bought up smaller companies in an effort to broaden production and its research and development base, with no great successes. The snags of diversification-by-merger were shown up by its acquisition of Ottenser Eisenwerk, a small industrial robot specialist. Too little time was allowed for the company's integration and as a result of this, and technology problems, the product missed the market.

As well as seeing their numbers decimated, Hamburg shipyard workers had endured the hand-to-mouth nature of short order books, so it was not surprising that they worked hard behind the scenes to find their own solutions to the problem. A series of workers' committees throughout the coastal states, with support from the regional engineering union branch, IG Metall, and the trade union federation, the DGB, started meeting regularly from 1980 to discuss the state of the industry and try to formulate ideas for new directions. In particular they wanted non-military solutions and, if possible, a socially useful slant to production.

Workers' committees

The workers' committees came up with numerous possibilities for new products: manufacture of plants to manage and dispose of sludge and silt in Hamburg's river, the Elbe; various aspects of refuse utilisation and management, and seawater desalination and irrigation plant. In maritime technology, they saw possibilities in floating gas power stations and liquefaction plants; in energy technology, replacement of nuclear power revealed opportunities to develop wind, tidal and wave power plants, waste water heat exchangers, coal liquefaction installations, and so on.

The root of this long-term research was the employees' realisation that for the industry to survive, diversification was vital. But their ideas met with little response. Blohm and Voss's workers' committee tabled suggestions to save jobs in their company in 1983. But they were rejected by the company and not taken up enthusiastically by the Hamburg government on grounds of infeasibility.

It seemed that the same scenario would be played out last year when Blohm and Voss announced a further 680 redundancies. But the Bonn government's unexpected financial windfall for the coastal states was the spur for Hamburg's local government to take a different approach. It was anxious to forestall the kind of mass industrial action that occurred in 1983 when workers occupied the HDW yard, appealing to the government to take it over when Salzgitter wanted to close it. And, unusually for government departments, the economic affairs, labour, and education departments cooperated closely in formulating the programme for the shipyards.

A white paper, published by the Hamburg government at the end of December, put forward a four-point plan and a package of financial and other measures to tackle the local economic crisis, with special reference to the shipyard industry. Of particular relevance to the shipyards was the skilling programme, already mentioned.

For people who have undergone training or re-skilling, the Hamburg government's programme foresees two avenues: either they stay within their company but are redeployed to new jobs, hopefully in new branches of production; or, if that does not materialise, they will have acquired higher skills that will make it easier to find work elsewhere.

The skilling scheme is meant to ensure that everyone who is affected by corporate change that will render him or her a candidate for redundancy is offered the chance of further training.

Blohm and Voss signed an agreement in March expressing its intention to train 400 workers and to get them started by the end of June. So far 80 have started the scheme. A further 100 workers at Sietas and 15 at a smaller yard are also candidates for separate schemes.

The Blohm and Voss scheme operates as follows: the local BA branch established an outpost staffed by training advisers on the shipyard premises. Out of the 353 names appearing on the final redundancy/training list, 230 workers underwent counselling; the rest had either taken early retirement or otherwise felt unable to take part. Of these 230 employees, 180 emerged as candidates for training.

The figure of 180 is significant. The company has undertaken that there will be no more dismissals as long as the number of workers in training remains at 180 or above. This was a provision in the agreement signed between the shop stewards' committee and the management.

Learning to learn

Of the first batch of 80 trainees, 25 started with preparatory 'learning to learn' courses. These people are unskilled or semi-skilled and the course should enable them to go on to take a training scheme leading to a qualification. Special care has been taken to ensure that these courses offer fresh and innovative approaches to content and presentation, since one of the aims of the programme is to stimulate new training delivery methods. Most of these workers are Turkish and may have a language handicap. The preparatory course comprises 49 per cent general knowledge, such as social techniques and German language, and 51 per cent engineering, metal processing, physics, mathematics, geometry, and so on.

The largest number of trainees (33) are undergoing an *Umschulung* course, learning a new trade, such as electrical engineering, electronics or toolmaking, or a commercial trade, such as clerical work.

Finally, two groups of workers, totalling 19, are undergoing further training to upgrade their qualifications (*Fortbildung*). Eleven of them are fitters and ten are receiving extra training in CNC technology. The final eight will be qualified technicians. Three further workers, who are learning occupations such as horticulture, make up the 80 initial trainees.

'Learning to learn' courses will last from six to nine months; *Umschulung* continues for up to two years, and *Fortbildung* courses for up to a year.

Gainful employment

To give the newly trained workers more of a chance of getting gainful employment after their courses, the state government has agreed to provide funds to help companies to develop new product lines. A motion from the Green and Social Democratic parties in the Hamburg parliament was passed stating that shipyard production should shift away from military lines, if possible to socially useful applications. In other words, it encourages companies to take the workers' committees' proposals more seriously than previously.

Further, the motion stipulates that any application for funds from the diversification programme must bear the signature of the shop stewards' committee which also implies encouraging discussion between the management and employees to speed up diversification.

It is too early to judge to what extent this attempt to stabilise jobs and secure the future of shipyards in the local economy can succeed. There are some indications that the instrument is not strong enough to prevent further corporate decisions that will decimate workers' ranks.

In May, Thyssen members of the Blohm and Voss non-executive board, which holds 100 per cent of HDW Ross-Industrie's shares, pushed through a decision to incorporate finally HDW-Ross Industrie's engineering section into Blohm and Voss. The remainder of HDW is to be closed down. These closures mean that, next year, the shipbuilding dry dock repair capacity of HDW will be closed, with the loss of another 600 jobs, putting Hamburg's joint training and industrial strategy to the test. Whether it will pass this test remains to be seen.

Nevertheless, to widen the scope of training, hitherto often almost exclusively reserved for junior and senior management, to unskilled and semi-skilled workers and those who, to secure their future, have to learn a new trade, puts a new complexion on training as a measure to prevent unemployment. Equally innovative is the attempt to combine training and industrial policy. Could this be an example for Britain to follow? 