

EUROPEAN COAL AND STEEL COMMUNITY  
EUROPEAN ECONOMIC COMMUNITY  
EUROPEAN ATOMIC ENERGY COMMUNITY

COMMISSION

# Report on the Development of the Social Situation in the Communities in 1975

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**A — Political introduction**

1. The general *economic and social situation* of 1975 was characterized by rising unemployment and a level of inflation in nearly all Member States that, although lower than in 1974, continued to give rise to serious concern. By the end of 1975 total unemployment in the countries of the European Communities had reached a level of about five and a half million and consumer prices by the Autumn of 1975 were rising on average by about 12.5% compared with 16% in the previous year.

2. The difficulties in the *employment market* were made more serious due to the fact that specific groups of people such as young workers or migrant workers were primarily affected. It is estimated that one and a half million of the Community unemployed were young workers, many of whom were school leavers and university graduates seeking employment for the first time. As for migrants, the poor economic situation forced many to return to their countries of origin although it was encouraging to note that such emigration did not assume the proportions that might have been expected in view of the overall deterioration in employment opportunities.

3. Whilst the solution to the problems of unemployment and inflation are matters more effectively dealt with by actions taken by Member States themselves, the *Community*, despite all the difficulties and financial constraints, continued to make a significant contribution towards *social progress*. During 1975 much was achieved in the social field to ensure lasting improvements in living and working conditions for many of the Community's citizens. In particular, and of fundamental importance to the millions of women in the Community, one notes the adoption during the year of a Directive aimed at the equality of treatment of men and women workers as regards employment, training and promotion, and in the case of migrant workers the adoption of a positive Council Resolution providing for progressive development of specific actions to improve the situation of migrant workers and their families.

4. These specific measures outlined above were among the priorities set out in the Council's own *Resolution for a Social Action Programme* adopted on 21 January 1974 and for which the Commission during 1975 was engaged in submitting the remaining tasks set out in that Resolution. To this end a number of specific proposals were adopted by the Council at meetings of Social and Labour Ministers in June and December 1975.

5. At its meeting held on 17 June 1975 the Council gave its approval to:
- (a) a Council Decision concerning the programme of pilot schemes and studies to combat poverty,
  - (b) a Recommendation regarding the application of the principle of the 40-hour week and four weeks annual paid holiday,
  - (c) the Decision on intervention of the European Social Fund to promote employment and the geographical and vocational mobility of young people under 25 years who are unemployed or seeking employment for the first time.

6. Concerning the *programme to combat poverty*, the Council agreed to allocate 2.5 million u.a. and 2.875 million u.a. for 1975 and 1976 respectively. It was agreed that the selection of projects would be left to the Commission in accordance with the following criteria: they must test out new methods of combating existing or potential poverty; they must, where possible, be drawn up and implemented in collaboration with persons served by the schemes themselves; and finally they must be of interest to the Community as a whole by having a pioneering aspect capable of informing the Community about future policy.

Improving the conditions in which people work was the objective of the *Recommendation regarding the application of the principle of the 40-hour week and 4 weeks annual paid holiday*. The Commission had originally proposed that the 40-hour week could be achieved by the end of 1975 and the 4 weeks holiday by the end of 1976. The Council, however, decided that the deadline for both objectives should be no later than 31 December 1978.

Whilst the timetable is slower than that envisaged by the Commission, the adoption of the Recommendation does underline that there is a political will towards establishing the forty-hour week and the four weeks annual paid holiday as minimum standards throughout the Community during the second half of the nineteen seventies.

7. The Council also gave the green light to the Commission's *work programme* in the field of *employment* and urged the further development of coordination at a Community level. This work will contribute to the eventual development of a Community-wide employment policy.

The Commission also submitted a practical proposal aimed at improving the opportunities for employment of people affected by the deteriorating economic situation. It proposed that Article 4 of the *European Social Fund* should be extended to schemes to facilitate not only the geographical and vocational mobility of people who are or have been employed in sectors and regions particularly

affected by the recession but also any young workers under the age of twenty five who because of inadequate vocational training are unable to obtain suitable employment.

Although the Council agreed that the Social Fund would be extended to cover training schemes for young workers and particularly young people seeking employment for the first time, it was unable to decide on how the Social Fund could be used to meet the problems of regions and industrial sectors affected by the recession. This matter was taken up again at the Council in December.

8. At its meeting of 18 December 1975 the Council adopted a further group of Commission proposals, the most important of which were:

- (a) A Directive on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions.
- (b) A Resolution concerning an action programme for migrant workers and their families.
- (c) A Decision on action by the European Social Fund to help those employed in the textile and clothing industries.

9. The vitally important provisions of the *Directive on the equality of treatment* are that sex discrimination in both national laws and regulations as well as collective and individual agreements must be eliminated as regards employment and working conditions. Furthermore in order to ensure that women are able to obtain these rights in practice, means are provided for a woman who considers that she has been the object of discrimination based on sex, matrimonial or family status to enforce her rights in national courts and, where necessary, the Court of Justice of the European Communities.

Whilst this Directive can be considered as the Community's contribution to 'International Women's Year', it is in fact one of a series of measures envisaged in the Community's Social Action Programme aimed at establishing real equality for women throughout the Community. Thus it complements the *Directive on Equal Pay* adopted by the Council in 1974.<sup>1</sup>

Principles of *equal treatment* were also taken up on behalf of *migrant workers* and their families when the Council adopted a positive *Resolution* expressing the political will to ensure by progressive stages specific actions to improve their situation.

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<sup>1</sup> Social Report 1974, point 4.

One of these measures was, in fact, adopted by the December Council itself, namely a Community Regulation providing for freedom of trade union rights throughout the Community for citizens of the Member States. But others envisaged in the course of 1976 include steps to eliminate 'illegal' immigration and abuses by employers of the employment rights of migrants, coordination of Member States' migration policies and facilities that will promote their social and occupational well-being, irrespective of whether they are Community citizens or nationals from Third countries.

10. The Council took up again the whole question of how the Social Fund would intervene to assist both the crisis-hit industrial sectors and regions affected by high unemployment. The Commission's modified proposal, however, failed to bridge the wide divergences of approach expressed by Member States. The Council did nevertheless agree to prolong the period of validity of the Council Decision concerning Social Fund assistance for workers in the *Textile industry* and to extend this Decision to cover the *Clothing industry* which is experiencing difficulties of structural adaptation.

11. Since questions concerning employment continued to be the focal point of interest during 1975, it was only natural that the *Standing Committee on Employment* which was re-activated by the Tripartite Conference of December 1974 should be convened several times during the year.

Meetings were held in February, June and December at which major issues for social policy drawn up by the Commission were discussed. A number of these proposals, as previously mentioned, were subsequently adopted by the Council whilst others will form the basis of concrete proposals during 1976.

12. As the economic situation throughout the Community continued to worsen it became clear that positive efforts in the social field by themselves were insufficient in providing solutions. It has always been the Commission's view that social policy should not be limited solely to those areas that are specifically social but should include the *social aspects of other Community policies*. In a similar way, Member States in their search for solutions to the present economic difficulties must recognize the need for concerted action by those responsible for social and economic policy.

This idea was taken up repeatedly by the representatives of the European Trade Unions at the Tripartite Conference in December 1974 in the call for a joint *economic and social conference* at which both sides of industry could discuss the problems of unemployment with both Ministers for Labour and Economic and Financial Affairs as well as with the Commission.



13. The idea of holding such a conference was agreed by the European Council in July 1975 and a meeting took place in Brussels on 18 November 1975. This meeting, the first of its kind, provided a full exchange of views between Governments — represented by both Economic and Finance Ministers as well as Employment Ministers — the Commission and both sides of industry on the economic and social situation.

This conference reflected the great convergence of opinions that emerged regarding the measures to be taken to combat the crisis. It was agreed that the Commission would examine the views expressed and that another similar conference should be organized in 1976.

14. During 1976 the Commission will complete the *remaining tasks* envisaged by the *Social Action Programme* and as appropriate draw up complementary measures designed to expand areas of social progress. These measures include:

(a) in the field of *employment*, the Commission will continue to collect and develop current data and analyse problems occurring in the present economic situation, particularly in the context of the programme of labour market studies. The cooperation between employment services will be developed, mainly as regards regular meetings of the Directors-General for Employment. In this context, the Commission's support action to national services will continue, particularly for problems of re-training and employment prospects for *migrant workers*. Lastly, a report will be drawn up by a group of independent experts to pinpoint the main problems of employment over the next few years to assist the Commission in planning future action.

As regards *vocational training*, the Commission intends to submit in 1976 recommendations aimed at encouraging the development of further practical vocational training for young people looking for work and on vocational training for women workers.

(b) As regards *freedom of movement* for workers, the Commission will propose measures to be adopted to combat illegal immigration. Other proposals expected to be brought forward this year in implementation of the migrants action programme will be (i) the concertation of migration policies of Member States and (ii) the participation of migrants in local community life.

The question of social security for Turkish workers will continue to occupy the Commission's attention this year. The Commission has also begun the necessary work preparatory to the implementation of the provisions of the Protocol to the Association Agreement with Turkey relating to freedom of movement of migrant workers.

(c) The *Social Fund* will continue — where appropriate in close cooperation with other Community financial instruments and particularly with the Regional Fund — to take action on behalf of training and mobility of workers in all the fields which have been opened to it: unemployment and under-employment in developing regions; farmers leaving the land; workers in the textile and clothing industry requiring re-training; persons affected by difficulties in certain groups of undertakings; adjustment of workers to technical progress; migrant workers; the handicapped; unemployed persons aged under 25. The latter action for young people, started in the last months of 1975, will be consolidated and organized on a more selective basis. Furthermore, the Commission intends to begin immediately the preparatory work necessary for the revision of the Decision of 1 February 1971 on the reform of the European Social Fund by the Council.

(d) As regards *worker participation* in the decision-making process of the undertaking, the Commission will pursue its work this year on the 'European Company' statute and the harmonization of the structures of limited companies.

The Commission is currently examining the possibility of requiring all multinational companies to inform regularly all representatives of workers in their subsidiaries of the economic and social situation of the company.

(e) In the field of *living and working conditions*, the Commission plans to take new specific action in the following sectors:

It will prepare a survey on the existing systems of encouragement of personal *asset formation* by workers. A study on the lowest *salaries* in the Community will also be drawn up.

Furthermore, the Commission will consider the extension of *social protection*, particularly in the context of social security, to categories of persons not covered or insufficiently covered, and will submit proposals aimed at the gradual achievement of equality of treatment between men and women in social security.

The first European *Social Budget* (1970-75), presented to the Council in December 1974 and revised at the latter's request, will be available early in 1976; preparatory work for a second budget will begin.

Moreover, during this year, the Commission will be evaluating the progress of the *poverty programme* and considering future developments in this field.

(f) The conclusions of a report on the situation of workers in the case of *individual redundancies* will be examined with the representatives of both sides of industry, with a view to submitting proposals to the Council in this field.

In the course of the year, the Commission will also draw up a long-term programme for the social rehabilitation of the *handicapped*, which will be forwarded to the Council.

The Commission report on the *humanization of work* will be submitted to the Council early in 1976. The problem will then be studied in conjunction with the European Foundation for the improvement of living and working conditions.

- (g) As regards *health protection* the Commission has undertaken a study on the radiological effect of nuclear expansion, paying particular attention to radioactive pollution of the Rhine, the Meuse and coastal waters, and the risks to which the population would be exposed.

In addition, a number of studies and proposals are in hand on the drawing up of common criteria for 'harmfulness' and also for health protection standards where the major environmental pollutants are concerned.

The Commission will also propose an *action programme on safety, hygiene and health protection at work* on the basis of 'guidelines' drawn up in 1975. Following work started at the time of the setting up of the Advisory Committee with responsibility in these fields, it will propose measures to remove the dangers inherent in some manufacturing processes in the chemical industry.

- (h) Pursuant to the conclusions of the 1972 Paris Summit, the Commission intends to develop the active *participation of both sides of industry in the formulation of Community policies*. In this respect, it envisages aid to worker organizations with a view to the creation of a European trade union Institute and, at the same time, it plans to develop its relations with both sides of industry in various sectors with a view, on the one hand, to joint consultations on common and Community policies and, on the other, to a greater number of joint meetings in the major economic sectors.

15. The events of 1974 and 1975 have shown the importance of a reciprocal *coordination of Community measures* in the various sectors. Only via the best possible coordination of the instruments and financial means available to the Community will it be possible to achieve effective and successful implementation of the objectives of social policy which the Commission set itself in the Social Action Programme and which the Council approved by its Resolution of 21 January 1974 on this programme.

**B — Outline of activities by the institutions  
of the European Communities in the  
social field in 1975**

## **Main developments**

16. *Despite the difficult economic situation, work in the field of social policy continued to make steady progress during 1975.<sup>1</sup>*

*The Commission was engaged in following up the remaining tasks set by the Council's Resolution concerning a Social Action Programme. At Council meetings of Social Ministers on 17 June and 18 December approval was given to a series of Commission proposals, including a number implementing priorities set in this Resolution. These covered a wide range of actions aimed at improving the employment situation and working conditions of the less privileged citizens of the Community. Perhaps the most significant measure adopted was the Directive on equal treatment for men and women workers. This Directive will make an important contribution to giving women workers in the Member States equal rights in access to employment, vocational training and promotion. The Council also adopted a Resolution concerning a programme for migrant workers and Decisions on assistance from the European Social Fund to help young workers in obtaining better jobs.*

*Tackling the employment difficulties of 1975 was principally a matter for the Member States themselves, but the Community institutions and the two sides of industry at European level also helped to find a solution.*

*As regards the participation of labour and management in Community decisions on economic and social matters, a major contribution was made by the relaunching during the year of the Standing Committee on Employment, which met in February, June and December, and the special Tripartite Conference which was held in November and was attended by the Ministers for Economic Affairs and Finance as well as the Ministers for Social Affairs. This conference served to emphasize the fundamental importance of economic and monetary policy in solving the problem of unemployment.*

## **Employment**

17. *The trend in the employment situation was marked by a considerable decline which reflected, with a time-lag of several months, the deterioration in the economic situation.*

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<sup>1</sup> Eighth General Report, Annexed Memorandum, points 53 to 57.

While this trend varied considerably between individual branches of the economy it affected all regions of the Community and all categories of workers, in particular young people, especially those seeking work for the first time. Concern with the situation caused the Commission to introduce various measures.

The Standing Committee on Employment resumed its activities on 17 February after a two-year interval, on the basis of guidelines laid down by the tripartite conference held in December 1974. The Committee decided to concentrate on problems concerning the employment of young workers, on migrant workers, on the coordination of employment policies and on the development of meetings between branches of industry.

An economic conference was held on 18 November between the two sides of industry and the Ministers for Finance, Economic Affairs and Employment.

For the first time since the Community was set up, employment problems did not merely involve the correction of localized structural imbalances against a general background of full employment. There was now an overall deterioration that had to be alleviated, without excluding the risks of unemployment which, while diminishing, might continue to persist after the anticipated revival. Against such a background the scope for Community action was restricted. Recovery programmes, even when well coordinated, would come into conflict with the narrow restrictions imposed by the economic situation; by its very nature the main direct Community instrument as regards employment, the European Social Fund, was and continues to be centred upon aid for training and mobility. Taking these restrictions into account the Commission continued with work already begun, adapting it to circumstances. On the other hand, in spite of the considerable problems involved, the Commission initiated new measures.

#### *Action concerning the labour market proper*

18. Special efforts were made to monitor employment trends. Monitoring of the economic situation was considerably improved, in close liaison with the Statistical Office of the European Communities (SOEC), with particular reference to the requirements of the Social Fund. The impetus given last year to the work on short- and medium-term forecasts in close contact with the Member States had had to be slowed down somewhat under the pressure of immediate tasks. The machinery for coordinating national employment policies has been gradually established. In future the Commission will organize meetings of Directors-General for Employment two or three times per year in order to give them the opportunity of exchanging views on the employment situation, the measures taken in each country, and the aims and priorities of Community action in this field.

19. In the Communication which it submitted to the Council in connection with the Social Action Programme the Commission proposed three priorities for the coordination of employment policies: the identification of problems and priorities in the Member States; specific action on behalf of certain categories of workers; consideration and action as regards the instruments of employment policy (employment offices, the relationship between training and employment, protection and mobility of employment).

A continuous review of measures taken in the Member States to deal with unemployment is in course of preparation. In addition, work was mainly devoted to the relationship between training and employment: the development of the Social Fund makes it essential to improve criteria for deciding on applications. In this connection the Commission is instituting a series of studies on the efficiency of Fund aids, concentrating on some of the bodies most frequently involved in applications.

Furthermore, in January the Commission organized a seminar in Manchester on the evaluation of methods and means of checking on the efficiency of training measures.

#### *More general activities concerning employment*

20. It was appropriate for the Community to make a substantial and practical contribution to International Women's Year. A seminar was organized in November on the Vocational Guidance and Training for Women Workers.<sup>1</sup>

On 12 February the Commission adopted a communication and a proposal for a directive of the Council on implementation of the principle of equality of treatment between male and female workers (access to employment, to vocational training and promotion, and working conditions).<sup>2</sup> The Parliament and the Economic and Social Committee gave favourable opinions on this proposal, The Council adopted the directive on 18 December.

The Commission has made its contribution to various measures undertaken by Member States and the two sides of industry on the occasion of International Women's Year. It has continued the preparatory work for the establishment of a documentation and information centre on female employment and has finished a study on the employment of women in the United Kingdom, in Ireland and in Denmark following on from the study previously made for the other six Member States.

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<sup>1</sup> Point 29.

<sup>2</sup> Bull. EC 2-1975, point 2209.

21. At its February meeting, the Standing Committee on Employment stressed the problem of the employment of young people.<sup>1</sup> After undertaking a comprehensive study of this problem and a series of consultations, the Commission began work on implementation of the Council Decision extending the scope of the Social Fund to include operations concerning the employment of young people and on drawing up a recommendation on the development of practical vocational training measures.

22. More often than not, the most significant measures which the Community can undertake in order to influence employment trends are outside the scope of social policy as such, and it is thus essential that the employment aspects are taken into consideration in other Community policies. With this in mind, the Commission has emphasized a number of measures. The most obvious example is the meeting of sectoral groups where the two sides of industry examine with the Commission the main problems posed by developments in their own sector.

Less formally, the Commission is endeavouring to make systematic allowance for employment in its various policies.

In addition, an expert working group has been set up to examine the main problems posed by medium-term employment trends. Its work will supplement work already carried out by a group concerned with preparing medium-term forecasts on employment trends by sector and by qualification. These two groups will submit their reports in 1976. On 18 December the Council also adopted a regulation concerning the establishment of homogeneous statistics on foreign manpower.

### *European Social Fund*

23. The appropriations for the new European Social Fund had been initially fixed at 355 million u.a. The Council, later agreed to the non-automatic carryover from 1974 to 1975 of 51.4 million u.a. to cover expenditure under Article 4. However, only 21 million of these were actually used for this purpose, the remainder being transferred to another chapter of the budget when the Council failed to agree on the new scope of Article 4 (restructuring operations linked to the recession).

The third report on the activities of the new Social Fund, covering 1974,<sup>2</sup> was forwarded to the Council and to Parliament, in accordance with the decision setting up the Fund.

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<sup>1</sup> Points 23 and 29.

<sup>2</sup> Bull. EC 7/8-1975, point 2227.



TABLE I

New Social Fund — 1975 Budget<sup>1</sup>

(million u.a.)

	Article 4	Article 5	Pilot schemes	Total
Initial endowment	110	245	0.9	355.9
Supplementary endowment	21.1	—	—	21.1
	131.1	245	0.9	377

<sup>1</sup> The Fourth Annual Report on the new European Social Fund (1975), to be sent to the Council and Parliament on 1 January 1976 as required by the Fund's Rules, gives full information on:  
 — the value of applications for assistance under Article 4 (agriculture, textiles, migrant workers, handicapped and young persons) and Article 5 (assistance for declining regions, industries subject to the pressure of technical progress and groups of undertakings in difficulty);  
 — the value of applications received and granted, broken down by country and category (Articles 4 and 5).

On 21 April 1975 the Commission presented to the Council a proposal on the introduction of a specific joint measure under Article 4 of the Council Decision of 1 February 1971 on the reform of the European Social Fund, in order to facilitate the necessary structural adaptations.<sup>1</sup> On 22 July the Council<sup>2</sup> signified its approval for the extension, as a first step, of assistance from the Social Fund to cover young people under 25 years of age who are unemployed or seeking employment, and asked the Commission to submit a new proposal on the granting of assistance from the Fund to help persons employed in the sectors particularly affected by the employment imbalance resulting from the recession, with due regard to the regions most affected by employment difficulties. After discussing this new proposal<sup>3</sup> without reaching agreement on 18 December the Council asked the Commission to examine the possibility of financing certain important operations in this field under Article 5, notably by means of transfers within the Fund's budget.

The Commission also presented to the Council a proposal<sup>4</sup> for prolongation of the Decision of 19 December 1972 on assistance from the Fund under Article 4, for persons occupied in the textile industry, and to extend this to cover the clothing industry. The Council adopted this new decision on 18 December.

<sup>1</sup> Bull. EC 4-1975, point 1106.

<sup>2</sup> OJ L 199 of 30.7.1975 (Decision 74/459/EEC of 22.7.1975); Bull. EC 6-1975, points 2212 and 2424.

<sup>3</sup> Bull. EC 10-1975, point 2213.

<sup>4</sup> Bull. EC 10-1975, point 2214.

24. Pursuant to Article 7 of the Regulation implementing the Decision of 1 February 1971, the Commission has initiated a number of pilot schemes and studies mainly concerned with various aspects of vocational training: efficiency of aids, special needs of certain categories of persons, instructors, re-integration into employment of women aged over 35, and migrant workers. One such study concentrates more particularly on the analysis, notably for the sake of those promoting operations to be financed by the Social Fund, of financial and technical aid granted in the countries of the Community under existing vocational training systems.

25. The former Social Fund has continued its activities under Article 125 of the EEC Treaty, in accordance with the general implementing Regulation (EEC) No 2396/71.<sup>1</sup> Assistance granted amounted to 4 895 385 u.a., and was allocated as shown in the following table:

TABLE 2  
Old Fund — assistance granted in 1975

Country	For retraining	For resettlement	Total
Belgium	—	—	—
FR of Germany	2 865 320	—	2 865 320
France	1 009 268	101 077	1 110 345
Italy	918 309	—	918 309
Luxembourg	1 411	—	1 411
Netherlands	—	—	—

Community assistance for redundant workers from the Italian sulphur mines<sup>2</sup> totalling 80 064 u.a. was paid to the Italian Government in 1975.

26. Finally, for 1976 the European Social Fund has a budget of 440 million u.a., of which 170 million u.a. have been allocated for assistance under Article 4 and 270 million u.a. for assistance under Article 5. Following consideration by Parliament, then, an additional 40 million u.a. for Article 5 was added to the Council's

<sup>1</sup> OJ L 149 of 10.11.1971.

<sup>2</sup> OJ 246 of 31.12.1966; Social Report 1974, point 20.

draft budget, with 20 million each to Articles 4 and 5. There are also 1 million u.a. for studies or pilot schemes.

### *Readaptation of workers in the ECSC industries*

27. Changes on the energy market resulted in a considerable fall during 1975 in applications for assistance for coalminers losing their jobs as a result of the closure of the undertaking where they were employed. The readaptation agreements were not changed except in Belgium, where the period of aid was extended by two months, specifically to take into account the fact that the decrease in the number of mines makes the re-employment of miners increasingly difficult.

TABLE 3

#### Readaptation of workers (ECSC credits)

Country	Coal Industry		Iron and steel industry and iron—ore mining		Total	
	Appropriations (u.a.)	Workers	Appropriations (u.a.)	Workers	Appropriations (u.a.)	Workers
Belgium	1 757 191.13	2 157	822 077.72	2 329	2 579 268.85	4 486
FR of Germany	5 401 440.49	5 563	156 532.4	162	5 557 972.92	5 725
France	1 119 681.55	429	92 807.80	—	1 212 489.35	429
Netherlands	—	—	208 639.46	331	208 639.46	331
United Kingdom	8 367 323.77	2 357	2 141 965.0	3 307	10 509 288.78	5 664
Total	16 645 636.94	10 506	3 422 022.42	6 129	20 067 659.36	16 635

### *Free movement of workers*

28. The Commission proceeded with its scheme to develop the clearance of employment supply and demand at Community level in order to facilitate the placement of Community workers; together with national authorities, the Commission has determined the level (local, regional or national) at which information on employment will be transcribed under the European international vacancy clearance system (SEDOC); the Commission has also organized, together with

the Member States, ten seminars for the training of national users of the SEDOC system, using the audiovisual programme prepared in 1974.<sup>1</sup>

The need for better information about the use of non-national labour has led the Commission to concern itself with the problems connected with temporary work and illegal immigration. As regards temporary work, the Commission facilitated cooperation between the Member States' employment services in order to ensure improved protection for foreign workers sent by temporary employment agencies to another Member State. As regards the efforts to combat illegal immigration, the Commission consulted the Standing Committee on Employment and the Advisory Committee on Freedom of Movement for workers concerning relevant measures to be adopted at Community level.

In addition, the Commission sponsored a further experimental exchange of Italian and German civil servants working in employment offices and has decided to extend this scheme to cover Belgium. Finally, the Commission has given considerable support to the efforts of the Member States in the field of information on living and working conditions.

At its meeting on 18 December 1975, the Council adopted a Regulation, proposed<sup>2</sup> by the Commission, amending Regulation (EEC) No 1612/68 on the free movement of workers, by extending equality of treatment in the exercise of trade union rights to cover admission to leading positions in trade union organizations. In three judgments the Court of Justice ruled, on the one hand, that measures based on public policy were not to be detrimental to the exercise of trade union rights and that a worker who was a national of a Member State could not be expelled as an example to other foreigners; and on the other hand the Court ruled that reduced-price tickets on public transport granted to large families constituted a social advantage within the meaning of Article 7 of Regulation (EEC) No 1612/68 on the free movement of workers.<sup>3</sup>

### *Vocational training*

29. On 10 February the Council adopted the Regulation establishing a European Centre for the Development of Vocational Training;<sup>4</sup> its Management Board met for the first time in October and its Director was appointed in December. The

<sup>1</sup> Social Report 1975, point 25.

<sup>2</sup> OJ C 221 of 27.9.1975; Bull. EC 9-1975, point 2207.

<sup>3</sup> Point 50.

<sup>4</sup> Social Report 1974, point 27; OJ L 39 of 13.2.1975; Regulation (EEC) No 337/75 of 10.2.1975; Bull. EC 12-1974, point 1304.

Commission's main concerns are firstly to help the centre to start work and secondly to give a new impetus to operations promoting the vocational guidance and training of women. To this end, it organized in November a European Seminar on vocational guidance and training for women workers, which made it easier to determine requirements. Furthermore, as a result of increased unemployment among young people the first exchange programme for young workers<sup>1</sup> has been extended to include fishermen, agricultural cooperatives and farmers' friendly societies. A second programme will be placed before the Council in 1976. Coöperation between Member States and the Commission in the matter of vocational guidance was strengthened, and a seminar was organized in Denmark in October.

The Advisory Committee for Vocational Training met in April and September. Lastly, a working party began to draw up a report on vocational guidance, while another working party was set up to examine questions relating to apprenticeship.

### **Living and working conditions**

30. On 26 May 1975 the Council formally adopted a Regulation on the creation of a European Foundation for the improvement of living and working conditions, with its seat in Ireland.<sup>2</sup> In addition, the Commission has prepared a Communication to the Council on the humanization of work.

### *Social security, the European Social Budget and the fight against poverty*

31. In the field of social security new measures were introduced to implement the Social Action Programme.

The harmonization of social protection policies, in particular of social security policies, was discussed initially at meetings of experts.

The Commission has made a proposal to extend social security schemes to persons not already covered, another step called for by the Social Action Programme.

Work also continued on the 'dynamization' of social security benefits, that is, their adaptation to the increase in prosperity in the Member States. A summary of the situation in the Member States has been drawn up, and also a memorandum of points for consideration, with a view to preparation of a proposal, after consultation of governmental experts and the two sides of industry (the former have already been consulted).

<sup>1</sup> OJ 78 of 22.5.1964.

<sup>2</sup> Social Report 1974, point 16; Bull. EC 12-1974, point 1305; Bull. EC 5-1975, point 2212; OJ L 139 of 30.5.1975 (Regulation (EEC) No 1365/75).

As regards the differences in treatment between men and women in social security matters, a summary of the situation in the various Member States has been drawn up on the basis of a questionnaire, in order to enable consultations to be held with the Government experts and the two sides of industry for the purpose of preparing a proposal regulating the scope and the methods of application of the directive on equality of treatment between men and women in these matters.

The study on the advisability and possibility of Community assistance in the field of unemployment benefits was carried out during 1975 and has now been completed.

The first European Social Budget, 1970-75, submitted to the Council in December 1974, was examined in March 1975. Since recent economic developments made the forecasts included in this first budget in part obsolete, the Commission, at the request of the Council, proceeded to revise the data with a view to possible publication of an up-to-date text. The Commission has also put a paper to the Council on the short- and medium-term aims of the European Social Budget as an instrument of information and decision-making, and guidelines for a second budget.

The Commission also put to the Council guidelines for the establishment of a permanent system of legal and statistical information on social security in agriculture.

In accordance with its Recommendations of 23 July 1962 and 20 July 1966<sup>1</sup> the Commission initiated an exchange of information on problems concerning compensation for certain occupational diseases, in particular deafness and hypacusia. A new form for declaring occupational diseases has been prepared. In addition, medical notes on the complaints listed in Annex II of the Community list have appeared and the whole Community list has been revised.

The realization of specific measures to combat poverty, the subject of the Council Decision of 22 July 1975,<sup>2</sup> was marked by a programme containing twenty-three projects which was approved by the Commission in November.

### *Social security for migrant workers*

32. In the framework of the action programme in favour of migrant workers<sup>3</sup> the Commission first of all presented to the Council a proposal for a Regulation relating to standardization of the paying of family benefits to workers the members of

<sup>1</sup> OJ 80 of 31.8.1962; OJ 147 of 9.8.1966.

<sup>2</sup> OJ L 199 of 30.7.1975.

<sup>3</sup> Social Report 1974, points 30 and 31.

whose family reside in a Member State other than the country of employment<sup>1</sup> (this was considered by the Council on 18 December, but no agreement was reached), and secondly has begun preparatory work on the establishment of an instrument for the coordination of social security schemes for self-employed workers. The Commission has also sent the Council a proposal for adaptation of Community rules to take account of changes in national laws, particularly in the United Kingdom.<sup>1</sup> Agreement has not yet been reached in the negotiations on coordination of social security schemes applying to workers from certain non-member countries working in the Community.<sup>2</sup>

The Advisory Committee on Social Security for Migrant Workers has initiated an exchange of views on various proposals for improving the Community rules.

The interpretation and the application of the rules have been the subject of six decisions of the Administrative Committee on Social Security for Migrant Workers,<sup>3</sup> and the Court of Justice has delivered several judgments<sup>4</sup> in cases in which preliminary rulings were requested. Lastly, handbooks are being prepared for the purpose of informing migrant workers of their rights.

### *Activities on behalf of migrant workers and their families*

33. The action programme on behalf of migrant workers and their families submitted by the Commission to the Council<sup>5</sup> was the subject, after favourable opinions from Parliament and from the Economic and Social Committee, of a Council Resolution adopted on 18 December. The Commission has already submitted to the Council proposals concerning measures advocated in this programme. In addition, the Commission has contributed to the conducting of an inquiry into the situation of immigrant women and children in Belgium and given assistance to seminars and conferences on the problems of migrant workers organized by independent bodies. Furthermore, a film on the position of migrant workers in the Community has been produced in collaboration with the Westdeutsche Rundfunk.

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<sup>1</sup> OJ C 96 of 29.4.1975.

<sup>2</sup> Social Report 1974, points 30 and 31.

<sup>3</sup> OJ C 88 of 19.4.1975; OJ C 150 of 5.7.1975.

<sup>4</sup> Point 50.

<sup>5</sup> Bull. EC 12-1974, point 2217.

*Housing*

34. The financing of the construction, the modernization and, on an exceptional basis, the acquisition of old low-cost housing for workers in the ECSC industries continued as the second instalment of the seventh scheme was completed and the eighth begun. The overall amount of the second instalment of the seventh scheme (20 000 000 u.a.) is now fully committed. Construction projects, relating to a total of some 9 219 dwellings selected in accordance with the priorities laid down by the Commission, have been approved in the course of the year, including two model projects on a large scale to promote the integration of migrant workers, and a total amount equivalent to 12 322 281 u.a. has been transferred.

In addition, the Commission, after discussions with the competent national bodies and with trade organizations, has begun to allocate the credits (25 000 000 u.a.) earmarked for the first instalment of the eighth scheme, and the first loan contracts have already been signed. The two tables below present a synthesis of the total achievements of the ECSC housing programme.

TABLE 4

**Financing of the eight normal and three experimental ECSC  
low-cost housing schemes (situation at 31 December 1975)**

*(million u.a.)*

Country	Commission funds		Additional funds <sup>1</sup>	Total aid	Other sources	Total cost of construction and modernization
	Own resources	Borrowed funds				
Belgium	6.62	22.95	2.30	31.87	41.63	73.50
Denmark	1.00	—	0.67	1.67	3.93	5.60
FR of Germany	68.89	13.24	147.36	229.49	985.51	1 215.00
France	34.91	0.43	14.66	50.00	205.05	255.05
Ireland	0.50	—	0.82	1.32	0.46	1.78
Italy	11.70	8.36	11.18	31.24	30.76	62.00
Luxembourg	3.05	1.70	2.43	7.18	9.98	17.16
Netherlands	7.23	2.14	7.30	16.67	32.98	49.65
United Kingdom	4.00	—	—	4.00	5.28	9.28
Total	137.90	48.82	186.72	373.44	1 315.58	1 689.02

<sup>1</sup> Including additional funds made available by the Commission.



TABLE 5

**Work on the eight normal and three experimental ECSC low-cost housing schemes  
(situation at 31 December 1975)**

Country	Number of dwellings financed			
	In preparation	Under construction	Completed	Total
Belgium	237	32	7 203	7 472
Denmark	32	21	73	126
FR of Germany	807	1 564	85 247	87 618
France	1 853	1 001	24 573	27 427
Ireland	34	57	48	139
Italy	—	400	6 175	6 575
Luxembourg	18	5	972	995
Netherlands	418	72	4 839	5 329
United Kingdom	61	—	6 466	6 527
Total	3 460	3 152	135 596	142 208

On 11 August the Commission transmitted to the Council a communication on the elimination of architectural obstacles to the mobility of handicapped persons. This communication set out the minimum norms required of dwellings for handicapped persons and lists a number of pilot schemes undertaken in the Member States and suitable for financial support from the Commission.

### *Social services and family matters*

35. The Commission has consulted Government representatives and experts belonging to private organizations concerning present requirements in the field of social services for migrant workers and their families, for the purpose of drawing up proposals under the Social Action Programme. The Commission organized a European seminar for social workers at Oxford which dealt with problems of migrant women and with the frequently observed phenomenon of the gap which develops between migrant workers and their children.

In its memorandum to the Council on equality of treatment of male and female workers the Commission laid down certain guidelines on measures to be introduced to help workers with family responsibilities, particularly as regards child-care facilities. With the help of experts the Commission has made a study of the cost and methods of financing day nurseries in the Member States. In addition, the Commission took part in the fourteenth conference of European Ministers responsible for family affairs, the main theme of which was: 'The equality of man and woman: its implications for family life and governmental action in this field'.

### *Wages and terms of employment*

36. The proposal for a Council Directive on the principle of equal pay for men and women was formally adopted by the Council on 10 February 1975.<sup>1</sup>

In accordance with the task assigned to it by the Council the Commission finished drawing up a report on 'Methods of encouraging asset formation among workers'. This document will be forwarded to the Council, accompanied by the Commission's initial conclusions from discussions, which have now been completed, with Government experts and the two sides of industry.

The Commission brought up to date the comparative tables on working hours (time worked per day and per week, annual holidays, paid public holidays) in the Community industries. In addition, the study on educational leave (leave for training purposes) in the nine Member States has been completed and has formed the subject of a general report.

### *Labour law—Industrial relations*

37. The European employers' and workers' organizations were consulted on the following matters: guidelines for a Community programme on safety, hygiene and health protection at the work place; employment forecasts; the research programme on the employment market; the coordination of social protection policies; the proposals on the implementation of specific aspects of the programme to help migrant workers.

The Commission has forwarded to the Council the final proposal for a directive on the retention of rights and privileges by workers in the event of mergers, transfers and amalgamations of undertakings<sup>2</sup> and has prepared the final proposal for a regulation

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<sup>1</sup> Social Report 1974, point 32; OJ L 45 of 19.2.1975.

<sup>2</sup> Social Report 1974, point 34.

on the provisions concerning conflicts of law in Community industrial relations.<sup>1</sup> The two proposals take into consideration to a large extent the amendments proposed by the Parliament and the Economic and Social Committee.

Furthermore, in response to the task assigned to it by the Council, the Commission has forwarded to the latter a third report on the possibilities of, and difficulties involved in, ratification by the Member States of an initial list of agreements concluded within other international organizations. This report reflects the situation on 31 December 1974. The Commission has also completed a report to the Council on the problems of individual dismissal.<sup>1</sup> This report contains a comparison of the existing provisions and guidelines for creating a Community instrument.

Acting on a Commission proposal, the Council adopted, on 23 July 1975, a recommendation to the Member States on the application as from 31 December 1978 of the principle of the 40-hour week and four weeks annual paid holiday.<sup>2</sup> However, the Commission regrets that the proposed dates of application (end of 1975 for the 40-hour week and end of 1976 for the four weeks holiday) were not adopted by the Council. It also regrets the introduction of derogatory clauses.

In order to help the European trade union organizations to set up a European Trade Union Institute, the Commission has forwarded a preliminary draft study to these organizations.

The Commission organized meetings with the two sides of industry, particularly in the textile and clothing industries. Such 'sectoral meetings' should not be confused with the Commission's efforts to set up sectoral joint committees<sup>3</sup> to encourage the active participation of both sides of industry in the decision-making process. The Social Action Programme provides for a large number of actions which, because of their specific nature, can only be carried out by means of sectoral coordination at European level. Alongside the results already published,<sup>4</sup> the following should be pointed out: the adoption of a statute for the mixed Committee on Coal,<sup>5</sup> the filing of detailed opinions on the standards to be adopted with the regard to safety and comfort in sleeper cabs for road transport, and supervision and sanctions to ensure the application of the Regulation on the harmonization of working conditions in inland navigation. With regard to sea fishing and agricultural workers, the action of the Committees has mainly been concerned with improving safety, training, and

<sup>1</sup> Social Report 1973, point 28.

<sup>2</sup> OJ L 199 of 30.7.1975 and Bull. EC No 7/8-1975, point 2232.

<sup>3</sup> Social Report 1973, point 27, and Social Report 1974, point 36.

<sup>4</sup> Bull. EC 2-1975, points 2216, 2217; 3-1975, point 2222; 4-1975, points 2222, 2223; 5-1975, points 2214, 2225; 6-1975, points 2222 to 2224; 9-1975, point 2217.

<sup>5</sup> OJ L 329 of 23.12.1975.

the definition of a social programme. Investigations have begun or continued in the sectors of air and sea transport, energy, construction, metallurgy, cinema, food, hides, etc., with a view to setting up new committees.

## **Health protection**

### *Radiation protection*

38. The protection of workers and the public against radioactivity hazards is still a major object of the Commission's concern. Thanks to the powers conferred on it by the Euratom Treaty (Articles 2 and 30 to 39), the Commission has been able to implement a common health policy which is generally regarded as effective. In recent years radiation protection has increased in importance and topicality, mainly as a result of growing public awareness of the development of nuclear energy as a means of producing electricity and of its possible effects on human health and the environment. The four main features of radiation protection measures are still the Community rules, supervision of compliance with protection standards, the prevention of radioactive contamination of the environment, and the research programme on radiobiology and radiation protection. These four lines of action have developed alongside one another for nearly eighteen years with beneficial results.

39. The review of standards will be completed in 1976 after a procedure which is long and complicated because of the importance of consulting the many interested parties (Economic and Social Committee, Parliament, Council). Parallel to these obligatory consultations, the Commission has organized discussions with those responsible for radiation protection in the principal nuclear installations in the Member States, and has held a training and information seminar for trade union representatives. One of the main points of this review concerns the principles on which the monitoring of exposure risks to the public will henceforth be based; the proposed procedure directly involves the Commission and the competent authorities in a more realistic but safer approach towards an assessment, the conclusions of which are decisive in the choice of sites and the restrictions which may be imposed on nuclear installations.

40. The special questions connected with the use of irradiation in medicine have been discussed in meetings of experts and consultants. In its concern about the increased proportion of medical irradiations in the population dose, the Commission has drawn up a draft recommendation asking the Member States to take the necessary measures to limit the exposure of sick persons for diagnostic and therapeutic purposes. The basic standards provide that exposures and the number of

persons exposed should be as few as is reasonably possible; both in the industrial sector and in the medical sector the 'best possible' protection should be given according to harmonized concepts and rules. Similarly, the problems of radiation protection raised by the widespread availability and the increased use of ordinary consumer goods containing radioactive substances were dealt with in a scientific seminar held in Luxembourg in November 1975 with a view to curbing the proportion of this type of human irradiation in the population dose.

41. Compliance with the radiation protection standards is currently satisfactory in the Member States, since occupational irradiation is still on average considerably below permissible levels and the exposure of the public is negligible in relation to the established limits. Nevertheless, the Commission believes that, if this level of protection is to be maintained, efforts will have to be made in particular in the field of studies and coordination. The precise radiological impact of the new nuclear power stations on man and the environment is not yet known. The present situation is not disquieting, but the nuclear expansion planned for the next few years obliges the Commission to conduct adequate research to ensure that this expansion will not involve unacceptable radioactive contamination and thermal pollution in international waterways, such as the Meuse or the Rhine, and on the shores of the North Sea or the Mediterranean. Long and difficult expert appraisals will be required, the exploratory stages of which have already begun and which should soon lead to important research programmes to be conducted in cooperation with specialized institutions and competent authorities in the Member States. The experience acquired has been useful in launching these studies, but the magnitude of the new problems posed by nuclear expansion will call for an increase in specialized personnel and means, without which an underaking of this kind may well fail.

42. During the financial year which has just ended, the waste discharge schedules of three nuclear plants (Hinkley B, UK; Hunterston B, UK; Brunsbüttel, D) have been sent to the Commission for examination. Also in connection with the nuclear expansion programme, special attention has been given to mapping the natural radioactivity levels of the various regions of the Europe of the Nine and to the diffusion of radioactive gas in the atmosphere over medium and long distances.

#### *Health aspects of the environment*

43. Activities aimed at assessing the risks caused by pollution in the environment involve measurement of the dose/effect relation, i.e., the quantitative assessment of the effects on man of his exposure to environmental pollutants. The method used is now well established, and thanks to the efforts made by the Commission

in the last two years, with the aid of experts and national consultants, a common doctrine has been evolved at Community level concerning the method of determining these criteria and the role which they should play in drawing up health and ecological standards. It is hoped that this quantitative assessment will be made, whenever scientific data permit it, before acceptable limits for human contamination and environmental pollution are proposed, while such a procedure will not prevent the establishment of temporary standards when the state of the environment or necessity demand it.

44. Various directives have been forwarded to the Council: biological standards for lead, air quality standards in regard to lead, and standards for drinking water. In addition, a revised list of the pollutants covered by the environment programme has been approved by the Council, as well as the procedure for exchanges of information between networks designed to monitor atmospheric pollution due to sulphur compounds and dust. One of the reasons why intercomparison of measurements is difficult, thus preventing the creation of a Community-wide 'pollution map' is the fact that sampling and measuring techniques are insufficiently harmonized at present.

Several programmes of comparison linking up numerous laboratories have been carried out; important results have been obtained with regard to the measurement of lead levels in the blood, chemical and bacteriological analyses of water intended for human consumption, and biological methods of assessing the quality of surface water.

Two other scientific meetings led to important conclusions concerning research into relationships between the hardness of drinking water and public health and the laying down of ecological criteria on hydrobiocenoses. The proceedings of the international symposium held with the WHO and the EPA (Environmental Protection Agency) in June 1974 have been published and have aroused great interest in scientific circles.

### *Handicapped persons*

45. The Commission has begun to implement the action programme on the occupational rehabilitation of handicapped persons by granting aid from the Social Fund for a first series of pilot schemes and by choosing rehabilitation centres and bodies which will help to devise and teach the new methods. A group of experts has laid down construction rules which could be applied to new housing in order to meet the needs of handicapped persons.<sup>1</sup> Reports describing the situation of rehabilitation

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<sup>1</sup> Point 34.

in the member countries, drafted at the request of the Council, have been completed and are now available.

### *Safety, hygiene and health protection at work*

46. The Advisory Committee on Safety, hygiene and health protection at work held its inaugural meeting in June and undertook work in the spheres of legislation, research and the participation of both sides of industry in prevention tasks, in accordance with the 'guidelines for a Community programme' adopted by the Commission in April.

On 2 and 3 July 350 persons took part in the discussion of the results of the ECSC research on chronic respiratory ailments and in an exchange of views on the current problems of industrial medicine in the iron and steel industry and in the coal-mining industry.

The ECSC social research policy is now in its twentieth year. Research appropriations granted in 1975 amounted to 5.3 million u.a.; they were mainly granted for research into ergonomics, the fight against pollution in the iron and steel industry, health at work and safety at work in mines. The Commission, with the help of both sides of industry, has drawn up new guidelines for social research to be applied during the period 1975-80.

A proposal for a directive on safety signs in places of work will shortly be forwarded to the Council. Collective training periods dealing with certain problems of industrial safety and industrial medicine were organized in October and November for 162 factory inspection officials.

### *Steel Industry Safety and Health Commission*

47. The Commission, which was set up in 1965, reached its tenth anniversary on 12 and 13 June 1975. It has approved two reports on 'Safety in tapping pig-iron blast furnaces' and 'Help and rescue', and it has also adopted the conclusions of a study entitled 'Exhaustive examination of all accidents for the purpose of avoiding those which cause injuries'.

In implementation of the work programme decided in 1974, work on health problems in electric furnaces and in rolling mills was begun; in addition, it was decided to carry out a study on the safe use and transport of hydrogen, which might be employed, to an increasing extent in the iron and steel industry during the next few years.

### *Mines Safety and Health Commission*

48. The Commission approved the elements of a directive on the construction of electrical equipment to be used in gassy mines; it defined its position on the banning of light alloys in the construction of casings of this material; it adopted harmonized standards on cable attachment gear and reports on the safety of winding gear and other shaft furniture. After having studied the circumstances of the mining disaster at Lens-Liévin, the Mines Commission issued further instructions to the experts with regard to the campaign against emissions of gas and coal-dust explosions. In order to carry out its new tasks with regard to extraction industries other than coal-mining, the Mines Commission undertook studies on possible action on safety problems connected with the prospection and extraction of oil and natural gas.

### *Paul Finet Foundation*

49. The Executive Committee of the Paul Finet Foundation met four times; it examined 1 296 applications and awarded 878 scholarships for a total of more than Bfrs 7 852 000. The Foundation, which celebrated its tenth anniversary in 1975, has examined 6 890 applications and granted financial aid in 4 843 cases since its creation. This aid is intended to facilitate the studies of orphans of workers in the ECSC industries who lost their lives as a result of an industrial accident or occupational disease.

### **Interpretation and application of the Social Provisions by the Court of Justice**

50. The Court was asked on an even greater number of occasions than in previous years to interpret the Regulations relating to social security for migrant workers. It was thus able to confirm the general approach of its previous decision on the subject, according to which these Regulations have their basis, framework and limits in Articles 48 to 51 of the EEC Treaty. In particular, it clarified its position concerning laws in the Member States dealing both with social security and with social assistance, by ruling that the provisions of Council Regulation No 1408/71 must be interpreted in the light of Articles 1, 7 and 51 of the Treaty. Thus the handicapped child of a worker cannot be treated less favourably than nationals of his State of residence, simply because he does not have the nationality of that State, when applying national legislation providing for a legally protected right to allowances for handicapped persons.<sup>1</sup>

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<sup>1</sup> CJEC 17.6.1975 (Mr and Mrs F v Belgian State, 7/75): [1975] ECR 679 *et seq.*



Moreover, the Court held that the periods of insurance completed by a German worker in Algeria prior to 19 January 1965, the date on which Algeria ceased to come within the scope of Council Regulation No 3, should be taken into consideration in calculating his pension for total disability.<sup>1</sup>

Lastly, and of particular importance, when asked to give a ruling on the validity of Article 46 (3) of Regulation No 1408/71, the Court found once again that proportionalisation was inseparable from aggregation and ruled that this provision was incompatible with Article 51 of the Treaty to the extent that it imposed a limit on the aggregation of two benefits received in different Member States, by reducing the amount of a benefit received solely pursuant to national law.<sup>2</sup>

As regards the provisions governing the actual free movement of workers, namely Articles 48 and 49 of the Treaty and their implementing provisions, the Court was given the opportunity to clarify its interpretation of the concept of 'public policy' which it had already outlined in the Van Duyn case.<sup>3</sup>

Thus it defined the circumstances in which measures based on public policy may be regarded as being 'justified' under Community law and in particular under Council Directive No 64/221.<sup>4</sup>

As regards the substantive aspect, such measures must be examined in the light of all the rules of Community law which are intended to limit the discretionary powers of the Member States. The latter must relate those powers exclusively to the individual behaviour of the persons in respect of whom they are used, must not apply them for purposes other than those relating to public policy, for example for general preventative purposes, or use them to prevent trade union rights from being exercised. They may not, in accordance with the European Convention on Human Rights of 4 November 1956, exceed in any circumstances that which is necessary to ensure public order and security 'in a democratic society'.

As regards the procedural aspect, account must also be taken of the rules of Community law which are intended to guarantee the protection of the rights of persons subject to measures restricting their freedom. The Member States must in particular inform without delay any person affected by such measures, unless reasons of state security militate against it, of the reasons for the decision taken, and ensure that the means of securing a judicial hearing are effectively implemented.

<sup>1</sup> CJEC 26.6.1975 (*Horst v Bundesknappschaft*, 6/75): [1975] ECR 823.

<sup>2</sup> CJEC 21.10.1975 (*Petroni v ONPTS*, 24/75): [1975] ECR 1149.

<sup>3</sup> CJEC 4.12.1974 (*Van Duyn v Home Office*, 41/74): [1974] ECR 1337.

<sup>4</sup> CJEC 1.2.1975 (*Bonsignore v City of Cologne*, 67/74): [1975] ECR 297, and CJEC 28.10.1975 (*Rutili v Ministry of the Interior*, 36/75): [1975] ECR 1219.

With regard in particular to measures restricting the right of residence which apply to only a part of the national territory, such restrictions may be imposed by a Member State with regard to a national of another Member State only in the circumstances and under the conditions applicable in the case of its own nationals of the State concerned.

Lastly, when called upon to decide whether railway passes for large families were a social advantage within the meaning of Article 7(2) of Council Regulation No 1612/68, the Court concluded that this provision covered all social advantages including the passes in question, whether or not they were connected with employment, and that these advantages had, in the interests of equal treatment for nationals and non-nationals, to be granted both to workers and to the members of their families who had the right to remain pursuant to Commission Regulation No 1251/70.<sup>1</sup>

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<sup>1</sup> CJEC 30.9.1975 (Christini v SNCF, 32/75): [1975] ECR 185.

**C — Development of the Social Situation  
in 1975**

## Chapter I

# Employment

(including migrant workers)

## Trends within the Community

51. 1975 saw *unemployment* in the Community countries reach the highest levels in the Community's history.

While unemployment had started to rise early in 1973, by the beginning of 1974 its effects were still limited to the Federal Republic of Germany, France, the Netherlands, Belgium and Denmark.

By the beginning of 1975, however, unemployment was on an upward trend in all countries and had accelerated in those countries where the increase had occurred in 1974.

Because of differences in national classifications and methods of obtaining unemployment data, comparisons between developments in different countries need to be made with caution.

Nevertheless, some five and a half million people were registered as wholly unemployed in the member countries at the end of 1975, an increase of 35% above the already very high level at the end of 1974. Nevertheless, since the end of the summer, the increase in unemployment in the majority of the Member States has reflected a trend of deceleration attributable to the recovery of activity in certain sectors.

In addition, a new phenomenon — *short-term working* over long periods — has emerged, with increases of 300 or 400% being experienced throughout the year in some countries.

Unemployment in all countries has affected *all groups* — young, old, women, migrants — to some degree, more or less. In particular, new entrants to the

labour market — school leavers and qualified students — have found great difficulty in finding a first employment, particularly one suited to their educational level.

1975 was not an easy year for the *ECSC industries*. Employment in the coal industry was largely maintained as a result of the switch in fuel following the oil crisis. The steel industry, however, suffered considerably from the recession and the fall in investment demand. Nevertheless, by moving more of the labour force into internal maintenance and repair work, and by opting for short-time working for many rather than unemployment for some, the industry largely avoided redundancies in the labour force, other than through natural wastage.

In the face of these difficulties, all countries have taken *measures* — frequently to deal with specific problems, such as those of getting school leavers into the labour market for the first time, or how to maintain the income of workers on short-time. Hence the year has been marked by the introduction of an important number of measures regarding the labour market; the majority of Member States have taken global action to support activity and in all countries specific measures to support fixed investments have been put into effect. Nonetheless, concern that inflationary pressure could be revived has limited the use of global regulations as an instrument.

52. The information available for 1975 in the Community confirms the signs, which appeared at the end of 1973, of a fall-off in the sharply rising trend of migration observed during the previous 10 years.

The immigration policies of the Member States aim firstly at stabilizing — if not slowing — immigration and are justified not only by the present economic situation, but also in many cases by the inability of the social infrastructure to handle an unlimited influx of workers to satisfy the requirements of the labour market; secondly, they are designed to promote the integration of foreign workers into the sociocultural environment of the host country.

In addition, despite the widespread unemployment, which has affected foreign and national workers to the same extent, the tendency for foreign workers to return to their countries of origin when the economic outlook changes does not seem to have reached the expected proportions, according to the limited data at present available.

TABLE 6

53. Number of wholly unemployed registered in employment services in the countries  
of the European Community  
(yearly and monthly averages)

(thousands)

Year Month	Belgium	Denmark	FR of Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom
Yearly averages									
1970	71.3	23.9	148.8	262.1	64.9	887.6	0.0	44.5	618.0
1971	70.9	30.0	185.1	338.2	62.5	1 038.1	0.0	62.0	799.1
1972	86.8	29.9	246.4	383.5	72.0	1 047.8	0.0	107.9	885.5
1973	91.7	20.3	273.5	394.1	66.6	1 004.8	0.0	109.9	630.3
1974	104.7	44.5	582.5	497.7	70.6	997.2	0.0	134.9	631.0 <sup>1</sup>
1975	177.4	103.7	1 074.2	839.7	98.0	...	0.3	195.3	1 013.7
1974									
December	140.1	101.5	945.9	723.4	83.9	1 024.4	0.1	180.8	.. <sup>2</sup>
1975									
January	147.8	123.2	1 154.3	765.7	91.1	1 104.3	0.1	197.8	776.4 <sup>3</sup>
February	153.3	107.8	1 183.5	769.9	93.7	1 097.6	0.2	200.3	791.3
March	156.0	109.7	1 114.0	754.8	94.6	1 087.5	0.1	190.3	802.7
April	160.3	107.7	1 087.1	757.3	95.6	1 080.3	0.1	183.5	939.9
May	161.1	93.2	1 017.7	736.9	95.7	1 077.9	0.1	173.4	850.3
June	162.0	83.7	1 002.1	738.3	96.2	1 083.7	0.1	176.5	869.8
July	172.3	73.7	1 035.2	765.6	97.1	1 074.3	0.1	191.4	1 087.9
August	174.4	92.5	1 031.1	797.0	100.3	1 056.6	0.1	193.9	1 250.4
September	186.0	96.5	1 005.5	945.8	99.3	1 140.1 <sup>p</sup>	0.3	195.5	1 249.3
October	208.9	103.4	1 061.1	1 015.6	101.1	1 158.4 <sup>p</sup>	0.6	201.5	1 165.4
November	217.2	108.1	1 114.2	1 020.1	104.6	1 160.2 <sup>p</sup>	0.6	211.0	1 168.9
December	229.0	137.9	1 223.4	1 009.7	107.1	...	0.6	228.6	1 211.5

<sup>p</sup> = Provisional figure.

<sup>1</sup> Annual average calculated on the basis of 11 months only.

<sup>2</sup> Not available because of a labour dispute in the employment agencies in Great Britain.

<sup>3</sup> Estimation.

## Development of the situation in the member countries

### *Belgium*

54. In the face of rapidly rising unemployment during the year, caused by the recession in internal demand, and aggravated by Belgium's dependence on export demand, the Belgian government has entered into various negotiations with the *social partners* to seek solutions to their problems.

The government submitted the draft law concerning measures of economic readjustment on 12 December 1975 to the Chamber. This 'readjustment plan' is made up of six sections. The first provides for extension of the notion of the closure of an undertaking to cover restructuring resulting in a considerable number of dismissals; as well as specific measures to facilitate the employment of young people, and especially those under the age of thirty years who have not yet been employed since completion of their studies. In addition they set up, as an experiment, a system of anticipated pensions on request for male workers who are at least 62 years old and for female workers who are at least 58 years old, each worker eligible for anticipated pension having to be replaced by a worker who is under thirty years of age. Two other chapters deal specifically with the aspects of an incomes policy. They include also measures concerning the redistribution of social charges by reducing certain contributions.<sup>1</sup>

55. The employment situation, together with the legalization of the position of illegal *immigrants*, led the authorities to continue the ban on immigration, except as regards highly skilled workers. During the first nine months, only 3 138 new work permits were issued to immigrants from non-member States; these were for jobs demanding high skills, for employment in jobs for which workers were not available on the Belgian labour market as well as for the newly arrived members of a worker's family where that worker was in a possession of a work permit of unlimited duration and valid for all occupations.

The legalization measures have meant that the position of about 8 000 illegal entrants has been regularized.

At the end of September 1975 the unemployment rate was already 11.9% for immigrant workers (in absolute figures, 27 500 were unemployed), whereas the overall unemployment rate for the country during the same period was 7% (in absolute figures, 186 000). Among the unemployed immigrants were 14 700 Italians and 2 200 French.

<sup>1</sup> Chapter V, point 162.

## *Denmark*

56. During 1975, Denmark has been subject to the most serious recession since the war. In the face of this, and despite political difficulties, a number of measures have been taken.

Within the framework of a programme intended to stimulate household consumption as well as private and public investment and to introduce a prices and incomes policy, value added tax on most goods and services was reduced from 15 to 9.25% for the period from 29 September 1975 until 29 February 1976; this reduction implies a temporary drop of 3.6% of total consumer prices.

Within the framework of the 1975/76 Finance Act, a special reserve of Dkr 575 million was set aside for measures to increase employment. For the building industry, this included grants or loans for residential property improvement, slum clearance, mortgage credit improvements and help for building up exports.

For industry, this covered loans to small firms, State guarantees for loans, and the setting up of an Aid Fund for firms in difficulties. Support for regional development has also been increased and improvements have been made in the provision of export credit.

In addition, Dkr 17 million has been granted to the Ministry of Education and Dkr 30 million to the Ministry of Labour for the implementation of special employment measures and training activities for young unemployed.

Furthermore, in September, the government allocated more than Dkr 2 000 million of which Dkr 500 million are specifically for measures to improve employment and Dkr 1 100 million to encourage investments.

To assist the unemployed, various improvements have been made regarding the unemployed insurance schemes, notably in the reduction of the qualifying periods and conditions. It has also been agreed that, over the longer term, the possibility of extending unemployment insurance to cover the self-employed should be pursued.

The high unemployment level has caused a big increase in the work of the employment service. Like most Government activities, the employment service has been affected by attempts to cut public spending but consent to boost personnel by more than 100 new positions has been given.

In public relief work, priority is given to those persons who are due to lose the right to unemployment benefits and to young unskilled people. The local authorities are responsible for organizing this work.



57. As regards *migrant workers*, the decision to suspend immigration other than from Scandinavian countries or from the Community was maintained throughout 1975.

### *Federal Republic of Germany*

58. In the FR of Germany the economic situation in 1975 was marked by a number of conflicting factors. It is difficult to form an exact idea of the short- and medium-term *outlook*.

The decline in economic activity continued for most of the year. However, some improvement in the economic climate could be seen during the fourth quarter, since the conditions for a recovery were becoming evident as a result of the economic and financial measures taken by the Government.

As far as the labour market is concerned, this positive effect has not yet been reflected in an improvement in the employment situation. *Unemployment* had risen at the end of December to 1 223 400, 5.3% of the total number of wage and salary earners.

Women were particularly affected by the decline in the employment situation; a third of all women workers were looking for part-time employment, which is particularly difficult to find during a period of recession.

Unemployment of young persons aged under 20 continued to increase throughout the year — but at a slow rate compared with other groups — particularly amongst young people who already had a first job, and even amongst those with occupational qualifications. Because of the lack of training places for young people in industry, the Federal Labour Office (Bundesanstalt für Arbeit) decided to expand the volume of its financial interventions to Institutions which provide young unemployed persons with basic training courses.

In December 1974 in the face of the rapid decline in employment, the public authorities adopted urgent measures to counteract unemployment<sup>1</sup> as part of the 'programme for relaunching the economy and maintaining stability'. A budget of DM 600 000 million was earmarked for this purpose.

This special *programme* launched by the Federal Government in December 1974 was concluded in June 1975, but has not provided the hoped-for results.

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<sup>1</sup> Social Report 1974, point 74.

Since the Federal Labour Office's deficit had been greatly increased it was found necessary to increase the rate of contributions from 2% to 3% of wages and salaries for 1976, which would enable an additional sum of DM 3 600 million to be mobilized. Additional resources have also been made available by the Federal Government.

Since it is unlikely that the employment situation will improve rapidly — even if the recovery work is not too long delayed — the public authorities seem set upon acting directly on labour supplies rather than on demand.

59. Following the complete ban on immigration from non-member countries (approximately 17 000 persons during the first nine months of 1975, of whom 5 300 came from those countries with whom the FR of Germany has agreements for manpower) and as a result of the pressure of unemployment (133 000 foreign workers unemployed at the end of September 1975), the number of *foreign workers* in employment in the FR of Germany fell to approximately 2.1 million at the end of the third quarter, i.e. a reduction of 500 000 compared with September 1973 and 250 000 compared with September 1974.

It will be observed that the unemployment rate for foreigners (5.5% in September and 6.2% in November) continued to be higher than the overall rate (4.4% and 4.9%).

As part of the attempts to curb illegal immigration, a law providing for severe penalties entered into force on 1 July 1975.<sup>1</sup>

In addition, to avoid over-saturation of certain regions with an excessive population concentration, provisions have been in force since 1 April 1975 regulating access to these regions by foreign workers from non-member States.

In 1975 the recruiting agencies of the Federal Labour Office in the countries of emigration<sup>2</sup> have been closed with the exception of those in Italy.

### France

60. Continuing the trend in 1974, *unemployment* continued to rise quickly throughout 1975. Men and women were equally affected, but the position of the young worsened relatively to that of elder workers.

An important initiative by the State to deal with unemployment has been the system of payments from national employment funds to certain industries or companies to maintain their labour forces by reducing their hours of work in order

<sup>1</sup> Social Report 1974, point 73.

<sup>2</sup> Spain, Greece, Morocco, Portugal, Tunisia, Turkey, Yugoslavia.

to avoid mass redundancies. Under this, the State can become responsible for up to 90% of the benefits for which a company is liable for people on short-time.

At the same time, new economic *measures* have been undertaken, involving some FF 30 milliard to encourage investment and consumption, action to support Peugeot-Citroën, and the encouragement of house-building.

Further measures, directly related to labour market operations undertaken during the year, included:

- the re-organization of the employment service structure with the creation of a group responsible for developing and coordinating employment policy, and the creation of new National Employment Agency units;
- bonuses to encourage firms to recruit additional employees without causing dismissals;
- measures to get young workers into jobs, notably by the setting-up of employment-training contracts, allowing young workers to study during working hours. For this, the State gives aid<sup>1</sup> to the Company, with priority for 16-20 year olds; improved income support for young people and their families;
- improved consultation over dismissals due to economic factors (law of 3 January 1975);
- improved income guarantees for redundant workers and older workers.

61. The French authorities also maintained a ban on *immigration* from non-member countries in 1975 (11 551 authorizations issued during the first nine months of which almost 75% were legalizations). However, families have once more been authorized to enter since 1 July 1975.

The immigration of Algerian workers has not yet been re-established.

Within the framework of an integration policy for those workers who have been granted admittance, a law has been approved whereby the prohibition imposed upon the employers, preventing them from appointing a foreign worker before the expiration of the work contract, has been done away with whilst the decree of 21 November simplifies the regulation in respect of work permits by replacing the seven types of card used by three.

A legal commission was set up in June 1975 under the name of the 'Commission for the Protection of Migrant Workers'; it is directly responsible to the Secretary of State for migrant workers. The main task of this Commission is to coordinate

<sup>1</sup> Chapter II, point 84.

the measures taken by the various authorities in combating illicit traffic in manpower and the illegal employment of foreign workers, and also to gather information on these matters, and draw up proposals to improve penal and labour legislation.

On 30 September 1975, 95 200 foreign workers were unemployed against a total of 945 800 for all workers. The unemployment rate for foreign workers (5.0%) remains slightly above the overall rate (4.5%).

### *Ireland*

62. The employment situation has deteriorated continuously during 1975, and the National Economic and Social Council has estimated that total employment in 1975 is around 5% lower than in 1974. The reductions in employment in the main sectors are estimated at 2% for agriculture, 4% for services and 7% for industry.

The situation in Ireland has been adversely affected by a number of factors including the general slump in world trade and keener price competition on export markets which have had an impact on exports. The low level of internal demand has been an important factor of recession.

*Unemployment* has increased in virtually all industries. The biggest increases between the end of 1974 and end of 1975 have occurred in general building, metal manufacturing and engineering, clothing and footwear, textiles and vehicles.

The number of redundancies notified to the Department of Labour under the Redundancy Payments Scheme in the 12 months ended 30 September 1975 was 18 480. This was more than double the figure in the corresponding period that ended 30 September 1974.

63. In its second Budget for 1975, the Government announced certain *measures* to deal with the unemployment situation. These include a 'Premium Employment Programme' to encourage the re-employment in manufacturing industry of workers who have lost their jobs as a result of the recession. The premium is £ 12 a week per employee until 31 March 1976 and £ 6 from 1 April to 30 June 1976.

The budget also makes provision for an additional 6% to the Public Capital Programme, bringing the total for 1975 to £ 490 million. The allocation of this increase was to be: housing (£ 10.5 million), telephone development (£ 8 million), industry (£ 5.25 million) and agriculture (£ 3.5 million). At the same time, the Commercial Banks are to make available £ 40 million over two years for house-purchase loans. For young people, a scheme was introduced at the end of the year

under which those under 25 who were unemployed or who wished to leave agriculture have the opportunity to take a training course of 9 to 15 months duration.

### *Italy*

64. Any assessment of the Italian economic and social situation is made difficult by the complexity of the factors involved, which are the more numerous in that Italy has been affected by the *recession* at a time when the country was passing through a period of profound structural change.

Generally speaking, the Italian economy has been able to absorb the effects of the recession, partly as a result of the implementation of economic recovery measures (particularly in the monetary and budgetary spheres) and partly because of certain traditional characteristics of the Italian labour market, in particular the abnormal growth of non-institutional employment (several jobs, work at home, seasonal work, etc.).

It should be underlined, however, that there has been a very sharp deterioration in the situation of the active population, even if, of the countries in the EC Italy is the one which apparently experienced the lowest growth in *unemployment*, i.e. 13.7% between December 1974 and December 1975.

This figure understates the deterioration of the labour market situation, since this mainly took the form of an increase in short-time working, as is borne out by the massive scale of the contributions from the Cassa Integrazione Guadagni.

Young people were particularly hard hit by the decline in the labour market. More than 75% of those looking for their first job and 31.6% of the totally unemployed were aged between 15 and 24, i.e., a total of 376 200 young people, including 146 400 women. It should also be noted that of these young people, around 30% had leaving certificates from secondary schools and 7% were university graduates i.e., 37.6% of the whole category. At the other end of the scale, more than 50% of all unemployed persons held only primary school certificates.

Lastly, in the first six months of 1975, about 25 000 Italian migrant workers returned home voluntarily. This phenomenon may continue as long as the economic situation in the host countries continues to be unfavourable.

65. Several *agreements* between both sides of industry and the public authorities have been concluded, to increase compensation for workers who work for less than the normal number of hours; to make this possible, the various systems so far used as a basis for contributions from the Cassa Integrazione Guadagni were

brought into line. These measures are intended to guarantee short-time workers a reasonable income and enable the process of industrial restructuring to continue. In accordance with the provisions of the new law approved in the Spring, the Fund will use one single procedure based on 88% (instead of 66.6%) of earnings lost in relation to a 40-hour working week.

The methods of financing the Cassa have undergone considerable modifications following which companies must meet certain conditions in seeking assistance.

Since it is intended to ensure workers a higher level of income in cases where work is interrupted or reduced, it is envisaged that the increased benefits will be met by a payment by the firms who take part of 8% of workers salaries (4% in the case of small or medium sized firms).

The Italian Government has also taken *measures* during the year to stimulate activity and above all to create new jobs in the building sector. A draft law is also being prepared to set up a central agency for planning employment and regional placement services.

### *Luxembourg*

66. 1975 saw the sharpest *decline* in production and employment experienced in the post-war years. Steel production was down by more than 25% compared with 1974 whilst the GNP dropped by about 7.5% in real terms.

It was still possible to maintain full employment, however, by means of two types of *measures*: the paying of compensation to small- and medium-sized undertakings affected by short-time working and, from September, the organization of work in the public interest intended to provide work for 10% of workers in the iron and steel industry who have maintained their links with their undertakings. These measures were the fruit of close collaboration between the Government and both sides of industry in a special joint committee<sup>1</sup> for short-term economic activity.

A law of 26 July 1975 provided for a first appropriation of Lfrs 250 million for measures to maintain employment; in December, real expenditure amounted to Lfrs 600 million.

67. For the first time in many years there was an appreciable fall-off in *immigration* in the absence of job opportunities, to the extent that only highly qualified workers were still allowed to enter.

<sup>1</sup> Chapter III, point 104.

Finally, the Luxembourg authorities continued their endeavours to assist migrant workers to find accommodation.

### *Netherlands*

68. The optimism shown by the authorities at the end of 1974 with regard to an economic recovery during 1975, gave way to the realization that the problems afflicting the whole system of production are more deep-seated and that there was an imbalance between the growth of the working population and the number of new jobs which industry is at present able to create.

In this unfavourable context, *unemployment* increased in 1975 to 5.8% of wage and salary earners in December 1975. The increase in unemployment has been particularly noticeable in the metal-working and textile industries as well as in commerce and administrative occupations.

As in neighbouring countries, the percentage of women unemployed has increased at a greater rate than that of men.

69. Government *measures* set out in the economic recovery programme adopted on 16 November 1974, had some positive effects in the building and construction sector.<sup>1</sup>

In April a further Fl. 1 000 million was set aside by the Government to stimulate activity in the building industry; in addition Fl. 80 million were granted to the municipality of Amsterdam to counteract structural unemployment.

The Government was primarily concerned with promoting as far as possible the creation of new jobs in particular by means of subsidies to employers to encourage them to take on unemployed workers.

Special regional or sectoral premiums (textiles, clothing industry) were also granted to undertakings whose sales were declining and to encourage them to restructure their operations.

However, the Government measures which were also greatly intensified as regards the placement services have had only a marginal impact on unemployment.

In September, when the State budget for 1976 was presented the Government announced new measures to stimulate the economy and for improving the employment situation.

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<sup>1</sup> Social Report 1974, point 99.

70. A major concern of the public authorities is the growing number of *young persons unemployed*. At the end of November 1975 there were 67 600 job seekers aged under 23. This phenomenon without doubt is partly due to the extension of the period of apprenticeship from 3 to 4 years and partly to the introduction of minimum wages for young persons.<sup>1</sup> Unemployment among university graduates is a special case, in so far as it reflects the inadequacy of the educational system to meet the demands of the economic life of the country. The Government has twice allocated sums of Fl. 20 million to the campaign against unemployment amongst young people. Special projects were also implemented for young unemployed persons aged 15 to 20.

71. As regards *immigration* in 1975, three particular factors should be noted:

- the 50% increase in immigration from Surinam;
- regularization measures in favour of illegal migrant workers (over 11 000 legalizations up to mid-November);
- the pursuit of a restrictive immigration policy based on a strict control over the entry and employment of foreign labour from non-member countries.

Over and above the granting of new work permits to nationals of countries, whose citizens are already regularly resident in the Netherlands, and the regularizations, 886 foreign workers from non-member countries in the Mediterranean region were recruited during the first nine months.

On 30 September there were 114 400 valid work permits on issue, of which 48 700 were held by workers who have been employed for more than five years. At the end of September 1975, 8 200 foreign workers were registered as unemployed (5.9%) against an overall total of 195 500 (4.8%).

### *United Kingdom*

72. During 1974, employment was much less affected than in most other members of the Community. However, early in 1975 it became clear that this was just a delayed reaction, and did not reflect any sort of immunity to the effects of the world recession.

In the winter of 1974 and 1975, the trend of *unemployment* started moving strongly upwards, and there was a very large increase in short-time working.

<sup>1</sup> Social Report 1974, points 96 and 97.



73. Government *action* in the employment field has been restricted because of the Government's declared policy not to worsen the inflationary situation by reflationary measures. It has concentrated on selective actions to improve the efficiency of the labour market (e.g. by facilitating labour mobility), to give special help to those groups, areas and industries which have been hardest hit, and to try to ensure — in particular by expanding training — that economic recovery is not jeopardized by shortages of skilled labour.

In Government designated 'assisted areas' where there is high unemployment, the Government began in August to make available a subsidy of £10 a week per head to industry and to commercial firms for three to six months on condition that they refrain from making particular employees redundant.

On 24 September a new package of measures was announced, aimed at creating an additional 100 000 jobs over the following 18 months. The cost of this was to be £75 million for short-term measures, and £100 million for increased investments.

The package included the following specific measures:

- (a) Extension of the temporary employment subsidy to the whole country.
- (b) A subsidy to companies of £5 per week per place for the first 26 weeks of employment for unemployed school leavers and students
- (c) An additional £30 million to the Manpower Services Commission to create 15 000 new jobs in projects of community interest.
- (d) An additional grant of £20 million to the Training Services Agency for training schemes designed to avoid skill bottlenecks in the future.
- (e) Supplementary aid for the employment transfer scheme which assists unemployed workers to move to areas where jobs are available.
- (f) The allocation of £100 million by the Government to aid companies to carry out modernization, or for the building of new factories.
- (g) £32 million for public sector building projects.

In November an important tripartite conference under the auspices of the *National Economic Development Office*, brought management, trade union and Government representatives together to prepare a common industrial strategy for 1976.

On 17 December 1975 various measures such as those concerning the subsidies during temporary unemployment, the extension of the job creation programme, temporary import controls in the textile, clothing and footwear industries, the easing of hire purchase facilities as well as the financing of a £70 million steel stock-building programme were announced.

74. As regards the controlled *immigration* policy for workers from non-member countries, the British authorities announced at the beginning of 1975:

- to set the annual quota for the catering industry at 8 500 for 1975;
- to fix the maximum number of work permits which may be issued to domestic and hospital staff at 8 000.

In the first nine months 27 000 work permits were issued as compared with 29 000 during the same period in 1974.

## Chapter II

# Vocational training

### Trends within the Community

75. During the year there has been a generalized increase in *expenditure* on vocational training, as a result of increased activity on the one hand and the considerable rise in prices and wages on the other.

In some Member States the number of participants in vocational training courses has increased, both as a result of employment problems and because of the additional training required in certain branches of the economy.

In those Member States most severely affected by the recession, leading in certain cases to a drastic fall in employment, special measures were adopted to encourage surplus labour to retrain or acquire further skills.

76. With the aim of encouraging the development of *training courses better suited to economic requirements*, cooperation between the public authorities and the private sector has been strengthened in certain cases.

Depending on the size of undertakings and whether they belong to strong or weak sectors of the economy in the context of the 1975 economic situation, workers found it easier or more difficult to obtain paid leave for educational or vocational training purposes.

77. The *revision and modernization* of vocational training structures and systems are to an increasing extent becoming a major preoccupation for all concerned with these matters throughout the Community. Priority is being given to studies and research programmes for the up-dating from the technical and pedagogical points of view, of training for teachers and instructors.

At Community level, a European Centre for the Development of Vocational Training has been established as part of an endeavour to give fresh impetus to the implementation of a common vocational training policy. This Centre, whose Management Board was set up in October, is designed to contribute to the greatest possible

extent, in the fields of research, documentation and experimentation, to the strengthening of the convergent trends which are apparent throughout the Community.

In addition, the new measures introduced by the Commission to strengthen and improve cooperation between the Member States themselves and between them and the Community institutions in the field of vocational guidance were favourably received by all bodies concerned and awakened renewed interest in the problems of making better use of manpower resources.

### Development of the situation in the member countries

78. In *Belgium*, the overall employment policy of the Government has been constantly to pay special attention to the vocational training of *adults*. Recent trends have caused it to turn its attention more specifically to the problems of *unemployed young people*, school leaver certificate holders and graduates seeking jobs.

The Royal Decree of 7 April 1975 set up, on a joint basis, subregional employment committees with the task of presenting recommendations and proposals for improving the labour market in their region, and suggestions, in this context, regarding vocational training for adults.

More specifically, as regards young people under 25 already receiving unemployment benefits, there are plans for the National Employment Office to operate, from September 1975, a series of special centres for testing their aptitudes and motivations and to help them acquire a basic skill, improve existing skills or retrain for a new occupation.

As regards school leavers and graduates aged between 15 and 25 seeking employment, a Royal Decree of 13 August 1975 sets up a system of training periods in undertakings to be covered by fixed-term employment contracts, the first six months of which are devoted to training. This training must include the acquisition of new skills or the practical application of knowledge already possessed by the trainee. The courses are eligible for grants from the National Employment Office. This system, which has been operated for a year, could be made permanent after examination of the experience gained.

79. In *Denmark*, one of the principal ideas behind the establishment of the *experimental apprenticeship system* set up under the law of June 1972<sup>1</sup> was to supplement the traditional vocational training opportunities and thus enable

<sup>1</sup> Social Report 1972, page 192.

young people to test their aptitudes before making a final decision about their future career. In 1975, 6 400 students started their training under this scheme; the number is expected to rise to 9 600 next year and full capacity will be 35 000 students. The areas of training have also been enlarged. To the original six (commerce and office, iron and steel, services, foodstuffs, building and construction, printing and publishing) agriculture has been added; the scheme will later be extended to road-transport.

The Collective Agreements of March 1975 — which in fact became law — resulted in a decision to increase the training fund *contribution* payable by the employers (DA members and other employers who have accepted the DA-LO agreement or who have made separate agreements with the LO) from Dkr 0.01 to Dkr 0.03 per hour worked. The increase will take effect from January 1976.

The statutes of the fund, which have been established by the DA and LO in January 1974,<sup>1</sup> have been approved.

12.5% of all contributions (including those of non-members of the DA) are used by the DA for training purposes, and the remaining 87.5% by the LO for the programme for the training of delegates and other trade union officials.

In accordance with a law passed in June 1975, the State has to bear the cost of all *expenditure* related to the traditional system of apprenticeship with the exception of the wages of the apprentices; the State already pays all costs relating to the new experimental programme of apprenticeship except the wages of apprentices when they — as part of their training — are doing on the job training.

It is hoped that this measure will help to create an increased demand for apprentices and thus have a favourable effect on the youth unemployment situation.

A further aid to the young unemployed in the 15-24 age group has been granted by an Act of Parliament. Around Dkr. 60 million has been provided to finance short vocational training courses until July 1976. Trainees attending these courses are paid a daily allowance.

80. In the *Federal Republic of Germany*, the discussions which have been going on for some years on the *reform of vocational training* and work on a revision of the 1969 Law on vocational training continued during 1975.<sup>2</sup>

On 16 April 1975 the Federal Government adopted a draft Law recasting the above-mentioned Law and submitted it to the legislative bodies. This draft is particularly intended to promote adjustment of the vocational training of young

<sup>1</sup> Social Report 1974, point 112.

<sup>2</sup> Social Report 1974, point 115 and 1973, point 96.

people and adults to the rapidly changing requirements of the labour market, to contribute to the solving of structural problems and to improve coordination of measures taken in the various areas of education and training, to achieve parity between vocational training and general education; it is also aimed at defining more clearly the vocational skills required of teachers. It provides for the introduction of a vocational training levy in order to ensure an adequate number of training places and the setting up of a Federal Institute for Vocational Training.

Both the Parliamentary opposition and the employers' and workers' organizations, albeit from different points of view, criticized in particular the method of management and transfer of appropriations.

The *Parliamentary Committee* for Education and Science organized a public hearing of experts on the subject of the reform of vocational training systems at which present problems in vocational training were highlighted: the distribution of jurisdiction between the State and the Länder, lack of progress in the grading of vocational training classes for less-gifted and handicapped persons, the inadequate forecasts of the occupational requirements of the economy, and the lack of statutory provisions governing financing.

81. In order to deal with *unemployment among the young*, which has increased over the past few years and which mainly involves young persons without educational or vocational diplomas, the State, the Länder and the Federal Labour Office took measures to better prepare young people for work by means of basic training courses, promotion courses and courses intended to provide the student with a greater range of job possibilities. The number of young people attending these classes rose from 12 000 in 1973/1974 to about 27 000 in 1975.

82. On June 2 1975 the Joint Committee on Educational Planning of the Federal Government and the Länder approved a *graduated plan for vocational training* which included proposals on the development of the basic vocational training year, school training courses in preparation for a career and training centres at inter-enterprise level, and in addition the extension of vocational education and the development of courses providing vocational skills in the secondary educational sector outside higher educational institutions.

83. In *France*, the participation of *State training* agencies in the development of continuous training has increased, particularly as regards the centres run by the Association for vocational training of adults (AFPA) and the Ministry of Education establishments; the policy of regional decentralization has been continued and the provisions for supervizing continuous vocational training have been reinforced, with the participation of the various authorities concerned.

Several amendments relating to specific points in the 1971 Law have been adopted in various areas of legislation, and in regulations or collective agreements.<sup>1</sup>

On 30 September 1975 the Cabinet adopted a draft Law aimed at improving the supervision of *continuous vocational training*. This draft applies basically to private training bodies and is divided into two distinct sections:

- the first extends the necessary legal powers to the supervisory authorities for the fulfilment of their tasks in respect of these private training bodies;
- the second concerns various detailed improvements to the provisions instituted under Article 20 of the Law of 16 July 1971.

The new Law will provide a more solid legal basis for supervision, which falls under the responsibility of the public authorities. The extent of the employers' obligations is unaffected by this draft; nor does it affect freedom of choice as regards training for wage earners.

84. As regards the implementation of specific priority training measures for certain *categories* of person or certain *branches* of industry, special measures have been approved for the development of:

- action in favour of unskilled workers and especially migrant workers;
- opportunities for economic, social and cultural education;
- training which results in the improvement of working conditions.

As regards young people, a new scheme known as the 'employment/training contract' has been experimented with since the last quarter of 1975; an employer concluding a contract of this kind undertakes to provide the young worker with supplementary training and, in return, receives financial aid from the State.

85. In Ireland, an initial *government grant* of £ 4 million was allocated to ANCO (Industrial Training Authority) for 1975. In the January budget, an additional £ 1 million was provided to enable ANCO to increase the number of adult workers accepted for training.<sup>2</sup> Including grants from the European Social Fund, ANCO has available about £ 9 million for current expenditure in 1975. This enabled an extra 2 000 adults to be given full training in 1975, bringing the total number of adults receiving such training to 5 000.

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<sup>1</sup> Social Report 1974, point 119.

<sup>2</sup> Social Report 1974, point 121.

86. A new *apprenticeship system* was introduced by the ANCO Council in a report published on 17 October 1975 called 'The New Apprenticeship'. The new system will commence on 1 September 1976 and it is expected that it will be fully implemented by 1981.

The main changes which the new system will bring about are:

- (i) The apprenticeship period will drop from five to four years.
- (ii) All first-year apprentices will be trained off-the-job.
- (iii) Compulsory testing and certification for all apprentices.
- (iv) Comprehensive training and educational curricula with built-in testing procedures under the control of a representative Curriculum Advisory Committee.

87. The report of a Working Party set up by the Minister of Health, on training and employing the *handicapped*, was published in January 1975. The Working Party recommended, and the Minister has accepted, that the National Rehabilitation Board should be the main executive agency concerned with rehabilitation policies, while ANCO should have the main role in the provision of training for the handicapped.

88. In *Italy*, the transfer of numerous central government powers to the Regions has made it imperative to prepare a law clarifying the situation as regards vocational and craft training.

A Parliamentary Commission has been set up to draft a law to lay down the specific legal powers of the Regions in this respect. It is intended that the draft Law will also deal with the following points:

- the definition of 'vocational training';
- the establishment of criteria for the reintegration into the school system of those receiving vocational training;
- the establishment of criteria for the links between vocational training, continuous training and paid leave;
- the definition of the links between vocational training and the retraining of self-employed persons (small traders, farmers, craftsmen, travel agents, etc.);
- the financing of vocational training, in relation to the European Social Fund and the EAGGF.
- the establishment of rules applying to trainees.



At 16 October 1975, public and private firms had submitted to the Social Fund 23 applications for assistance for nearly 300 000 workers. Estimated total expenditure for these programmes is over Lit. 290 thousand million; it covers the Community contribution pursuant to the regulation in force.

At national level, and at the level of the regions which received aid for vocational training courses, aid was granted for approximately 580 000 workers with a total expenditure, borne by the government, of over Lit. 103.5 thousand million. In addition to this figure, there is the aid provided by the undertakings:

The activities of *ISFOL* (Institute for the vocational training of workers), set up in 1973, has concentrated in particular on research, training of management personnel and the circulation of an introductory programme on data processing.<sup>1</sup>

89. In *Luxembourg*, the problem of guiding *young people* towards jobs with career prospects has been in the forefront of the Government's efforts.

When it was established that defects in the educational and vocational guidance system are in part responsible for structural imbalances (surpluses or shortages of labour), a major programme of guidance and training for young people has been introduced:

The practical aspects of this programme are at present being worked out, but the Government has already provided for the organization of introductory, advanced or retraining courses in vocational skills in order to:

- provide crash vocational retraining programmes;
- permit the reintegration of unskilled or inadequately skilled workers into appropriate study courses;
- provide opportunities by means of advanced training courses, to widen or extend existing skills.

90. In *the Netherlands* on 1 September 1975, the 'Regulation on the promotion of vocational training for young people' came into force. It is aimed at a great number of *young people* who, as a result of the present educational system, depend on on-the-job training within the framework of the Apprenticeship Law. To promote the continued vocational training of these young people, this regulation aims:

- to encourage extra jobs to be made available for unemployed apprentices and school-leavers and to encourage the provision of training places in the construction industry;

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<sup>1</sup> Social Report 1974, point 125.

— to encourage the provision of 'nominal jobs', so that unemployed apprentices and school-leavers for whom no job can be found can continue or begin their training.

Employers who provide jobs for apprentices are granted an allowance towards the cost of training amounting to Fl. 60 for each week the apprentice has worked; for apprentices liable for part-time compulsory training this allowance amounts to Fl. 45.<sup>1</sup> The Regulation on part-time compulsory education applies to all students attending an educational course and does not therefore apply solely to persons in vocational training.

Undertakings and training organizations which provide unemployed young people with practical training under the Law on apprenticeship in the form of 'nominal jobs' receive an allowance towards the cost of training amounting to Fl. 80 per apprentice per week of training. Travel expenses can also be reimbursed to apprentices who are being trained in a 'nominal' job. In addition, these young people, insofar as they have not yet worked, are at least 16 years old and do not claim children's allowances, may be eligible for benefit under the State Regulation on Unemployed Workers.

91. In the *United Kingdom*, the Manpower Services Commission (MSC) and its executive arms, the Training Services Agency (TSA) and the Employment Service Agency (ESA), were set up under the Employment and Training Act (1973).

During 1975 the TSA has conducted a review of the *5-year plan* covering the years 1974-79 with the objective of extending it forward to cover the 5-year period ending 31 March 1981. The review was based on the Training Opportunity Scheme (TOPS). TSA is expected to organize training for at least 80 000 in 1976; this is well above the numbers anticipated in the five-year plan.<sup>2</sup>

The Agency is making good progress and is in close partnership with the ESA and the Industrial Training Boards (ITB).

A new Training Research Advisory Committee was set up in 1975 to advise the TSA on current research and development in the field of training practices and techniques.

Because rising unemployment has meant fewer employment opportunities for young people, the TSA has introduced special measures to enable apprentices who

<sup>1</sup> Social Report 1974, point 131.

<sup>2</sup> Social Report 1974, point 132.

have become redundant to continue training and has also provided training places for those unable to find them in the usual way.

Under these measures, about 18 000 young people are being provided with full time off-the-job craft or technical training, and over 7 000 with long-term on-the-job vocational training. This is being financed jointly by the TSA and the relevant Industry Training Board (ITB). The European Fund is providing aid for both the TOPS and the special aid programmes.

## Chapter III

# Industrial relations

## Trends within the Community

92. *At Community level*, the Commission and the trade union and employers' organizations existing at European level devoted, just as in the previous year, their meetings to the preparation of measures relating to the Social Action Programme, taking into account the timetable adopted in the Council Resolution of 21 January 1974.<sup>1</sup>

These organizations expressed their opinions on :

- the guidelines for a Community programme regarding safety, hygiene and health protection at the place of work;
- the employment forecasts;
- the employment market research programme;
- the gradual extension of social protection;
- the proposals regarding the implementation of specific aspects of the programme in favour of migrant workers.

93. On the *general level* of relations between Community institutions and workers' and employers' representative organizations, the European Economic and Social Conference, which had been called at the request of the European Trade Union Confederation (ETUC) to examine the Community's economic and social prospects and to suggest short-term priority measures to be taken by the Community institutions, was held in Brussels on 18 November 1975. Following the discussions, the Commission was instructed, after consultation with both sides of industry, to take appropriate steps towards solving the problems facing the Community and the Member States and to hold more frequent joint meetings at sectoral level. It was also decided to call another conference of the same type.<sup>2</sup>

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<sup>1</sup> OJ C 13 of 12.2.1974.

<sup>2</sup> Introduction, point 13.

94. The gradual *unification of the European trade union movement*, initiated by the national confederations, and the adaptation of the structure of trade union organizations to the economic and social integration of Europe, continued during this year at the level of the sectors and branches of industry.<sup>1</sup>

Meeting in Brussels on 24 March 1975, the leaders of the trade union organizations in the textile and clothing industries which belong both to the ICFTU and the WCL decided to set up a European Trade Union Committee which will accordingly represent 1 600 000 workers in the Community.

On 2 April the European Federation of Agricultural Workers in the Community (EFA) approved the membership of the Belgian and Dutch Christian trade union organizations and of the corresponding Italian organization of the CGIL. The Federation thus represents fifteen national organizations with 1 300 000 members.

In addition, in June 1975 the teachers' trade union organizations in the nine countries of the Community, which belong to the ICFTU and the WCL at world level, set up a European Teachers' Trade Union Committee, representing 1 200 000 members.

Lastly, the transport workers' unions affiliated at world level to the ICFTU and the WCL decided on 1 July 1975 to set up a Committee of Transport Workers' Unions in the European Communities. The new Committee, which also includes unions affiliated to the CGIL (Italy), groups together the trade union organizations of ground transport workers (railways, road transport and inland waterways), seamen, dockers, air transport workers and sea fishermen.

95. The *economic situation* and its effects on workers, particularly as regards employment, formed the main objects of attention of the trade union organizations.

Thus in February 1975 the European Trade Union Confederation (ETUC) issued an appeal to European Governments asking them to introduce measures to check unemployment and encourage economic expansion and improve the standard of living and the level of employment.

In view of the increasingly serious problems which face young workers as a result of trends on the employment market, in May 1975 the ETUC asked its member organizations to urge their respective Governments to introduce certain priority measures (such as the extension of compulsory schooling until the age of sixteen, the introduction of interim wages from that age in the case of unemployment and the introduction of a minimum leave of ten days per year, paid by the employer, for the purpose of allowing young people to attend further training courses).

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<sup>1</sup> Social Report 1974, points 135 to 137.

Finally, in December 1975, at the end of International Women's Year, the ETUC published a white paper on the economic and trade union situation of female workers in Europe.

96. An amended proposal for a Regulation creating a statute for *European companies*, submitted by the Commission to the Council on 13 May 1975, led the Union of the Industries of the European Community (UNICE) to state its position on 8 October 1975.

The UNICE considered that this amended proposal did not meet the requirements of the undertakings and stated its conviction that companies would not be prepared to give up their statute under national law in favour of the statute for European companies as proposed at present. This attitude is completely shared by the Committee of Commercial Organizations in the EEC countries (COCCEE).

It should be recalled that in November the Commission published a 'green paper' on employee participation and company structure in the European Community with the aim of renewing discussions on the decision-making structure in industrial and commercial undertakings and of giving some impetus to the implementation of the fifth Directive on joint-stock companies.

97. The problems raised by the growth of *multinational companies*, particularly the effects on the terms of employment and working conditions of workers belonging to the undertakings in question, remained a principal topic for discussion.

At world level, the International Confederation of Free Trade Unions (ICFTU) and the World Confederation of Labour (WCL) stated that they were unable to accept the *ad hoc* involvement of the trade union movement in the work of the United Nations Commission on Multinational Companies. In addition, at its eleventh world congress, held from 17 to 25 October 1975 in Mexico, the ICFTU adopted a charter of trade union demands for the legislative control of multinational companies.

At Community level, in February 1975 the European Trade Union Confederation (ETUC) requested the EEC and the Governments of the Member States to cooperate more closely in the field of workers' rights of participation in multinational companies. The necessary legal measures had to be adopted making it possible to institutionalize, at the headquarters of a multinational company, an information and advisory body composed of workers' representatives, at the request of the unions represented in the undertakings of the multinational company concerned.

## Development of the situation in the member countries

### *Relations between Governments and the two sides of industry*

98. In *Belgium*, the serious economic situation has led to closer contacts between the two sides of industry and the public authorities.

The National Committee for Economic Expansion examined primarily the option for the 1976-1980 economic plan and the proposals from the Government concerning public participation in industry and the creation of a public holding company.

In view of the worsening of the economic situation, the workers' and employers' organizations demanded that the Government should introduce economic policy measures designed to give a new impetus to investments, stimulate private consumption, and safeguard and promote employment.

In October the Government submitted to the National Committee for Economic Expansion an economic revival programme aimed at reorganizing industrial and commercial structures, improving the country's competitive position, stimulating the revival of economic activity, combating unemployment, particularly amongst young people, improving the system of anticipated pensions, and creating a public holding company to compensate for any absence of private initiative in the revival of investments. But the measures proposed by the Government to restrict the automatic indexation of wages in certain respects and, within the framework of an incomes policy, to stop all pay increases in real terms, met with stiff opposition from the workers' organizations and prevented general agreement from being reached within the National Committee.<sup>1</sup> In order to protest against certain of these revival measures, a one-hour strike was held on 23 December 1975 by the two largest trade union organizations in the private and public sectors.

99. In *Denmark*, the continued adverse economic situation has influenced relations in 1975. The unresolved collective bargaining problems concerning the general agreement, manifest at the beginning of the year, were not eased by the political difficulties. The Social Democratic minority government formed in January intervened in the collective bargaining deadlock situation in March, using Parliamentary enactment of an award by the public arbitrator to effect a two year settlement. The agreement contained a declaration that wage and salary increases must not exceed those expected under the statutory settlement by Parliament earlier in the year.<sup>2</sup>

<sup>1</sup> Chapter V, point 162.

<sup>2</sup> Chapter V, point 163.

The Government's involvement in collective bargaining has not been unwelcome to the DA (employers) whilst the LO (trade unions) have stressed that independent negotiating machinery still exists. In fact, it appears that the right for both sides of industry to make autonomous decisions remains a basic principle.

100. In the *Federal Republic of Germany*, representatives of the Government and both sides of industry met several times during 1975 for talks. Their discussions centred upon the continuing economic recession and the consequent relatively high level of unemployment, the reduction of which was regarded as the most pressing problem. Government and employers appealed to the unions to adapt their wage demands to the problems on the employment market and the general economic situation.

The trade unions showed willingness to adapt to the economic circumstances in collective bargaining on condition that the employers kept prices under control and increased their investment activity, and that the Government introduced measures to support the economy.

All parties basically agreed that a wage freeze was economically unrealistic and socially unjustifiable. In its place, the employers demanded a costs freeze.

In July, the DGB submitted to the Federal Government an economic revival programme which covered both an increase in building activity and public structural measures. For its part the Federal Government adopted in August a programme increasing investments for building and other purposes by DM 5 750 million, intended primarily to promote communal infrastructures and urban re-development.

The economy measures planned by the Government in view of the increasing deficits in the public accounts were criticized by the unions, insofar as they affect the public service, and described as socially ill balanced.

101. In *France* relations between the Government and the two sides of industry have basically been influenced by the deterioration in the employment situation.

Against this background the Government's social policy has concentrated on providing a better level of protection for unemployed workers, and on finding jobs, particularly for young people. These measures have mostly been regarded as inadequate by the two sides of industry, both the employers' organizations and the trade unions demanding in their place the adoption by the Government of measures likely to promote an economic recovery and improve the employment situation.



When the summer holiday ended the President of the Republic presented on 4 September 1975 a set of economic revival measures intended to reduce the rate of dismissals and short-time working in undertakings and consisting of support for consumption by the payment of special assistance to elderly and handicapped persons and to families with dependent children, public expenditure on major infrastructure projects and the construction and improvement of low-cost housing and public buildings, tax aid for investment and aid to the cash supply of undertakings, a cut in the cost of credit and the easing of consumer credit.

The employers' organizations, while expressing their disappointment concerning the provisions to aid the cash situation of undertakings, gave a relatively favourable reception to these measures. For their part, the workers' organizations considered the social measures to be inadequate; they claimed that the aids to undertakings would not stop unemployment and were surprised that the tax facilities granted to undertakings had not been accompanied by measures to meet social needs.

102. In *Ireland*, relations between the government and both sides of industry continued to be influenced by problems of inflation and unemployment, and the government introduced measures aimed at tackling these problems in June. Although both employer and worker organizations were advised that in response to these measures, which included subsidies on transport and some foodstuffs, they were expected to revise downwards the remaining phases of the National Agreement, this did not represent direct government intervention in collective bargaining.<sup>1</sup> The government indicated that modification of the standard increases of the Agreement should be accompanied by an embargo on special increases. Pending the outcome of discussions between the social partners, the government decided that no further special improvements of any kind in pay and conditions would be approved in the public sector. In September basic National Agreement increases were modified by negotiations between the parties concerned; the question of the payment of special increases in the public sector was however still under discussion at the end of the year.

An appeal to the *Employer-Labour Conference* by the *Irish Congress of Trade Unions* (ICTU) concerning the Government's pay embargo in the public sector was upheld. The appeal delayed the approval of the National Agreement revisions.<sup>1</sup>

The *Federated Union of Employers* (FUE) has sought postponement of the application of the Anti-Discrimination (Pay) Act 1974, which provides for equal pay for men and women from 1 January 1976.

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<sup>1</sup> Chapter V, point 169.

103. In *Italy*, relations between the Government and the two sides of industry have been dominated by the continued inflationary tensions and the deterioration of the employment situation.

At the beginning of the year, agreements were concluded at sectoral level between the workers' and employers' organizations on guaranteed wages in the case of short-time working and unemployment and the raising of family allowances. These agreements were later the subject of legislation introduced by the Government and adopted by Parliament. In addition, the public authorities negotiated directly with the workers' organizations concerning the reassessment of pensions and linking them with machinery for automatic increases in proportion to the movement of wages in industry.

In view of the worsened economic situation, the Government and the two sides of industry recognized the need to give absolute priority to a revival of investment.

In August, the Government adopted a set of economic measures to boost the economy and protect employment. These measures included aid to exports, the construction of low-cost dwellings, public works (particularly ports and hospitals), and various aids to small and medium-sized undertakings, to shipyards, to agriculture, to public transport systems and to the Mezzogiorno. However, the workers' organizations did not consider these measures adequate to promote the structural reforms which are indispensable if economic development is to take a new turn.

The Government began consultations with the two sides of industry to establish criteria for the distribution of available resources in such a way as to protect and boost employment and to encourage the restructuring of production units.

104. In *Luxembourg*, 1975 was marked by the greatest fall in production and employment since the end of the war.

The Law of 26 July 1975 empowered the Government to introduce the measures necessary to forestall dismissals for economic reasons and to ensure the maintenance of full employment.<sup>1</sup> A programme has been drawn up in close cooperation between the Government and the two sides of industry within an Economic Committee, formally established by the Grand Ducal Regulation of 18 August 1975. This committee, whose task is to follow closely the development of the economic situation and make a report to the Government at least once a month, gave priority to an examination of employment problems arising from the economic recession and proposed concrete measures (compensatory allowances for short-time working, carrying out of public works).

<sup>1</sup> Chapter I, point 66.

The Economic and Social Council continued with its work of consultation and concertation and received from the Government the annual report on the country's economic, financial and social development. The Council also dealt with the problem of increasing the annual holidays of wage and salary earners, the reform of the rules for statutory public holidays and unemployment insurance, problems of safety at work, and a plan to transform the structure of limited companies and institute a management board and a supervisory council.

Furthermore, the Government, taking into account observations made by the Council of State and the Chambers of Commerce and Industry, presented in June 1975 an amended version of the draft Law on the organization and operation of the employment administration; this version sets up a National Employment Commission.

105. The situation in the *Netherlands* was characterized in 1975 by the worldwide recession in the economic situation resulting in a high level of unemployment and very strong pressure on public resources as well as on private incomes and in particular on the profits of undertakings.

The distribution of available socio-economic capacity between the public and private sectors has been the main issue of concertation. The question of levelling of incomes became the subject of public discussion.<sup>1</sup> The basis of rent and subsidy policy was changed *inter alia* as a result of individual rent subsidies which were based upon a tenant's means. The problem of a reasonable land pricing policy was given increased priority.

The opinions of both sides of industry on a number of the Government's plans for structural reforms were varied, such as, for example, those involving the distribution of capital gains to workers and those relating to selective investment.

106. In the *United Kingdom*, relations have been influenced by the serious economic situation, and have been characterized by close cooperation between the TUC and the Government within the framework of the Social Contract.

The CBI, while critical of several aspects of Government policy in the pay and price control context, has welcomed attempts at curbing the rate of growth of inflation. During the earlier part of the year, reliance was placed on Government exhortation and TUC influence with affiliated unions for pay claim moderation. In July, however, a Government proposal of a 10% limit on pay and dividends was followed by publication of a white paper—'*The Attack on Inflation*'—adopting

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<sup>1</sup> Chapter V, point 172.

several TUC proposals including a £ 6 per week maximum wage increase.<sup>1</sup> The new policy came into effect immediately to run for one year, and was supported by a majority of the annual conference of the TUC in September. Although the Government has not intervened directly in collective bargaining, it did indicate the possibility of its using statutory powers if necessary.

Growing unemployment has been a matter of increasing anxiety for the trade unions in their relations with Government throughout the year.

A meeting between the Government, the TUC and CBI took place in November at which a common approach to future industrial strategy was discussed.

### *Relations between employers and workers*

107. In *Belgium*, relations between workers' and employers' organizations were considerably affected by the deterioration in the economic situation. The increase of unemployment following cutback in activity or closure of undertakings, and the 'social' elections (appointment of worker member to the works councils and the safety committees), made industrial relations more acrimonious and the conflicts between management and workers more intense.

On 10 February 1975 the 1975/76 National Inter-Trade Social Programming Agreement was signed.<sup>2</sup> In implementation of this agreement, the National Labour Council concluded several collective labour agreements, dealing with annual holidays, guaranteed minimum wages, contributions towards transport costs, working hours and collective redundancies.

In the context of the Government measures to revive the economy and solve unemployment problems, the trade union organizations asked for negotiations with the employers' organizations so that workers could opt for anticipated pensions at a convenient age and leave jobs free for young unemployed workers. Joint meetings devoted to this problem at the end of October did not produce any definite results.

In addition, during the second half of 1975, employers' organizations questioned the provisions in the collective agreements concerning the automatic adjustment of wages and salaries to the consumer price index. The trade union organizations expressed their opposition to any change in the present method of making these adjustments.<sup>3</sup>

<sup>1</sup> Chapter V, point 174.

<sup>2</sup> Social Report 1974, point 150.

<sup>3</sup> Chapter V, point 162.

It should be pointed out that, with a view to social harmonization within the Community, the National Labour Council decided to ask for the extension by Royal Decree of the collective agreement making the 40-hour week generally applicable in 1975, and concluded two collective labour agreements on the application of two Directives of the Council of the European Communities, one on the approximation of the laws of the Member States relating to collective redundancies and the other on the implementation of the principle of equal pay for men and women.<sup>1</sup>

The renewal of collective agreements at branch level came into conflict with the employers' desire to limit the increase in social security contributions to 4%, but the trade union organizations did not accept this restriction. As in 1974, the agreements signed generally provided for flat-rate (i.e. non-percentual) wage increases valid for one year. In addition, these agreements provided for measures to guarantee employment and to reduce the working week. Among the agreements concluded at this level, mention should be made of the agreements in the gas and electricity sectors, according to which workers received an employment contract and a single classification was introduced for all workers, both wage earners and salaried employees on 1 January 1976.

At undertaking level, industrial relations were marked by strikes and various actions, such as the occupation of factories and the unauthorized sale of products for the purpose of ensuring continuity of employment, particularly in the glass, textile, paper and metal product industries.

In the public sector, tensions and strikes occurred in sectors in which staff are paid directly or indirectly by the public authorities.

108. In *Denmark*, relations were overshadowed at the beginning of 1975 by the unresolved collective bargaining problems associated with the negotiation of a general agreement, which was supposed to come into force on 1 March 1975, led to the issuing of strike and lock-out notices covering a wider industrial area than usual. In March, the public conciliator intervened in the deadlock and was instrumental in finding a compromise agreement which, whilst not totally acceptable to the LO and DA, had the support of a parliamentary decision.<sup>2</sup> This intervention does not however encroach upon the continued autonomy of the social partners organizations.

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<sup>1</sup> Chapter V, point 162.

<sup>2</sup> Chapter V, point 163.

Although the number of meetings at company level with representatives of the DA and LO occasioned by work stoppages has been more frequent than in 1974, strike activity measured by days lost in 1975 is estimated not to be much different than in 1974.

109. In the *Federal Republic of Germany*, the scope of collective agreements was considerably restricted as a result of continued difficulties in the general economic situation, characterized by employment, growth and inflation problems. The employers pointed out that in view of the extremely low profits there were no longer reserves to be distributed.

However, the trade unions pressed minimum demands for compensation for rises in the cost of living. Thus, in practical terms the framework for wage increases was established. The collective agreements which were concluded up to the end of the year fluctuated in fact around 6%.<sup>1</sup>

Some of the collective agreements concluded during the period covered by the report include, in addition to wage and salary increases directly linked to costs, agreements on reduction of time worked, increased leave, increase of additional holiday bonuses, increase or introduction of capital-linked benefits and bonuses and, above all, provisions to guarantee earnings and to protect elderly workers against dismissal. Albeit to a lesser extent than in previous years, this represented the continuation of a trend to agree on protection against dismissals and on earning guarantees long apparent in collective bargaining.

In spite of the strained economic and social situation and the differences of opinion on the measures required to solve the resulting problems, there were no really serious industrial conflicts.

110. In *France*, where there were problems arising from employment and the rate of increase in purchasing power, the climate of relations between workers' and employers' organizations, although disgruntled, was not marred by any general industrial disputes.

Most of the disputes which did take place were due to the defence of jobs: opposition of staff to the closure of the undertaking or to actual or planned dismissals, strikes to obtain better guarantees than those proposed in case of technical unemployment or short-time working.

However, despite the unfavourable economic situation, agreements were concluded between workers' and employers' organizations.

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<sup>1</sup> Chapter V, point 165.

In the private sector, at inter-trade level, the outline agreement of 17 March 1975 on working conditions marked an important stage in the negotiations which began in May 1973.<sup>1</sup> The agreement includes a stipulation that negotiations on its implementation at sectoral and branch level must begin before 31 July 1975 and that the results of the application of the agreement must be studied jointly by the signatory organizations before 31 July 1976. It should be noted that the CGT and the CFDT did not sign this outline agreement.<sup>2</sup>

In addition, an agreement signed on 23 June 1975 amended the agreement of 21 February 1968 on compensation for short-time working.

At branch level the agreements concluded applied in particular to the updating of wages and salaries. Others worthy of mention are: a national collective agreement, the entry into force of which was fixed for 1 February 1975, that has been finally signed on behalf of the 30 000 or so workers in the works canteen sector; an agreement signed in April 1975 extending the national inter-trade agreement of 14 October 1974<sup>3</sup> which guaranteed 85% of wages up to the age of 65 years for workers dismissed between the ages of 60 and 65 in the printing and graphics industry; and a national agreement of 23 July 1975 for all workers in the metal working industry which included additions to the provisions on monthly payment of workers promised since 1970, renewed the classifications previously drawn up, guaranteed an improved career pattern, established criteria for recognition of the relative value of diplomas, and strengthened the role of trade union representatives in the undertaking as regards the implementation of the agreement.

In the nationalized sector, agreements concerning the SCNF and RATP, which were not signed by the CGT or CFDT, maintained purchasing power and guaranteed more rapid increases in low wages. It is important to note that the 'wage contract' concluded in 1972 made it possible to make pay increases in the coal industry in 1975 which will be more than 2 points above the rise in the price index, and to bring about a larger rise in low wages and salaries.

In the public sector, the agreement of 5 January 1975 for the whole of the Civil Service, which was sharply criticized by the CGT and the CFDT, fixed salary increases for the current year which exceeded the increase in prices and instituted a reduction in working time from 1 October 1975.

111. In *Ireland*, relations continue to be determined by the National Pay Agreement and by the problems of 20% inflation rate and rising unemployment.

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<sup>1</sup> Social Report 1974, point 182.

<sup>2</sup> Chapter IV, points 128 and 136.

<sup>3</sup> Social Report 1974, point 153.

The National Pay Agreement concluded in April 1975 was revised in September in response to Government requests.<sup>1</sup>

There were no major prolonged disputes in 1975 and the number of man days lost through industrial disputes is provisionally estimated at 209 000 for the first eight months of the year. This compares with 552 000 days lost for 1974. The reduction in disputes has been attributed partly to the depressed economic and labour market situation, and partly to the operation of the National Agreement.

112. In *Italy*, relations between workers' and employers' organizations were not excessively strained at the beginning of the year, and negotiations were successfully concluded at inter-trade level on the increase of the cost-of-living bonus within the framework of an overall reform of the wage threshold system.<sup>2</sup>

But in the autumn, the complicated nature of relations between workers' and employers' organizations at the level of the individual economic branches became fully apparent.

During the closing months of the year various collective agreements expired affecting about 4 million workers, 3 million of whom belong to the sectors and branches of industry. In order to avoid a further aggravation of inflationary tensions, the Government for its part expressed the hope that the increase in labour costs would remain compatible with the resources currently available.

The claims put forward by the workers' organizations in the various sectors affected by these new agreements all concentrated on safeguarding and expanding employment. This aim would be achieved by means of a tightening of trade union control of investments and its effects on the level of employment, the effects on work organization of changes in technology and production, the mobility of manpower, the decentralization of production units, work at home and contract work.

As regards increases in real earnings, the workers' organizations stressed the need to reduce disparities between the various pay levels and expressed their willingness to pursue wage policy objectives which already take account of employment and investment.

For their part, the employers' organizations reacted negatively to the workers' demands, as regards both the strengthening of trade union control on investments within undertakings and the organization of work and wage increases.

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<sup>1</sup> Point 102.

<sup>2</sup> Chapter V, point 170.



At undertaking level, collective negotiations were not very intense in 1975. Agreements reached at this level, in particular as regards the motor vehicle industry, established procedures for consultation between the two sides with reference to the development of production, stocks and employment, mobility of labour within the undertaking, and recourse to the wage integration fund.

As regards public administration and public services, the bitter disputes which broke out in mid-summer again pinpointed the differences between independent sectoral or branch unions and the major trade union confederations as regards the representation of the categories in question, the nature of their demands and the means of achieving their objectives. In addition, these disputes revived the public debate concerning regulation of the right to strike, in particular in public services which are regarded as essential. The major trade union organizations repeated their fundamental opposition to any statutory regulation of the right to strike and again expressed their preference for some form of voluntary regulation of the right to strike which would take account of the essential nature of certain public services for society as a whole, and which is already practised in some sectors (health, railways, heavy engineering, etc.).

At the end of October it finally proved possible to reach a general agreement on qualifications and jobs for the civil service and the public services as a whole. Agreements on certain aspects of pay were then concluded for the railways and the Post Office and Telecommunications Service.

113. In *Luxembourg*, the overall climate of relations between workers' and employers' organizations has remained good and has not been troubled by any strike moves.

The number of collective agreements due to be concluded or renewed in 1975 increased to about 20 for wage earners and about 10 for salary earners. Altogether, agreements at present in force, several of which were declared generally applicable by Grand Ducal Regulation, cover about 70% of wage earners and almost two thirds of salary earners. In addition to substantial real increases in hourly wage rates,<sup>1</sup> the collective agreements provided, in accordance with the recently amended statutory provisions, for the general introduction of the 40-hour week on 1 January 1975. A monthly salary for brewery workers was guaranteed under a collective agreement as from 1 July 1975 (in the iron and steel industry it is planned to introduce a monthly salary as of 1 January 1977).

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<sup>1</sup> Chapter V, point 171.

During the last three months of the year, negotiations began on the renewal at the beginning of 1976 of collective agreements for some 28 000 workers, including workers in the iron and steel industry and iron mines and workers in small and medium-sized undertakings.

114. In the *Netherlands*, the great deterioration in the economic situation has done more to accentuate rather than moderate the basic differences in social outlook between the employers and the workers. Differing views arise mainly regarding the distribution of income, co-determination in the undertaking and decisions on investment. Thus the trade unions are demanding that decisions concerning investment are examined to determine their usefulness to the communities. They would like the State to introduce a planning procedure which allows them to exert their influence on investment decisions so that selective growth can be achieved.

At the negotiations on wages for 1976 both the employers and the workers adopted as the main theme the necessity of job security and price stability. The trade unions were prepared to renounce any increase in the real wages (except for the lowest paid workers), as long as concessions were made in non-material areas such as replacing the works councils by staff councils, introducing worker participation in capital gains and realizing co-determination in investment decisions.

The employers laid emphasis on re-establishing a balance between real labour costs and the increase in productivity, reducing taxes and social charges paid by the employer, restoring profitability in the undertaking and stimulating private investment.

The general agreement for 1976 could not be concluded because of the non-material demands of the trade-unions and the unsuccessful demand for relief for taxes and social charges by the employers. The negotiations were doomed to failure right from the start because of the question concerning the compensation for price increases at 1 July 1976. The employers' offer to come to an agreement, which would be valid for some years, on labour costs, wage and incomes policy and social contributions was turned down by the trade unions.

As a result of the breakdown in negotiations the Government were forced to introduce a wages freeze for the first six months of 1976 in a regulation on wages.<sup>1</sup> However, it refrained from annulling the compensation for price increases at 1 January.<sup>1</sup> By so doing the Government want to ensure that their aim of limiting

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<sup>1</sup> Chapter V, point 172.

the increase in wage costs to a maximum of 9% is maintained. The improvement in the profitability in undertakings, which results from moderation in the increases of labour costs, should in their view serve to create new jobs.

115. In the *United Kingdom*, relations have been influenced by the adverse situation and the terms of the social contract, in whose formulation the employers and their organizations had little involvement compared to the trade unions. The CBI has been critical of the wage and salary guidelines of the social contract, asserting that these were less than adequate, given the economic situation.

The level of pay settlements and evidence that some guidelines in the social contract were being exceeded were followed by the introduction of a maximum £ 6 per week flat-rate wage increase.

There have been many negotiations on lay-off, short-time working and redundancy, whilst industrial conflicts for wage and salary increases occurred in the earlier part of the year. One study estimates that approximately 13 500 workers were involved in 26 sit-ins in undertakings during the first half of the year. Factory occupations in the motor cycle industry in the Midlands as well as in the newspaper industry in Scotland resulted in the formation of worker cooperatives, though the latter has since failed. Serious disputes occurred in the Scottish road haulage industry, followed by strikes among local government refuse collection drivers, and a prolonged dispute in the London docks. Major conflict arose also in the National Health Service when both senior consultants and junior doctors engaged in industrial action concerning their employment contracts and private practice. This led to the closing of some hospitals and the reduction of services to emergencies only. In the steel industry in South Wales a long dispute with blastfurnacemen over new rates of pay to operate a new plant was resolved by the end of the year. In this, as in many other cases, the independent Advisory Conciliation and Arbitration Service (ACAS) established in 1974 has acted as a useful intermediary to resolve conflict.

In the latter half of the year, joint public appeals were made by the TUC and CBI to encourage greater cooperation between both sides of industry in order to combat the economic situation.

### *Representation of workers*

116. In *Belgium*, the FGTB at its statutory congress from 18 to 20 April 1975, voted for the retention of works councils as joint bodies with wider powers for

the trade union representatives, whereas the CSC had proposed the replacement of works councils by employee councils.<sup>1</sup>

In addition, the law of 23 January 1975 and its implementing Decree of 24 January, amending legislation on works councils and safety and health committees, extended the application of this legislation to non-commercial and non-industrial undertakings, improved the representation of young people, lowered the voting age to 14 and reduced the period of service for a candidate to six months.

The agreement concluded in July between the Government and the trade union organizations in connection with Val-St-Lambert gave workers control rights via a supervision committee for the management of the new company. Unlike supervisory committees established elsewhere within the framework of co-determination, this committee belongs to the domain of workers' control.

During the conference, on 25 and 26 September 1975, held under the auspices of the Committee on Women's Employment set up within the Ministry of Employment and Labour, it was proposed that quotas should be established to ensure wider participation of women in joint bodies both at company and national level.

117. In *Denmark*, whilst there have been no further developments in institutional representation since the 1974 innovations, the issue of economic democracy has been a matter of concern for the LO.

118. In *the Federal Republic of Germany*, the draft law on co-determination introduced by the Federal Government in 1974<sup>2</sup> has not been discussed again in the Parliament, after the Parliamentary committee responsible had organized in autumn 1974 a number of public hearings of experts where reservations were expressed as regards the constitutionality of the proposed law. In addition, the stalemate situation in the supervisory board is still unresolved, as also are questions of election procedure for workers' representatives and representatives of senior staff.

In the meantime, however, an agreement has been reached on this question by the governing parties, in accordance with which, the chairman of the supervisory board, who as a rule is a representative of the shareholders, receives a casting vote in order that a solution is found to the stalemate situation in the joint supervisory board. The representatives of the employees in the supervisory board are elected either by delegates of the employees or by the employees as a whole depending on the size of the firm; wage and salary earners vote in separate groups,

<sup>1</sup> Social Report 1974, point 159.

<sup>2</sup> Social Report 1974, point 161.

as long as they do not agree to vote together. The representative of the senior staff in the supervisory board is proposed by them, but all the salary earners vote for his election. A new provision has been introduced whereby a worker director, who is to be responsible for social and personnel matters, will be appointed as a member of the board of directors with equal rights.

The employers emphasize that the modifications to the draft law on this matter are inadequate. Quite apart from the question of its compatibility with the Constitution, the draft law, even in the modified version, could bring with it increasing dangers to the functioning of undertakings in a market economy. The equal representation of the employees in the supervisory board—together with the rights of co-determination already set out in accordance with the Works Constitution Act and the lawful and factual influences of the trade unions—would lead to a lasting dislocation of the balance of power.

The German Trade Union Organization (DGB) declares that the compromise on co-determination by the governing parties is a step in the wrong direction, as it does not achieve the co-determination with equal rights and equal representation for the employees as demanded by the trade unions. It criticized not only the casting vote given to the chairman of the supervisory board who represents the shareholders, but more especially the particular representation of senior staff.

The metalworkers' trade union concluded the collective agreement on the protection of trade union delegates in the metalworking industry. The parties to this agreement had agreed that the trade union delegates should not be subjected to any disadvantages because of their office or activities. As part of a new agreement in this field the union's basic demand is that delegates should have time off with pay within the undertaking as well as for trade union training and instructional courses. The employers raised the customary objection to such demands.

However, in March a comparable agreement of this kind was signed between the Minister of Transport and Telecommunications and the postal workers' union.

119. In *France*, the report submitted on 13 February 1975 by the Committee responsible for studying ways and means of achieving company reform<sup>1</sup> proposed with regard to the representation of workers in undertakings that the powers of the works council should be strengthened and its representativeness improved and that there should be a new approach to participation and joint supervision, in other words, minority representation of workers (1/3 of the total seats) on supervisory or administrative boards. However, the opinion given on 2 July 1975

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<sup>1</sup> Social Report 1974, point 162.

by the Economic and Social Council confirmed the opposition of the majority of the employers' and workers' organizations to the statutory introduction of joint supervision and also pointed out that an increase in the powers of the works council could not go so far as to confer upon the latter the power of joint decision or veto.

The Law of 3 January 1975 on procedure for dismissals for economic reasons obliges the head of the undertaking to inform the works council each year on employment developments in the undertaking during the past year and on employment forecasts. Under the Law of 9 July 1975, the age of eligibility for the post of employee representative or member of the works council and the age for nomination to the post of shop steward were lowered from 21 to 18. Moreover, the Law of 11 July 1975 changed the literacy condition applicable to non-Community migrant workers who are candidates for such posts to that of being able to speak French. The same Law also abolished any nationality condition for being a shop steward and, subject to certain conditions, gave foreign workers the right to be trade union leaders or administrators.

120. In *Ireland*, legislative proposals were published in July for the representation of employees on the boards of seven State enterprises employing about 55 000 workers and operating in air transport, peat production, shipping, public transport, electricity, sugar manufacture, and fertilizers. It is proposed that workers should have one third of the seats on the single boards of State enterprises, their representative being elected from and by the workforce by secret ballot, under proportional representation. The chief executive of the enterprise would be appointed as a director. The government, in consultation with the interests concerned, is to introduce a Bill in Parliament giving effect to these proposals as soon as possible.

121. In *Italy*, the Law of 20 May 1975 on wage guarantee measures provided for procedures under which undertakings are obliged to give the works trade union representatives full information concerning the likely duration of reductions or interruptions of production and the number of workers affected. If one of the parties so requires, a joint examination may then be carried out with the object of effecting a return to a normal level of production and a distribution of working hours.

In addition, the lists of demands submitted by the trade unions with a view to new collective agreements show the need for participation where the choice of investments, the mobility of labour, the fixing of working conditions, etc. are involved.

121a. In *Luxembourg* 1975 saw the setting up of co-determination bodies: joint committees in private undertakings and workers representation in joint-stock companies.<sup>1</sup>

122. In the *Netherlands*, in September 1974, a draft law was placed before Parliament completing the law on works councils with provisions relating to group works councils. These provisions concerned the establishment of works councils for groups of undertakings in the case of large combines. The Government hopes that this draft law can be put into force at the beginning of 1976.

In March 1975 a draft law was placed before the Second Chamber according to which the works councils ought to be given the right to appeal against obviously unfair decisions taken by the employer. By extending the law on works councils, the powers of the works council is considerably increased. This draft has not been adopted as law in 1975.

In October 1975 the Economic and Social Council delivered an opinion containing extremely diverse comments on the restructuring of the composition and mandatory powers of the works councils. The majority of the Economic and Social Council is hostile to a transformation of the works council into a staff council and would like the works council to maintain its bargaining function in addition to its representative function. Opinions concerning the staff council vary greatly both within the trade unions and in the political parties. These diverse points of view have contributed to the delay by the Economic and Social Council expressing an opinion on staff and works councils, as well as the inability to keep the promise of presenting a draft law on this subject in 1975.

123. In the *United Kingdom* there have been worker representation developments in new legislation as well as participation schemes in significant undertakings in the motor industry.

The Industry Act provides for the establishment of a National Enterprise Board, one of whose functions is the promotion of industrial democracy and information disclosures to workers in undertakings. The Act also provides for the conclusion of voluntary planning agreements involving trade unions.

An independent Committee of Inquiry has been established to advise on workers' representation on the boards of companies in the private sectors. The Government will the decide upon what legislation is required.

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<sup>1</sup> Social Report 1974, points 164 and 165.

At two motor manufacturing companies proposals for the new forms of workers participation in operating and managing the companies have featured prominently in negotiations. In one company workers have been offered two seats in the single board of the company, and in another no employee directors are envisaged but rather a three-tier scheme of joint union management councils.

A few worker cooperatives were formed with initial Government support, although these were not specifically established for the purpose of worker participation but rather to prevent company closures and redundancy.

In general, progress in the worker participation field is impeded by more immediate pressing economic problems and by a disinclination to take action which may create difficulties with the Industrial Democracy Bill planned for 1976-77.

### *Trade union unification*

124. In *Ireland* the Trade Union Act 1975, which became law in April facilitates the amalgamation of trade unions and the transfer of engagements between unions. A simple majority now suffices to effect an amalgamation or transfer of engagements, and provisions concerning the notice of ballot are intended to ensure that these changes cannot be affected without adequate notice and information being given to the parties involved. The Act provides for financial aid from public funds towards the expenses incurred by the unions involved in the amalgamations or transfer of engagement.

125. In *Italy*, although the debate within the three major trade union confederations now united by a federal pact<sup>1</sup> revealed the existence of numerous obstacles to unification,<sup>2</sup> progress was made as regards the setting up of joint structures and the preparation of policies, decisions and joint action.

126. In the *Netherlands*, it has been decided that the federation of the NVV and the NKV will go ahead on 1 January 1976.<sup>3</sup> The statute of the federation puts on record that the most far-reaching cooperation possible between the two trade union organizations, i.e. amalgamation, is not excluded.

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<sup>1</sup> Social Report 1972, point 46.

<sup>2</sup> Social Report 1974, point 170.

<sup>3</sup> The third trade union organization, the CNV, continues as before.



After the constituent unions of the NVK and the NVV declared themselves in favour of the plan, the controlling bodies of both trade union organizations proceeded in mid-December to the final establishment of the *Federatie Nederlandse Vakbeweging* (FNV — Federation of Dutch Trade Unions).

The union executives considered that the high level of unanimity concerning the aims to be pursued, which was considered indispensable for establishment of the proposed federation, was indeed present.

## Chapter IV

# Working conditions and labour law

## Trends within the Community

### Working conditions

127. As in 1974, the unfavourable economic situation and particularly the problems of employment and safeguarding purchasing power have continued to be a matter of pressing concern to the public authorities and both sides of industry throughout the Community during 1975. Nevertheless, *improvements in working conditions*, in particular the further reduction in the number of hours worked and the increase in the length of paid holidays and, to a lesser extent, the introduction of better working hours, have continued in most Member States.

There have been various legislative and institutional provisions and provisions in collective agreements regarding the reduction in hours of work, the increase in the number of public holidays and in the length of paid annual holidays, the increase in and broadening of the opportunities for training leave, and the extension of the system of flexible working hours, in several countries of the Community, generally substantiating the trends of recent years.

The pursuit of a gradual reduction in the working week, particularly in the present climate of economic crisis in the Member States of the Community, shows that this objective, which is an important factor in the improvement of working conditions, is also one of the elements of an active employment policy. Indeed, the different measures envisaged to reduce the working time, and in a more general manner, dealing with the organization of work can also contribute to an attenuation of the effects of the present recession on the level of unemployment. Deeper consideration of the issue might indicate the desirability of their inclusion in a Community level plan.

128. New provisions have been made in *Belgium* with regard to:

- a prevention policy in the sphere of industrial safety and health, whereby account is taken of the safety and health requirements in undertakings when

equipment and machines are being ordered and delivered (Royal Decree of 20 June 1975, *Moniteur belge of 15 July 1975*);

- the introduction, in the physical working environment, of the idea of 'climate in places of work', laying down rules regarding the relationship between its three main elements: temperature, degree of humidity and level of ventilation of places of work (Royal Decree of 20 April 1975, *Moniteur belge of 21 May 1975*).

The signing in *France* of the inter-trade agreement of 17 March 1975 tends to confirm certain improvements in working conditions. After two years of negotiations the CNPF and three of the five trade union organizations which took part in the joint negotiations, the FO, the CFTC and the CGC, signed the outline agreement, whereas the CGT and CFDT unions rejected it.<sup>1</sup>

This agreement recognizes the need to make radical improvements in working conditions and to involve wage and salary earners in studies, experiments or decisions in this sphere. The same text also advocates, in the chapters devoted to the organization of work and the rationalization of working hours, the need to introduce new methods of job enrichment and increased responsibility in practical matters, greater freedom for workshop teams, and the testing of flexible working hours and part-time working.

129. As regards *Community* measures, the Council adopted a number of proposals which had been submitted to it by the Commission in 1974 to implement the Social Action Programme (Resolution of 21 January 1974):

- Council Regulation (EEC) No 1365/75 of 26 May 1975 setting up a 'European Foundation for the improvement of living and working conditions';<sup>2</sup>
- The Recommendation of 22 July 1975 on the principle of the 40-hour week and the principle of the four weeks' annual paid holiday (before the end of 1978 and, if possible, before this date).<sup>2</sup>

### Hours of work — Rationalization of working hours

130. This year saw the introduction of legislation or regulation regarding the 40-hour week in two Member States, *Belgium* and *Luxembourg*.

It has also become effective in *Denmark* through the introduction of collective agreement, and in the *Netherlands* by the application in collective agreements of

<sup>1</sup> Chapter III, point 110.

<sup>2</sup> Social Report 1974, point 175.

the recommendations of the national agreement signed by both sides of industry in 1973.

Thus, this objective has now been achieved through legislation or collective agreements in Belgium, Denmark, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom and has almost been reached in the other countries of the Community.

In addition, various experiments were made in 1975 in the sphere of rationalization of working hours (variable or flexible working hours) in several Member States, namely *the FR of Germany, Belgium, Denmark, France, the Netherlands and the United Kingdom*.

### **Holidays with pay and training leave**

131. The trend towards an increase in the length of paid holidays and the granting of a fourth week's holiday has continued throughout 1975 in several countries of the Community.

The improvement in national legislation and in collective agreements in this sphere has been particularly apparent in *Benelux, the FR of Germany and the United Kingdom*: inclusion of the fourth week's holiday in the statutory system of annual holidays in *Belgium*; a law extending the annual holiday to a total of 20 working days for workers aged between 18 and 37, and 22 days for workers under 18 and over 38, in *Luxembourg*; general application of 20 working days annual paid holiday in implementation of the recommendations of the national agreement in collective agreements in *the Netherlands*.

Lastly, it should be noted, with regard to *Luxembourg*, that the same law provides for the gradual introduction of a standard paid holiday of 25 working days for 1978.

### **Labour law**

132. As in 1974, labour law developments in Member States were mainly concerned with improving the situation of particular groups (handicapped workers, young workers, elderly and female workers, etc.) and provisions giving greater protection to workers affected by the merger or closure of their undertaking.

## Development of the situation in the member countries

### Working conditions

#### Hours of work — Rationalization of working hours

133. In *Belgium*, the general application of the 40-hour week will be effective by not later than 31 December 1975. A Royal Decree of 27 July 1975 (*Moniteur belge* of 15 August 1975) renders obligatory compliance with the inter-trade collective agreement making the 40-hour working week generally compulsory in 1975.

As regards the rationalization of working hours, various measures have been taken or proposed to relax existing working hours. The Council of Ministers, at its meeting of 3 October 1975, finalized the system of flexible hours in the public services. In addition, the Central Council for the Economy, in its Opinion of 24 January 1975 on public transport, considered that any general application of these flexible hours would serve to 'stagger commuter traffic over a greater number of hours'. With this in mind, the Government document on the options of the 1976-80 plan provides for 'the gradual elimination, during this period, of commuter journeys of more than two hours'.

134. In *Denmark*, following application of the collective agreement, which reduced the working week to 40 hours after 1 December 1974, a similar agreement makes provision for the same reduction in working hours for civil servants.

As far as 'flexible working hours' are concerned, although the system of rationalizing working hours does not appear to be of great interest to union and trade organizations in Denmark, many firms in the private sector and some public authorities have introduced various systems of flexible working hours.

135. In *the FR of Germany*, the trend towards a general application of the 40-hour week continued in 1975. At present, the reduction in the length of the working week by means of collective agreements affects about 90% of wage and salary earners.

As regards the rationalization of working hours, provision is made for introducing flexible working hours in collective agreements covering about 1 200 000 workers, the most important of which agreements is that for the chemical industry. Formulation of the detailed rules for application of these provisions has been left to the undertakings.

However, the introduction of flexible working hours has slowed down during the period in question. Indeed, it has been noticed that the system can bring with it certain drawbacks.

136. In *France*, reduction of hours worked, which has been the practice in the various trade sectors for several years past continued during 1975. According to the figures available, on 1 October 1975, the working week for wage and salary earners was 42.0 hours as against 42.9 hours on 1 October 1974. Moreover, the reduction in working hours has continued as a result of the gradual application of the agreements of the previous years. The Renault agreement of February 1975 makes provision for reducing the working week to 41 hours 20 minutes without loss of earnings in October 1976.

Moreover, with a view to further lowering the working week, the government prepared a draft law which, after adoption by Parliament, became law No 75-1253 on 27 December 1975. This law provides that with effect from 1 January 1976 the average working week, calculated on any period of twelve weeks, cannot — except in special circumstances and for determined periods — exceed 48 hours (against 50 hours formerly) and that in any case it cannot be made longer than 52 working hours (against 57 hours formerly) during the course of the same week.

Lastly, in the outline agreement of 17 March 1975 on the improvement of working conditions, signed between the CNPF and the FO, CFTC and CCC trade union organizations, Chapter II, on the rationalization of working hours, provides for the development of flexible working hours and part-time work and a restriction, whenever possible, of continuous and semi-continuous work.

137. In *Italy*, there has been no trend towards a working week of less than forty hours in 1975, the chief claims of the unions in the current economic situation being concentrated on the need to safeguard the level of employment. In the collective agreements renewed in 1975, there is a trend towards restricting overtime in order to maintain job security.

138. In *Luxembourg*, the statutory 40-hour working week was introduced with effect from 1 January 1975, as provided for by the Law of 9 December 1970 on the reduction and regulation of hours of work. This measure has particularly affected the building industry, establishments connected with tourism, hospitals and clinics and domestic service.

139. In *the Netherlands*, the working week has been reduced to 40 hours and five working days per week in almost all collective agreements. The agreement in principle made a few years ago with the Labour Foundation (Stichting van de

Arbeid) between the national organizations of employers and workers was thus implemented during 1975.

Meanwhile, a new opportunity has been offered with regard to the number of hours worked by persons aged sixty and over. In some important collective agreements (18 agreements, valid for about 700 000 workers) the interested parties are given the option of reducing the length of the average working day and of specifying, within certain limits, how they wish to make use of this daily reduction in the number of hours worked.

The rationalization of working hours, and in particular 'flexible working hours', is becoming more and more widespread in the Netherlands. At the moment, 300 firms are already applying this system, and the number can be expected to increase gradually. About 90% of all these undertakings belong to the administrative and scientific sectors.

140. In *the United Kingdom*, a Government report on flexible working hours is likely to be published towards the end of the year and is expected to show that, whilst the concept has much to commend it, as evidenced by the experiences in commerce and public administration, difficulties are likely to arise if specific patterns are imposed without attention to individual needs.

### **Public holidays, holidays with pay, training leave**

141. In *Belgium*, the Law of 28 March 1975 (*Moniteur belge* of 8 April 1975) incorporates the fourth week of holiday in the statutory system of annual holidays for wage and salary earners.

The fourth week of annual holiday was already introduced to a large extent by the application of the inter-trade agreement of 6 April 1973 concluded within the National Labour Council.<sup>1</sup> A collective agreement of 10 April 1975 allows for the payment of double earnings for the first two days of the fourth week of annual holidays as of 1976. In some sectors, the practice of paying double earnings for the fourth week of annual leave already operates.

142. About half the workers in *the FR of Germany* were entitled to at least four weeks' basic annual holiday according to the collective agreement in force at the beginning of 1975. If additional holidays calculated on the basis of age and/or

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<sup>1</sup> Social Report 1974, point 188.

length of service are included, almost two-thirds of German workers have five weeks or more annual paid holiday.

In addition, at the end of 1974 about 80% of the workers received an additional holiday allowance, amounting, in accordance with the collective agreements, to an average of 40% of the basic earnings. In 1975, this allowance was increased for about a quarter of the workers. It should also be noted that the law on paid holidays, dating from 1963, was amended by a law on work at home of 29 October 1974. The effect of the more or less total application of this Law in 1975 is that all workers aged 18 to 34 are now entitled to 18 working days' annual holiday instead of 15 days.

There have been no important agreements in the sphere of paid training leave. About five million workers are now covered by provisions in the regulations and agreements in force.

143. In *France*, the Renault agreement of February 1975 and the Citroën agreement of May 1975 on paid holidays should be noted. The first provides, amongst others, for additional paid holidays for long-service staff, the second also improves special family leave and leave based on length of service but reduces the holiday bonus in the event of absence of more than 61 days.

144. In *Ireland*, the Amendment Act 1975 on agricultural workers, which was adopted by Parliament in May 1975, makes provision for increasing annual holidays from two to three weeks, thus making them the same as those of non-agricultural workers. This law also provides for seven public holidays per year for which Irish agricultural workers also receive a paid holiday.<sup>1</sup>

144a. In *Italy*, studies have been undertaken to examine the possibility of distributing the incidence of public holidays occurring in the course of the week in order to safeguard the demands of production without interfering with the social advantages of workers.

145. In *Luxembourg*, the law of 26 July 1975 has reformed the law of 22 April 1966 rendering uniform the length of annual paid holidays for wage and salary earners in the private sector. It provides in particular for the gradual introduction of a standard paid holiday of 22, 24 and 25 working days. To make the calculation of the duration of the holiday, the working week is taken to be 5 working days.

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<sup>1</sup> Social Report 1974, point 190.



In view of the general economic situation in the country at the end of 1975, the Grand Ducal regulation of 30 December 1975 has postponed the application of this law in the meantime until 1977, 1978 and 1979.

The law of 26 July 1975 provides for the carrying over of special leave falling on a Sunday, a public holiday, an unworked working day or a compensatory day off and the possibility of carrying over holiday not taken at the end of the holiday year until 31 March of the following year.

146. In *the Netherlands*, the normal length of annual paid holiday is fixed at 20 working days in most cases, but there are some agreements which provide for a longer annual holiday. In addition, most collective agreements provide for additional days' holiday according to worker's length of service. Negotiations are being held with a view to a gradual increase in the number of days' holiday from the age of 60.

The Ministry of Social Affairs has asked the opinion of the Labour Foundation with regard to training leave for older workers and, in particular, those who are approaching retirement age.

147. In *the United Kingdom*, there have been few developments in working conditions other than in the conclusion of new pay agreements and as a result of pending legislation.

## **Labour law**

148. In *Belgium*, the Royal Decree of 16 January 1975 made the collective agreement of 19 December 1974 instituting a complementary system of social benefits, called 'anticipated pension', for certain older workers in the event of dismissal,<sup>1</sup> and a law of 12 May 1975 established that the Fund for closures of undertakings (le Fonds des fermetures d'entreprises) will guarantee payment of the interim pension in the event of failure to do so by the employer in the sectors which have not arranged such guarantees.

A Royal Decree of 1 July 1975, in implementation of the 1975-1976 inter-trade agreement, has increased the compensation paid to women workers during the 14 weeks' maternity leave.<sup>2</sup>

<sup>1</sup> Social Report 1974, point 141.

<sup>2</sup> Chapter IX, point 213.

In addition, a Royal Decree of 13 August 1975 has organized and facilitated the carrying out of in-service training periods for school-leavers and university graduates aged between 15 and 25 who are registered as looking for work.

The National Labour Council gave its approval with regard to the guaranteeing of workers' rights *vis-à-vis* their former employer in the event of merger or closure of an undertaking. On the other hand, it rejected the possibility for women workers of obtaining a suspension of their contract of employment for three years in order to devote themselves to bringing up a child. It approved the granting of entitlement to leave of absence for public service workers in order to enable them to carry out their tasks and approved the principle of organizing training periods to help newly trained teachers who are registered as unemployed to adapt to jobs suited to their qualification.

Lastly, a Royal Decree of 30 October 1975 set up a reconversion wage: the dismissed workers having agreed to undergo vocational training provided by the National Labour Office will continue to receive during the period of this training the same salary as that which they were receiving at the time of their dismissal.

149. In *Denmark*, the Bill on working environment was passed in Parliament late in the year. It incorporates existing legislation in this field, and by so doing broadens the concept of safety and health at work and places more stress on prevention.

A bill on equal pay is being prepared, and the unemployment legislation has been amended to be effective from 1 August 1975. The amendments enable twice-yearly changes of the maximum unemployment benefit to be made.

Regulation of the daily benefits now takes place every six months instead of every year. The waiting period to obtain daily benefits has been reduced to six months instead of one year.

The Community's mass dismissals Directive is being studied by a working group in the Ministry of Labour.

150. In *the FR of Germany*, the general part of the social code, the object of which is to consolidate the clauses relating to social rights which are dispersed throughout the individual laws, came into force on 1 January 1976. This first volume contains the regulations concerning the most important social benefits and the institutions dealing with them as well as those regarding charta. Amongst other things, it sets out that each citizen has the right to information and advice and that in principle he has a right to insist on social benefits. A second volume, which is the subject of a draft law which is under consideration in Parliament, contains the general regulations for social insurance.

The law of 25 June 1975, which entered into force on 1 July 1975, amending the Employment Protection Law and the Law on the provision of temporary workers has improved the legal protection of temporary migrants workers in the Federal Republic of Germany.

One particular abuse which had been discovered was that employment agencies illegally provided workers from non-member countries who did not possess the necessary work permit. The amending law extends the sphere of penalties for offences of this type.

In addition, a hirer who takes on a non-German temporary worker without the necessary work permit will, in future, be liable to prosecution if the temporary working conditions differ conspicuously from those of a German temporary worker engaged in a comparable activity.

The Regulation on the work place of 25 March 1975 which will come into force on 1 May 1976, lays extraordinary importance on working conditions and on job enrichment in general.<sup>1</sup> It applies to places of work in industry, craft and commerce. Numerous individual provisions specify how the places of work must be designed, including sufficient and healthy air; workrooms must have windows, the best possible lighting, no more than the maximum permitted noise level, be not less than the minimum size, contain seating facilities, changing and rest rooms, non-smoking areas in staff rooms, etc.

151. In *France*, the Law of 3 January 1975 on mass dismissals for economic reasons increased and supplemented the provisions of the agreement of 21 November 1974.<sup>2</sup> The dismissal procedures, and in particular obligatory consultation with previously well-informed staff representatives, were extended to all agricultural, industrial or commercial undertakings or establishments, whether public or private, to public and industrial offices, the liberal professions, non-commercial firms, trade unions, associations of all types employing more than ten persons and dismissing at least ten persons together for economic reasons. Once this first phase has been implemented, any dismissal will have to be authorized by the Factory Inspectorate.

In addition, the Government has placed before the legislative body a series of draft laws designed to improve job security for women (removal of any form of discrimination against pregnant women, lowering of the age limit for admission to jobs in the public services according to the number of dependent children, abolition of discrimination in respect of access to the civil service). With this in

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<sup>1</sup> Chapter X, point 227.

<sup>2</sup> Social Report 1974, point 153.

mind, a law of 3 January 1975 has extended social protection of the mother and family, by introducing post-natal allowances to replace maternity benefits and a law of 11 July 1975 designed to protect the rights of pregnant women at work has stipulated that the employer must not take into account the fact that a woman is pregnant when engaging her, that she may be eligible for a temporary change of job, and that 90% maternity leave benefit will be granted for two additional weeks if prescribed by a doctor, and a decree of 5 August 1975 has rescinded a certain number of clauses which prohibited the employment of women in certain jobs.

Lastly, the law of 11 July 1975 has extended to migrant workers the right to vote at elections of conciliation board members.

*151a.* In *Ireland* an Anti-Discrimination (Employment) Bill was presented to Parliament by the Minister of Labour in October. The proposed legislation is intended to complement the Anti-Discrimination (Pay) Act 1974. The bill includes provisions to make unlawful discrimination on grounds of sex or marriage in regard to recruitment, conditions of employment, training, promotion and classification.

The protection of young persons (Employment) Bill passed all stages of the lower House of Parliament during the first half of the year.

Legislation governing all aspects of industrial relations is being reviewed with a view to introducing new legislation in the second half of 1976.

The government approved the replacement of the Agricultural Wages Board by a Joint Labour Committee. The Committee will be involved in the establishment of statutory minimum wages and conditions of employment. The Industrial Relations Bill 1975, which provides for the elimination of restrictions of access to Labour Court Machinery by agricultural workers as well as the establishment of the Joint Labour Committee, was introduced into Parliament in December.

The Trade Union Act 1975 intended to facilitate union amalgamations and transfer of engagements became law in April.<sup>1</sup>

*152.* In *Italy* the trade union organizations have asked the Government to prepare measures extending to the public service staff the application of the provisions of the workers' statute.<sup>2</sup> Furthermore, the government approved a draft decree

<sup>1</sup> Chapter III, point 124.

<sup>2</sup> Social Report 1970, point 133.

defining the dangerous and unhealthy activities which are forbidden to young workers under 16 years and to female workers under 18 years.

153. In *Luxembourg*, the Law of 3 July 1975 on maternity protection for working women has chiefly made provision for increasing paid maternity leave from 12 to 16 weeks (eight weeks pre-natal leave and eight weeks post-natal leave); the extension of the post-natal leave to 12 weeks in the case of premature or multiple births and for mothers breast-feeding their children; improvements in physical protection of pregnant women, women who have just given birth and women who are breast-feeding, by prohibiting night shifts, overtime and certain difficult jobs; continued payment of previous salary for a period of eight weeks in the event of a change of job; flexible working hours for mothers who are breast-feeding; ban on dismissal as soon as the pregnancy is medically confirmed and during the 12 weeks following the birth; automatic nullity of any clause providing for termination of a woman's contract of employment following or because of marriage.<sup>1</sup>

The Law of 26 July 1975 authorizing the Government to take the necessary measures to prevent dismissals as a result of the economic situation and ensure job security has enabled the public authorities to compensate short-time workers.

In view of the considerable amount of legislative work carried out in the social sphere and the pressing problems raised by the economic situation, the planned reforms in the fields of right of dismissal, temporary work and part-time work will be ultimately realized.

154. In *the Netherlands*, the Minister for Social Affairs has submitted a draft law amending the 1919 Labour Law (young people's statute) to the Second Chamber of the Parliament.

This draft law is one of the measures which was already announced in the 1970 Memorandum on educational and labour measures for young employed persons.

The draft law deals with the updating and amalgamation in a new chapter of the Labour Law of the legislative provisions concerning the work of young persons, which are at present scattered over various chapters. In addition to provisions forbidding children to work, the draft contains regulations governing working time and rest time, health and safety. In particular, the draft lays down the principle of the five-day week and stipulates that, henceforth, a young person shall not be allowed to work for more than eight hours a day.

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<sup>1</sup> Chapter VII, point 194.

Four Royal Decrees came into force on 1 March 1975 dealing with the compulsory setting up of industrial medical services, the requirements which they must satisfy, the Board of Assistance and Advice for Industrial Medicine and the treatment of injuries by industrial medical services.

A Royal Decree is being prepared revising a safety decree based on the Dock Labour Law, containing amendments to the regulations on modern loading and unloading techniques and improvements to the provisions on liability.

A draft law concerning the announcement of mass dismissals was introduced to the Second Chamber of the parliament; according to this draft, the employer is required to give prior notification to the director of the regional employment office and the trade union organizations of any collective dismissal planned.

In October 1975, a draft law was introduced, which included a major reform of the legislation on dismissals. In future, workers are no longer required to obtain the agreement of the director of the regional employment office should they wish to terminate their work contract. Such authorization is required, however, in the case of an employer who wishes to dismiss a worker. Public intervention in the field of dismissals is thus solely restricted to the protection of the workers' interests.

In 1975, legislation was introduced under which dismissal on the grounds of marriage and pregnancy is prohibited.

*155. In the United Kingdom, several key labour changes have been adopted by the Parliament in 1975, including the Employment Protection Act to increase job security, strengthen collective bargaining and establish a Central Arbitration Committee and an Employment Appeals Tribunal; the Industry Act concerning industrial reorganization, extending of public ownership, industrial efficiency and competitiveness, industrial democracy and employment; the Sex Discrimination Act and the Trade Union and Labour Relations (Amendment Act). The equal Pay Act 1970 and the Health and Safety at Work Act 1974 came into force in 1975.*

The coming into effect of the provisions of the 1974 Trade Union and Labour Relations Act has restored to trade unions their legal immunities as they existed prior to introduction of the abolished Industrial Relations Act 1971. The definition of a trade dispute has been modernized, collective agreements have been restored to their pre-1971 voluntary status, and closed shop agreements are made lawful once more. The right to picket peacefully is retained in the new Act.

The Trade Union and Labour Relations (Amendment) Bill which contained further proposals for changing the law, particularly on closed shops, was held up in the House of Commons.

A Race Relations Bill is envisaged for 1976. The Government have published a White Paper containing new proposals, and these are being discussed prior to presentation of a Bill to the House of Lords in 1976.

There has been no legislation enacted in Northern Ireland during 1975, although a proposal for a draft Industrial Relations (Northern Ireland) Order has been published. The purpose of the order is to implement the recommendations of an employer-trade union review body on industrial relations.

## Chapter V

# Wages, incomes and asset formation

## Trends within the Community

156. In all the countries of the Community *economic difficulties* have greatly influenced social developments in 1975, particularly in the sphere of incomes policy and asset formation. The economic depression in the second half of 1974 gradually turned, during the first half of 1975, into the most serious crisis since the Second World War.

In this context, the national trade union organizations gave priority, in their demands, to the need to *improve the level of employment* and, on the basis of an objective assessment of the seriousness of the crisis, the majority of them accepted a policy of *relative moderation with regard to wage and salary increases*. Whereas in previous years the chief concern of workers had been to obtain a real increase in purchasing power, the economic situation often meant that in 1975 they could do no more than try to maintain this purchasing power, except in the case of the less well-off categories. In the United Kingdom the 'Social Contract' was replaced by a Government 'guideline' fixing a £6 per week limit on all pay increases. The Danish plan included not only a reduction in VAT on the majority of goods and services but also a two-year extension of the existing collective agreements which, in the wage sphere, only allowed for compensation for the rise in the cost of living. In the Federal Republic of Germany, priority was, as part of 'concerted action', given to strengthening profitability to undertakings, which in effect means restoring the level of investments in order to create new jobs. In Belgium, the recovery programme outlined by the Government in October 1975 includes a section on the desired development of incomes which endeavours in principle to divide the burden of sacrifice equitably amongst the various population groups.

157. This general trend towards guaranteeing the purchasing power of earnings has led to the *reinforcement of indexation systems* in some countries. In Italy, an agreement was reached on the standardization, in several stages, of the 'cost of living point' at its highest level. This demand had already given rise to a series



of strikes and negotiations. In Luxembourg a new law made the sliding-scale system, which was already widely practised, compulsory for all wages and salaries. In France the systems of protecting purchasing power, which had been applied throughout the year, have now also been applied in the public and semi-public sectors and a series of agreements providing for index-linked increases have been concluded in the private sector. This system of 'estimated' rises, which also forms part of the new Irish National Agreement, has more or less given way, for the second half of its period of application, to straight indexation. In Denmark, *changes were more varied*, in that they included an increase in the 'earnings compensation' allowance, based on the rise in the cost of living, and a basic change in the index regulating the interval between automatic adjustments. In Belgium, the widely-applied indexation system, which has been in force for many years, was the subject of much discussion and disagreement, but the technical changes, first proposed by the employers, then by the Government, in order to curb the rate of increases have not been accepted in the end. At the same time, research into possible structural changes to the price index was continued, in Luxembourg for example, whereas in the Netherlands a new price index, disregarding the effects of indirect taxes and subsidies, has been made available to both sides of industry, in addition to the normal index.

158. But, in addition to the need to maintain purchasing power in the face of inflationary trends, the need to *raise low wages and salaries* faster than the average rate of increase in earnings was a matter of still greater concern in 1975. The same was true in the three countries which have a statutory minimum inter-trade wage: the French SMIC and the guaranteed minimum wage in the Netherlands and Luxembourg have been increased several times, sometimes even 'structurally'. In the Netherlands the possibility has been discussed of lowering the age at which a person is regarded as 'adult'. The demand by the Belgian trade union organizations to introduce a guaranteed minimum wage has been sanctioned in the new national inter-trade agreement. In all the Member States, endeavours have been made to improve the position of the least well-off groups of workers by various means, the most important of which was the granting of fixed-amount wage increases. In addition, during 1975, *concern for reducing the range of earnings 'from the top'* has, in certain countries, become more pronounced. Thus, the British Government's latest anti-inflationary plan, granting a £6 a week pay rise, prohibited any increase for persons with an annual salary of £8 500 or more. The Belgian Government's recovery programme suggested that cost of living compensation should be limited to that part of gross monthly earnings falling below Bfrs 40 250 (indexed). Outside the wages sector this programme has proposed a temporary freeze on rents, dividends, payment of percentages of profits, and professional fees until the end of 1976. The Danish Law of 11 March 1975 has

also stabilized dividends at the 1974 level, and frozen professional fees and the profit margins in trade and industry. Other countries have strengthened their price control arrangements.

159. Several important steps forward have been made during 1975 to ensure implementation of the *principle of equal pay for male and female workers*. The Dutch draft Law, which applies to the whole of the private sector, was finally adopted on 20 March 1975. On 15 October 1975 the Belgian employers' and trade union organizations concluded, within the National Labour Council, an inter-trade collective agreement containing the basic provisions of a draft Government Law, but for the private sector alone. This agreement has been extended by Royal Decree on 9 December 1975 and the Government intends to take similar statutory measures for the public and semi-public sectors. In the United Kingdom progress can be measured by the fact that the proportion of collective agreements in which the basic wage rate for women is 90% or more of the rate for men increased from 3/5 to 9/10 between March 1974 and March 1975. In this context, it is worth mentioning that the Equal Pay Act of 29 May 1970 provides for its full implementation by 31 December 1975. The Danish Government has submitted a draft Law in Parliament, extending the application of the principle of equal pay to all persons not covered by the national agreements concluded in April 1973 by the two sides of industry. Lastly, in the Federal Republic of Germany the Government has stated its intention to find a solution to the problems raised by so-called 'heavy' and 'light' work in the context of job classification systems.

160. Furthermore, the economic situation has had a direct impact on developments in *asset formation policy*. The Danish Government has instituted an administrative working party to investigate action likely to be taken on the 1973 project to introduce workers' participation in the capital growth of undertakings through a 'Central Investment Fund'. The Federal German Government on the other hand has not taken any positive action in 1975 regarding the asset formation programme drawn up in February 1974. On the other hand, the Dutch Government has included, in the incomes policy document which it submitted to Parliament in 1975, an important programme for workers' participation in the profits and capital growth of undertakings. It hopes to be able to present a draft Law on this subject at the beginning of 1976 to enable the system to be applied to 1975 profits. In France, a 'Study Group on the Reform of Undertakings' has recommended, in its report to the Government, that the compulsory financial participation provided for in the 1967 Order should gradually be extended to all undertakings and that the provisions of this Order should be brought more closely into line with those of the 1959 Order concerning optional participation.

161. In conclusion, and very broadly speaking, *two general trends* more or less seem to have emerged in 1975 — a year of serious economic crisis. *The first is an increased concern with disparities in income distribution.* In the United Kingdom the first report of the 'Royal Commission on the Distribution of Income and Wealth' has been published; it provides some very useful items of information in this very delicate sphere. In France, in connection with the preparation of the preliminary guidelines for the seventh Plan, the 'Social Inequalities' Commission submitted its report to the Government in May 1975; this report created quite a stir, in view of the boldness of some of its proposals. In the Netherlands, a document submitted to Parliament by the Government in May 1975 was drawn up with a view to achieving better incomes distribution. It includes a suggestion that the maximum ratio of 1 : 5, which is already applied in the public sector, should be applied to all net incomes. In Belgium, the 'Confédération des Syndicats Chrétiens' (CSC), in Congress, have also opted for the same maximum ratio of 1 : 5 between the highest and lowest net incomes. This brings us to *the second* overall trend, sometimes indirect or implied, which advocates that in the context of the fight against inequalities, and within limits tolerable in practice, not only should the redistributive function of taxation and social security transfers be strengthened, but such transfers should be supplemented by *more positive measures relating to primary income formation.* Measures directed to this end could emerge from meetings between the Government and both sides of industry on the major guidelines of general economic and social policy.

## Development of the situation in the member countries

### *Belgium*

#### **Incomes policy and the problems involved**

162. The Government has continued to introduce measures to combat the worsening economic situation. In addition to the measures implemented in 1974<sup>1</sup>, the Government has frozen prices for a period of two months from 7 May 1975. However, this freeze did not include prices fixed by outline contract (petroleum products and household electrical appliances), prices fixed at European level (coal) and other prices which are difficult to control, such as those of fruit and vegetables. A selective freeze was then imposed until 30 September, and subsequently extended until 31 December 1975.

<sup>1</sup> Social Report 1974, point 208.

To promote a general economic recovery, the Government has publicly proposed in October 1975 a 'Programme to redress the economic situation, redeploy industrial and commercial resources and stimulate employment'. One section of this programme comprised an incomes restraint policy and proposes to implement measures 'designed to ensure that all categories of the population share the burden of sacrifice equitably'. The Government has asked both sides of industry to get together in order to present common proposals. As this concertation did not produce any positive proposals, the Government prepared a draft Law on 12 December 1975 which provides particularly for a freeze in 1976 of rents, dividends, income from capital and professional fees. In the field of wages it is laid down that if the indexation mechanisms do not change, they will apply only to the first Bfrs 40 250 (indexed) during nine months. Finally, with a view, on the one hand, to establishing a certain solidarity between the rich sectors and those in difficulties, and on the other hand, to encouraging moderation in pay claims in real terms, provision has been made for workers to pay 50% of any cash increase received into a 'solidarity fund', designed to finance a non-compulsory pre-retirement scheme. This payment will be made during the nine months following the signature of a conventional agreement and employers are expected to pay an equal amount into the fund. It is to be noted furthermore that the Government has announced that the retail price index is being revised and that a new index will be applicable as from the beginning of 1976.

With regard to taxation, the workers' organizations are still demanding that automatic adjustment of income tax scales on 1 January of each year, be based on the rate of inflation in the previous year. In 1975, the Government decided to increase, for 1974 incomes, the expense allowances for salary earners and the standard basic allowance for low incomes.

The trade union organizations' demands regarding the introduction of a guaranteed minimum wage were met in the National Inter-Trade Agreement of 10 February 1975. In this agreement, the signatories agree to conclude, within the National Labour Council, a collective agreement to be enforced by Royal Decree fixing the index-bound guaranteed minimum wage for workers aged 21 or above engaged in normal full-time activities at Bfrs 15 500<sup>1</sup> from 1 January 1975. Two collective agreements, one dated 15 May, the other 25 July 1975, fixed detailed rules for the application of this agreement. The latter has been extended by Royal Decree on 9 September 1975. This guaranteed minimum monthly wage had, through indexation, risen to Bfrs 17 114<sup>1</sup> by 1 December 1975.

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<sup>1</sup> Gross employment income.

The trend already observed in 1974 to fix standard amounts for wage and salary increases, irrespective of increases due under the automatic cost of living indexation, can also be seen in collective agreements concluded this year. Standard increases are between 1.5% and 5%. The difference between these two figures can only be explained by the period in which the agreement was concluded, since the largest increases date from the beginning of the year whilst the smallest occurred later.

To implement the principle of equal pay for male and female workers more fully, the employers and trade union organizations concluded a collective inter-trade agreement in the National Labour Council on 15 October 1975, based on the Council Directive of 10 February 1975. Both sides of industry considered this method — i.e., a national agreement — preferable to the introduction of the draft Law prepared by the Ministry of Employment, which had already been submitted for the opinion of the Committee on Women's Employment set up by Royal Decree on 2 December 1974. This agreement was extended on 9 December 1975 by Royal Decree to all workers in the private sector and the Government is preparing similar provisions for the public and semi-public sectors.

## *Denmark*

### **Incomes policy and the problems involved**

163. In Denmark, negotiations on the renewal of collective agreements take place every two years at the beginning of the year, and the new agreements generally take effect from 1 March. At the beginning of 1975, which was a renegotiation year, the two sides — the Employers' Confederation (DA) and the Trade Unions Federation (LO) — seemed to be heading for disagreement. In February, notice was given of disputes which would have affected nearly 300 000 workers. In fact, on 4 March 1975, the negotiations failed and the Government, contrary to custom, decided to intervene and submitted a draft Law to Parliament, which was approved by a large majority on 11 March 1975. This law provides for a two-year extension of the agreements in force before 1 March. However, the following amendments have been made with regard to wages: payment of a cost of living bonus of Dkr. 0.60 per hour from 1 March 1975 in all sectors; change of base (January 1975 instead of January 1971) for the 'wage regulator index' and an increase in the 'adjustment steps' from Dkr. 0.40 to 0.60 per hour for each 3-point rise in the new index. As a result of the change in the base period, prices must henceforth increase by 3%, and not 2% as previously, before salaries are adjusted. The first adjustment took place in September 1975 on the basis of the July index. The Law of 11 March also stabilized dividends at the 1974 level

and introduced a freeze on profit margins in trade and industry and on professional fees.

In September the Government, which was still worried about the economic situation, reached a 'compromise' with five political parties; this 'compromise' contained a statement on incomes policy: if the index-linking of salaries should lead to more than two adjustments in 1976, the Government would ensure that industry did not bear the cost alone; in its role as employer in the public sector, the Government would set an example of moderation at the salary negotiations in spring 1976.

Moreover, in application of the Council Directive of 10 February 1975, the Danish Government has submitted a draft Law to Parliament, with a view to extending the application of the principle of equal pay for male and female workers to all persons not covered by the national agreements concluded in April 1973 by both sides of industry, which had eliminated all forms of discrimination between men and women still existing in the previous agreements.

### **Policy on asset formation**

*164.* Due to the economic and political situation, the draft Law of 31 January 1973 providing for the setting up of a 'Central Investment Fund' was not submitted to Parliament again in 1975. The Trade Union Federation (LO) discussed the various aspects of the distribution of assets and wealth at length at its Congress in May 1975 and organized an information campaign throughout the country to explain the basic principles of 'economic democracy'.

### ***Federal Republic of Germany***

#### **Incomes policy and the problems involved**

*165.* In German economic policy in 1975, special importance was attached to the campaign against unemployment by both the Federal Government and the two sides of industry during their four 'concerted action' meetings. Emphasis was placed on the levels of labour costs and profits, which were regarded as the main strategic variables in promoting economic recovery.

The sharp rise in unemployment was reflected in the wage increases awarded when the collective agreements were negotiated. The agreement reached in February in the public services sector provided for an across-the-board wage and salary increase of 6%, plus a flat-rate bonus of DM 100. The duration of

this agreement was extended to 13 months so that the public sector will not be in the position of a 'pace setter' at next year's collective bargaining session. The same increases were granted, by law, to civil servants in the strict sense of the word. The collective agreements concluded in the private sector during the first half of the year, covering about 90% of wage and salary earners, granted pay increases averaging 6.7%. As in the public sector, flat-rate increases were often granted.

With regard to problems relating to possible methods of guaranteeing the purchasing power of incomes against inflation, a group of independent experts set up by the Ministry of Economic Affairs submitted a report recommending the indexation of debts and claims as well as wages. However, this recommendation was rejected, as in the past, both by the Federal Government and the two sides of industry.

Nevertheless, in the opinion of the trade union organizations, the chief problem in the next collective negotiations will, in fact, be that of guaranteeing wage and salary earners' level of purchasing power whereas in the employers' opinion, wage increases ought to be held below the rate of inflation. The Federal Government regards the profit-making capacity of undertakings as the first priority, that is to say, their capacity to invest, thus creating new jobs.

To implement more fully the principle of equal pay for male and female workers, in September 1973, the Federal Minister of Labour and Social Affairs requested a detailed study on what may be regarded, in the context of job classification systems, as 'heavy' and 'light' work in the present industrialized society. This report, which may be of great significance for women workers, who are often classed in 'light' wage brackets, was submitted to the Minister in May 1975. The results of the experts' study implied that the justification for the 'light' wage brackets is very questionable. Initial consultations will, therefore, begin with both sides of industry at the end of the year to find a solution to these problems.

### **Policy on asset formation**

166. According to an assessment by the Federal Ministry of Labour and Social Affairs based on an analysis of 470 areas covered by collective agreements involving all branches of activity, at the end of 1974, 77% of wage and salary earners received shares in assets from their employers under these agreements; of these, 14% received between DM 156 and 311, 51% between DM 312 and 467, 3% between DM 468 and 623 and 9% DM 624. Only about 9% of wage and salary earners had to save between DM 2 and 6 per month before acquiring entitlement to these benefits.

In connection with tax reform, new measures for encouraging saving were introduced concerning savings premiums and building society savings which entered into force on 1 January 1975.<sup>1</sup>

Furthermore, with a view to facilitating home ownership for persons in low income groups, by means of an intermediate stage between renting and full ownership ('Hire-purchase system'); a draft law was passed by the Bundestag on 10 April 1975 but it had not yet been adopted in the Bundesrat by the end of the year.

The Committee of Independent Economic Experts (the so-called 'wise men') was in favour of renewed discussions of profit and capital-sharing plans for workers in the context of collective negotiations.

The inter-ministerial working party set up by the Ministry of Finance in 1974 to make an in-depth study of the Government programme of 22 February 1974 on asset formation by workers through nationwide profit and capital-sharing continued its work. However, because of economic and legal difficulties, the Federal Government does not intend to implement this programme during the present legislature, which will expire in autumn 1976.

## *France*

### **Incomes policy and the problems involved**

167. As in the other countries of the Community, the economic crisis made its mark on wage and income trends in 1975. Several economic recovery measures, which particularly concerned industrial investment and the building sector, were adopted in March. In September the Government submitted a more far-reaching economic development programme involving a total of about FF 30 000 million, including a subsidy of FF 5 000 million for 'social' consumption for elderly or handicapped persons and for households.

As regards wages and salaries, the conclusion of the Civil Service agreement of 5 February 1975 was a decisive event. Its signing, with the trade union organizations representing this sector, was followed by a whole series of agreements of similar type in almost all undertakings in the public or nationalized sectors. The principal trend in these agreements was the maintenance or a slight

<sup>1</sup> Social Report 1974, point 216.



increase of the purchasing power of salaries by means of protective clauses operative throughout the year, with final settlement on 1 January 1976, and a guarantee that pay rises would correspond at least to actual price increases in 1975. The agreement also provides for certain benefits to lower-paid categories by the award of uniform index points.

In the private sector, agreements were concluded providing for frequent increases linked to the official price index, particularly in the textile, glass, oil, paper, iron and steel, chemical and banking sectors. The signatories also endeavoured to improve social protection for the least well-off categories, either by differentiated percentage increases or flat-rate increases.

The minimum growth salary (SMIC) has been increased five times by the Government, rising from FF 6.75 per hour on 1 December 1974 to FF 7.89 on 1 January 1976, i.e., a total increase of 17%.

The report drawn up as part of the preparation of the preliminary guidelines for the Seventh Plan by the 'social inequalities' Commission was published in March 1975. It deals with direct incomes, assets, working conditions, the effects of fiscal and social security charges and methods of redistributing the latter. In the light of existing inequalities and taking into account the various economic projections for 1980 and the fundamental decisions to be made to better employment conditions for the whole working population, the commission recommends a series of measures designed to reduce the range of primary incomes. As regards wages and salaries, the action to be taken should form part of collective bargaining policy, both at the level of branches of activity and of individual undertakings. As regards non-salary incomes, whose under-assessment for taxation purposes is particularly stressed, it is suggested that the powers of the Directorate-General for Taxation be strengthened and that various methods of keeping a check on trends in such incomes should be studied and promoted. Action taken to reduce the range of primary incomes should be accompanied by more effective and equitable redistribution measures (restructuring of family allowances, increase in minimum pensions, etc.).

In the context of this endeavour to reduce inequalities, a Study Group on the 'upgrading' of manual work was set up in October, the report by the Commission set up to examine the taxation of capital gains was published, and a draft Government Law on land reform was presented before Parliament.

### **Policy on asset formation**

168. The 'Study Group on the reform of undertakings' set up by the Government in July 1974 published its final report in February 1975. It recommends the

gradual extension of compulsory financial participation (1967 Order) to all undertakings and the harmonization of the provisions of this Order with those of the 1959 Order on optional participation.

## *Ireland*

### **Incomes policy and the problems involved**

169. The National Agreement concluded in March 1974 between the employers' organizations and the Irish Congress of Trade Unions was still in force in the early months of 1975. In application of this Agreement, a 10% cost of living increase was granted to some workers on 1 January 1975 and to others on 1 March 1975.

Negotiations for the 1975 National Agreement began in March; it was formally ratified by both sides of industry on 22 April 1975 and took effect immediately. It is valid for 12 months and stipulates that increases in basic rates shall be made in four quarterly instalments related to changes forecast in the consumer price index; weekly minimum amounts are also fixed. Provision is also made for the two sides of industry to meet again if the index rises by more than 23% from mid-November 1974 to mid mid-November 1975 to study whether, in the existing economic situation an additional increase of 1% for each 1% index rise above 23% could be made up to a maximum of 3%.

In view of the decline in the general economic situation, the Government introduced, in its second budget in June 1975, a series of measures to reduce the annual inflation rate from the expected 24% to 20%. The Minister of Finance expressed the hope that both sides of industry would review the provisions relating to the third and fourth phases of the National Agreement accordingly. The Irish Congress of Trade Unions, at its meeting of 31 July, suggested that straight indexation be used for these two phases, i.e., a 1% increase in salaries for each 1% rise in the consumer price index. This suggestion was accepted by the employers. As a result of various government measures (subsidies for certain food products or removal of VAT on certain other goods or services), the price index in fact dropped by 0.8% during the period in question and no wage or salary increases were paid under the third phase. It should also be noted that a large number of workers in the private sector failed to receive all the increases due under the first two phases of the Agreement, as their employers pleaded inability to pay additional wages

and salaries by invoking the provision of the 'serious financial and economic difficulties' clause in the agreement.

## *Italy*

### **Incomes policy and the problems involved**

170. In 1975 the economic situation in Italy was marked by particularly alarming trends: a drop of about 3-3.5% in the real national product for the first time in 25 years; a reduction of about 13% in investments, increased unemployment, price increases of 18% and a 3% drop in private consumption — including food. In August, in view of this situation, the Government took a series of measures intended to revive the economy and promote exports.

The employers' organizations favoured, amongst the possible remedies, a sharp brake on labour cost increases to improve the profitability of undertakings. At the same time, the trade union organizations stated that their main objective was the fight against unemployment rather than pay rises. In the autumn of 1975 negotiations began for the renewal of the main collective agreements, which expire every three years. These negotiations could, therefore, lead to a new relationship between the two sides of industry where wages are concerned.

In this context, however, it should be pointed out that the unions' major demand, for an improvement in the index-linking system to the cost of living, which had been giving rise to strikes and negotiations since autumn 1974,<sup>1</sup> was met in February 1975. The agreement reached involves the standardization of the value of the cost of living 'point' at its highest level. Workers will no longer receive compensation varying with the value of the 'point' for their category. The existing differences between the point will be eliminated in four stages, to reach Lit. 948 in February 1977, by methods varying from one sector to another. In addition, employers have granted, on account, an immediate pay rise of Lit. 12 000 per month and family allowances have been increased by 20%. About 7 million workers in the private sector have benefited by this Agreement, the main points of which have also been adopted for two million workers in the commercial sector and the tourist industry. As regards the public sector, an agreement was signed in April between the Government and the Trade Unions, which improves the method of calculation of the value of the cost of living 'point' in the same way. The latter, which is lower than in the private sector, is also being aligned progressively.

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<sup>1</sup> Social Report 1974, point 222.

## *Luxembourg*

### **Incomes policy and the problems involved**

171. Despite the sharp fall in production, private consumption continued to increase in 1975, illustrating the continued — although slower — growth in incomes. This growth results from a series of measures such as reductions in direct taxation, the entry into force of very favourable new collective agreements, the high bonuses paid by the iron and steel industry and the considerable rise in certain lower incomes brought about by the new social legislation. The growth in private consumption is estimated at 2-3% in real terms for the whole year, after an increase of 7% in 1974.

About twenty collective agreements have been renewed for manual workers and about ten for salaried workers. The real increase in hourly wages and salaries varies between 2.5% and 24%. Salary earners in the iron and steel industry and the banking sector were granted large increases from 1 January 1975, of 17% and 13% respectively in real terms, whilst the entire work force in the iron and steel industry received significant annual bonuses as a result of the very satisfactory financial success in 1974.

Pursuant to the Law of 23 December 1974, the minimum guaranteed wage was increased by 14.9% on 1 January 1975, bringing it up to Lfrs 12 523 per month, or Lfrs 72.40 per hour. In view of the increase in the cost of living, it was later adjusted automatically four times by an 'index instalment' of 2.5%. Thus it gradually rose to Lfrs 13 822, or Lfrs 79.90 per hour on 1 December.

Although both in law and in fact, the earnings of the great majority of wage earners are already automatically adjusted to changes in the consumer price index, the Law of 27 May 1975 made the sliding-scale system compulsory for all wages and salaries in the interests of equitability. Any employer who does not take this into account will be liable to a fine of between Lfrs 501 and Lfrs 50 000.

The price index was to have been readjusted and its weighting brought up-to-date to take into account the changing consumer patterns of low-income households; however, it was not found possible to implement this reform. The Index Commission, in which trade unions and employers' organizations are represented, and which is responsible for studying this problem, requested that a survey should first be carried out on family budgets. If the Commission maintains this attitude, a reform of the index will probably not be possible before 1979. It should, however, be noted that research is being carried out with a view to including the item 'rent' in the index for the first time.

## *Netherlands*

### **Incomes policy and the problems involved**

172. The negotiations held between employers' organizations and trade unions on the 'national agreement' for 1975 did not result in a compromise, because of differences of opinion on the scope of the 'margin available' for wage and salary increases in real terms, the minimum figures for price increase compensation and certain demands with regard to access to information about incomes in undertakings, extending the application of collective agreements to managerial staff, etc. The resulting decentralization of collective bargaining did not, however, lead to appreciable disparities in wage trends. The pay increases awarded amounted to about 1.5-2% in real terms. It should be pointed out that the employers' refusal to pay part of the real wage and salary increases in fixed amounts and part in percentage amounts was in general accepted by the trade unions without too much difficulty. The 'levelling' out of price compensation was not discussed.

As regards incomes policy for 1976, the unions have stated that they are prepared to forego a wage increase in real terms—except for the least well-off categories of workers—on condition that a restrictive policy is also applied to all higher incomes whether they be employment or non-employment incomes and that the proposal for workers' participation in 'excess' profits of undertakings be implemented. The employers' organizations announced that they are against any wage or salary increases in cash terms in 1976, except for the second cost-of-living compensation phase due for 1975 and payable in January 1976. A committee of experts set up by the Economic and Social Council suggested that price rises should not be compensated for the first half of 1976 but that each worker should receive, whether or not he is covered by a collective agreement, a fixed and unvarying amount.<sup>1</sup> After the breakdown of negotiations for a 'central agreement', valid for 1976, the Government has through legislation frozen all salaries for the first six months of 1976, except for the payment of the second cost-of-living adjustment for 1975.

On 9 May 1975 the Government placed before Parliament a paper on incomes policy. In it, the Government states its intention to contribute more effectively towards implementing this policy, which would in future be more coherent,

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<sup>1</sup> Taking as a basis the opinion of the Economic and Social Council in 1972 on the indexation of salaries, the Central Statistical Office has calculated a price index which leaves out the effects of indirect taxation, subsidies and employers' contributions to the Sickness Fund. This new index, whose movements do not seem to differ greatly from those of the normal index, could be used as a reference for fixing half-yearly increases in wages and salaries to compensate for price rises. However, the two sides of industry are free to use it or not.

and cover all social groups. To achieve this, the Government considers that it needs more powers with regard to income formation, to promote a more acceptable distribution. As a basic norm it proposes to extend to all net incomes the maximum ratio of 1 : 5 between the lowest and the highest levels already applied in the civil service. In moving towards this objective, the Government thinks that taxation and social security transfers should only play a very secondary role, in view of the present level of charges — already considered very high. Changes in income distribution should rather be achieved by means of agreements on primary income formation, Government participation in the conclusion of a 'social agreement' and indirect pressure on incomes in the liberal professions. It also proposes to open discussions on the introduction of a minimum income for self-employed persons or tradesmen on the lines of the guaranteed minimum wage for wage and salary earners. Finally, the Government plans to introduce an outline law on income formation.

The statutory minimum monthly wage was adjusted several times in 1975, on 1 January, 1 April and 1 July; it rose thus from Fl. 1 190.80 in December to Fl. 1 344.20 in July 1975. In June, the Minister for Social Affairs asked the Labour Foundation to give its opinion on the possibility of lowering the age regarded as 'adult' for the application of the minimum wage and on the effects of this measure on the minimum wage scales for young persons.

In addition, the draft law on equal pay for men and women<sup>1</sup> was finally adopted on 20 March 1975.

### **Policy on asset formation**

173. In the document on incomes policy which it submitted to Parliament, the Government also outlined a system of workers' participation in the fruits of the expansion of undertakings, which aims to distribute 'surplus' profits more equitably between employed persons and contributors of capital. It intends to submit a draft Law on this subject at the beginning of 1976, to enable the system to be applied to 1975 profits. The Government considers that a system of workers' participation in capital growth should be incorporated into the overall incomes policy, because the wage restraint called for will lead to higher profits in the more efficient undertakings and branches; this would be acceptable to workers only on condition that they obtain a share in the resulting 'surplus'. The Government's project provides that undertakings constituted as 'companies'

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<sup>1</sup> Social Report 1974, point 227.

(sociétés) and making a 'surplus' (defined as the 'net' profits remaining after payment of taxes and deduction of interest on capital) of more than Fl. 250 000 should pay about 10% of that 'surplus' to a fund in the form of capital. Part of the sums in question (half, as a rule) would, after a 7-10 year freeze, go to wage and salary earners in the undertaking concerned. The other part would be used to supplement the old-age pensions of all workers, except for civil servants. The fund set up in this way would be administered by workers' representatives. About 2.9 million workers would benefit from this new system of asset formation.

### *United Kingdom*

#### **Incomes policy and the problems involved**

174. During the first six months of 1975 it became evident in the United Kingdom that the 'Social Contract' ratified by the Trades Union Congress (TUC) in September 1974, which contained recommendations for collective bargaining, was not producing the results expected by its promoters. The two main recommendations of this 'Contract' were: maintenance of real income levels by means of compensation for the rise in the cost of living and the observance of an interval of one year between any two major pay increases. As it was, the acceleration in inflation in the opening months of the year had led some groups of workers to negotiate before the 12 months were up and in May 1975, whereas prices were rising at an annual rate of 25%, basic rates of wages of manual workers had increased by 33.5%. In view of the gravity of the general economic situation and following consultations with both sides of industry, an agreed package was presented to the country which provided for a limit of £ 6 per week increase in earnings during the year to August 1976 for all those earning less than £ 8 500 a year.

This new pay policy is outlined in the Government White Paper *'The Attack on Inflation'*, published on 10 July 1975. Its main objective was to reduce the annual rate of increase in retail prices to 10% by the autumn of 1976 and to single figures by the end of 1976. In line with the limit on pay increases, increases in dividends were to be limited to 10%. The basic provision of the £ 6 per week ceiling will be permitted only after an interval of 12 months following the last pay increase, and self-employment income will continue to be subject to the price controls. It is worth mentioning that the Government regards this £ 6 as a maximum, whereas the trade unions interpret it as a general norm.

Although the policy is one of 'voluntary' moderation, the Government has introduced a battery of measures designed to secure compliance with the pay limits

in both the public and the private sectors. Thus, in the private sector two formal sanctions are provided — one is inserted in the Price Code and stipulates that any employer requesting a price increase for his goods and services will now have to provide the Prices Commission with full details of his pay settlements. If the £ 6 per week limit on pay rises has been respected, the pay increase will be regarded as a justification for increasing product prices; if not, it will not be taken into account in calculating any new price. Another important sanction empowers the Government to withhold contracts or grants from companies who breach the new pay policy.

The only significant exception to the £ 6 a week pay limit is for final steps towards equal pay for women by the 29 December 1975 when the 'Equal Pay Act' 1970 comes into operation. An analysis of agreements concluded and registered with the Department of Employment shows that the proportion of such agreements in which discrimination has been or is being eliminated, increased from one-third in March 1974 to half in March 1975. In addition, if the ratio between men and women workers' basic wage and salary rates (fixed in collective agreements and 'Wage Orders') is taken as an indicator, it will be seen that the proportion with a ratio of 90% or more, which was only minimal in March 1970, had risen to three-fifths by March 1974 and nine-tenths by March 1975.

Lastly, reference should be made to the first report by the 'Royal Commission on the Distribution of Income and Wealth', published on 30 July 1975. It contains a detailed analysis of all available statistics on incomes with comments on their intrinsic value and their shortcomings and gives some recommendations for their improvement. The Commission also provides some relatively detailed information on income distribution in 1972-73, from which it emerges that in this period the top 20% of the population enjoyed a total income seven times greater than that of the lowest 20%, and that the top 10% received a quarter of all gross incomes before tax. According to 1974 figures, the proportion of total wealth held by the top 1% of the population was 23.9%. In addition, as is confirmed by the Commission's second report on 'Company Incomes', the proportion of total wealth in the hands of individuals declined considerably between 1963 and 1973, for example. The proportion of total private sector equity capital owned by individuals fell from 58 to 42%, a larger proportion now being owned by institutions (such as pension funds).



## Chapter VI

# Housing

### Trends within the Community

175. The development of the housing situation has again been dominated by the *general constraints* imposed by economic circumstances.

In most Member States, measures have been taken to protect the housing sector from the free play of economic forces, whether by increasing capital allocations, stabilizing building prices and mortgage rates or otherwise. Measures of reflation have not yet been reflected in increased productivity in the building industry partly because of the normal lapse of time needed to launch new programmes in the public sector. The general uncertainty, not only about employment, but also about earnings has made people more reluctant to enter into long-term financial commitments. Such anxieties have deterred potential investors in the private sector and probably reinforced existing patterns of occupation in all sectors. In this situation, one cannot count on rising economic expectations as a primary and self-sustaining agent of change, guaranteeing a constant effort by the individual to improve his housing situation and, in consequence, a constant improvement in the general situation.

While it is reasonable to hope for some improvement within the next year, one must continue to view the situation with concern. There is no guarantee that crude housing shortages may not once again emerge, and the general and necessary preoccupation with maintaining house production at all costs may well militate against the sophisticated programming needed to adjust supply to the demands of specific problem groups and areas.

176. There are, however, more *positive factors*. The general effort to introduce and extend energy-saving techniques, in response to the present crisis, promises lasting results. The emphasis on housing improvement and modernization has continued, with increasing flexibility and sophistication in approach in areas of stress and deprivation. Member States now tend to see the modernization drive

as a contribution to the safeguarding of employment in the building industry. Again one may hope that the present crisis may stimulate the adaptation of skills and organization to the needs of modernization of older housing stock, likely to be a priority for most Member States for many years to come.

## Development of the situation in the member countries

177. In *Belgium* a set of measures to combat unemployment and inflation is currently under discussion. The section on housing primarily concerns the building of new low-cost housing and provides for an increase in the amount of building and in the corresponding financial incentives.

However, the growing trend towards the improvement of old housing should be noted. It is generally considered that the manpower required to improve property must have greater and more varied skills than the manpower engaged in new construction and that an effort should be made within the sector to make firms aware of this, so that some will specialize in the improvement of buildings.

In *Denmark* the housing programme agreement reached in 1974<sup>1</sup> on the financing of new social housing construction was implemented from April and the legislation relating to rents was amended.<sup>2</sup>

It might have been expected that the increase in wages and salaries, the drop in income tax and in mortgage interest rates, the extension of the term of mortgages for private housing and the stabilization of building prices would have resulted in an increase in demand for housing and new buildings. However, the low growth-rate recorded in the construction of private houses and the slowness in letting low-cost housing are no doubt due to the uncertain employment situation. This affects the demand for housing in two ways: on the one hand, there is reluctance to undertake major expenditure and, on the other, the situation has resulted in net emigration instead of net immigration.

Value added tax was reduced from October 1975 from 15% to 9½% to promote employment. This also affects the building industry and caused an increase in the number of one-family houses started during the last months of the year.

A total of Dkr 500 million was made available for granting State subsidies for insulation, improvement, renovation and maintenance, etc. of older dwellings occupied throughout the year.

<sup>1</sup> Social Report 1974, point 237.

<sup>2</sup> See also point 180.

In the *Federal Republic of Germany*, the Central Bank lowered the discount rate for the sixth time since October 1974, bringing it down to a final figure of 3.5%. On 25 September 1975 the Bundestag approved an investment programme for building totalling DM 5 750 million. In addition, the compulsory minimum bank reserves were reduced by 5% in June and by a further 10% in July, thus freeing a total of DM 6 200 million. Finally, the discount quotas were raised to DM 3 000 million. These credit measures are intended to give a new impetus to the German economy, which will of course also benefit the housing construction sector.

In *France*, the Government hopes to maintain annual building production at 540 000 dwellings. In order to give the necessary impetus to housing construction it was decided at the beginning of the year to spend 35% of available appropriations in the first three months of 1975. In the course of the year full use was made of building permits which had been allocated to the low-cost housing sector in 1974 but not used. Besides the normal building programme, the Government also plans to intensify the improvement of existing old property.

In *Ireland*, the Government again increased the allocation for housing within the public capital programme and, with the support of the emergency supplementary programme carried out by the National Building Agency, a semi-State organization, construction programmes were maintained at a level sufficient to achieve the Government's target of 25 000 new dwellings per annum. There was, however, continuing anxiety about finance for the private sector and about the effects of reductions in employment in the building industry.

In *Italy* on 27 May 1975 Law No 166 was approved making available Lit. 1 122 000 million. In this way it is hoped to stimulate investment in housing construction up to a total amount of Lit. 2 500 000 million, which should ensure the construction of 125 000 dwellings all told. A bill is before Parliament providing for an additional Lit. 640 000 million, which would enable a further 32 000 dwellings to be built. In addition, the Government has freed the sum of Lit. 150 000 million for use via the Cassa Depositi e Prestiti (Deposit and Loan Fund) in order to purchase land and prepare it for building.

In *Luxembourg*, a Ministerial Decree was published on 8 January 1975 providing for a compensatory premium for the building or purchase of a first home. The premium is intended as a partial offsetting of VAT and other taxes, which are assumed to be hampering house construction at present. In addition the Government has withdrawn the restrictive credit measures which it introduced at the beginning of 1973 in order to combat speculation.

In the *Netherlands*, a total of Fl. 1 400 million was made available for the programme announced in 1974 and at the beginning of 1975 to ease unemployment in the building industry. Although it was originally intended to allocate these resources in 1975, a small proportion was used in 1974; another portion is to be allocated in 1976 when the projects are started. Even the employment programmes of 1972 and 1973 still had repercussions in 1975. In April 1975, the Government announced an additional employment programme involving Fl. 1 030 million, Fl. 750 million of which were in any case intended for the building industry in 1976. Part of this amount was used in 1975, however.

In the *United Kingdom*, Government policy has concentrated on maintaining production of new dwellings at a fairly constant level, and channelling the available resources, where possible, to areas of housing shortage and stress.

The Government loan of £ 500 000 000 to building societies<sup>1</sup> has been repaid and building societies, which normally provide three quarters of all loan finance for house purchase, have been able to attract a steady flow of funds.

The greatly increased level of activity of voluntary housing associations, assisted by new grant arrangements and the support of the Housing Corporation, is a further positive factor.

### **Housing requirements, building programmes, dwellings completed**

178. As was to be expected, in 1974 there was considerable fall-off in housing construction.<sup>2</sup> In view of the number of dwellings begun in that year and the already available figures for dwellings completed in 1975, a sharp fall in production is expected for 1975. Nor should there be too much optimism about the coming year.

However, the construction of new dwellings is not the only criterion of whether housing policy has succeeded.

First of all there are a number of countries, including the FR of Germany and the Netherlands, which thanks to the large numbers of dwellings built during recent years have caught up with their requirements and have thus been able to limit their building programmes to current requirements. In addition the construction figures increasingly hide 'second dwellings', which means that the

<sup>1</sup> Social Report 1974, point 237.

<sup>2</sup> See Table 7, p. 122.

TABLE 7

Completed housing and proportion of subsidized dwellings<sup>1</sup>

Country	Dwellings completed	1970	1971	1972	1973	1974 <sup>a</sup>
Belgium <sup>3</sup>	Total number of dwellings	44 900	43 000	51 921	63 056	66 345
	Number per 1 000 inhabitants	4.6	4.4	5.6	6.5	6.8
	Number of subsidized dwellings	24 700	26 300	33 763	42 078	29 928
	% of total	55.0	61.0	65.0	66.7	45.1
Denmark	Total number of dwellings	50 575	50 175	50 000	55 566	48 595
	Number per 1 000 inhabitants	10.3	10.1	10.0	11.1	9.6
	Number of subsidized dwellings	18 475	17 525	13 975	12 871	11 250
	% of total	36.5	34.9	27.9	22.8	23.1
FR of Germany	Total number of dwellings	478 100	555 000	660 600	714 226	604 400
	Number per 1 000 inhabitants	7.9	9.1	10.7	11.5	9.7
	Number of subsidized dwellings	137 100	116 300	121 200	119 236	147 821
	% of total	28.7	21.0	18.3	16.7	24.5
France	Total number of dwellings	456 300	475 700	546 300	500 500	500 500
	Number per 1 000 inhabitants	8.9	9.3	10.8	9.6	9.5
	Number of subsidized dwellings	355 000	371 700	410 100	348 100	355 500
	% of total	78.0	78.1	75.1	70.0	71.0
Ireland	Total number of dwellings	13 567	14 990	20 827	23 870	25 420
	Number per 1 000 inhabitants	4.6	5.0	6.9	7.8	8.2
	Number of subsidized dwellings	13 110	14 515	20 314	23 133	24 745
	% of total	96.6	96.8	97.5	96.9	97.3
Italy	Total number of dwellings	377 200	360 600	259 000	196 640	165 522
	Number per 1 000 inhabitants	7.0	6.7	4.4	3.6	3.0
	Number of subsidized dwellings	24 100	22 200	20 000	13 600	11 800
	% of total	6.2	6.2	7.7	6.9	7.1
Luxembourg	Total number of dwellings	1 700	1 917	2 254	2 468	3 395
	Number per 1 000 inhabitants	5.1	5.6	6.5	7.0	9.5
	Number of subsidized dwellings	700	537	703	963	1 324
	% of total	40.0	28.0	31.2	39.0	39.0

Netherlands	Total number of dwellings	117 300	136 600	152 272	155 412	146 174
	Number per 1 000 inhabitants	9.0	10.4	11.5	11.6	10.8
	Number of subsidized dwellings	97 100	114 300	125 766	124 337	110 433
	% of total	82.8	83.7	82.6	80.1	75.5
United Kingdom	Total number of dwellings	362 300	364 400	330 700	304 000	278 000
	Number per 1 000 inhabitants	6.5	6.6	5.9	5.4	5.0
	Number of subsidized dwellings	146 800	199 600	289 800	114 000	134 000
	% of total	40.5	54.8	87.6	37.5	48.2
Community	Total number of dwellings	1 901 882	2 002 382	2 073 874	2 015 738	1 838 351
	Number per 1 000 inhabitants	7.6	7.9	8.1	7.9	7.1
	Number of subsidized dwellings	817 025	882 977	1 035 621	848 218	826 801
	% of total	42.9	44.0	49.9	42.07	44.97

<sup>1</sup> Any dwelling, whose cost of construction, purchase or rental is kept at such a level, that it can be rented or purchased by financially less-favoured population groups through financial means made available by public authorities (loans, bonuses, subsidies, low-interest rates) is regarded as a subsidized dwelling.

<sup>2</sup> Provisional figures.

<sup>3</sup> The figures refer to dwellings, whose construction was started.

increase in available housing is less than construction figures might suggest. Finally, it is clear that efforts in the building industry to meet qualitative requirements do not appear in the production figures.

### **Building costs**

179. In the course of previous economic fluctuations price trends for new housing tended to run parallel to the general trends. This has also been the case in the actual economic situation in most Member States, where a reduction in the rate of increase in cost of construction has followed the trend towards the reduction in the general rate of inflation.

Although, as we have seen above, practically all Member States have introduced measures intended to sustain economic activity, it will however be some time before these measures have an effect on housing completions. In addition, they will tend to have an inflationary effect which can, admittedly, be moderated through countervailing measures.

### **Rents**

180. In *Belgium*, where rents are generally linked to the consumer price index, a Law of 10 April 1975 froze, with retroactive effect from 1 December 1974, the rents of accommodations with a low or average cadastral value.

In addition, the Government plans a general rent freeze until 31 December 1976, as part of its economic recovery plan.

In *Denmark*, there are no up-to-date statistics on rents, although it should be mentioned that the 'accommodation' item in the consumer price index increased by just under 10% between May 1974 and May 1975. As the rent increases resulting from the provisions on 'cost-linked rent' were too steep, it was decided that the rent increase from mid-1975 to mid-1976 should not raise the annual rent for individual tenants by more than Dkr 25 per sq.m. gross area. Cost-linked rent is assessed on the basis of fixed interest on the invested capital plus necessary maintenance. The value of invested capital for this purpose is determined on the basis of 4-yearly estimates of market value.

In the *Federal Republic of Germany* a recent investigation has shown that householders with an income of less than DM 1 000 per month spend an average of 24% on rent, while the figure is 9% for householders with an income exceeding DM 2 500.

The individual rent subsidy which is applied as a retrospective corrective is not taken into account here. Between August 1974 and August 1975 the rent index showed an increase of 8.6 points, which represented an average rent increase of 6.9%.

In *France* the National Housing Federation protested against the effect on rents of the increase in the interest rate. Apparently some rents, which were linked to trends in building costs showed an increase of 15-17%. In addition the number of disputes between tenants and landlords has recently increased steeply, because the cost of heating and electricity has risen appreciably, and also because tenants are demanding ever higher standards of service. The Government intervened to arrange talks between those concerned. One result was the drawing up of national standard leases.

In *Ireland*, rents of local authority housing remain heavily subsidized as most unfurnished lettings in the private sector are subject to rent control and the permitted maximum rents have not been increased to keep pace with inflation.

In *Italy* Parliament decided in the autumn of 1975 to extend the rent freeze for a further year. A new rent system is at present being studied, to replace the system of rent freezes. In the new leases, there will be a fixed amount according to the type of accommodation and the number of rooms, while another portion of the rent will be indexed to the cost of living.

In *Luxembourg*, as already pointed out in previous Social Reports, annual rents may not exceed 5% of the capital investment.

In the *Netherlands* the chances of obtaining an individual rent subsidy have been considerably increased as from 1 July 1975. In addition the conditions governing property subsidies have been redefined on the basis of the index-linked estimate of the cost price, in which the rent based upon the cost price is so calculated that the cash rentable value, less the cash value of the operating costs, is equal to the capital invested in the dwelling, and in which both the rental value and the value of the operating costs are based upon a fixed period (an increase of 8 or 12% per year respectively). In addition, with the similar aim of keeping the final rent down, it has been made possible to grant a planning subsidy for the building of low-cost housing in areas where land is relatively expensive.

In the *United Kingdom*, the rent freeze imposed in March 1974 ended in March 1975, but new legislation is proposed which will phase all increases in regulated rents. The Government has announced its intention to introduce new legislation which will extend security of tenure to agricultural workers occupying tied cottages.



## Reconstruction and modernization

181. As already reported at the beginning of this Chapter,<sup>1</sup> as part of the scheme to combat unemployment in the building industry some governments have made extra money available for the modernization of old property. Although it is too early to say whether these new facilities will be fully used, it is clear that the scheme gives new significance to the modernization and improvement of the old housing. In most countries heat insulation is prominent among these measures.

Most Member States appear to have overcome the practical problems which arose when they began to implement the guidelines on modernization. The increasing number of applicants suggests that the measures introduced are better suited to the practical possibilities.

In *Belgium*, there is a move to extend existing legislation to cover the improvement of property which is sound but uncomfortable, unsuited to requirements and out-of-date, where as in the past such legislation applied only to the improvement of unsound housing which could be repaired and the demolition of slums considered as beyond repair.

In recent times, there has been considerably less advantage to be gained from such demolition, since the Government contributions have not been adjusted since they were introduced in 1955.

Furthermore, since demolition is often followed by the construction of other categories of buildings or higher-class housing, the less affluent sections of the population have often been forced to move: this has met with opposition from citizens' defence committees in certain areas, resulting in increasing awareness on the part of the local and regional authorities.

In *Denmark*, the State subsidies under the law on slum clearance to cover losses resulting from slum clearance, amounting to Dkr. 20 million annually, and the similar amount made available by the municipalities (*kommunerne*), were as in previous years used up completely. These Dkr. 40 million were spent on varying types of clearance work in respect of some 3-4 000 dwellings, of which 1 000-1 500 were demolished, while the remainder were improved to give more light and amenity space around them. Loans may also be granted for improvements.

In the *Federal Republic of Germany*, a sample check made in 1972 shows that the existing measures have led to the modernization of almost 500 000 dwellings units per year. A subsidy of DM 4 000-20 000 may be granted for the improvement of each dwelling.

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<sup>1</sup> Point 176.

In *France*, the funds available to the HLM<sup>1</sup> associations for improvements were increased. At the same time the maximum loans which could be made by credit companies for modernization of property were raised to FF 23 000 per dwelling, which represents a considerable improvement.

In *Ireland*, drainage and sewage disposal works and the reconstruction and improvement of old dwellings continued on a large scale, with more than 22 000 individual schemes receiving grants from the Department of Local Government and other national bodies.

In *Italy*, the building industry is still concentrating on new construction, although in recent years housing construction has declined considerably. The legal framework for modernization of older housing stock and redevelopment of historic centres has not been precisely defined. A number of important initiatives have, however, been taken at local level, such as the redevelopment of the historic centre of Bologna and the proposals for Palermo, at a cost of more than Lit. 500 000 million.

In *Luxembourg*, no special measures were introduced for housing improvement in 1975. Nevertheless considerable use was made of the existing scheme providing premiums for improvements to sanitation.

In the *Netherlands*, urban renewal and, consequently, the improvement of old housing still present a number of practical problems. In particular the patchwork pattern of ownership and the generally accepted, though time-consuming, right of appeal by tenants seem to make it impossible as yet to initiate any large-scale housing improvement. However, the Government is preparing a Bill which when passed will provide considerable legal backing. The importance attached to the whole problem is well reflected in the announcement that in the future the problems of urban renewal are to be dealt with by a special cabinet working party.

In the *United Kingdom*, there was a shift of emphasis away from either wholesale clearance of slum areas or reliance on individual grants for house improvement, towards a more sophisticated approach, in which selective clearance, improvement of houses and environment and careful management and public consultation all play a part. High-percentage grants for house improvement are now being offered in 'Housing Action Areas' (areas of acute housing stress) and 'General Improvement Areas' (areas where housing is not necessarily unfit, but in need of improvement to avoid further deterioration), instead of in regions of high

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<sup>1</sup> Low-Rent Dwellings.

unemployment as in 1971-1974. By mid-1975, well over 900 general improvement areas had been declared in England and Wales and, following the coming into effect of new legislation at the end of 1974, 40 housing action areas.

### **Town and country planning**

182. In *Belgium*, a major amendment has been made to the Housing Code. It consists of a provision authorizing the State to subsidize infrastructure costs for estates where not more than one-third comprises medium-category housing and not less than two-thirds is low-cost housing: such aid was previously restricted to land on which there was low-cost housing only.

As a result of the regionalization of housing policy, rules for the implementation of the policy have been laid down in different royal decrees for the three regions of the country.

In *Denmark*, a new Law on structural planning at municipal level (*kommunerne*) was passed. The Law requires the individual municipalities to set up a municipal plan laying down the general lines of population and industrial development in the municipality.

In the *Federal Republic of Germany*, a proposed addition to building legislation which is to become a comprehensive legal instrument for town and country planning extends the first option for purchase by local authorities and facilitates compulsory purchase of building land. It also includes a number of regulations on the demolition and modernization of old property and the construction of new.

In *France*, there are three basic ideas underlying urban planning policy:

1. legal and financial provision should be made to enable local authorities to build low-cost housing in city centres, which they could hardly afford to do because of land speculation;
2. powers and responsibilities should be decentralized and redistributed to the advantage of municipal authorities;
3. those affected need to be informed and consulted by giving associations the opportunity to participate in legal procedures.

In *Ireland*, a proposal for new legislation, now before the *Dail*, would establish an Independent Planning Board to decide planning appeals in place of the Minister for Local Government.

In *Italy*, the Government prepared and presented to Parliament a special draft law introducing a new system to replace the present laws on building: this draft law stipulates that building will be allowed only if the authorities give permission in accordance with the overall town-planning requirements as defined in special *ad hoc* plans.

In the *Netherlands*, the Law on selective investment arrangements was introduced in order to prevent excessive concentration by improving levies on new industrial building in certain areas, while on the other hand granting financial facilities for building in economically weak areas. For its part the Government is moving a number of its services to areas which are less crowded. This policy also includes the designation of a number of districts as growth centres, and the granting of an extra planning subsidy for housing construction.<sup>1</sup>

In the *United Kingdom*, the extension of local planning authority powers in relation to development land<sup>2</sup> has been enacted by the Community Land Act 1975.

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<sup>1</sup> See also point 177.

<sup>2</sup> Social Report 1974, point 212.

## Family affairs

### Trends within the Community

183. It is difficult to speak of 'trends' in family policy in a period when the general economic situation often leads Member States to take short-term measures, which are not part of an overall plan. Budgetary constraints have, for example, led Denmark to reduce the amount of family allowances as well as the appropriations made to day nurseries and nursery schools, and led the Federal Government to defer the tabling of the important proposal, which has been in preparation during the last few years, for a reform of the legislation on aid to young people. On the other hand, some important measures can be noted, such as the decision taken by the United Kingdom, as the FR of Germany had already done the previous year, to reform the system of compensation for family commitments by replacing the existing family allowances and tax relief for children with new allowances payable from the first child onwards; however, these two new laws do not make provisions for indexation of allowances, and do not therefore guarantee families that the purchasing power of these allowances will be maintained.

The fall in the birth rate has been discussed in the Federal Parliament and will, no doubt, influence family policy measures being prepared in France. For its part, the Economic and Social Committee of the Communities, in its opinion on social developments in 1974, drew attention to the demographic situation by saying that 'the finest social and economic successes which the Community might obtain would be in danger of being compromised in the long run if the balance of its population did not ensure the basic dynamism on which they depend'.

184. There was a similarity between the measures taken in several Member States in 1975 to reduce the tensions between professional and family life, particularly for mothers. Thus, in Belgium and the United Kingdom, the maintenance of pension rights is henceforth guaranteed for women who interrupt their careers to bring up young children; opportunities for shorter working hours for social and family reasons have been granted in the public services in Belgium; the possibility

of extending the statutory maternity leave by one year in Luxembourg and by two years in Belgium in the public services was established, but benefits will not be paid during this period.<sup>1</sup>

These measures, which are still only partial, are in keeping with the conclusions of the 14th Conference of the European Ministers responsible for Family Affairs, held in Oslo in December 1975, on the theme 'The equality of man and woman: its implications for family life and governmental action'. The Ministers considered that working life should be adapted to the needs of families, rather than vice versa, and wondered whether parents with small children should not be considered to constitute a particular group which may require special rights in working life. They also stressed the importance of the father and mother having equal responsibility for the care of children and the household, underlining the advantages of the 'symmetrical' family. The Swedish law allowing the father or the mother to take seven months leave after the statutory maternity leave, with 90% payment of their wage or salary is undoubtedly the most daring achievement in this field.

In some countries of the Community, progress still has to be made towards implementing what seems to be a priority measure, that of granting fair compensation for the statutory maternity leave. Although, in the majority of the Member States, this compensation is 80-100% of the wage or salary of the person concerned, there are still two countries where women receive only a very low benefit during this period, below the guaranteed minimum wage. The Commission, in its memorandum to the Council on equality of treatment between men and women workers, stated that this equality must be based *inter alia* on the recognition of the social function of motherhood, and advocated the payment of full salaries or wages during the period of the statutory maternity leave.

185. There are clear common trends in developments in family law in the Member States. These appear in the new laws which were introduced this year in Italy and Luxembourg, and in divorce reforms introduced in France, the FR of Germany, Belgium and Luxembourg, which allows divorce by mutual consent or after an actual separation of a certain duration. The measures taken with regard to maintenance payments bear witness to the increased awareness of the dramatic situations which often result from divorce: in Belgium and the Netherlands, maintenance orders can be indexed and a similar measure is being drawn up in Germany; in France, there is a law allowing for the recovery by the public authorities of maintenance allowances and the granting of advances in the event of non-payment. The age of majority in civil law was reduced from 21 to 18 years in

<sup>1</sup> In the other Member States, only the Italian legislation allows for this additional leave, for six months, with 30% of the wage or salary.

Italy and Luxembourg in 1975, as it had been in Germany and France in 1974, and a bill with the same aim has been introduced into Parliament in Belgium.

186. Reference should be made to a decree of the Court of Justice of the Communities of 30 September 1975, which interprets a provision of the 1968 Regulation on the freedom of movement of workers in a way which is favourable to families; this decree considers that reduction cards for rail fares issued to large families are one of the social privileges which the Regulation makes it compulsory to grant Community workers under the same conditions as national workers.<sup>1</sup> Two decisions of the Court of a similar nature were taken in July 1974 and in January 1975 with regard to scholarships and other educational aid measures.

187. In November 1975, the COFACE (Committee of Family Organizations in the European Communities) held a meeting in Luxembourg of about 100 delegates from the various Member States to examine, with Commission representatives, Community policy in the following spheres: social affairs, education, consumer policy. The exchange of views brought about an improved awareness of family problems and helped to specify how such problems can be taken into account in Community action.

## Development of the situation in the Member States<sup>2</sup>

### *Belgium*

188. As part of the process of regionalization, the decision taken in 1974 to include family and demographic policy as well as housing policy among the policy areas to be totally or partly regionalized has led to a gradual reallocation of competence and funds. It is hoped that this decentralization will be better suited to the differing regional needs.

The system of pegging family allowances to increases in general prosperity decided on last year led to an increase of 6% for the first time on 1 January 1975, which was in addition to the rises in allowances resulting from price indexing. The Law of 28 March 1975 increased from three to six months the period during which an abandoned wife may receive family allowances unconditionally for her children. Two Royal Decrees of 7 March 1975 fixed the detailed rules of application, with

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<sup>1</sup> Point 50 (End of final paragraph).

<sup>2</sup> See also Chapters VI, VIII and IX.

retroactive effect, of the Law of 1973 guaranteeing the maintenance of rights as regards family allowances and pensions for wage and salary earning women who interrupt their career in order to bring up a child aged under three, or who care for a handicapped child or one who is suffering from a long-term illness up until the age of 6 years.

The compensation during maternity leave was increased to 79.5% of the gross pay.<sup>1</sup> In addition, Royal Decrees of 26 May 1975 allow public service employees to prolong by two years, but without pay, the statutory maternity leave, to work a shorter number of hours for social or family reasons and to receive four days holiday per year counted as working periods, if their spouse or/a relation living under the same roof is ill.

The law relating to the budgetary proposals 1975/1976 passed on 5 January 1975 provides for a socio-educational allowance, without defining the conditions regarding its payment or financing. This allowance would probably be paid to the families of wage and salary earners, who have at least one child under 3 years of age and whose income did not exceed a certain ceiling.

A special endeavour has been made to improve the country's day nurseries and child minding services. In October 1975 there were 171 approved day nurseries with 8 522 places and 301 'sections pré-gardiennes' with 6 020 places. The subsidies allocated to these establishments and to crèches and to homes for unmarried mothers increased from Bfrs 573 million in 1974 to 736 million in 1975. As regards the building of day nurseries the draft five-year programme for 1976-81 aims to provide about 20 000 new places. Decrees made in 1975 lay down the conditions for the granting of financial aid from the State to approved and supervised child minding services, which is a similar system to that of the 'day nurseries in private homes' which exist in France and Denmark.

A Law of 9 July 1975 has amended the system of maintenance payments after divorce; henceforth maintenance will be indexed and it will be possible to adjust it according to changes in the needs and resources of those concerned. Lastly, it should be pointed out that the concept of 'large families' (and the social privileges attached to it, such as reductions in fares on public transport and housing loans), which had so far been restricted to families of four children or more, has been extended to families of three children.

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<sup>1</sup> Chapter IX, point 213.



*Denmark*

189. Measures taken as a result of the economic situation have had major repercussions on family policy. These were the Law of 26 June 1975 modifying the system of family allowances<sup>1</sup> and cuts in public expenditure on day-care centres for children. A ceiling has been fixed for expenditure reimbursed to these centres by the State, whether they are day nurseries or nursery schools; the medical examinations carried out in these establishments have been abolished and new standards have been laid down for the proportion of staff to the number of children, applicable on 1 April 1976, which would generally reduce the staff necessary for twenty children to one qualified teacher and one assistant. This decision, which should lead to the dismissal of about 900 qualified nursery teachers, and 3 000 assistants, has caused (illegal) strikes amongst the staff in these centres and protests by parents. On 1 June 1975 there were 493 local authority day nurseries with 17 045 places, 223 'day nurseries in private homes' with 28 012 places and 2 100 nursery schools for children aged three to seven with 89 897 places. In addition, there were 100 'integrated establishments' for 2 593 children from 0 to 14 years.

Statistics regarding family allowances show that of the families with one or more children under eighteen, slightly more than 16% of them are one-parent families (unmarried persons, widowers or widows, separated persons, divorced persons) or unmarried couples. Surveys carried out in 1974 by the National Institute for Social Research showed that about 200 000 unmarried Danes were living together as couples, about 60% of them aged 20-30. These unmarried couples represent 25% of all couples in this age bracket. About one quarter of the unmarried couples aged 20-29 had children (compared with three-quarters of married couples).

A provision made in 1975 for applying the recent law on social welfare has ensured equality for men and women with regard to the law on the obligation to pay maintenance, whereby this now ceases for either partner in the event of separation or divorce. In 1975 the Government set up a 'Council for Equality' under the Prime Minister, responsible for promoting sexual equality in the family, teaching and vocational training, employment and society. This Council comprises a chairman appointed by the Government and seven members appointed by the Government from nominations proposed by the National Council of Danish Women, the Greenland Women's Association, the Danish Employers Confederation, the Federation of National Trade Unions and the Federation of Civil Servants' and Salaried Employees' Organizations.

<sup>1</sup> Chapter IX, point 214.

Lastly, it should be noted that there has been a great increase in the number of legal abortions since the liberalization of abortion in 1973; they numbered 24 868 in 1974.

### *Federal Republic of Germany*

190. The Government published a second 'report on the family' (the first dating from 1968) and set before Parliament, on this occasion, the principles and objectives of its family policy. This report, drawn up by a committee of independent experts and subtitled: 'Family and Social Education' makes a special study of the family's contribution — and the limitations of this contribution — to the upbringing of the younger generation. The Federal Parliament also debated the problem of demographic trends in Germany; the Government considered that the fall in the birth rate was due to a number of causes about which not enough was known, and advocated a research project on this subject.

The reform of the compensation for family commitments entered into force on 1 January 1975. During 1975 the new family allowances granted in respect of the first child onwards have been paid for some 18 million children of whom 1.9 million are foreign workers' children resident either within the Federal Republic or abroad. The Federal Ministry for youth, family affairs and health has taken a number of measures to develop the training of parents for the task of bringing up children in particular by preparing and issuing new 'letters to parents' at regular intervals to parents of children aged one to eight.

The 'day mothers' pilot scheme<sup>1</sup> has continued. Twelve regional experiments have been set up, each with 15 'day mothers' receiving an appropriate training in nursery teaching. With only about 20 000 places in day nurseries, this meant that only 3% of children under the age of 3 with working mothers were provided for. When allocating places, concern with improving the social education of the children of migrant workers was one factor considered; thus in Stuttgart and Munich, for example, about 50% of the children in day nurseries are foreign. The number of 'kindergartens' (which are equivalent to nursery schools) has increased noticeably; according to the objectives of the general educational programme, these establishments should be, by 1978, able to cater for 70% of children aged 3-4 and 100% of those aged 5-6. The objective set for 1980 of reducing the number of children per class to groups of 17 children has already been achieved.

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<sup>1</sup> Social Report 1974, point 251.

In addition to the planned reform of family law, which is being discussed in Parliament, a draft law was submitted in August 1975 providing for the adjustment of maintenance orders for children, in the event of divorce or separation, to changes in the economic situation. As regards the law on the voluntary interruption of pregnancy, Article 218a of the Penal Code, introduced by the law of 18 June 1974 permitting the interruption of pregnancy during the first three months has been declared incompatible with the Constitution and therefore annulled by the Federal Constitutional Court judgment of 25 February 1975. A new draft law is under discussion. Over and above the reform under review, the law of 1 December 1975 gives the right to claim under the sickness insurance scheme for medical consultations for family planning purposes;<sup>1</sup> on the other hand, information and counselling concerning family planning, sexuality and social assistance in case of maternity has been noticeably improved.

### *France*

191. In addition to an increase in family allowances, exceeding 0.7% of the rise in the cost of living during the period under review, an exceptional family allowance of FF 250 for each eligible child has been paid as part of the economic recovery plan decided upon by the Government in September.

The Government has developed a comprehensive policy of family support, according to which family policy should no longer be seen as being predominantly a policy of family allowances and financial aid, but one which takes account of every area which concerns the well-being of the members of the family, such as housing, communal facilities, education, employment etc. The detailed applications of this policy will be spelt out within the framework of the preparatory work for the Seventh Plan.

Several measures have been taken with regard to the status of women. The protection of pregnant women has been extended and they are no longer obliged to inform their employers of their condition when beginning work; widows and women living alone with a dependent child have priority for access to vocational training courses; the age limits for access to public service jobs cannot be applied to widows who are obliged to work. Furthermore attention must be drawn to the new tax measures introduced by the finance law for 1976, whereby unmarried, widowed and divorced men and women can deduct from their taxable earned income the costs for the care of their children who are less than 3 years old, up to a maximum of FF 1 800 per child.

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<sup>1</sup> Chapter IX, point 215.

A special effort has been made since 1971 to increase the number of day nurseries, mainly by means of two levies of FF 100 million on the contributions received for family allowances, one in 1971, the second in December 1974. These funds, when added to Government appropriations, cover up to 80% of the building costs. However, the needs are still great.

A Law of 11 July 1975 makes possible divorce by mutual consent or because of the breakdown of conjugal life (prolonged separation or mental illness, with certain reservations). In the event of non-payment of maintenance, provision is made for the recovery of these allowances by tax officials and for the possible payment of advances by an administrative body (the family allowances fund).

A 'Conseil supérieur de l'adoption' (Council for Adoption) was set up in 1975 to advise the public authorities on policy guidelines. A Law of 11 July 1975 modified the structures of the National Union of Family Associations and opened those associations to certain types of families, which were previously excluded, such as one-parent families, households without children and foreign families settled in France.

### *Ireland*

192. A bill has been introduced into Parliament amending the legislation on maintenance orders. Court decisions will have to be based on the responsibility of either spouse and not only that of the father, to provide maintenance for the family. The bill introduces machinery for the attachment of the earnings of maintenance debtors; there is also a provision enabling the competent court to bar a violent spouse from the home when the safety or welfare of the other spouse or the children is in danger. In addition, a draft law has been tabled concerning the elimination of discrimination between men and women in matters of employment.

The home help services for families in distress situations and for elderly persons, especially those living alone, have been substantially increased. At the end of 1974 they were employing 97 persons full-time and 4 627 part-time to help 305 families, 4 675 elderly persons and 573 disabled or chronically ill persons.

### *Italy*

193. The Law of 19 May 1975 reforming family law is particularly important; it introduces real equality, both moral and legal, between marriage partners

and ensures a greater degree of protection for children born outside marriage. Authority will be shared between the parents. The law provides for the joint ownership of goods acquired during marriage, taking equally into account both housework and work performed outside the home. The minimum age for marriage has been increased to 18 for men and women. Another law, that of 29 July, has set up family counselling services. Parliament, although still divided on the question of abortion, has agreed on the need to provide this psychological and social assistance for couples in order to prevent the dramatic situations which lead to interruptions of pregnancy. The facilities provided will be free, including the supply of contraceptives. The costs will be borne by the State, with an initial allocation of Lit. 5 000 million, followed by an annual contribution of 10 000 million. As regards legislation on abortion, a select parliamentary committee is preparing a proposal for a law taking the attitudes of the various parties into consideration; a vote on one text is expected soon, as a result of the draft referendum lodged with the Court of Cassation (the highest Italian Court of Appeal) after the collection of the 500 000 signatures required by the Constitution.

A draft law has been prepared by the Ministry of Health amending the law of 1971 on the five-year plan for setting up day nurseries; it increases the State's contribution to cover the rise in costs by setting aside Lit. 68 000 million for 1975-76. Moreover, since physically, mentally and sensorily handicapped children are not satisfactorily integrated into the normal education system, the Ministry of Education has issued rules for their integration at pre-school, elementary and lower secondary level. By the law of 8 March 1975 the age of majority in civil law was reduced to 18 years.

### *Luxembourg*

194. A law of 23 December 1975 has increased the family allowance and has introduced graduated increments according to the age of the child: monthly increment of Lfrs 90 (index 100) from the age of 12 years. In addition, the age limit for the system of payment of family allowances has been reduced from 19 to 18 years and the payment of child allowance by employers has been stopped. The family organizations are calling for 'negative income tax' for low-income families.

Under the reformed law on the protection of maternity<sup>1</sup> a woman may give up her job for a year after the birth and then have priority for reinstatement. Since the number of day nurseries is very limited and they are mainly set up by

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<sup>1</sup> Chapter IV, point 153 and Chapter IX, point 219.

private associations, the Ministry for family matters and social solidarity intends to encourage the setting up of local authority day nurseries in towns and to increase the State's financial contribution.

The basic reforms in family law implemented during recent years continued with the adoption of several laws introducing the following principal measures: parental authority will replace the authority of the father and any discrimination between husband and wife is abolished; the prohibition on a divorced person marrying the correspondent before the death of the former spouse is annulled and adultery is no longer punishable by law; divorce by mutual consent is made possible. Moreover, the age of majority in civil law has been reduced from 21 to 18. The 'Conseil supérieur de la famille' (Council for Family Matters) has been re-organized; it includes representatives of the administration and the family associations.

### *Netherlands*

195. The fact that the draft law concerning the general application of insurance in the event of incapacity to work excluded working wives from receipt of cash benefits gave rise to protests from the Dutch Family Council amongst others; the proposal was amended and the law passed on 11 December 1975 provided for this group of persons to claim cash benefits, but at a later date not yet determined, but in any case not later than 1 January 1979.

After money had been set aside for the first time in the State Budget for the financing of day nurseries an interim regulation was introduced. It was decided that not only day nurseries but also the 'peuterspeelzalen' playgroups which cater for children on an occasional basis are to be subsidized. It is estimated that there are about 3 000 day care centres for children, including 120 day nurseries, which received Fl. 5 500 000 in 1975; the other establishments, the 'peuterspeelzalen' some of which cater for up to 3 or 4 groups of 10 children, received Fl. 5 700 000.

Surveys have been carried out on the need for home helps, both amongst the beneficiaries and amongst the population as a whole so that appropriate action can be taken; special measures will be implemented for widowers with young children and other incomplete families. The system of state financing for family aid and home-help services has been changed and will take effect from 1976. More than Fl. 713 million has been set aside for these services in the 1976 budget. These employ 5 800 qualified family helps, 8 650 household helps for families and 66 800 part-time household helps for old people; the administrative staff numbers 3 400.

The Youth policy is coordinated by several interministerial committees, one of which deals with the problem of unemployment amongst young people. One 'interim' measure for young unemployed persons under 23 consists of employing them on special socio-cultural projects run by public bodies or non-profit making institutions for a period of no more than a year. Their wages are financed out of public funds, the total amount for 1975 being Fl. 20 million. During the first half-year 673 of the 1049 applications received were met.

### *United Kingdom*

196. The most important innovation is the adoption of the Child Benefit Act, which it is intended should come into operation in 1977. The present family allowances will be replaced with new tax-free allowances, payable in respect of all children, including the first one. Tax relief given for children will also be progressively replaced by the new allowances.<sup>1</sup> They will be paid each week, usually to the mother. In addition, it should be pointed out that the Social Security Pensions Act 1975 gives pension rights not only to women who interrupt their careers to bring up children but also to men and women who are obliged to interrupt their work in the same way to take care of elderly or sick relatives.

The modest expansion of local authority day nursery places continued. In the face of growing demand for day care facilities for their children from women who wish to work, attention is being focused on the potential within the community for more informal provision such as good childminding and day fostering. Local authorities have been active in establishing support schemes for minders, including training, and a number of such schemes have been financed by the Government under the Urban Aid Programme. In England some 85 000 children are cared for by registered child minders, but in spite of legal obligations to register, unregistered minding continues. The number of playgroups, which are mainly privately run, continues to increase and the Government gives grants to several of the voluntary organizations concerned. The special difficulties involved in caring for children of ethnic minorities have been explored in a research report by the Community Relations Commission.

Following Government guidance, all areas in England and Wales are now covered by multi-disciplinary Area Review Committees to formulate and coordinate local policy for the management of non-accidental injury to children. A number of Women's Aid Groups have set up 50 refuges for women, and if need be, for their

<sup>1</sup> Chapter IX, point 221.

children, seeking shelter from violence in the home. The financial aid received comes from charitable sources and central and local government funds, and £ 150 000 has been provided from the Urban Aid Programme. A Select Committee of the House of Commons has studied these problems and a report has been published which advocates, *inter alia*, that more refuges be set up to provide one family place per 10 000 population.

The Sex Discrimination Bill has been adopted on 12 November 1975. Changes in adoption law were made by the Children Act 1975, which states that first consideration must be given to the child's welfare; it obliges the local authorities to provide, as part of their social services, an adoption service which will work in conjunction with the voluntary adoption societies, which will have to be approved by the Government. Lastly, it should be pointed out that the United Kingdom acceded to the United Nations Convention of 1956 on the Recovery Abroad of Maintenance, which is of particular benefit to migrant workers' families who remain in the country of origin.



## *Chapter VIII*

# Social services

### Trends within the Community

197. The rethinking occasioned by the slow down in economic growth did not lead to any great changes in the general trends of social welfare policy in 1975. However, the present crisis has had certain important effects; it has led the Member States to concentrate their efforts on the least privileged categories of society by raising the level of social assistance benefits of which the number of recipients is rising. In several countries a concern with maintaining income levels by linking certain welfare benefits — in Italy even pensions — to wage and price trends may also be noted.

Throughout the Community, the budgets voted for 1976 in the sphere of social welfare and social services are 'follow-up' budgets, which will ensure the continuity of measures already taken but allow for very few costly innovations. In Denmark, the estimates for the second Plan (1972-1987) have been reduced with regard to manpower needs throughout the health and social services sector. In the United Kingdom, the local authorities have been asked by the Government to review their social service programme and concentrate their efforts on priority needs.

Although it can readily be understood that the present situation makes difficult choices necessary, there is some concern — and this is particularly true in Denmark — about the criteria on which these choices and priorities will be based and it is feared that austerity measures are liable to fall too easily on social services and facilities, whose 'profitability' is not apparent — at least in the short term — but which meet real needs of the population. Thus, in a period in which social welfare and the social services are more than ever necessary not only in the form of action on behalf of the least privileged categories whose situation is becoming increasingly precarious, but also in the form of preventive action, there is a danger that cuts will be made in this sector for purely budgetary reasons.

198. The activities of the voluntary organizations are important in all the Member States and in several of them, particularly France, the United Kingdom, the FR of

Germany and the Netherlands, there is a tendency to upgrade voluntary work and to define its role more clearly as complementary rather than competitive to the activities of professional social workers. This tendency is evident for instance in the provision of public funds for the training of voluntary social workers.

199. It seems that closer attention is being focussed on social inequalities, following the publication of a number of studies and research projects accompanied by proposals for specific measures. At Community level, following the Council Decision of 22 July 1975, the Commission has launched a programme of pilot schemes and studies to combat poverty. The Community will help to finance the implementation in the Member States of about twenty pilot schemes conducted by public or private bodies. The particular nature of these projects should be noted: using new social work methods, the projects will be drawn up and implemented with the fullest possible participation of the persons concerned. For example, there will be 'community development' actions in underprivileged areas or districts, social service operations to back up urban renewal schemes, experiments with new methods of helping the homeless, pre-school education for maladjusted children, campaigns to provide poor people with information about their welfare rights and projects to improve the efficiency of the existing welfare system.

The situation of the elderly is gaining more and more attention from the Governments of the Member States; in particular the Netherlands, the United Kingdom, France and Italy are revising their policies in this sphere. The Commission made a small contribution to this endeavour by supplying financial aid for the organization of a European seminar, which was held in France in September 1975, on the problems of elderly women living alone. The conclusions reached at this seminar, which are of particular interest, gave emphasis to the need for preventive action; specific measures were proposed.

Lastly, it should be noted that a Liaison Committee for Social Workers in the European Community was set up in March 1975, within the existing International Federation. One of its objectives is to represent the social work profession in relation to the various institutions of the Community.

## Development of the situation in the Member States

### *Belgium*

200. As a result of the decision taken last year to subsidize social welfare centres meeting the required conditions for approval, a budgetary appropriation of Bfrs 89 million has been earmarked for this purpose in 1975. In one year,

92 centres have been approved. A Royal Decree of 24 July 1975 lays down the procedure for the provision of State financing for collective facilities for groups of low-cost housing units in Flemish regions; this contribution will cover 60% of the costs. A similar measure will be implemented in Walloon regions in the near future. This State aid will be of great help in expanding these facilities (meeting rooms, recreational rooms, etc.) which private developers have refused to finance.

The law of 17 July 1975 on access by handicapped persons to buildings open to the public makes the granting of building permits subject to the acceptance of rules governing such access. A Royal Decree of 5 February introduced special telephone rates for elderly (aged over 70) or handicapped persons (at least 80% disabled) whose incomes do not exceed a certain ceiling.

Under Ministerial Decrees adopted in July and October 1975, approved or regulated non-profit making associations of a social or humanitarian character, in the three regions of the Community, may hire unemployed persons on the same terms as the public authorities; the State bears a major portion of the increased unemployment allowances granted in lieu of remuneration. The appropriations for social action with regard to migrant workers have been transferred to the regional budgets. At the beginning of 1975 there were 31 municipal advisory councils of migrant workers; they receive an annual operational subsidy.

### *Denmark*

201. The general weakening of the economy has given rise to a distinct reluctance to undertake costly new public aid measures, except for the granting of fairly substantial aid under the law of 16 April 1975 to unemployed workers. The Act includes both aid to persons who do not receive daily cash benefits from the employment insurance, and complementary aid to persons receiving unemployment relief. In practice, these measures cover a large proportion of young unemployed but the aid is subject to the beneficiary having previously had wage-earning employment.

This year has also seen administrative and practical problems, sometimes far-reaching, posed by the preparations for the full entry into force on 1 April 1976 of the 'social reform' begun in 1970 — especially as regards the law on social assistance. This reform was drawn up in a period of economic expansion, when there was far less reluctance to invest local authorities with extensive powers, since it was generally believed that the funds necessary to develop local social services would be found. In present economic conditions, the situation is different. The National Assistance Act emphasizes the importance of developing preventive

social work. However, as the act comes into operation at a time when the unemployment situation gives rise to very great pressure on the local social and health care services, it may take some years before the local authorities will have the resources necessary for implementing the ideas of preventive work.

District 'social tribunals' were set up in 1975; they are the court of first instance for appeals against decisions concerning welfare matters taken by the local authorities. A court of appeal, the central social tribunal, has been operating since 1973.

A revision, which had been prepared at great length, of the law on out-of-school education aimed at giving voluntary youth organizations the opportunity to pursue their socio-educational activities in better conditions, was rejected 'sine die'. To compensate for this, the local authorities are providing more aid for these organizations.

### *Federal Republic of Germany*

202. Social assistance expenditure has risen constantly during the last few years, showing that despite the growth in prosperity, an underprivileged section of the population requiring assistance from the community as a whole still existed. Social assistance benefits amounted to DM 7 135 million in 1974, i.e., DM 115 per head of the population. It seems that the large increase in this expenditure is mainly due to the improved benefits provided by the 3rd law amending the Federal law on social assistance. In addition, new assistance benefits were created in 1975 for family planning and maternity consultations, whilst the constant attendance allowance was increased. The number of persons receiving this allowance has increased notably, prompting the assembly of town delegates (Städtetag) to request that 'the need to receive care by a third person' be recognized as a risk giving entitlement to social insurance cover.

In addition to the entry into force of the measures decided last year with regard to the social integration of handicapped persons, the law of 7 May 1975<sup>1</sup> is a first step towards the organization of a special social insurance system for handicapped persons; about 20 000 such persons will benefit. For the first time outline collective agreements have been concluded this year with regard to the integration of mentally handicapped persons into the working environment.

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<sup>1</sup> Chapter IX, point 215.

In view of the Federal Government's concern over the shortage of staff available to assist the elderly, a study of this situation, accompanied by proposals, was carried out by an institute in Cologne. Since much of the home help services for the elderly is provided by voluntary bodies, the welfare associations have increased the number of training courses for voluntary helpers. These associations have requested that the social centres (Sozialstationen) be expanded; these centres form the nucleus of a whole range of services for the entire population, including ambulant services, for which the need is growing.

As regards social action for migrant workers, there is a network of about 600 social services and 200 recreation centres as well as special advisory services in the sphere of labour and welfare law. These activities are financed by the State, the Federal Labour Office, the Länder and the local authorities. The return of some of these workers to their countries of origin has led to social problems both for them and for the members of their families, particularly for children, who — having attended German schools — are obliged to return to a country whose written language they often do not know.

An exchange programme for German and French social workers lasting six months has been set up with the aid of the Franco-German youth office; it should begin at the end of 1975.

### *France*

203. Several important laws have been adopted. The main objectives of the outline law for handicapped persons of 30 June 1975 are to assure these persons maximum autonomy, to permit their access to institutions open to the population as a whole and to promote their integration into a normal working and living environment. The application of this law, which guarantees the availability of resources and the provision of health care, education, guidance and rehabilitation will take place in stages over a period of two years; provision is also made for a public information campaign. An interministerial committee and an advisory committee, including representatives of the public and private associations and organizations concerned, will ensure coordination of the various measures.

Another law of 30 June concerns public and private welfare and socio-medical institutions. It provides for the coordination of these institutions and standardizes the conditions under which they operate and are financed; the creation and extension of most welfare and socio-medical establishments must receive public authorization after obtaining the advice of a national or regional committee. The draft law had given rise to comment from welfare organizations and social workers' organizations, who considered that its effect would be to subject private

initiatives to excessively strict administrative supervision; proposals for amendments were submitted to Parliament, which adopted some of them. However, the request that the provisions concerning training establishments for social workers should be deleted was not accepted.

In two important ministerial circulars, the conditions for collaboration between the public authorities and private associations responsible for carrying out tasks of general interest were laid down, as well as detailed supervision for the use of public funds received by these associations.

As part of the economic recovery plan adopted by the Government in September, an extraordinary payment of FF 700 was made to 2 300 000 beneficiaries of the national solidarity fund (Fonds national de solidarité), most of whom are elderly persons. The 1976 budget provides for a special effort as regards health education, the financing of social centres, the development of post-treatment centres for drug addicts and financial aid for organizations training voluntary social workers. The Report on the preliminary guidelines of the Seventh Plan was approved in the law of 10 July 1975. Amongst the preparatory work, the 'Commission on social inequalities' provides a vital basic contribution, especially with regard to socio-medical preventive action, community services and the development of socio-cultural activities. A diploma of vocational aptitude for social and socio-educational community work was created by a decree of 15 December 1975.

The budget of the Welfare Fund for migrant workers was increased from FF 207 million in 1974 to 353.5 million in 1975, whilst the credits allocated by the State secretariat for migrant workers, for similar actions, amounted to FF 83 million. The 'advisory committees on social work in favour of migrant workers' were extended to cover 83 departments. At the same time, the national reception, information and guidance network for foreigners, set up in 1973, was extended to cover 85 departments. As regards education, the creation of 100 new specialized teaching posts should make possible a substantial increase in the number of initiation and support courses provided for the children of migrant workers. Following the decision, taken at the end of 1973, to grant scholarships for young foreigners' secondary education, 123 000 such scholarships were awarded. A national office for the cultural advancement of migrant workers has been set up: it is responsible for maintaining and developing migrant workers' cultural links with their countries of origin and, at the same time, facilitating access by this section of the population to the national culture.

### *Ireland*

204. There were major increases (of between 27 and 30%) in various types of assistance allowances in 1975. The principal piece of social legislation introduced

into Parliament was a bill to replace the old home assistance scheme, which had been severely criticized, by a new scheme of supplementary welfare allowances. At the moment, home assistance is payable on a discretionary basis to persons in need; under the new system there will be a legal right to the new allowance. Uniform standards both in the assessment of need and the amount of allowance payable will apply. This scheme will be administered by the regional health boards.

The age at which all residents become eligible for free travel on public transport was reduced, like the pensionable age, from 68 to 67. The report by the working party on the training and employment of handicapped persons was published in January and several of its recommendations were adopted; the voluntary organizations will continue to have a major role in this sphere.

The network of Community Information Centres whose establishment was decided at the end of 1974 is now being set up. Twenty-five centres have been approved by the National Social Service Council, which is responsible for the training of personnel for the centres. The staff work on a voluntary basis, but the centres receive financial aid from the local authorities. This scheme should enable any individual who so wishes to obtain information and advice about his rights.

### *Italy*

205. The importance of the decision, incorporated into the law of 3 June 1975, to link pensions to wage trends cannot be over-emphasized.<sup>1</sup> The 'social pensions' (a non-contributory system for persons without a minimum income) and allowances for disabled civilians will also be index-linked but only as regards the cost of living. Divergencies still exist in relation to social assistance benefits. To remedy this situation, proposals for laws aimed at unifying benefit levels, assessment criteria and the administrative bodies involved have been submitted to Parliament by the various political parties.

An outline law is being prepared on reforms in the spheres of health and social assistance. A number of associations of disabled persons and social and trade union organizations are calling for a speeding-up in the reform of assistance schemes and a renewal of the principles of social intervention.

As regards handicapped persons, the Law of 26 May 1975 provides for a special appropriation of Lit. 100 000 million in addition to the funds allocated for health care for civilian disabled (now the responsibility of the Regions) under the Law of

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<sup>1</sup> Chapter IX, point 218.

1971. The application of this 1971 Law has given rise to numerous criticisms; it does not seem to reflect the intention of the legislators which was to change the basic approach, aiding handicapped persons to live in a normal environment rather than setting up special establishments for the disabled. The number of such establishments increased from 181 in 1970 to 354 in 1974, making necessary the additional financing granted this year.

### *Luxembourg*

206. Amongst the measures taken on behalf of elderly persons, in addition to the 'compensatory allowance' introduced by the Law of 13 June 1975,<sup>1</sup> a National Council for elderly persons was set up. A law is being prepared on the placement of children in institutions or with individuals outside their homes. Reorganization is necessary, as well as financing for the private establishments, which cannot be maintained without help from the Government. There is a lack of qualified staff in this sphere, although training courses for the staff of children's homes have been provided for the last two years.

A National Conference on Immigration has been set up, in which the representatives of migrant workers participate; it is responsible for advising the Government on problems raised by immigration, particularly on living and working conditions. In addition, the Ministry for family affairs and social solidarity has undertaken a vast study on immigration in the Grand Duchy, with the aid of foreign institutes.

### *Netherlands*

207. When drawing up the 1976 Budget, the Government approved, despite the difficult economic situation, a considerable increase in the appropriations for the Ministry for Cultural Affairs, Recreation and Social Work, since it was recognised that special attention should be given to its activities which closely concern the development of society itself (problems of youth, the status of women, underprivileged groups, the development of community life, etc.). The budget appropriations for 1975 amounted to more than Fl. 946 million for social development, Fl. 2 843 million for social assistance, and Fl. 100 327 000 for youth. For the first time, the Ministry agreed in principle to grant subsidies to three trade union organizations for social welfare activities in regions becoming more industrialized.

The first report by the Office for Social and Cultural Planning has been published. It is an important document, which gives particular attention to the situation of the least privileged categories of the population; it also points out the continuing

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<sup>1</sup> Chapter IX, point 219.



lack of coordination between policies implemented in the various sectors of social and cultural activity.

Endeavours to back up urban renewal operations with social measures to inform and help the persons concerned have been further intensified. In four years, the appropriations allocated for these activities by the Ministry of Cultural Affairs, Recreation and Social Welfare have increased from Fl. 2 million to nearly Fl. 9 million. Fifty-five community workers are participating and a special course began in 1975 to train them for their task. An Interministerial Working Group has been set up to study the problems of urban renewal, and prepare legislation in this field.

A vast survey has been carried out on the living conditions of elderly persons. In the memorandum on the policy to be followed in this sphere, submitted to Parliament by the Government in 1975, the emphasis is placed on the need for measures which insure a better integration of elderly people into society. Other memoranda have been submitted to Parliament, one on Community development projects suggesting priorities, and another on regional welfare policy, which stresses the need for planned action in urban areas and 'development nuclei'. An advisory group on socio-cultural activities for young unemployed persons was set up in 1975. It includes representatives of the Ministries concerned, the trade unions, young workers' organizations and social and cultural organizations.

To improve the coordination of government policies with regard to the nationals of former Dutch colonies (Surinam, Antilles) who are pouring into the Netherlands, a Cabinet sub-committee and an Interministerial Commission were set up in 1975.

The various foundations concerned with these immigrants, together with those dealing with foreign workers, all receive a 100% subsidy since January 1975. There are 18 regional welfare foundations for foreign workers, employing a staff of 278 social workers, of whom 50% are foreigners. They run 172 social centres for migrant workers, including 23 for Italians. In addition, workers are encouraged to use the centres and services provided for Dutch nationals; subsidies may be granted for the engagement of interpreters if needed in this connection.

### *United Kingdom*

208. Social assistance payments in the form of supplementary benefits have been increased twice. Two new non-contributory benefits for handicapped persons have been introduced.<sup>1</sup>

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<sup>1</sup> Chapter IX, point 221.

In connection with restrictions on public expenditure, the Government asked the local authorities, when reviewing their social services programmes in the light of the importance of concentrating on priority needs, to seek a better mobilization of community and voluntary efforts, and to extend collaboration with the voluntary organizations.

The reorganization of local administration, introduced last year in England and Wales, was implemented in 1975 in Scotland, where social services become the responsibility of the new regional and islands area authorities. Northern Ireland has gone further than the rest of the United Kingdom in bringing personal social services within the same administrative framework as the health service.

Existing services for the elderly are being examined critically and a number of major research projects have been launched with a view to making better use of the resources available for priority needs and to meeting the wishes of the persons involved. A voluntary organization, 'Age Concern', published its manifesto on the place of the elderly in society, following two years of work in discussion groups, surveys and meetings. The general public's need for information is becoming more apparent; the National Association of Citizens Advice Bureaux has received a Government grant of £ 1.5 million spread over 5 years and the Government is also encouraging the expansion of the number of Consumer Advice Centres in local authority areas.

In October 1975 the Government published a White Paper entitled 'Better services for the mentally ill', which outlined the overall strategy for the development of services in this field. A National Development Group has been set up to develop policy towards the mentally handicapped and to consider the best ways to implement it. The Department of Health and Social Security has set up an Advisory Committee on Alcoholism to advise on services to be developed.

The schemes for special aid programmes in respect of deprived areas and sections of the population were continued. The Urban Aid Programme in its 14th phase (1976-77) will give special consideration to projects concerning families with young children, providing alternatives to residential treatment for young offenders, and Community development projects. The London Council of Social Service drew up and published at the request of the Home Office a report on inner London which examines the changes in housing and employment conditions with special reference to their effect on minority groups. Under the major programme of research into the intergenerational transmission of deprivation, administered by the Social Science Research Council and financed by the Department of Health and Social Security 12 individual studies have been undertaken: they attempt to identify not only the role the family may play in the transmission of deprivation

but also the effects of external socio-economic conditions in relation to such transmission. In addition, the Government has been consulting local authorities and voluntary organizations about the statutory and administrative framework for helping the homeless; a working group was set up to consider the needs of homeless young people, especially in inner-city areas.

After the House of Commons Select Committee on Race Relations and Immigration had presented its report, the Government published a White Paper 'Racial Discrimination', in September, proposing to strengthen and codify existing legislation. It recommends the merger into a single commission, with increased powers, of the two official bodies currently working for the protection of ethnic minorities. The Central Council for Education and Training in Social Work has organized special courses for social workers dealing with these minority groups.

This Council's activities are expanding rapidly; it received a government grant of £ 650 000 in 1975, which will be increased to over £ 1 million in 1976. The Council published proposals for a new form of training (for the Certificate in Social Service) designed to meet the needs of a wide variety of workers in the Social Services including those in day, domiciliary, community, field and residential settings. Proposals for a programme for the development of training in the Personal Social Services were at the end of 1975 being finalized by a widely representative working party set up by the Department of Health and Social Security.

## Chapter IX

# Social security

### Trends within the Community

209. Increased demands were made on social security in 1975 to alleviate the harmful effects of unemployment and inflation which mark the present crisis, whilst the effect of the recession was to reduce the financial means available.

As the slowing down in activity became apparent, measures were taken in most countries to increase or improve the *economic security of workers who were victims of unemployment*. These measures took different forms: guaranteed wages in the event of laying off or short-time working for economic reasons (Italy), 'anticipated pensions' for elderly workers (Belgium) or payment of unemployment benefits to these workers for an unlimited period (draft in the Netherlands), increase in the period during which benefits are paid (Ireland), improved compensation for partial unemployment (France, Luxembourg), easing of the conditions of eligibility or increase in the amount of benefits in several countries, aid measures for young workers, extension of insurance to cover new social categories, etc.

Since the crisis involved inflationary trends as well as recession phenomena, other initiatives have been taken to help the *categories most affected* by the rise in prices. In some countries there have been exceptional upratings of social security benefits. In Luxembourg a compensatory cost of living allowance has been introduced for persons receiving low pensions. Italy has spent a considerable amount on improving minimum pensions as well as deciding to tie all pensions to wage trends in future. And other examples could be quoted.

210. However, although social expenditure increases with the crisis, receipts diminish with the reduction in economic activity. *Problems of financial equilibrium*, therefore, arise in all countries, problems which had been disguised for a long time by the long preceding period of growth, accompanied by slight inflation, but which are spotlighted by the reversal in the economic situation. What is more, the temporary decline in the ratio of contributors to beneficiaries

foreshadows a situation which the ageing of the populations of Europe renders inevitable: the ultimate deterioration in the ratio of the working population to the non-working population. In these circumstances, it is not surprising that a good many measures taken or planned in the various countries have been inspired by financial motives. These are, depending on the case in question, decisions to increase contributions or to restrict expenditure (Belgium, Denmark FR of Germany, in particular) or budgetary measures to avert or make good deficits or even to help an economic sector which is in difficulty (Italy). In some countries (France, Belgium), there is a trend towards a new distribution of social charges amongst undertakings. On a more general level, in a period of low employment, the respective roles of social benefits and taxes are re-examined, whilst a greater consistency is sought between social security and taxation.

211. However, the economic situation is not the only explanation for the trends in social security policy. It does not take into account the considerable steps forward which have been achieved or decided during the year and which meet *more deeply felt social aspirations or needs*. These developments affect particular social categories: women have benefited (Belgium, France, Luxembourg, United Kingdom) as well as handicapped persons (Belgium, FR of Germany, France, United Kingdom). Other groups, which vary according to the country in question, have also become eligible for social security benefits (for example, students and trainees in Germany). But this progress has sometimes been on a much wider scale: wider extension of social security in France from 1978; national insurance against incapacity for work from 1976 in the Netherlands; reform of pensions from 1978 in the United Kingdom; lowering of the retirement age, reduced by one year in Belgium and in Ireland, gradually reduced from 65 to 60 in France over the next few years; reform of family support in the United Kingdom by replacing family and tax relief for children with a cash benefit for every child, planned to start in 1977.

212. Economic constraints and social demands are the two decisive issues which the Member States are called upon to *reconcile*, and this task is made more arduous by the uncertain outcome of the crisis. The projects which have just been mentioned indicate a possible solution here: the spreading of reforms over a period of time. The concentration of efforts on the least privileged categories or the most pressing needs is another. In any case, priorities should be defined in the light of expected economic trends; choices must be made involving an overall study of the social security policy followed, in relation with other policies. These considerations, which are valid at national level, are even more necessary at Community level. Concern with harmonization of policies takes precedence henceforth over the desire to harmonize systems, the definition of objectives over

the creation of standards. An example of this fact is the Social Action Programme now being implemented by the Community. This standpoint seems more justified than ever at the present time.

## Development of the situation in the Member States<sup>1</sup>

### *Belgium*

213. In the former report<sup>2</sup> it was pointed out that measures had been decided at the end of the year to balance the budget of the health insurance scheme. These decisions, which were implemented during the year, have been supplemented by new measures. Amendments have been made to the rules concerning the fixing of the maximum annual income with which pensioners, widows, invalids and orphans may obtain free medical care. It will be possible to fix maximum prices for pharmaceutical products. Moreover, a 'Royal Commission for the reform of the sickness insurance scheme' has been made responsible for proposing, within a year, the most suitable measures for reorganizing the present system in the context of a general health policy and to ensuring a better yield for a smaller outlay.

However, the Government has been concerned above all with the measures to be taken to counteract the effects of the recession and the resulting unemployment.

A Royal Decree of 16 January makes compulsory the Collective Agreement of 19 December 1974 setting up a system of supplementary benefits ('anticipated pension') for workers aged 60 and over in the event of dismissal (half of the difference between the net maximum wage and the unemployment benefit). If the employer fails to pay this benefit, the Law of 12 May 1975 provides for intervention by the Dismissed Workers' Compensation Fund. These elderly workers are, in addition, exempt from the control on unemployed persons; the same is true for partially unemployed persons. The conditions laid down for eligibility for unemployment benefits have been eased in other ways for the benefit of the working mother.

Similarly, the Government has been led to put forward proposals relating to the lowering of the age of retirement and proof of a professional career. Other improvements have been made in the sphere of mine-workers' pensions (reduction in the number of years worked underground from 27 to 25 for eligibility for a full

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<sup>1</sup> Excluding measures to improve social benefits and contributions.

<sup>2</sup> Social Report 1974, point 276.

pension), working mothers (taking into account<sup>o</sup> the periods spent looking after young children) and divorced women (pension calculated as though they had pursued a paid activity for the duration of the marriage).

Maternity benefits have been increased from 60 to 79.5% of the gross wage or salary. This benefit is paid for 14 weeks. It should be pointed out that during an initial period (30 days for a salary earner and one week for a wage earner), 100% of the net wage or salary is paid by the employer.

Benefits for the handicapped have been increased as from 1 January 1976 and the system of benefits for orphans greatly simplified.

As far as self-employed persons are concerned, cash benefits have been increased by 10% in the event of illness and raised to the level of the retirement pension in the event of disability. Moreover, the aggregation of family allowances and allowances for handicapped persons will henceforth be allowed for the children of self-employed persons when these children suffer from a minimum of 66% incapacity for work.

Lastly, it has been decided to abolish the ceiling for wages and salaries for the calculation of contributions for family allowances; the contributions rate will be reduced as a consequence.<sup>1</sup> This measure will make possible a different distribution of social charges amongst undertakings.

### *Denmark*

214. A certain number of changes should first be pointed out which are not unrelated to budget-balancing problems.

The system of family allowances has been modified by a law passed on 26 June which makes the following provisions:

- reductions in the amount of normal benefits (reduced by 10% )and their rate of indexation to prices (50% reduction) from 1 October (however, taking indexation into account, the amounts paid from this date are not less than those paid during the preceeding months);
- the lowering of the age limit from 18 to 16 years from 1 July;<sup>2</sup>
- the creation, on the other hand, and on the same date, of a 'young person's allowance' of Dkr. 7 000 per year for which young persons aged between 16 and 17 are eligible, but subject to a means test.

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<sup>1</sup> Voted in Parliament at the beginning of January 1976.

<sup>2</sup> This lowering does not apply to orphan children nor to the children of pensioners.

Entitlement to an increase in pension has been introduced for pensioners who defer their pension claims until after the age of 67. This increase is 5% of the basic amount for each additional period of six months (maximum three years).

Other measures have been inspired by social and economic developments. This is the case with the arrangements made in June 1975 (with effect from 1 August) regarding unemployment insurance. These provide for affiliation to the system at the age of 17 (instead of 18), reduction of the qualifying insurance period in the event of total or partial unemployment, and half-yearly adjustment (instead of annual) of the maximum amount of benefits in keeping with wage trends.

It is worth noting that on this occasion it was decided to set up a committee to study the extension of unemployment insurance to self-employed persons.

Changes have also been made in sickness and maternity benefits. These have been extended to persons who adopt a child (period of payment: six weeks for wage or salary earners and four weeks for self-employed persons).

An important innovation was made in the matter of medical care by a Law of 30 May 1975. As from 1 April 1976 everybody will be able to choose between a free health system (conditional upon choosing a doctor for a specified period) and a system of partial reimbursement of medical expenses (in this case with complete freedom of choice of the doctor). These two possibilities already existed, but the division was necessarily made on the basis of the level of income of those concerned.

In the longer term, there is a draft law proposing, probably from 1977, tax exemption for pensions under the general scheme.

### *Federal Republic of Germany*

215. Further progress has been made as a result of two laws extending statutory insurance, one to students and the other to handicapped persons.

The Law of 24 June 1975 makes provision for the affiliation of students and trainees to sickness insurance on the same conditions as other insured persons, from the beginning of the 1975-1976 academic year. The insurance is limited to medical care; it is not compulsory for those who receive insurance benefits (as co-insured persons) or who are insured against this risk with a private insurance company. Thus, the beneficiaries from this new extension of sickness insurance are students who are enrolled in state universities or approved universities and persons who must complete a prescribed course as part of their training. But the law gives other persons the right to join the insurance scheme: persons who are attending



vocational training courses, evening courses, language courses, etc. The financing of compulsory insurance is based on the personal contributions of insured persons which are, however, fixed at a reduced rate; the public authorities give financial assistance.

The Law of 7 May 1975 extends social security to handicapped persons according to various procedures:

- handicapped persons who pursue a professional or trade activity in a sheltered workshop, in a home, or an institution are obliged to belong to sickness and pension funds. The same applies to those who are educated in vocational training establishments and to young persons employed in homes, who are also eligible for unemployment benefits;
- handicapped persons who suffer from occupational incapacity to an extent of at least 50% have the option of voluntary membership of the sickness insurance scheme without the funds being able to refuse membership. In addition, all these funds are henceforth bound to pay benefits for dependent children without age limits when these children are handicapped. Lastly, persons incapable of pursuing a professional or trade activity have the opportunity of obtaining a total disability pension after 20 years of insurance covered by contributions. This is also applicable to those handicapped from birth.

Additionally, by the law of 1 December 1975, which completes the reform of the penal code, the list of sickness insurance benefits has been extended. Insured persons now have the right to medical consultation for family planning matters. They also have the right to benefit where sterilization or the termination of pregnancy by a doctor is sanctioned by legislation.

Above all, there were also financial problems this year. Economic constraints revealed the need to curb the growth rate of certain items of expenditure and to save money. This is the case with medical care, where a solution is being studied with the various parties concerned. It is also the case with unemployment, where there is a movement towards an increase in contributions (from 2 to 3%) and, perhaps, towards restrictions with regard to the granting of certain benefits. More immediately, large-scale subsidies have been necessary to meet the costs of unemployment benefits.

It should also be pointed out that the long and exacting task of formulating the social code has been continued. After the first section, mentioned in Chapter IV,<sup>1</sup>

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<sup>1</sup> Chapter IV, point 150.

a second section, which is the subject of a draft law, is devoted to 'common rules for social insurance'.

### *France*

216. Certain of the many measures taken during the year are very far-ranging and will have a long-term effect on social security developments.

This is the case with the Law of 4 July 1974 broadening the scope of social security. The first phase of this Law provided for the extension, from 1 July 1975, of the benefits in kind of sickness and maternity insurance to certain categories of persons not yet covered: young people looking for their first job; families of persons who are carrying out their military service or have just completed it; and surviving, divorced or separated spouses. The Law also provides for the extension, by no later than 1 January 1978, of old age insurance to the entire working population and of family benefits to the whole of the resident population of France. Lastly, a second stage will be implemented by another law the draft of which will be submitted no later than 1 January 1977.

This is also applied to the guideline Law for handicapped persons of 30 June 1975, the provisions of which must be implemented before 31 December 1977. This law recognizes the need for the nation as a whole to take over responsibility for such things as the care, education and guarantee of a minimum income for handicapped persons.

Lastly, the gradual application in the coming years of the principle of lowering retirement age has been announced by the Government.

Other important measures have been taken in addition to those already introduced with regard to the adjustment of social security benefits.

A Law of 3 January 1975 amends the regulations governing certain family allowances (maternity allowances replaced by post-natal allowances, relaxing of conditions of eligibility for allowances to cover the cost of child minders and benefits for orphans).

A Law of 3 January also simplifies and improves the following in various ways: old age pensions (abolition of the minimum qualifying period), reconversionary pensions (the possibility of aggregation with own rights) and the position of mothers (granting of fictitious years of insurance or possibility of voluntary insurance).

Various measures improve both total and partial unemployment benefits (public and contractual). As far as the former is concerned a Decree of 5 June 1975 relaxed the entitlement conditions to public assistance for young people seeking

their first job. As far as the latter is concerned, State aid was augmented with the increase in the annual number of compensative hours (increase from 320 to 470 hours) and by an increase in the hourly rates of benefit (increased from FF 2.10 to FF 2.50, 3.50 or 4.50 depending on the duration of unemployment). The national inter-trade agreement of 21 February 1968 concerned with additional compensation for partial unemployment was modified by an additional clause of 23 June 1975 (agreed by the Decree of 24 July 1975) which increased the normal amount of compensation. This means that henceforth this compensation — including the main public assistance benefit — will represent 50% of the previous earnings and this amount cannot be less than FF 7 an hour. Part of this normal amount of compensation can be reimbursed to employers by the State (up to 90%) under the terms of the conventions concluded with professional and factory organizations where recourse to a reduction in working hours prevents redundancies (Law of 3 January 1975).

As far as self-employed persons are concerned, a compulsory scheme of disability and death insurance has been set up by the Decree of 8 January 1975 for craftsmen and tradesmen. Disability must be total and final; benefits are at a flat rate.

As in other countries, problems of financial stability arise. The Law of 24 December 1974, supplemented by the amending Finance Law of 13 September 1975, provides for reorganization of the basic rate of social contributions before the end of 1975. A complete and public report will be submitted to Parliament at the end of this year. In view of the economic situation and the consequences of a reform in this sphere, even if a draft law is tabled it will not be possible to implement its provisions, involving long-term reforms, until 1977.

### *Ireland*

217. As it had announced when presenting the 1974 Budget, the Government has made considerable improvements in social benefits.

They have been increased, first from 21 to 23% in April, and again in October. The pensionable age has been lowered to 67 (after having been lowered to 68 the previous year) in all schemes (contributory or non-contributory). The limit of personal resources in respect of eligibility for certain assistance benefits has been raised.

Moreover, an Act passed in May 1975 gives the competent minister the right to extend beyond the normal limit the duration of payment of earnings-related benefits. This limit has consequently been increased from 147 to 225 days, then to 303 days. During this additional period, however, the rate of benefit is reduced

from 40 to 30% (between 147 and 225 days) and to 25% (between 225 and 303 days). This rate is applied to earnings of between £ 14 and £ 50 per week. It should be remembered that these earnings-related benefits are in addition to flat-rate benefits in the event of unemployment, incapacity for work or maternity.<sup>1</sup>

A new assistance law has entered into force. According to the new provisions, a standard basic sum of £ 7.75 per week for a single person (£ 13.50 if there is a dependent adult) is paid to all needy persons. Conditions governing personal resources are also fixed in a uniform manner. These cash benefits will have to be coordinated with non-cash benefits of a welfare nature in order to break the poverty cycle.

As additional income is necessary to pay for these improvements, the Government has announced its intention of reducing the exceptionally high charges, which have been supported by the budget, by transferring this charge on to other contributors (employees and employers) in 6 years time or so. Taking into consideration current employment trends an additional £ 15 million has also been provided for in respect of unemployment benefit to be financed by the budget and social insurance contributions.

### *Italy*

218. Considerable progress has also been made in this country on the basis of agreements reached between the Government and the two sides of industry.

Family allowances have been increased pursuant to a Law of 26 May 1975. The new benefits amount to Lit. 9 880 per month for the dependent children and wife for wage and salary earners (instead of the previous Lit. 8 060) and to Lit. 95 000 per year for the children of farmers.

The Law of 20 May 1975 makes radical changes in the compensation rules in the event of laying-off or short-time working for economic reasons. Henceforth, one system will apply to all industrial workers, in that they will all receive the same earnings supplement equal to 80 % of the payment for the hours not worked from 0 to 40 hours. This compensation is limited to three months but may be extended, on a three-monthly basis, for up to 12 months and even beyond that in the event of the restructuring, reorganization or conversion of an undertaking. During these periods, which are taken into consideration when calculating pensions, workers also continue to be eligible for medical care. Financing is assured by contributions from firms, supplemented by state subsidies.

<sup>1</sup> Social Report 1973, point 266.

Considerable progress has been achieved with regard to pensions as a result of the Law of 3 June 1975, which has two objectives: to improve the minimum pensions and to tie all pensions to wage trends.

The minimum monthly pension is increased, with retroactive effect from 1 January 1975, to Lit. 55 950 for wage and salary earners and Lit. 47 800 for self-employed persons. An increase of Lit. 13 000 is also granted, if the level of the pension is between the previous minimum amount and Lit. 100 000 per month. In addition, the old age pension is increased to Lit. 38 850 per month. The importance of these measures can be seen more clearly if it is recalled that all the amounts mentioned had already been increased considerably last year<sup>1</sup>. Moreover, these minimum pensions, as well as normal pensions, are now tied to wage trends as from 1 January 1976. The Law also includes other provisions, for example, the definition of invalidity but, more particularly, provisions regarding financing: the rate of pension contributions has increased but that of family allowance contributions reduced. Moreover, family allowance contributions have been abolished in the textile sector for women workers as part of the measures to promote economic revival.

It should be recalled that hospital administration has been transferred to the Regions in the interest of the reform of the health services. It will also be noted that new diseases have been added to the list of occupational diseases eligible for compensation.

### *Luxembourg*

219. Social security had made considerable progress in 1974. The decisions taken this year, though not as important, should not be ignored.

A Law of 27 May improves the position of the widow of an insured man by stipulating that the pension will henceforth consist of the entire fixed portion (whereas it had previously been limited to two thirds) and a supplement equal to two thirds (previously 60 %) of the pension increases. However, if the pension exceeds the minimum guaranteed wage the two thirds supplement rate is progressively reduced to 60 %.

Another measure affects recipients of pensions whose total income does not reach the level of the guaranteed minimum wage. Under a Law of 13 June 1975 they

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<sup>1</sup> Social Report 1974, point 281.

will be able to obtain a 'compensatory allowance', granted on request by the Fonds national de solidarité (national fund in which responsibility for benefit is shared). The allowance, which is paid every six months, represents the difference between a fixed amount of Lfrs 500 for a single person (Lfrs 750 for a household) and an instalment of 2.5% of the total pensions received by beneficiaries of allowances for one particular month. The fixed amounts may be increased by regulation, within the limits laid down by the law. This allowance, which neutralizes the effects of inflation, is financed entirely by the State.

Another step has been made towards harmonizing social security schemes. The old system of contributions to pension funds for craftsmen, tradesmen and industrialists, based on income brackets, has been replaced during the year by a contributory system identical to the one for wage and salary, with the contribution calculated as a percentage of the net taxable professional income.

The Law of 3 July 1975 on maternity benefits for women workers increases the duration of paid maternity leave from twelve to sixteen weeks (eight weeks of which before the birth). This period is extended by four weeks in the case of premature or multiple birth and for mothers breast-feeding their children.

A law of 26 December 1975 implemented the adjustment of pensions paid under all the contributory pension schemes to the 1974 level of salaries. A Grand Ducal Regulation implemented a similar adjustment for industrial accident benefits.

Implementing measures for the law passed last year on the compulsory affiliation of certain categories of workers to the social security system for wage and salary earners should also be noted.

In Luxembourg, payment of unemployment benefits comes under the head of public assistance. In view of the changes in the economic situation, the setting up of a system of unemployment insurance has been studied. Moreover, the Government intends to propose a general reform of the pension system, based on the idea of a national insurance covering the whole population.

### *Netherlands*

220. The year has mainly been devoted to preparatory work for two large-scale projects. The first involves the general application of insurance against incapacity for work. This is at present limited to wage and salary earners and will be extended, from 1 October 1976, to self-employed persons and prematurely handicapped persons in order to protect them from the financial effects of inability to work for a long period.

The other project, which is at a less advanced stage, has been submitted for the opinion of the Council of State. Its aim is to set up a general health insurance scheme which will cover the whole population of the Netherlands, whereas at present this insurance is only compulsory for wage and salary earners (optional insurance is open to other social categories).

When these projects have been completed, thereby supplementing the existing national insurance network, the entire population of the Netherlands will be covered against the main social risks.

The problem of unemployment, and particularly that of long-term unemployment, has arisen in the existing economic climate. It has been proposed that elderly workers should be able to obtain unemployment benefits, in the event of unemployment, for a longer period than is at present provided for under the law. Certain discriminations with regard to married women have also been denounced.

Of the other initiatives, in addition to the measures to increase benefits, the Law of 25 June, which increases from 6 to 7% the rate of the holiday allowance which is paid in addition to benefits in the case of incapacity for work, should be mentioned.

There has been a considerable increase in social expenditure during the past few years and this will continue, especially if one considers the financial effects of the new projects. Future choices will inevitably have to take into account the need to reconcile economic constraints and social needs. It has been announced that present policy will be revised.

### *United Kingdom*

221. Two reforms of great importance for the future were adopted during August 1975.

The Act on social security pensions provides for the setting up as from 1978 of a pension system where benefits — when the system is ready — will amount to an average of half the previous earnings and will be guaranteed against the effects of inflation. The pension will be calculated on the average earnings of the best twenty years at a rate of 100% for the first instalment (basic level) and 25% for the additional portion of the earnings taken into account up to an upper limit. Thus, the rate of the pension will be inversely proportional to the level of earnings. Other provisions ensure equality of rights for men and women, enable widows under certain circumstances to obtain the complete pension of the husband, and guarantee pension rights for a woman worker during the periods when she leaves work to bring up her children. Lastly, provision is made for occupational schemes

to be kept, as long as they provide privileges at least equal to those of the statutory system. More immediately, the measures laid down last year entered into force on 1 April.<sup>1</sup>

Another Act sets up a new system of family benefits from 1977, combining family allowances and tax relief. As of April 1976 the law also extends family allowances to the first child in one-parent families. Other families will benefit from this extension when the new system enters into force. It should also be pointed out that family allowances will be increased to a uniform £ 1.50 per week per eligible child from 1 April 1975 (previously, payment for the second child was £ 0.90 and for the following children £ 1).

Other measures have been taken. The various social benefits have been increased twice (which is exceptional); new, more favourable, rules have been adopted governing the aggregation of a pension and a wage or salary; mine-workers' pensions have been improved. Moreover, new non-contributory benefits have been created under the pension law which entered into force on 1 April: e.g. an invalidity pension for persons who are victims of a serious incapacity for work and a special allowance for persons caring for these seriously handicapped persons.

There are various problems concerning the National Health Service. They involve the general increase in costs (and the need to try to economize) and other aspects concerning the organizations of services, particularly the geographical distribution of medical care facilities and the controversial question of private treatment for sick persons.

As far as the financing of social benefits is concerned, the system of earnings-related contributions was introduced at the beginning of April for wage and salary earners. The contribution was fixed at 14% (of which 8.5% is paid by the employer and 5.5% by the insured person) of earnings up to a maximum of £ 69 per week.

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<sup>1</sup> Social Report 1974, point 284.



## Chapter X

# Safety, hygiene and health protection at work

### Trends in the Community

222. In recent years we have repeatedly stressed that the constant stream of new machines and equipment, the introduction of new working materials and methods and the flow of new ergonomic knowledge, in short, the dynamic and often extremely rapid advances in science and technology in modern industrial countries presents those responsible for the protection of the working population with an increasing number of fresh problems which can never be completely solved.

Again this year, the large number of detailed technical regulations underlines the efforts made by Member States to improve safety and health protection at work. Spheres where particular attention has been paid include the handling of dangerous materials, on the one hand, and working conditions and the working environment in general, on the other.

223. Parallel measures taken by Member States incorporating Community interests, however, can generally only be seen in the adjustment of national legal and administrative regulations to Community regulations and directives. This approximation of laws on working conditions, which is stated in Article 117 of the EEC Treaty as being an essential means of improving working conditions and the standard of living of workers, will become increasingly extensive and important in future. Community law calls for community administrative measures and joint action on the part of all concerned and hence underlines the generally accepted need for integration.

224. Nevertheless, there seems to be general unease in the face of the still intolerably high number of deaths and injuries caused by accidents, despite all efforts. Accident prevention has after all been the business of the State in many countries for more than 100 years. Not only does practically every country attempt to find new ways of preventing accidents, but, and this is a point which

must be stressed, there is not one body lending practical support to the Commission in this field where the question of new ways and means is not discussed constantly. Whether this be by tighter supervision and stronger sanctions, integration of accident prevention into company policy, the introduction of a safety system, the assignment of greater responsibility to management and labour, the use of mass media to influence the population or the best combination of all these measures, the fact is that a formula for success has still not been found. It is debatable whether an absolute and generally applicable method can ever be found, and it will be a long time before sufficient experience has been gained for a reliable assessment of new measures to be made. Joint action does not necessarily mean success. It can, however, bring us considerably closer to success by allowing a comprehensive exchange of experience, coordination and hence greater economy in research, the production of standard statistics on accident causes and hence greater insight into accidents. The action programme the Commission is due to present shortly with the aid of the Advisory Committee for Safety, Hygiene and Health Protection at Work should provide the necessary initiative.

## Development of the situation in the member countries

### *Belgium*

225. The Royal Decree of 14 March 1975 amended the regulations on hand tools, handrails and protective barriers to be fitted on stairs, footbridges, galleries, etc., and on the construction and use of ladders, with particular reference to work on ships.

The Royal Decree of 20 December 1974 (published on 24 May 1975) made it compulsory for persons working in isolation to have access to an alarm and for workers engaged on hazardous work to be assisted.

The Royal Decree of 16 April 1975 obliges crane drivers on building sites to hold a certificate of competence issued by an approved body.

The Royal Decree of 3 February 1975 revoked a regulation abolishing synthetic fibre safety belts over 5 years old and stipulated that every safety belt must be inspected before use, after a fall and at least once every 12 months.

The Royal Decree of 3 February 1975 regulated certain aspects of the design and use of self-elevating trolleys.

The Royal Decree of 3 March 1975 made it generally compulsory to wear working clothing from 1 January 1975 in underground and open-cast mines and underground quarries. This clothing must meet certain standards of safety and quality and be suitably designed for specific jobs. Employers will be responsible for supplying, maintaining and repairing the clothing. Until 1 January 1976 this decree will not apply to employers with less than 20 personnel.

The Royal Decree of 21 April 1975 (which came into force on 1 October 1975) laid down the qualities which the normal work environment must possess (surface and cubic volume of premises, ventilation, temperature and air humidity) and measures to combat certain nuisances such as excessive heat, or sunlight, humidity or pollution of premises.

The Royal Decree of 20 June 1975 introduced a safety policy in firms by requiring employers to adopt a number of preventive measures. The industrial medical officer is brought into action in some cases. It also amends the regulations concerning the appointment and powers of heads of health and safety departments together with their responsibilities.

Draft decrees are being examined or prepared on guillotine cutters, wood-working machinery, grinding machines, machinery driven or designed to be driven by any non-human force, the manufacture of synthetic fibre safety belts, lifting equipment, a new data sheet on industrial accidents, and the classification of inflammable liquids, liquors, alcohols, varnishes, paints and inflammable glues.

### *Denmark*

226. A Notification dated 15 May 1975 prohibits the use of soldering materials containing more than 0.1% of cadmium by weight.

A Notification dated 23 July 1975 adapts the regulations concerning the sale and use of new steel cables, chains and load hooks for hoisting or transport to the requirements of the Council Directive (EEC) of 19 November 1973.

A Notification dated 8 August 1975 concerning agricultural tractors changes the regulations on safety cabs and roll-over bars to protect the driver when the vehicle overturns.

The responsible control board has published instructions on the following topics in the year under report: use of portable ladders (new edition, February); control of air pollution caused by welding or other types of heat treatment in the surface treatment of materials (March); production, filling, testing and use of portable

fire extinguishers; safety devices on equipment used to prepare food for fur-bearing animals and the like for suppliers, fitters and users; design, dimensions etc., of cash registers; slingers; scaffolding on wharfs (all in April); distribution and use of sighting lasers (helium-neon) used for alignment operations in building construction and plant installation (July); control of air pollution and radiation caused by welding using the MIG, TIG and similar processes (September).

Regulations for the following fields are likely to be published in the near future: construction, approval, registration, testing and maintenance of heated steam boilers, in-plant inspection with X-ray equipment by the producer of the finished products, ammonia precipitation.

Regulations concerning work with organic solvents and products containing such solvents are being prepared.

The current research programme includes the following subjects: use and toxicity of toluene (first section completed), mineral turpentine, health hazards of pesticide spraying in agriculture.

The responsible research councils have set up a committee for the guidance, co-ordination and intensification of research in industrial medicine.

### *Federal Republic of Germany*

227. The Order concerning workplaces of 20 March 1975 is applicable to nearly all industrial and trading concerns and contains regulations relating to the erection, equipping and maintenance of workplaces with a view to industrial safety and protection of workers' health.<sup>1</sup> The provisions of this Order are extended and supplemented by rules relating to operational safety, industrial medicine and health (Guidelines for Workplaces).

The First Order amending the Order relating to hazardous materials of 8 September 1975, has substantially amended and extended the order, which was the first uniform legal code for the movement and handling of dangerous materials. The amending order is particularly aimed at clarifying the legal position in the hazardous materials sector and at converting into German law the EC Directives of 21 May 1973, 4 June 1973 and 24 June 1975 on the classification, packing and labelling of hazardous materials and the Benzene Convention of the International Labour Organization.

<sup>1</sup> Chapter IV, point 150.

An Order in the course of preparation relating to the storage of explosive substances will contain instructions for the construction and operation of stores for explosive substances and their distances from other plant requiring special protective measures.

Research work was continued in connection with the action programme for humanization of the working environment published by the Federal Government in 1974. Preliminary investigations have established the stress points at the workplace. Where information is already available on specific stress factors such as dust, heat, mental stress, appropriate research projects are in hand to ascertain the possibilities of eliminating or reducing them. (For instance, an attempt is currently being made to develop methods of measuring mental stress). Further investigations will study a compatible ergonomic design for high-stress jobs. This includes the design of monitoring screens, assembly lines, cash points in self-service shops, control and observation points. A substantial amount of research, particularly at factory level, is being carried out on ways of reducing or eliminating harmful factors at the workplace resulting from noise, dust, heat, dangerous industrial products, etc., by means of new or improved methods or tools.

Other factory projects are aimed at combating excessive physical or mental effort in certain departments or manufacturing processes by using auxiliary techniques or improving the organization of work.

More and more projects are related to the development and testing out of new or improved job structures aimed at imparting more responsibility and some power to make decisions.

### *France*

228. Industrial safety this year has not only been influenced by the measures introduced in 1975 but has felt the effects of general measures adopted previously, relating in particular to a larger force of factory inspectors, increases in penalties, the emergency procedure which can be ordered by the 'juge des référés' and empowers inspectors to have work stopped in the event of serious hazards, the strengthening of the role of safety and health committees in industry and the part played by the Agency for the Improvement of Working Conditions.

In the matter of specific accident prevention measures, the following texts should be mentioned.

Decree No 75-112 of 19 February 1975 reinforces the protection of workers against electrical hazards in electric power generating installations subject to technical

inspection by the Minister responsible for electric power and in transformer installations accessory to them.

Decree No 75-306 of 28 April 1975 concerns the protection of workers against the dangers of ionizing radiations in basic nuclear installations (5 orders (arrêtés) accompanying this text are in preparation).

The Orders of 17 and 18 April 1975 laid down the methods of analysis of carbon monoxide and benzene in the atmosphere of the working environment.

The Order of 25 June 1975 laid down the labelling and packing conditions for solvents.

The Decision of 29 June 1975 amended the safety principles for the type approval of machines whose moving parts are driven by reciprocating motion and cold-work metals by welding.

Circular TE 14/75 of 14 April 1975 embodies safety measures regarding centrifuges.

A Decree of 31 October 1975 lays down the emergency procedure for dealing with an employer's appeal to the Minister of Labour for suspension of a summons served on him.

A set of draft Decrees and Orders are awaiting signature, these drafts relate to:

- the construction of high-rise towers and their protection against fire and panic hazards;
- a ban on the employment of women and young persons in certain jobs;
- first-aid treatment for victims of electrical accidents;
- conditions of approval for the verification of electrical installations;
- the protection of workers in establishments using electric currents;
- the medical surveillance of domestic staff and porters employed in apartment blocks.

The investigations carried out by the Committee on Industrial Hygiene will shortly culminate in the review and extension of the five tables of occupational diseases. These investigations are being continued in order to prepare further extensions regarding, in particular, occupational allergies.

The current revision of the Labour Code articles relating to hygiene involves more than merely bringing them up to date; it is part of an effort to develop and improve industrial accident prevention.

A bill on the prevention of occupational hazards is currently being prepared.

The appropriate national technical committee has adopted a recommendation on the wearing of respiratory protective equipment in chemical works.

The Central Technical Coordinating Committee has reinforced the recommendation on the prevention of fires, explosions, poisoning and asphyxiation in the course of work carried out in vats, tanks and other hollow spaces.

New regulations are being planned with a view to improving relations between the works' safety and health committees and the regional technical committees of sickness insurance funds, as well as the Labour Inspectorate.

The Caisse nationale de l'assurance de maladie (national sickness insurance fund) has carried out projects on cartridge-operated rivet hammers (with a view to banning direct-firing devices) and alpha-phenylindole.

Other regulations or studies are concerned with; vinyl chloride monomer, the decantation of bitumen, the carriage of dangerous substances, the fitting, maintenance and repair of ships or boats containing or having contained inflammable liquids or fuel gases.

### *Ireland*

229. With a view to updating legislation, important regulations relating to the handling of certain hazardous materials were made in 1975.

The April Regulation relating to chromium-plating processes prescribes safeguards to be taken against vapours, protective clothing and suitable washing facilities for personnel; it also prescribes that a register is to be used for keeping records of tests of efficiency of protective measures and that certain medical examinations are to be carried out.

The May Regulations relating to the chemical industry (Chemical Factories Regulations) prescribe the provision of respiratory equipment and first-aid requisites, sufficient and suitable bath accommodation for persons employed in a nitro, amido or chrome process, the distillation and use of coal tar, the manipulation of pitch and the refining of crude shale oil; the regulations also require that a bath register shall be kept. Further, a health register containing names of all employees who work in a nitro, amido or chrome process must be kept.

In April further regulations were made to protect persons from hazards arising from the manufacture of oil cake and the refining of vegetable oils and manufacture of animal fats; washing facilities and messrooms are required, and an ambulance room in factories where more than 500 persons are employed.

General regulations to protect workers from excessive noise became operative on 1 December.

Two sets of regulations signed by the Minister for Labour in October and operative from December and November respectively prescribe protective measures for persons involved in the casting of non-ferrous metals and in processes involving the use of asbestos.

A review of the Factories Act, 1955, is now being studied to determine whether amending legislation is necessary to keep ahead of technological developments. Towards the end of 1975, regulations were made covering workers engaged in building and construction, shipbuilding and wool and hair processing; they will be brought into operation in 1976.

### *Italy*

230. Legal regulations on safety hygiene at work were not issued in 1975, the year itself being marked by intensive planning and research.

Regulations are being prepared for plants working with superheated liquids, for hot water plants and for the classification of explosives. Amendments to the regulations on the use of benzene and the like are also being prepared, the aim being to bring into line with the Council Directive on the classification, packing and marking of dangerous materials. Finally, redrafting is underway for the regulations on the duties, procedures and documentary work of the supervisory committees engaged in the examination and control provided for in the accident prevention regulations.

Of the administrative regulations issued by the responsible authorities mention should be made in particular of the implementing regulations concerning the design of agricultural tractors with safety cabs or roll-over bars with particular reference to vineyard tractors, and of the guidelines on the use of tubular steel frames.

Research work carried out on behalf of the Ministry of Labour and designed to determine generally applicable values for the maximum admissible concentration of a gas, vapour or suspended matter in the working atmosphere (MAC values) will shortly draw to a close. Finally, a study has been carried out on neuropathy caused by adhesives in the leather industry with the aim of establishing the poisoning symptoms and offering a suitable basis for specific protective measures.



### *Luxembourg*

231. In the period covered by the report, there have been no legal or administrative regulations issued in the field of safety, hygiene and health protection at work.

Work is in progress on the revision of regulations for enterprises where the work is classed as hazardous, unhealthy or uncomfortable. Efforts to produce a regulation governing the use of benzene are being continued.

### *Netherlands*

232. The Act of 25 June 1975 amended a number of existing Acts with a view to introducing changes regarding the organization and the districts of factory inspection and the inspection of ports and dangerous machinery; it also conferred legislative powers on the Minister of Social Affairs under the Act concerning the loading and unloading of ocean-going vessels and extended the scope of the Silicosis Act.

Pursuant to the Royal Decree of 22 January 1975, fresh regulations on industrial medical services were put into effect on 1 March 1975.

Pursuant to the Royal Decree of 6 May 1975, turret cranes of a specified capacity and height, used on building work, may be operated only by properly skilled persons; the manner of proving such skill is stipulated in the Ministerial Order of 11 July 1975.

The Royal Decree of 19 June 1975 ruled that, in view of the danger of overturning, agricultural tractors must be safeguarded by a cab, frame or bar; also contained in this decree are regulations to prevent or reduce annoying or harmful noise or vibrations produced by, for example, agricultural machinery, implements and equipment.

In anticipation of the coming into force on 1 January 1978 of EEC Regulation No 1463/70, the Royal Decree of 19 July 1975 laid down the dates by which certain categories of motor vehicles will have to be equipped with tachographs.

A bill is being prepared for the purpose of bringing the legislation on safety and health at the workplace fully up to date.

### *United Kingdom*

233. The Coal Mines (Respirable Dust) Regulations 1975 came into operation in October. The Regulations are aimed at reducing the incidence of coal miners' pneumoconiosis. They prescribe permitted amounts of respirable dust at

workplaces in coal mines as well as arrangements for the suppression and continuous sampling of dust, and they include a scheme for the medical supervision of workers at risk.

The Protection of Eyes Regulations 1974 and 1975, replacing the 1938 Regulations, came into operation on 10 April. These Regulations extend protection to those employed on construction sites as well as in factories.

The Joint Standing Committee on Health and Welfare in the Cotton and Allied Fibres Industry published its first report 'Towards a Healthy Working Environment'. The report deals with dust in workrooms, environmental conditions and noise.

A similar Committee for the foundries industry published two reports 'Principles of Local Exhaust Ventilation' and 'Dust Control in Foundries'.

The Advisory Committee on Falsework published its final report, which contains technical guidance on falsework standards, guidance on procedures for coordinating the several interests involved in the construction of falsework and recommendations involving an expansion of training for a wide range of persons upon whom the safety of falsework depends.

A Code of Practice was published on health protection in the manufacture and polymerization of vinyl chloride.

The Pesticides Safety Precautions Scheme, set up to promote safety in the use of pesticides in agriculture, was extended to cover certain additional non-agricultural uses of pesticides, such as wood preservation.

The Health and Safety Commission has decided that new legislations is needed to protect workers against occupational noise and is consulting interested parties about the form it should take.

The Offshore Installations (Diving Operations) Regulations 1974 came into force on 1 January. These Regulations cover the safety and health of divers working from and in connection with all offshore installations (i.e. mobile drilling rigs and fixed production platforms) on the UK Continental Shelf.

The Merchant Shipping (Diving Operations) Regulations 1975, which cover diving from certain categories of ships, also came into force in 1975.

Scientific research is being carried out on a wide range of occupational health and safety problems, including the detection of dangerous substances in the working environment, explosion hazards, fire hazards, protective equipment, ventilation, noise and vibration, and accident studies.

## Protection of health and of the environment

### **Radiation protection**

#### **Studies and regulations**

234. As a result of the Directives laying down the basic standards in the field of radiation protection, published by the Council in 1959, a common health policy was initiated and harmonization of the regulations relating to the health protection of workers and the population at large against the dangers of ionizing radiation was promoted. Two subsequent revisions (1962 and 1966) were intended to supplement and modify the technical annexes to the basic standards and the provisions relating to partial irradiation. The general review of the basic standards, now in the final stage, has already received the approval and support of the European Parliament and the Economic and Social Committee; it is intended to update and reinforce radiation protection without jeopardizing the fundamental principles of the above-mentioned Directives. Since the overall concept of health protection, on which the basic standards are based, has proved itself against the dangers of irradiation, the Commission was aware that great care would have to be taken in revising the standards currently in force, as any unduly hasty amendment might destroy the internal coherence of the text. The scope of the new standards, which covers all peaceful uses of ionizing radiation and, therefore, any activity with an implied risk of irradiation, was revised and supplemented with the aim of reducing irradiation of the population at large as a result of the appearance on the market of a number of sources of emission of ionizing radiation, such as television sets and modern consumer articles containing radioactive substances.

235. In connection with this, the Commission had a survey carried out on radioactivity in consumer goods in the Community countries. The study comprises a list of consumer goods containing radioactive substances; a short- and long-term forecast of cumulative doses in relation to the population dose; and finally, proposals for measures aimed at reducing the risks. The conclusions of this study were presented at a seminar which the Commission organized on 13 and 14 Novem-

ber 1975; the main purpose of this seminar was the joint examination of the national legislative and administrative provisions and regulations designed to reconcile scientific and technical developments with the fundamental principles of radiation protection.

In accordance with Article 12 of the draft Directive revising the basic standards which stipulate that the effects of medical examinations on the genetic dose received by the population be kept at the minimum level compatible with the requirements of medicine, the Commission prepared a study analysing the current situation of radiological protection in the medical field. As a result of the conclusions of this study the Commission then prepared a draft recommendation requesting Member States to restrict the exposure of patients to ionizing radiation used for diagnostic and therapeutic purposes.

Two other studies are currently being prepared. The first is based on Article 25 (c) of the basic standards, under which the Member States are requested to draw up for the benefit of approved doctors a list of the criteria of unfitness for radiological work. This request has not yet been complied with in all the Member States. On the basis of the results of this study, criteria of unfitness will be established. The Commission proposes to make available to the doctors responsible for surveillance of the health of workers in the nuclear industry a guide containing standardized criteria to be used for formulating a judgement on unfitness.

The second study deals with the use of radioisotopes in industrial medicine and radiation protection with respect to the radionuclides used in diagnosis and treatment. The aim of this study is to make available to industrial doctors a number of advanced medical techniques using radionuclides in diagnosis and treatment. It will consider the measures to be implemented with a view to optimizing radiological protection of patients and medical staff, so that the irradiation doses will be as low as practically possible for all the techniques described and proposed. Finally, the study is to give a precise interpretation of the latest ICRP<sup>1</sup> recommendations aimed at ensuring radiological protection of patients, so that these recommendations may be followed without too much difficulty by industrial doctors and the technicians responsible for the proposed examinations.

236. On 7 and 8 October 1975 the Commission organized an information and training seminar on current topics in the field of radiological protection for trade union representatives from the Member States of the European Community. The purpose of this seminar was to provide objective information about the current situation and future prospects in the field of radiological protection and on the trends resulting from the new ICRP<sup>1</sup> recommendations and their incorporation

<sup>1</sup> International Committee on Radiological Protection.

in the draft Directive revising the basic standards. All who took part were of the opinion that such information was essential and would contribute greatly to improving radiological protection. In view of the expansion in the nuclear field, the Commission was requested to organize further information and training meetings of this type to consider a number of practical measures designed to solve the problem of communicating the principles of radiation protection with respect to workers exposed to ionizing radiation and the population as a whole.

237. As part of the scientific and technical exchanges between the nuclear power station operators and the departments of the Commission, the radiological protection officials of the major nuclear power stations in the Member States and Switzerland met to examine current problems in the practical organization of radiological protection in their installations. A major part of this meeting was devoted to an in-depth exchange on the specific problems posed by the temporary presence of workers carrying out maintenance and repairs. Furthermore, the discussions covered the dosimetric techniques used and the need to improve the accuracy and sensitivity of certain measuring devices. In view of the interest shown in this meeting, it was decided to organize further meetings of the same type at regular intervals.

238. In the field of dosimetry, two technical recommendations were drawn up in cooperation with national experts: one (EUR 5287) is concerned with surveillance of persons exposed to external radiation, the other (EUR 5358), with the use of thermoluminescence in individual dosimetry. A third technical recommendation on radiophotoluminescence dosimeters is being prepared. The purpose of these technical recommendations is to advise officials in the Member States of the Community on the surveillance of persons exposed to external radiation on the basis of past experience. The recommendations are related to the objectives laid down by individual surveillance programmes and the requirements with which individual dosimeters must comply. They are also intended in a general way for use by the officials responsible for drawing up legislative regulations in this field.

239. The work aimed at improving the accuracy of dosimetry comprised the execution of intercomparison programmes and the organization of experimentation meetings. The initial meeting, at which thermoluminescence dosimeters were tested, took place in Bologna, in conjunction with the Comitato Nazionale per l'Energia Nucleare; a second meeting was held at the Commissariat à l'Energie Atomique in Fontenay-aux-Roses, with the aim of making available to the institutes taking part particularly high levels of energy (9 MeV capture gamma rays). From the point of view of radiation protection, these experimentation meetings were most

interesting in that, although energies of this type are frequently found in nuclear power stations, there is never any opportunity to test dosimeters at such levels.

240. The research carried out as part of the 'Biology — Health Protection' programme has been continued, with direct cooperation between various institutes. At the meetings of the parties for research on individual dosimetry, a five-year plan was drawn up establishing priorities for possible future research. According to this programme, future research should be concerned mainly with the following sectors: recording of neutron doses; development of criticality dosimeters; methods of measuring contamination and incorporation; recording of low doses.

### **Prevention of radioactive contamination of the environment**

241. Under Article 37 of the Euratom Treaty, Member States are required to inform the Commission of their plans for the disposal of radioactive waste. After consulting a group of experts, the Commission then determines to what extent the planned disposal might contaminate the territory of another Member State.

The examination in 1975 of the plans relating to the nuclear power stations of Hinkley Point B, Hunterston B (United Kingdom) and Brunsbüttel (FR of Germany) brings to 87 the total number of installations on which the Commission has had to deliver an opinion since 1959.

242. The Commission again drew up in 1975 a balance sheet of the disposal of radioactive waste by Community nuclear power stations between 1970 and 1974. This balance sheet is supplemented by an estimate of the maximum possible exposure to the surrounding population as a result of this disposal.

This balance sheet shows that the radiological effect of the nuclear power stations on the environment is very slight and, as a result of technological developments, is even tending to decrease in the case of the latest power stations.

243. As part of the Commission's nuclear action programme, projects in the following fields have been started or continued:

(a) Accumulation in the environment of certain radionuclides formed in nuclear power stations

Partial release of tritium, carbon 14, krypton 85 and iodine 129 occurs either during operation of the power stations, or during reprocessing of irradiated fuel, and could constitute a risk of exposure for man. The initial

results of a study on the future radiological implications of these radionuclides on a local, regional and world scale show that by the year 2 000 population doses will still be far below the limits laid down by the Euratom basic standards.

- (b) Radiological implications for the population of the Rhine basin, resulting from all sources of exposure linked to the production of nuclear energy

In connection with the development of the utilization of nuclear energy, it is important to know the overall radiological implications resulting, at the level of a large region, from all the sources of exposure created by the production of nuclear energy. Because of the scale of the building programme for nuclear power stations in the Rhine basin, a study was started on this region.

- (c) Natural radioactivity

Natural sources of radiation are by far the most important source of exposure of the population. A study is in progress with the aim of summarizing the vast amount of information available on this subject in the Member States and drawing up a map of these sources.

244. In addition to these activities, two important meetings were held:

- one dealt with the level of radioactive pollution of the Meuse; the aim was to take stock of the current level of radioactivity in the Meuse, to evaluate future developments and to discuss the problems encountered by the countries bordering on the river;
- the other considered the mesoscale atmospheric diffusion of gaseous radioactive waste. A group of experts began an in-depth study of this subject, which is important for the purposes of evaluating radioactive releases under Article 37 of the Euratom Treaty.

245. Various research contracts were signed or completed, namely:

- a study on the possibility of optimizing radiological protection in nuclear installations,
- a comparative study on the methods of measuring the degree of retention of radioactive iodine by activated carbon filters,
- a study on the reconcentration of tritium in organic matter present in water.

246. The annual reports prepared in the past under Article 36 of the Euratom Treaty on the results of the measurement of radioactivity in the atmosphere (air, water, fall out) and radioactive contamination of food-stuffs in the Community countries are being revised, in the light of a considerable decrease in the level of

radioactivity in the atmosphere from nuclear explosion tests. Moreover, the surveillance systems used in Denmark, Ireland and the United Kingdom must be integrated into the Community reports.

247. A practical guide has been published on 'The Organization and Implementation of the Surveillance and Monitoring of Radioactivity in the Area close to Nuclear Installations'. Evaluation of the risks connected with nuclear installations must be based on as accurate a knowledge as possible of the level of radioactive contamination of the local environment. At a Community level, harmonization of the monitoring programmes is necessary, particularly with a view to easier understanding of the information and greater comparability of the results obtained in the various Member States.

### **Health protection against pollution and environmental hazards**

248. The work of the Commission, as laid down in the Programme of Action of the European Communities on the Environment, which began in 1973 has been continued in 1975.<sup>1</sup>

249. As a result of this work the Council of Ministers on 24 June 1975 accepted:

- a Resolution concerning a revised list of second-category pollutants to be studied as part of the Programme of Action of the European Communities on the Environment (see OJ C 168 of 25 July 1975);
- a Decision establishing a common procedure for the exchange of information between surveillance and monitoring networks based on data relating to atmospheric pollution caused by certain sulphur compounds and suspended particulates (see OJ L 194 of 25 July 1975).

250. The results obtained for each of the following pollutants (of so called *first category*):

#### *Lead and its compounds*

In the case of these pollutants, it was possible to evaluate the dose/effect relationships based on the completed work.

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<sup>1</sup> Social Report 1974, points 311 to 314.



Thus, in 1975, two proposals for Directives were submitted to the Council, one concerning the biological standards on lead and surveillance of the population with respect to the risk from lead, and the other concerning atmospheric quality standards on lead. They are currently being discussed by the Council, the European Parliament and the Economic and Social Committee.

The Directive concerning biological standards proposes scales of plumbemie (blood lead levels) which must not be exceeded for each individual in the population and also for a statistical distribution within the population groups.

The work on improving the comparability of results of analyses of blood lead levels and for the development of practical recommendations for biological sampling for purposes of surveillance of the exposure of the population to lead was continued. To this end, a technical seminar was organized in conjunction with the Western Health Board in Galway, Ireland in July 1975.

The Directive concerning atmospheric quality standards lays down average annual levels, which must not be exceeded, for residential areas and also for monthly, peak-time medians in streets with heavy traffic.

#### *Organo-halogen compounds*

A report was drawn up on the criteria (dose/effect relationships for man) relating to organo-chlorine compounds, i.e., pesticides and their metabolites, for the following compounds:

DDT and its metabolites, Aldrine, Dieldrine and Endrine, Heptachlorine and heptachlorine epoxide, Chlordane, HCH (hexachlorocyclohexane) and Lindane.

In the context of this study, it has been found to be impossible, at present, to establish health criteria because of:

- the gaps in the knowledge,
- the exposure levels of man,
- the difficulties in interpreting data obtained from animal experiments and
- the lack of precise information on the long-term effects.

Furthermore, the information obtained from Member States shows that the use of persistent organo-chlorine pesticides and, consequently, the exposure of man as well, is decreasing.

The Commission will shortly be submitting a Communication on this subject to the Council of Ministers.

Other organo-halogen compounds are currently being studied.

The ecological consequences of the presence of persistent organo-halogen compounds in the environment are now being studied.

#### *Organo-phosphorus compounds*

A report assessing the information available on the level of contamination of the environment by these compounds as measured in the Member States is in course of publication.

A study on the dose/effect relationships of organo-phosphorus compounds is now in progress.

#### *Hydrocarbons with known or probable carcinogenic effects*

A qualitative list of the known pollutants with carcinogenic effects to be found in the environment is being prepared.

A quantitative study assessing the information available on the presence of phenols, hydrocarbons, nitrosamine detergents, plasticizers and aromatic amines in the environment was conducted. It transpired that there are many gaps in this field, which makes it very difficult to evaluate the risks with pollutants of this type.

An intercomparison programme on the measurement of cyanides, phenols and hydrocarbons in water was carried out and the results published.

#### *Sulphur compounds and suspended particulates*

A report on the levels of these pollutants measured in the atmosphere of the Member States is now being published.

The results of an initial intercomparison programme on the measurement of sulphur dioxide from standard samples simulating a sample of polluted air were satisfactory for manual analytical techniques.

Less satisfactory results obtained with the mobile laboratories resulted in this experiment being repeated: the results are now being analysed.

A critical examination of the available data permitted firm proposals to be prepared which will shortly be submitted to the Council of Ministers. These concern criteria

for sulphur dioxide and suspended particulates in the air of the urban environment and also on atmospheric quality standards for sulphur dioxide and suspended particulates in urban areas.

#### *Nitrogen oxides*

A study was conducted on the effects of nitrogen oxides on man.

Critical examination of the available data permitted firm proposals to be submitted to the Council of Ministers concerning health criteria and air quality standards.

#### *Carbon monoxide*

Critical examination of the available data permitted firm proposals to be submitted to the Council of Ministers concerning carbon monoxide.

A pilot project for an intercomparison programme on the measurement of carboxyhaemoglobin was conducted with nine laboratories with a view to implementing a more elaborate programme, which is now in progress.

#### *Photochemical oxidants*

A study on the effects of photochemical oxidants on health and the environment is now in progress.

#### *Asbestos*

A study on the criteria for man was conducted. It appeared that there are still relatively few data on the levels of asbestos measured in the environment. Additional information is now being sought on the dose/effect relationships and on the levels of exposure of the population.

#### *Vanadium*

A study on the criteria for man was conducted.

Because of inadequate data on the dose/effect relationships it was not possible to establish criteria for vanadium. The data available from animal experiments show that the levels currently measured in the European Community in air, water and foodstuffs do not represent a risk to the population.

### *Noise pollution*

A report on the dose/effect relationships is in course of publication and a proposal is being prepared to be submitted to the Council of Ministers.

### *Inorganic micropollutants*

A study on the environmental pollution levels by these pollutants has been published.

### *Mercury and cadmium*

Studies to establish criteria for man relating to mercury and cadmium are currently being prepared.

### *Ecological criteria*

On 5, 6 and 7 November a scientific colloquium on the 'Principles and methods for establishing ecological criteria relating to hydrobiocenoses' was held. The principal aims of this colloquium were to establish the principles and methods of evaluating the criteria for hydrobiocenoses, i.e., the scientific basis for the evaluation of the consequences of pollution of surface water. It was also planned to define the biological methods to be used for evaluating the extent of such pollution.

The discussions revealed the complexity of the problems under consideration, in view of the numbers of species and pollutants to be considered, the heterogeneity of the aquatic ecosystems at the Community level and the difficulties of access to the biotope. Proposals were made on the principles to be established and the methods to be used and a considerable amount of information was obtained on the dose/effect relationships.

251. On the question of the quality of *water* destined for human consumption, a draft Directive was submitted by the Commission to the Council of Ministers: it is currently being discussed by the Council, the European Parliament and the Economic and Social Committee. This draft has been discussed at a number of meetings by scientific experts and consultants.

In preparing this Directive, the problems of the effect of the hardness of drinking water on public health were dealt with at a special European Colloquium held in Luxembourg from 21 to 23 May 1975. As a result of this colloquium, *inter alia*, a very cautious policy was adopted, particularly because of the excessive and

unmonitored use of water softeners. In certain regions of the world an increase in the incidence of cardiac diseases has been established; this could be attributed to consumption of soft water. The Commission therefore proposes a number of minimum concentrations required for the hardness of water and certain minerals in the Community's quality standards on water intended for human consumption.

With a view to harmonizing the methods of microbiological analysis of water intended for human consumption, a technical seminar was held at the Pasteur Institute in Lyons from 16 to 20 June 1975. As a result of this scientific assembly, considerable progress was made towards comparability of the results of microbiological measurements of drinking water.

The techniques of chemical analysis of the various pollutants of drinking water were also dealt with in an intercomparison programme at the European level. Some 50 laboratories in the nine Member States took part in this programme, which revealed, in particular, the problems of monitoring slight traces of toxic pollutants.

The biological methods of evaluating the quality of surface water were the subject of a comparative study of two rivers during a technical seminar held at the Bundesanstalt für Gewässerkunde in Koblenz from 2 to 6 June 1975.

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## Introductory comments

252. The new method, used in the previous Social Reports, of presenting the statistical survey on the development of the social situation in the form of percentages or index values has been retained and brought up to date in the following tables.

For this purpose the composition and content of the ten chapters have been taken over unchanged from the 1974 Social Report. However, to avoid repetition the detailed methodological and analytical commentaries have been omitted; readers interested in these are referred to points 318 to 336 of the Report on the Development of the Social Situation in the Community in 1974. Point 253 below merely deals with several major aspects of the latest developments.

It should be noted that a number of the indicators published in last year's Social Report had to be *amended*, even if only slightly. This applies in particular to all percentages referring to the *working population*: once the final results of the latest population and occupational census in some countries were available (in particular Belgium, Luxembourg and the United Kingdom) the appropriate figures concerning the labour force and employment since 1970 were revised retrospectively and affect the indicators correspondingly. Secondly, as a result of the use for first time in 1974 of the 'European System of Integrated Economic Accounts' many *overall economic data* have been re-examined in more detail in the meantime and have resulted in amended figures in Table 5, columns 1 and 2.

As reported last year, the Statistical Office of the European Communities has set up a working party to prepare a comprehensive system of '*social indicators*'.<sup>1</sup> At two meetings held during 1975, the Group succeeded in establishing a first series of social indicators for ten selected areas, as far as comparable statistics and other information were available for the purpose. It is intended to base the statistical annexes of future Social Reports on this 'Provisional System of Social Indicators', publication of which is expected in mid-1976.

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<sup>1</sup> Social report 1974, point 317.

253. There follows a summary of several *important features* of statistical developments during 1974 and 1975 :

- As a result of another fall in the birth rate (which again did not apply to Ireland), the *population* growth in the Community in 1974 again slowed down and amounted to an overall average of only 0.5 % for all nine Member States. In 1975 this trend has probably continued — particularly in view of the return home of a proportion of migrant workers (Table I).
- Increasing unemployment and the return home of a proportion — although a relatively small one in view of the economic situation — of migrant workers from non-member countries resulted in a fall in the number of *employed persons* in 1974. The continued increase in unemployment in the Community to over 5 million probably means that the number of employed persons has fallen again in 1975 in various countries (Table III).
- By the end of 1975 in practically all Member States the reduction to 40 hours of the hours of work fixed by law or by collective agreement, proposed by the Commission in its Social Action Programme, had been already achieved, at least as regards industrial wage earners; in the majority of Member States the workers also had a right to a minimum of four weeks paid *holiday* per year. On the other hand the payment of additional holiday pay has basically continued to be restricted to five countries so far (Table IV).
- Particularly characteristic in 1974 (and probably also in 1975) is the fact that the *corrected wage quota* (ratio of the average earned income to the average available net national income per employed person) rose to an unprecedented extent in 1974 in nearly all Member States with an overall average of three points for all nine countries. In some countries at least — in spite of the generally sharp rise in prices — wage earners succeeded in obtaining further improvements in real wages (Table V).
- As far as they are available, more up-to-date figures show an accelerated increase in both *rents* and *building costs for dwellings* (Table VII).
- Social protection was extended to further groups of the (working) population with the result that in some countries complete cover against certain risks already exists. Extended *social protection* is also one of the factors which has led to a continued increase in the proportion of social benefits in the national income of all Member States (Tables IX and X).



	Year	Belgium	FR of Germany	France
<b>1. Inhabitants — Annual Average</b>				
(a) in millions				
	1960	9.2	55.4	45.7
	1965	9.5	58.6	48.8
	1970	9.7	60.7	50.8
	1971	9.7	61.3	51.3
	1972	9.7	61.7	51.7
	1973	9.7	62.0	52.1
	1974	9.8	62.1	52.5
(b) average annual increase as %				
	1960-65	0.7	1.1	1.3
	1965-70	0.4	0.7	0.8
	1971	0.2	1.1	0.9
	1972	0.4	0.6	0.9
	1973	0.3	0.5	0.8
	1974	0.3	0.1	0.7
(c) per km <sup>2</sup>				
	1960	300	223	83
	1974	320	250	96
(d) proportion of women as %				
	1960	51.2	53.1	51.5
	1965	51.0	52.5	51.6
	1970	51.1	52.4	51.2
	1974	51.0	52.1	51.0
<b>2. Inhabitants at the end of the year</b>				
(a) by age groups as %				
0-14 years				
	1960	23.7	21.6	26.5
	1970	23.6	23.1	24.7
	1973	22.8	22.1	24.4
	1974	22.6	...	24.2
15-64 years				
	1960	64.3	67.5	61.9
	1970	63.0	63.6	62.4
	1973	63.4	63.9	62.4
	1974	63.6	...	62.5
65 years and over				
	1960	12.0	10.9	11.6
	1970	13.4	13.3	12.9
	1973	13.8	14.0	13.2
	1974	13.8	...	13.3

<sup>1</sup> 30 June.

*Sources of the basic data:*

- (a)-(c): 'General Statistics — Monthly Statistics', SOEC, Luxembourg.
- (d): 'Social Statistics' 2-1973 and Internal Information 31.10.74, SOEC, Luxembourg. 'Year-book of Social Statistics — 1972', SOEC, Luxembourg.
- (a): 'Social Statistics' Internal Information 30.9.75, SOEC, Luxembourg. 'Year-book of Social Statistics — 1972', SOEC, Luxembourg.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
50.2	0.31	11.5	52.6	2.8	4.6	172.3	232.2
52.0	0.33	12.3	54.4	2.9	4.8	181.5	243.5
53.7	0.34	13.0	55.5	2.9	4.9	188.1	251.5
54.0	0.34	13.2	55.7	3.0	4.9	189.8	253.4
54.4	0.35	13.3	55.9	3.0	5.0	191.2	255.0
54.9	0.35	13.4	56.0	3.1	5.0	192.6	256.6
55.4	0.36	13.5	56.1	3.1	5.0	193.6	257.8
0.7	1.1	1.4	0.7	0.3	0.8	1.0	1.0
0.6	0.5	1.2	0.4	0.5	0.7	0.7	0.6
0.6	1.5	1.2	0.3	1.0	0.7	0.9	0.8
0.8	0.9	1.0	0.3	1.2	0.6	0.7	0.6
0.9	1.4	0.8	0.2	1.2	0.6	0.7	0.6
0.9	1.1	0.8	0.1	1.1	0.5	0.6	0.5
167	121	282	215	40	106	147	152
184	138	332	230	44	117	165	169
50.0	50.7	50.2	51.6	49.6	50.4	51.5	51.5
50.8	50.8	50.1	51.6	49.7	50.4	51.5	51.5
51.2	50.8	50.1	51.3	49.8	50.4	51.5	51.4
51.0	50.4	50.2	51.3	49.8	50.4	51.3	51.3
			1	1			
24.5	21.4	30.0	23.3	31.1	24.9	24.4	24.2
24.4	22.0	27.2	24.0	31.2	23.1	24.2	24.2
24.3	20.8	26.1	23.9	31.3	22.9	23.7	23.8
24.2	20.2	25.6	23.6	31.1	22.7	...	...
66.0	67.8	61.0	65.0	57.7	64.4	65.0	64.9
65.0	65.4	62.6	63.2	57.7	64.5	63.5	63.4
63.9	66.3	63.3	62.6	57.6	64.2	63.4	63.2
63.8	66.8	63.7	62.6	57.7	64.2	...	...
9.5	10.8	9.0	11.7	11.2	10.7	10.6	10.9
10.6	12.6	10.2	12.8	11.1	12.4	12.3	12.4
11.8	12.9	10.6	13.5	11.1	12.9	12.9	13.0
12.0	13.0	10.7	13.8	11.1	13.1	...	...

	Year	Belgium	FR of Germany	France
(b) Females to 100 Males				
0-14 years	1960	96.5	95.1	96.4
	1971	95.4	95.0	96.1
	1973	95.4	95.1	95.9
	1974	95.3	...	95.8
15-64 years	1960	101.7	112.8	101.2
	1971	100.7	106.3	95.4
	1973	100.2	104.7	98.4
	1974	100.0	...	98.3
65 years and over	1960	137.1	146.8	171.2
	1971	144.7	160.5	161.1
	1973	146.4	163.5	160.0
	1974	147.0	...	159.8
<i>3. Components of population changes</i>				
(a) Live births per 1 000 inhabitants	1960	16.9	17.4	18.0
	1965	16.3	17.7	17.7
	1970	14.6	13.4	16.7
	1971	14.3	12.7	17.1
	1972	13.8	11.3	16.9
	1973	13.3	10.3	16.4
	1974	12.7	10.1	15.2
(b) Deaths per 1 000 inhabitants	1960	12.3	11.6	11.4
	1965	12.2	11.5	11.1
	1970	12.3	12.1	10.6
	1971	12.3	11.9	10.8
	1972	12.0	11.8	10.6
	1973	12.1	11.8	10.7
	1974	11.9	11.7	10.5

*Sources of the basic data:*

2. (b): 'Year-book of Social Statistics 1972', SOEC, Luxembourg. 'Social Statistics 2-1973', SOEC, Luxembourg. 'Social Statistics' Internal Information 30.9.75, SOEC, Luxembourg.
3. (a)-(b): 'General Statistics — Monthly Statistics', SOEC, Luxembourg. 'Social Statistics 2-1973', SOEC, Luxembourg. 'Social Statistics' Internal Information 30.9.75, SOEC, Luxembourg.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
95.6	95.6	95.0	95.2	95.5	95.4	95.7	95.6
95.1	97.4	95.5	94.9	95.4	95.2	95.6	95.5
95.1	95.5	95.5	94.8	95.7	95.3	95.3	95.2
95.0	95.6	95.5	94.8	95.6	95.4	...	...
103.6	101.2	101.9	106.0	98.8	101.8	105.7	105.6
103.0	100.0	98.2	100.9	97.6	99.0	101.4	101.2
102.7	98.1	98.3	100.6	97.8	98.7	101.8	101.4
102.8	96.7	98.2	100.3	98.0	98.8	...	...
136.6	127.5	114.3	158.7	111.4	117.3	147.6	149.0
139.2	131.6	129.5	160.5	119.3	129.3	153.7	154.3
139.2	144.4	133.2	159.1	119.0	131.3	153.1	153.5
138.6	144.9	134.3	158.4	119.0	132.1	...	...
18.1	15.9	20.8	17.5	21.5	16.6	18.0	17.9
19.1	15.9	19.9	18.3	22.1	18.0	18.2	18.3
16.5	13.0	18.3	16.3	21.8	14.4	15.7	15.8
16.6	13.0	17.2	16.3	22.8	15.2	15.5	15.7
16.3	11.8	16.1	14.9	22.4	15.1	14.8	14.9
16.0	10.9	14.5	14.0	22.3	14.3	14.0	14.1
15.7	11.0	13.8	13.2	22.3	14.2	13.5	13.5
9.6	11.8	7.6	11.5	11.5	9.5	10.7	10.9
10.0	12.3	8.0	11.6	11.5	10.1	10.8	11.0
9.5	12.2	8.4	11.8	11.5	9.8	10.8	11.0
9.5	12.8	8.4	11.6	10.6	9.8	10.7	10.9
9.6	11.9	8.5	12.1	11.2	10.1	10.7	11.0
9.9	11.9	8.2	12.0	10.9	10.1	10.7	11.0
9.5	12.1	8.0	11.9	11.2	10.2	10.5	10.8

	Year	Belgium	FR of Germany	France
<b>I. Education</b>				
1. Number of pupils and students by level as %.				
— First Level	1962/63	59.0	44.3	65.4
	1970/71	55.0	43.5	50.7
	1973/74	51.4	40.7	47.0
— Second Level	1962/63	37.0	49.3	31.0
	1970/71	38.3	49.7	42.1
	1973/74	40.8	51.0	44.8
— Third Level	1962/63	4.0	6.4	3.5
	1970/71	6.6	6.8	7.2
	1973/74	7.9	8.4	8.2
2. Number of pupils <sup>1</sup> and students (full time education) as % of the population				
	1960/61	16.4	12.9	18.4
	1965/66	18.1	13.5	19.2
	1970/71	19.7	16.1	19.8
	1973/74	19.7	17.8	20.1
<b>II. Research</b>				
<i>Public expenditure on Research and Development</i>				
1. Total expenditure in EUR per head (current exchange rates)				
	1970	20.10	29.29	34.38
	1972	27.39	44.50	41.84
	1975	35.22	63.88	51.52
<i>of which:</i>				
Planning of the human environment	1975	0.50	1.64	2.42
Protection and promotion of human health	1975	1.51	2.72	2.41
General promotion of knowledge:				
— Medical research	1975	3.80	8.05	1.07
— Social sciences and humanities	1975	0.25	4.39	0.92
2. Total expenditure in % of the gross domestic product at market prices				
	1970	0.78	0.95	1.24
	1972	0.83	1.16	1.23
	1975	0.73	1.22	1.12

<sup>1</sup> Excludes nursery schools.

*Sources:*

- I. 1 + 2: 'Social statistics' 5/73, SOEC Luxembourg;  
 'Internal Information — Pupils and Students, EUR 9, 1971-1974', SOEC, Luxembourg.  
 II. 1 + 2: 'Statistical Studies and Surveys', 1-1975, SOEC, Luxembourg.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
60.9	77.5	61.8	.	.	.	57.8	.
52.2	66.1	56.6	56.5	64.8	46.1	49.8	51.4
48.1	64.6	52.9	55.1	60.1	45.5	46.4	48.5
34.8	20.2	34.1	.	.	.	37.6	.
40.6	30.6	37.0	39.1	31.3	45.3	43.2	42.2
43.8	31.8	40.2	40.5	35.6	44.1	45.5	44.2
4.3	2.3	4.1	.	.	.	4.6	.
7.3	3.3	6.4	4.3	3.9	8.7	7.0	6.3
8.0	3.6	7.0	4.4	4.3	10.4	8.1	7.3
13.8	12.7	19.9	.	.	.	15.3	.
15.3	14.1	19.7	17.1	20.2	16.0	16.3	16.4
17.6	15.6	20.7	18.9	22.1	17.0	18.0	18.3
19.0	15.7	21.4	19.8	22.0	18.7	19.1	19.3
8.01	0	22.69	27.14	4.54	17.37	23.66	24.08
8.12	0	28.52	34.96	6.10	24.48	31.42	31.76
8.70	0	42.93	36.48	8.47	33.36	41.73	40.02
0.12	0	2.30	0.33	0.59	0.45	1.40	1.14
0.24	0	2.86	1.04	0.53	2.56	1.87	1.69
0.73	0	4.94	0.85	0.14	3.37	3.61	2.96
1.06	0	4.15	0.22	0.21	4.35	2.26	1.83
0.46	0	0.94	1.25	0.34	0.54	0.93	0.98
0.41	0	0.91	1.32	0.35	0.63	1.01	1.06
0.38	0	0.96	1.21	0.42	0.61	1.00	1.02

	Year	Belgium	FR of Germany	France
<b>1. Civilian labour force — Annual average or as at 30 June</b>				
(a) as % of total population	1960	38.9	47.3	41.5
	1965	38.9	45.3	40.6
	1970	38.7	43.4	40.9
	1974	39.9	42.3	41.3
(b) Female labour force as % of female population	1960	23.2	33.5	28.9 <sup>1</sup>
	1965	23.8	31.9	.
	1970	24.9	30.3	28.7
	1973	26.4	30.5	29.7
	1974	27.1	30.6	30.2
<b>2. Civilian employment — Annual average or as at 30 June</b>				
(a) in thousands	1960	3 447	25 954	18 712
	1965	3 619	26 418	19 544
	1970	3 666	26 169	20 394
	1971	3 703	26 225	20 512
	1972	3 697	26 126	20 663
	1973	3 746	26 202	20 938
	1974	3 801	25 689	21 166
(b) average annual increase as %	1960-65	1.0	0.4	0.9
	1965-70	0.7	— 0.2	0.9
	1971	1.0	0.2	0.6
	1972	— 0.2	— 0.4	0.7
	1973	1.3	0.3	1.3
	1974	1.5	— 2.0	1.1
(c) Female employment as % of total employment	1960	26.4	35.0	35.5 <sup>1</sup>
	1970	32.7	36.6	35.8
	1973	34.0	37.1	36.7
	1974	34.3	37.5	37.1
(d) <i>by sectors</i> as % (Annual estimates)				
Agriculture, forestry, fishing	1960	8.7	14.0	22.4
	1965	6.4	10.9	17.7
	1970	4.7	8.6	14.1
	1974	3.7	7.3	12.0

<sup>1</sup> Community sample survey on labour force.

<sup>2</sup> 1966.

<sup>3</sup> Estimated.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
42.8	42.4	35.7	46.8	39.2	44.0	43.1	44.0
37.6	40.6	35.9	47.1	38.7	46.3	40.9	42.4
35.6	40.3	35.6	44.9	37.6	47.3	39.7	41.0
34.8	42.3	34.9	45.2	36.0	48.4	39.2	40.7
24.9	19.1 <sup>1</sup>	16.8 <sup>1</sup>	31.1	(20.6)	26.7	25.3 <sup>1</sup>	.
20.8			32.3	20.1 <sup>2</sup>	31.1		
19.1	19.9 <sup>1</sup>	(17.4)	31.3	(19.7)	36.9	25.5	27.0
18.8	20.3 <sup>1</sup>	(18.1)	32.5	(19.0)	39.2	25.9	27.5
19.2	...	...	33.3	...	39.9	26.2 <sup>3</sup>	27.9 <sup>3</sup>
20 002	133	4 052	24 257	1 046	1 985	72 301	99 589
18 816	135	4 382	25 327	1 061	2 178	72 918	101 484
18 514	137	4 585	24 366	1 045	2 315	73 465	101 191
18 455	140	4 612	24 032	1 047	2 338	73 647	101 064
18 140	144	4 569	24 057	1 037	2 355	73 339	100 788
18 310	147	4 583	24 641	1 041	2 385	73 926	101 993
18 715	151	4 579	24 767	1 047	2 355	74 101	102 270
— 1.2	0.2	1.6	0.9	0.3	1.9	0.2	0.4
— 0.3	0.3	0.9	— 0.5	— 0.3	1.2	0.2	0.0
— 0.3	2.6	0.6	— 1.4	0.2	1.0	0.2	— 0.1
— 1.7	2.6	— 0.9	0.1	— 1.0	0.7	— 0.4	— 0.3
0.9	2.1	0.3	2.4	0.4	1.3	0.8	1.2
2.2	2.5	— 0.1	0.5	0.6	— 1.3	0.2	0.3
27.7	25.2 <sup>1</sup>	22.8 <sup>1</sup>	34.4	(26.5)	31.8	(31.9) <sup>1</sup>	.
27.1	25.8	24.6	36.3	(26.7)	39.4	33.0	33.9
27.4	26.9 <sup>1</sup>	(26.2)	37.6	(26.7)	41.1	33.7	34.8
27.9	...	...	38.4	...	41.5	34.1 <sup>3</sup>	35.2 <sup>3</sup>
32.9	16.4	11.5	4.2	37.3	18.4	21.0	17.0
26.0	12.2	8.9	3.4	32.0	15.0	16.3	13.2
19.5	8.8	7.2	3.2	27.1	11.5	12.6	10.5
16.6	6.6	6.6	2.8	24.3	9.6	10.7	8.9

Sources of the basic data:

1. (a): 'General Statistics — Monthly Statistics', SOEC, Luxembourg.

1. (b) + 2. (c): 'Social Statistics 2-1973 and Internal Information 30.9.1975', SOEC, Luxembourg.

2. (a), 2. (b) + 2. (d): 'General Statistics — Monthly Statistics', SOEC, Luxembourg.



	Year	Belgium	FR of Germany	France
Industry (Mining, energy supply, manufacturing, construction)	1960	46.8	48.2	39.0
	1965	47.0	49.7	39.4
	1970	43.2	49.3	38.8
	1974	41.2	47.6	39.2
Services (Transport, trades, insurance, banking, public administration, other services)	1960	44.5	37.8	38.6
	1965	46.6	39.4	42.9
	1970	52.0	42.1	47.2
	1974	55.1	45.1	49.2
<b>3. Civilian employees in employment — Annual average or as at 30 June</b>				
(a) as % of total civilian employment	1960	73.8	77.2	69.5
	1965	77.8	80.6	74.1
	1970	81.1	83.1	77.8
	1974	83.2	84.2	80.8
(b) <i>Foreign workers</i> as % of civilian employees in employment	1960	6.3	1.4	6.9 <sup>6</sup>
	1965	6.3	5.5	7.6 <sup>6</sup>
	1970	6.7	8.5	10.0 <sup>6</sup>
	1971	6.9	9.9	10.5 <sup>6</sup>
	1972	6.9	10.6	10.8 <sup>6</sup>
	1973	6.8	11.3 <sup>6</sup>	11.3 <sup>6</sup>
	1974	6.9	10.8 <sup>6</sup>	11.1 <sup>6</sup>
(c) Workers from Third Countries as % of civilian employees <sup>4</sup>	1960	1.5	0.6	4.6 <sup>6</sup>
	1973	3.0	8.8	9.5 <sup>6</sup>
	1974	3.0	8.4	9.5 <sup>6</sup>
<b>4. Unemployed</b>				
(a) as % of the civilian labour force (unem- ployment rate)	1960	3.3	1.0	1.3
	1965	1.7	0.6	1.4
	1970	1.9	0.6	1.7
	1971	1.8	0.7	2.1
	1972	2.2	0.9	2.3
	1973	2.3	1.0	2.1
	1974	2.4	2.2	2.3

<sup>1</sup> Includes workers from the Commonwealth and independent and self-employed foreign workers;

<sup>2</sup> Approved working permits; excluding workers from the UK and the Commonwealth;

<sup>3</sup> Excluding workers from the Northern Labour Market;

<sup>4</sup> 1960: Community of the 6; 1973-1974: Community of the 9;

<sup>5</sup> 1971.

<sup>6</sup> Estimated.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
36.9	45.3	40.3	48.8	23.7	37.2	42.2	43.5
40.7	47.1	40.9	48.1	27.9	37.4	43.9	44.7
43.8	46.7	38.6	44.8	29.9	37.8	44.0	43.9
44.1	49.0	35.5	42.3	31.1	32.3	43.2	42.6
30.2	38.3	48.2	47.0	39.0	44.4	36.8	39.5
33.3	40.7	50.2	48.6	40.1	47.6	39.8	42.1
36.6	44.5	54.2	52.0	43.1	50.7	43.4	45.6
39.3	44.4	57.9	54.9	44.6	58.1	46.1	48.5
58.4	70.7	77.3	92.7	60.7	77.6	69.8	75.5
63.7	75.8	81.2	93.3	65.0	77.7	74.4	79.1
68.3	80.3	83.4	92.2	68.6	79.4	77.8	81.2
71.8	84.1	84.3	92.0	71.1	81.8	80.1	82.9
0.0	22	0.8	.	.	0.6 <sup>3</sup>	2.8	.
0.2	28	1.7	.	.	0.8 <sup>3</sup>	4.7	.
0.3	30	3.1	.	0.3 <sup>2</sup>	1.3 <sup>3</sup>	6.7	.
0.3	33	3.2	7.5 <sup>1</sup>	0.3 <sup>2</sup>	1.9 <sup>3</sup>	7.4	7.3
0.4	34	3.2	.	0.3 <sup>2</sup>	1.9 <sup>3</sup>	7.8	.
0.4	35	3.2	.	0.3 <sup>2</sup>	1.9 <sup>3</sup>	8.2	.
0.4	36	3.1	.	0.2 <sup>2</sup>	1.9 <sup>3</sup>	7.9	.
0.0	2.2	0.4	.	.	0.3 <sup>2</sup>	1.6	.
0.2	11.3	1.6	4.5 <sup>1 5</sup>	0.1 <sup>2</sup>	1.5 <sup>3</sup>	6.3	5.8 <sup>6</sup>
0.2	12.8	1.8	.	0.1 <sup>2</sup>	1.5 <sup>3</sup>	6.1	5.6 <sup>6</sup>
4.0	0.0	1.2	1.3	5.7	1.5	2.0	1.9
3.7	0.0	0.8	1.2	4.6	1.2	1.7	1.6
3.2	0.0	1.2	2.2	5.9	0.7	1.7	1.8
3.2	0.0	1.5	2.9	5.9	1.1	1.8	2.1
3.7	0.0	2.5	3.2	6.4	1.0	2.2	2.5
3.5	0.0	2.5	2.3	6.0	0.9	2.1	2.2
2.9	0.0	3.0	2.2	5.8	3.6	2.5	2.5

sources of the basic data:

(d), 3. (c) + 4. (a) 'General Statistics — Monthly Statistics', SOEC, Luxembourg.

(b) + 3. (c): National employment agencies.

	Year	Belgium	FR of Germany	France
(b) <i>Unemployed young people as % of total unemployed</i>				
14-19 years	Autumn	13	18	34
20-24 years	1960	13	10	17
14-19 years	Spring	8	8	20
20-24 years	1968	17	10	18
14-19 years	Spring	(5)	8	16
20-24 years	1971	19	12	21
14-19 years	Spring	13	20	16
20-24 years	1973	21	13	23
(c) <i>Unemployed older people as % of total unemployed</i>				
45-54 years	Autumn	23	18	13
55 years and over	1960	27	20	14
45-54 years	Spring	14	17	14
55 years and over	1968	26	28	16
45-54 years	Spring	15	16	14
55 years and over	1971	26	18	17
45-54 years	Spring	14	18	16
55 years and over	1973	18	11	14

<sup>1</sup> Spring 1961.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
34	.	24	9	10 <sup>1</sup>	.	31	.
23	.	15	10	11 <sup>1</sup>	.	19	.
29	.	13	15	.	.	21	.
26	.	22	16	.	.	21	.
26	.	.	11	10	.	.	.
30	.	.	13	13	.	.	.
29	.	13	12	.	.	.	.
32	.	23	15	.	.	.	.
10	.	15	27	21 <sup>1</sup>	.	12	.
4	.	17	25	25 <sup>1</sup>	.	10	.
9	.	16	14	.	.	12	.
5	.	19	23	.	.	13	.
9	.	.	16	18	.	.	.
4	.	.	25	28	.	.	.
7	.	12	16	.	.	.	.
2	.	10	19	.	.	.	.

sources of the basic data:

(b) + (c): 'Community sample survey on labour force: Statistical Information' 1963 - 2 bis; 'Social Statistics' 6-1969, 3-1972 and 1-1975.

	Year	Belgium	FR of Germany	France	
1. Percentage of employees who are <i>members of trade unions</i>	1960	62	38	24	
	1965	62	38	23	
	1970	66	38	22	
	1975	71	41	22	
2. <i>Working days lost through industrial disputes per 1 000 employees</i>	1960	132	2	82	
	1965	25	2	68	
	1970	482	4	110	
	1971	409	205	272	
	1972	116	3	229	
	1973	279	26	233	
1974	183	49	198		
3. <i>Hours of work per week</i>	(a) Normal hours of work fixed by legislation	1960	48	48	40
		1965	45	48	40
		1970	45	48	40
		1975	45-40	48	40
	(b) Normal hours of work for manual workers in industry by collective agreements	1960	45-46	40-45	—
		1965	45	40-43	—
		1970	42-44	40-41	—
		1971	41 <sup>1</sup> / <sub>2</sub> -43	40-41	—
		1972	41-42 <sup>3</sup>	40	—
		1973	40-42 <sup>3</sup>	40	—
	1974	40-41 <sup>3</sup>	40	—	
	1975	40 <sup>3</sup>	40	—	
	(c) Hours of work offered to wage earners in industry (including mining and construction) — October	1966	44.2	43.9	47.3
		1967	43.8	43.0	46.7
		1970	42.7	44.1	45.9
		1971	42.5	43.5	45.5
		1972	41.7	43.2	45.0
		1973	41.0	42.9	44.4
1974	39.5	41.7	43.8		

<sup>1</sup> No general legislation; in accordance with some legislation (above all the 'Factories Act 1961') only the number of hours to be worked in any one week by female workers and by young workers aged under 16 years is limited to 44 hours.

<sup>2</sup> Only provisions stipulating at least 11 hours rest within any 24-hour period starting at the beginning of a normal working day.

<sup>3</sup> Construction: 43 3/4 hours in 1972, 43 hours in 1973, 42 hours in 1974 and 41 hours in 1975.

<sup>4</sup> From 1 September.

<sup>5</sup> From 2 December.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
55-60	60	42	43	44	70	41	42
55-60	60	41	43	46	70	39	41
50-55	55	41	47	49	70-75	39	42
50-55	53	42	50	55	70-75	40	43
495	0	148	135	127	40	153	144
579	0	15	124	795	143	150	147
1 445	0	69	489	1 405	56	381	412
1 011	0	25	613	376	11	400	448
1 333	0	35	1 081	286	11	364	546
1 564	0	152	318	282	2 007	447	446
1 246	0	2	647	741	96	367	439
	Workers/ Employees						
48	48/48	48	. <sup>1</sup>	48	. <sup>2</sup>	40-48	40-48
48	48/44	48	. <sup>1</sup>	48	. <sup>2</sup>	40-48	40-48
48	48/44	48	. <sup>1</sup>	48	. <sup>2</sup>	40-48	40-48
48	40/40	48	. <sup>1</sup>	48	. <sup>2</sup>	40-48	40-48
46½-48	44-48	45-48	43-44	44	48	40-48	40-48
44-46½	42-46	45	40-42	42½-44	.	40-46½	40-46½
42-44	41-45	42½-43¾	40-41	41-42	42½-41¾ <sup>4</sup>	40-45	40-45
40-43	41-44	42½-43¾	40	40-42	41¾	40-44	40-44
40-42	40-44	41½-42½	40	40-42	41¾	40-44	40-44
40	40-44	40-42½	40	40	41¾	40-44	40-44
40	40-44	40-42½	40	40	41¾-40 <sup>5</sup>	40-44	40-44
40	40	40	40	40	40	40	40
	45.7	45.9	.	.	.	.	.
44.6	45.8	45.4	.	.	.	44.5	.
42.5	45.0	44.3	.	.	.	44.2	.
42.1	44.7	43.9	.	.	.	43.6	.
41.9	43.9	43.5	43.0	.	.	43.3	.
41.8	43.7	43.0	43.4	.	.	43.0	.
41.7	43.6	...	42.9	.	.	...	.

sources:  
 Data published by national trade union organizations.  
<sup>1</sup>Year-book of Social Statistics — 1972; 'General Statistics — Monthly Statistics', SOEC, Luxembourg.  
<sup>2</sup>(a) + (b): 'The regulations relating to hours of work in the Member States of the EEC', List 'Social Policy', No 14/1966;  
<sup>3</sup>Comparative tables relating to hours of work in Community industries', Commission of the EC.  
<sup>4</sup>(c): 'Social Statistics' 2/1975, SOEC, Luxembourg.

	Year	Belgium	FR of Germany	France
(d) Hours actually worked by wage earners in industry (incl. mining and construction) <sup>1</sup> September/October	1960	.	45.6	46.1
	1965	.	44.7	46.7
	1970	.	44.1	45.5
	1971	.	43.5	45.2
	1972	.	43.2	44.6
	1973	.	42.9	44.3
	1974	.	41.7	43.7
<b>4. Annual paid holidays (Predominant systems)</b>				
(a) Basic holidays for adults fixed by legislation expressed in days <sup>2</sup>	1960	12	12	18
	1965	18	15-18 <sup>3</sup>	18
	1970	18	15-18 <sup>3</sup>	24
	1971	18	15-18 <sup>3</sup>	24
	1974	18	15-18 <sup>3</sup>	24
	1975	24	18	24
(b) Basic holidays for adult wage earners in industry laid down in collective agreements expressed in days	1960	12	12-18	18
	1965	18	15-18	24
	1970	18	16*-24	24
	1971	18	16*-24	24
	1972	20	17*-24*	24
	1973	20-22	18*-24*	24
	1974	21-23	20*-26*	24
	1975	24	20*-26*	24
(c) Additional holiday allowances for adult wage earners in industry	1960	7½ Daily wages	—	—
	1965	2 Weekly wages	10-30% <sup>8</sup>	—
	1970	3 »	15-30% <sup>8</sup>	—
	1971	3 »	25-30% <sup>8</sup>	—
	1972	3 »	25-30% <sup>8</sup>	—
	1973	3 »	25-40% <sup>8</sup>	25-30%
	1974	3 »	30-50% <sup>8</sup>	25-30%
	1975	3 »	30-60% <sup>8</sup>	25-30%

<sup>1</sup> As the definitions of the national statistics are different, the data cannot be compared from one country to another; nevertheless they have been produced because they permit the development of the number of hours actually worked since 1960 to be followed. Included under this heading are:

FR of Germany: Hours paid for;

France and the Netherlands: Hours actually worked by a wage earner present during the whole period of the pay period;

United Kingdom and Ireland: Hours actually worked by a wage earner present during all or part of the pay period.

The data for France and the United Kingdom include transport as well as some services; the data for Ireland deal only with manufacturing industries.

<sup>2</sup> Working days, i.e. every day of the week except Sunday and public holidays falling during the week; where the data have been annotated\*, it is a question of days of work;

<sup>3</sup> From the age of 35 years;

<sup>4</sup> 8 days during the first 3 years of service, 12 days during the 4th and 5th year, 18 days beginning the 6th year of service with the same employer.

<sup>5</sup> Between the ages of 18 and 30 years — 18 days, from 30 to 38 years — 21 days, and from the age of 38 years — 24 working days.

<sup>6</sup> In part 3 to 4 weeks.

<sup>7</sup> From 1 July 1974 altogether 4 weeks, construction however 15 days.

<sup>8</sup> These additional allowances were paid in 1965 to about a quarter, in 1970 to approx. half and thereafter to 60 to over 80% the workers.

<sup>9</sup> Some works agreements.

<sup>10</sup> From 1 April 3 weeks.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
.	.	48.9	46.5	45.4	.	.	.
.	.	46.1	45.2	44.0	.	.	.
.	.	44.3	44.0	42.7	.	.	.
.	.	43.9	43.2	42.3	.	.	.
.	.	43.5	43.4	42.3	.	.	.
.	.	43.0	43.9	42.2	.	.	.
.	.	...	43.4	41.5	.	.	.
—	8-18 <sup>4</sup>	—	—	10*-12*	12	.	.
—	8-18 <sup>4</sup>	10*-12*	—	10*-12*	18	.	.
—	18-24 <sup>5</sup>	10*-12*	—	10*-12*	18	.	.
12	18-24 <sup>5</sup>	15*-18*	—	10*-12*	18	12-24	.
12	18-24 <sup>5</sup>	15*-18*	—	10*-12* <sup>10</sup>	24	12-24	.
12	20-24 <sup>5</sup>	15*-18*	—	15*-18	24	12-24	.
12	8-18	12*-15*	12	12	18	12-18	12-18
12	8-18	15*	12-18	12	18	12-24	12-24
12-15	18-24	15*-18*	12-18	12-18	18	12-24	12-24
13-18	18-24	15*-19*	12-18	15*-18	18	13-24	12-24
13-18	18-24	16*-19*	12-18	15*-18	21	13-24	12-24
14-18 <sup>6</sup>	18-24	17*-20*	15-18	15*-18	24	14-24	14-24
18-24 <sup>7</sup>	18-24	19*-21*	15-18	15*-18	24	18-26	15-26
20*-24 <sup>7</sup>	20-24	20*-21*	15-20	15*-18	24	20-26	15-26
—	—	2 Weekly/ wages/ or 4% yearly/ wage	—	—	—	.	.
—	—	6%/yearly	—	—	0.9%	.	.
—	—	6%/wage	—	—	0.9%	.	.
—	—	6½-8% »	—	—	2.0%	.	.
—	—	6½-8% »	—	—	0.9%	.	.
—	—	7-8% »	—	—	0.9%	.	.
—	—	7-8% »	—	—	0.9%	.	.

## Sources:

3. (d): 'Bulletin of Labour Statistics', International Labour Office, Geneva.  
 1. (a)-(c): 'The regulations fixed by legislation and laid down in collective agreements concerning paid holidays in the 6 States of the Community', List 'Social Policy', No 2/1962; 'The regulations concerning paid holidays in the countries of the EEC', List 'Social Policy', No 18/1967; 'Comparative tables relating to hours of work in Community industries', published by the Commission of the EC; Social Reports of the Commission.



	Year	Belgium	FR of Germany	France
<i>5. Public holidays</i>				
(a) Public holidays paid for and not worked fixed by legislation	1960	10	10-13	1
	1965	10	10-13	1
	1970	10	10-13	1
	1974	10	10-13	1
	1975	10	10-13	1
(b) Public holidays paid for and not worked fixed by legislation and laid down in collective agreements	1960	10	10-13	4-7
	1965	10	10-13	6-10
	1970	10	10-13	8-10
	1974	10	10-13	8-10
	1975	10	10-13	8-10

*Sources:*

5. (a) + (b): 'The regulations fixed by legislation and laid down in collective agreements concerning paid holidays in the 6 States of the Community', List 'Social Policy', No 2/1962;  
 'The regulations concerning paid holidays in the countries of the EEC', List 'Social Policy' — No 18/1967;  
 'Comparative tables relating to hours of work in Community Industries', published by the Commission of the EC;  
 Social reports of the Commission.

IV — INDUSTRIAL RELATIONS AND WORKING CONDITIONS 209

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
16	10	—	6	6	9½	.	.
16	10	—	6	6	9½	.	.
16	10	—	6	6	9½	.	.
16	10	—	7	7	9½	.	.
16	10	—	7	7	9½	.	.
17	10	7	6-7	6	9½	4-17	4-17
17	10	7	6-7	6	9½	6-17	6-17
17	10	7	6-7	6	9½	7-17	6-17
17-18	10	7	7-8	7-8	9½	7-18	7-18
17-18	10	7	7-8	7-8	9½	7-18	7-18

	Year	Belgium	FR of Germany	France	
1. (a) <i>Gross national product</i> per head in EUR	1960	1 222	1 287	1 307	
	1965	1 757	1 949	2 009	
	1970	2 619	3 058	2 776	
	1971	2 860	3 364	3 062	
	1972	3 257	3 822	3 406	
	1973	3 695	4 441	3 829	
	1974	4 307	4 915	4 056	
	(b) <i>Gross domestic product</i> per head at constant prices; average annual increases as %	1960/65	4.3	3.9	4.6
		1965/70	4.4	3.8	4.4
		1970/71	3.7	2.1	4.5
		1971/72	5.2	2.9	4.7
		1972/73	5.9	4.3	4.7
		1973/74	3.4	0.3	3.1
	2. <i>Average compensation of wage and salary earners</i> (Annual average in national currency)	(a) as % of the available net national income per employed person (rectified wage quota)	1960	68.8	67.7
1965			69.3	70.2	70.7
1970			69.8	71.3	71.1
1971			72.0	72.7	71.1
1972			73.4	72.9	70.6
1973			73.6	74.3	70.9
1974			73.5	76.4	73.7
(b) Increase in nominal terms 1960 = 100			1965	144	150
		1970	211	226	249
		1971	239	255	275
		1972	269	279	304
		1973	305	316	342
		1974	358	352	403
(c) Increase in real terms 1960 = 100		1965	127	131	133
		1970	157	173	168
		1971	167	185	175
		1972	181	192	182
		1973	192	203	192
		1974	200	212	199

Sources of the basic data:

1. + 2.: 'National accounts — ESA — Aggregates 1960-1974', Eurostat 1-1975, SOEC, Luxembourg.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
689	1 624	959	1 358	628	1 289	1 094	1 152
1 124	2 023	1 524	1 827	936	2 121	1 690	1 720
1 727	3 129	2 429	2 182	1 317	3 160	2 537	2 456
1 868	3 134	2 717	2 427	1 488	3 434	2 785	2 704
2 009	3 531	3 125	2 557	1 659	3 828	3 116	2 990
2 019	4 143	3 542	2 486	1 681	4 349	3 484	3 261
2 163	4 761	4 094	2 700	1 725	4 846	3 806	3 561
4.5	2.1	3.6	2.5	3.4	4.5	4.2	3.8
5.3	3.3	4.5	1.8	4.2	3.7	4.3	3.8
0.9	— 0.9	3.1	2.1	2.6	2.7	2.7	2.6
2.4	3.1	2.9	2.3	3.3	4.0	3.5	3.2
5.3	6.1	3.5	5.2	3.9	2.7	4.6	4.7
2.5	3.0	2.5	0.7	— 0.4	0.1	1.9	1.6
76.2	74.5	65.8	69.8	75.7	66.4	71.3	71.4
76.9	80.7	71.1	69.9	76.9	70.1	72.3	71.5
77.0	72.8	73.9	71.2	77.7	72.2	73.1	72.2
79.9	79.2	75.1	71.0	78.2	74.8	74.4	73.2
79.7	79.1	74.2	71.9	75.8	73.1	74.3	73.3
82.0	77.0	75.0	72.7	74.1	72.7	75.5	74.1
85.4	82.4	77.6	77.8	78.4	...	78.0	77.1
179	141	163	134	149	165	160	152
281	193	274	196	254	267	247	234
319	210	311	220	290	301	278	263
353	230	351	247	336	330	307	292
419	258	403	278	397	377	352	333
513	313	466	333	458	...	412	392
140	127	133	113	121	128	134	127
191	150	176	132	159	150	175	162
206	156	186	136	167	160	186	172
216	162	195	142	178	165	194	180
232	172	207	146	189	172	206	189
238	190	218	151	186	...	214	196

	Year	Belgium	FR of Germany	France
<b>3. Average gross hourly earnings of workers in industry (including mining and construction)<sup>1</sup></b>				
— October <sup>2</sup>				
(a) Development in nominal terms	1965	145	155	145
— October 1960 = 100	1970	218	226	227
	1971	245	247	255
	1972	283	269	290
	1973	323	298	331
	1974	405	331	399
— Average annual increase rate as %	1960/65	7.8	9.1	7.7
	1965/70	8.4	7.8	9.4
	1970/71	12.5	9.3	12.0
	1971/72	15.3	8.9	13.6
	1972/73	14.2	10.9	14.4
	1973/74	25.3	10.9	20.5
(b) Development in real terms	1965	127	135	121
— October 1960 = 100	1970	161	173	152
	1971	172	179	161
	1972	188	183	172
	1973	201	191	182
	1974	217	198	191
— Average annual increase rate as %	1960/65	4.9	6.2	3.9
	1965/70	4.9	5.0	4.8
	1970/71	6.9	3.2	5.9
	1971/72	9.0	2.7	6.6
	1972/73	7.0	4.0	5.9
	1973/74	8.1	3.6	4.8
<b>4. Labour costs in industry</b>				
(including mining and construction)				
(a) of manual workers per hour worked	1966	87	92	78
— country with the highest level = 100	1969	91	94	80
	1972	92	100	68
(b) of manual and office workers per hour	1966	86	91	87
— country with the highest level = 100	1969	94	97	90
	1972	91	100	75

<sup>1</sup> Harmonized statistics of gross hourly earnings of the manual workers in industry except for the new 3 Member States for which it was necessary to fall back on national wage statistics;

United Kingdom: excluding coalmining, including some transport and services sectors; only adult workers;

Ireland: manufacturing industries only;

Denmark: manufacturing industries, construction, services.

<sup>2</sup> France and Ireland: September; Denmark: third quarter.

<sup>3</sup> Actualization.

Italy	Luxembourg	Netherlands	United Kingdom		Ireland	Denmark	EUR 6	EUR 9
			men/ women					
173	143	171	138	135	146	165	.	.
270	203	273	203	201	254	280	.	.
310	217	315	228	229	294	325	.	.
348	239	351	263	263	335	360	.	.
430	273	403	296	306	411	422	.	.
528	340	...	356	394	...	499	.	.
11.6	7.5	11.2	6.6	6.2	7.9	10.5	.	.
9.4	7.2	9.9	8.0	8.3	11.6	11.2	.	.
14.7	7.1	15.4	12.7	13.6	15.8	16.1	.	.
12.3	10.0	11.5	15.0	15.2	13.8	10.6	.	.
23.5	14.2	14.8	12.7	16.3	22.9	17.2	.	.
22.8	24.5	...	20.2	28.7	...	18.4	.	.
136	128	140	115	113	118	126	.	.
183	156	173	134	133	157	154	.	.
200	159	185	138	138	167	170	.	.
210	165	191	148	148	175	176	.	.
234	179	203	161	166	193	189	.	.
231	201	...	155	172	...	192	.	.
6.4	5.3	7.0	2.9	2.5	3.4	4.7	.	.
6.1	4.0	4.3	3.1	3.3	5.9	4.1	.	.
9.3	1.9	6.6	2.9	3.8	6.4	10.3	.	.
5.0	4.0	3.2	6.8	6.9	4.5	3.9	.	.
11.3	8.3	6.4	2.5	5.8	10.4	6.9	.	.
- 1.3	12.3	...	2.6	9.8	...	1.9	.	.
72	100	85	.	.	.	.	.	.
75	100	92	.	.	.	.	.	.
76	92	93 <sup>3</sup>	.	.	.	.	.	.
75	100	88	.	.	.	.	.	.
79	100	98	.	.	.	.	.	.
78	94	99	.	.	.	.	.	.

ources of the basic data:

ocial Statistics', SOEC, Luxembourg;  
 3ulletin of Labour Statistics', ILO, Geneva.  
 ocial Statistics', SOEC, Luxembourg.

	Year	Belgium	FR of Germany	France
1. <i>Amounts of some foodstuffs, consumed annually in kg per head</i>	1961/62	1		
— Cereals		89	77	97
— Rice		1	2	2
— Potatoes		126 <sup>2</sup>	132	104
— Sugar		33	30	32
— Vegetables		.	.	.
— Meat		61	63	75
— Fish		11	11	13
— Eggs		12	14	11
— Oils and Fats		22	18	14
— Butter		7	7	6
— Milk (litres)		105	86	98
	1973/74	1		
— Cereals		79	66	71
— Rice		3	2	4
— Potatoes		109	92	95
— Sugar		35	37	39
— Vegetables		94	70	115
— Meat		92	89	97
— Fish		7	19	14
— Eggs		12	17	13
— Oils and Fats		25	20	19
— Butter		9	6	8
— Milk (litres)		86	85	81
2. (a) <i>Private cars per 1 000 inhabitants</i> — at the end of the year	1960	86	78	121
	1965	145	160	184
	1970	213	222	251
	1973	249	275	280
	1974	259	280	288
(b) <i>Television sets per 1 000 inhabitants</i> — at the end of the year	1960	67	83	41
	1965	162	193	133
	1970	216	272	216
	1972	236	293	237
	1973	244	298	...
(c) <i>Installed telephones per 1 000 inhabitants</i> — at the end of the year	1960	124	107	95
	1965	164	150	125
	1970	211	228	173
	1972	240	265	199
	1973	257	287	217

<sup>1</sup> Figures for Belgium include Luxembourg.

<sup>2</sup> 1960/61.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
	1						
130	.	80	80	109	73	98	94
5	.	3	1	1	1	3	2
54	.	96	97	140	125	99	100
23	.	43	51	49	54	30	35
	.			64	69		
30	.	46	71	65	69	56	59
9	.	9	.	.	.	11	.
9	.	12	15	17	11	12	12
16	.	25	15	7	19	17	17
1	.	4	8	16	9	5	6
65	.	123	149	254	123	87	104
	1						
133	.	64	67	86	66	87	91
6	.	4	3	1	2	4	3
38	.	85	102	129	69	78	83
33	.	45	47	49	49	37	39
153	.	79	75	76	51	108	99
65	.	71	74	92	64	83	81
11	.	8	17	8	32	14	13
11	.	11	15	13	11	13	14
23	.	30	16	8	22	21	20
2	.	2	7	11	7	5	6
65	.	133	146	221	141	82	99
40	118	47	108	.	88	77	84
106	187	113	167	102	156	147	151
190	269	191	215	135	218	217	218
244	339	246	248	160	245	264	259
257	357	257	255	164	248	273	266
42	23	69	210	.	118	58	93
116	93	171	248	105	227	152	174
181	209	237	294	152	266	227	242
202	...	252	305	173	282	245	258
208	...	258	309	176	...	...	...
77	162	140	92	57	174	98	98
115	240	190	193	77	285	137	152
175	327	262	270	104	345	200	217
206	361	299	314	114	377	233	252
229	382	320	340	120	400	252	273

\*CES:

+ (2) 'Basic Statistics of the Community', SOEC, Luxembourg.



	Year	Belgium	FR of Germany	France
<b>1. Existing dwellings</b>				
(a) at the end of the year per 1 000 inhabitants	1960	344	289	349
	1970	371	341	378
(b) proportion (%) of owner occupied dwellings	about 1960	50	35	45
	about 1970	55	34	45
(c) proportion (%) of dwellings built before 1945	about 1960	75	54	81
	about 1970	.	49	71
(d) proportion (%) of dwellings with a bathroom	about 1960	24	49	28
	about 1970	49	68	45
<b>2. Completed dwellings per 1 000 inhabitants</b>				
	1960	5.1	9.4	6.9
	1965	6.9	9.2	8.4
	1970	4.6 <sup>1</sup>	7.9	9.0
	1971	4.4 <sup>1</sup>	9.1	9.5
	1972	5.3 <sup>1</sup>	10.7	10.9
	1973	6.5 <sup>1</sup>	11.5	9.0
	1974	6.8 <sup>1</sup>	9.7	9.8
<b>3. Rents</b>				
(a) Rent index — 1960 = 100	1965	123 <sup>2</sup>	133	158
	1970	159 <sup>2</sup>	186	241
	1971	172 <sup>2</sup>	197	258
	1972	184 <sup>2</sup>	207	269
	1973	200 <sup>2</sup>	218	290
	1974	213 <sup>2</sup>	229	312
	1975	...	243	348
(b) Average annual increase as %	1960/65	4.2 <sup>2</sup>	5.9	9.0
	1965/70	5.3 <sup>2</sup>	7.0	8.8
	1971	8.2 <sup>2</sup>	5.9	5.9
	1972	7.0 <sup>2</sup>	5.1	5.0
	1973	8.7 <sup>2</sup>	5.3	7.8
	1974	6.5 <sup>2</sup>	5.0	7.0
	1975	...	6.1	10.0
<b>4. Building costs of dwellings</b>				
(a) Index 1960 = 100	1965	139	130	132
	1970	196	165	157
	1971	212	183	160
	1972	228	195	170
	1973	270	210	190
	1974	325	226	220
(b) Average annual increase as %	1960/65	6.8	5.3	5.8
	1965/70	6.6	4.9	3.4
	1971	8.3	11.1	6.1
	1972	7.3	6.8	5.8
	1973	18.6	7.4	8.2
	1974	20.4	7.6	15.7

<sup>1</sup> Buildings already started.<sup>2</sup> The index figures refer only to dwellings built by intervention by the National Building Society.<sup>3</sup> Incl. imputed rent for owner occupiers and costs of materials for home repairs and decoration.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
275	300	248	315	251	315	301	304
320	315	289	344	244	370	348	346
46	55	29	43	64	47	.	.
53	57	36	51	69	47	.	.
.	75	80	76	80	76	.	.
.	.	45	61	.	63	.	.
29	46	27	77	33	48	.	.
.	69	81	87	56	63	.	.
5.8	4.2	7.3	5.8	2.1	5.9	7.3	6.9
7.2	7.2	9.4	7.2	4.1	8.5	8.3	8.0
7.0	5.1	9.0	6.5	4.6	10.3	7.8	7.6
6.7	5.6	10.4	6.6	5.0	10.1	8.3	7.9
4.8	6.5	11.4	5.9	6.9	10.0	8.8	8.2
3.6	7.0	11.6	5.4	7.8	11.1	8.5	7.9
3.0	9.5	10.8	5.0	8.2	9.6	7.7	7.1
147	.	123	121 <sup>3</sup>	.	.	.	.
178	.	167	158 <sup>3</sup>	172	.	.	.
182	.	180	173 <sup>3</sup>	190	.	.	.
186	.	-195	191 <sup>3</sup>	215	.	.	.
190	.	213	213 <sup>3</sup>	226	.	.	.
191	.	229	...	228	.	.	.
201	.	245	...	243	.	.	.
8.0	.	4.1	3.8 <sup>3</sup>	.	.	.	.
3.9	.	6.4	6.7 <sup>3</sup>	.	.	.	.
1.8	.	8.1	9.2 <sup>3</sup>	10.5	.	.	.
2.2	.	8.5	10.5 <sup>3</sup>	13.1	.	.	.
2.2	.	8.8	11.7 <sup>3</sup>	5.1	.	.	.
0.5	.	7.5	...	0.9	.	.	.
5.2	.	7.0	...	6.6	.	.	.
163	.	136	117	123	138	.	.
225	.	191	145	171	204	.	.
249	.	217	155	189	216	.	.
262	.	236	172	208	230	.	.
320	.	262	213	236	260	.	.
410	.	298	268	...	...	.	.
10.2	.	6.4	3.3	4.1	6 $\frac{1}{2}$	.	.
6.7	.	7.0	4.3	6.8	8	.	.
10.6	12.8	13.5	7.0	10.5	6	.	.
5.1	6.0	8.7	11.2	10.3	6 $\frac{1}{2}$	.	.
22.0	8.9	11.0	23.6	13.5	13	.	.
28.1	...	13.4	26.3	...	...	.	.

## Sources:

1. (a)-(d): 'Year-book of Social Statistics — 1972', SOEC, Luxembourg;
2. 'Year-book of Social Statistics' and Social Reports of the Commission;
3. + 4. Statistical Office of the European Communities.

	Year	Belgium	FR of Germany	France
1. <i>Life expectancy at some ages in years</i>	<i>about 1960</i>	<i>1959/63</i>	<i>1959/60</i>	<i>1960</i>
<i>Men</i>				
0 years		67.7	66.7	67.2
20 years		50.3	50.4	49.9
40 years		31.7	32.0	31.4
60 years		15.5	15.5	15.6
<i>Women</i>				
0 years		73.5	71.9	73.8
20 years		55.5	54.9	55.9
40 years		36.3	35.8	36.9
60 years		18.7	18.2	19.5
<i>Men</i>	<i>about 1970</i>	<i>1968/72</i>	<i>1970/72</i>	<i>1969</i>
0 years		67.8	67.4	67.6
20 years		50.3	50.2	49.8
40 years		31.6	31.8	31.4
60 years		15.2	15.3	15.5
<i>Women</i>				
0 years		74.2	73.8	75.3
20 years		56.1	56.0	57.0
40 years		36.9	36.8	37.8
60 years		19.2	19.1	20.3
2. <i>Infant mortality</i> (Number of deaths under the age of 1 year per 1 000 live births)	1960	31.2	33.8	27.4
	1965	23.7	23.8	21.9
	1970	20.5	23.4	18.2
	1971	19.8	23.1	17.2
	1972	18.2	22.4	16.0
	1973	17.0	22.7	15.4
	1974	16.2	21.1	14.4
3. <i>Health care</i>				
(a) <i>Doctors per 100 000 inhabitants</i> — at the end of the year	1960	128	134	105
	1965	145	146	120
	1970	161	173	134
	1971	159	178	139
	1972	164	184	141
(b) <i>Pharmacists per 100 000 inhabitants</i> — at the end of the year	1960	59	29	42
	1970	71	37	46
	1971	70	37	52
	1972	71	38	53
(c) <i>Hospital beds<sup>4</sup> per 10 000 inhabitants</i> — at the end of the year	1960	86	.	97
	1970	83	112	.
	1971	83	113	94
	1972	86	114	96

<sup>1</sup> Great Britain.<sup>2</sup> 1969.<sup>3</sup> 1968.<sup>4</sup> Including clinics, psychiatric hospitals, sanatoriums, nursing homes and old persons' homes.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
<i>1960/62</i>		<i>1956/60</i>	<i>1961<sup>1</sup></i>	<i>1960/62</i>	<i>1956/60</i>	.	.
67.2	.	71.4	67.9	68.1	70.4	.	.
51.7	.	53.7	50.4	51.1	53.1	.	.
33.1	.	34.7	31.6	32.4	34.3	.	.
16.2	.	17.7	15.0	15.8	17.3	.	.
72.3	.	74.8	73.8	71.9	73.8	.	.
56.1	.	56.7	55.8	54.3	55.8	.	.
37.0	.	37.3	36.5	35.3	36.6	.	.
19.3	.	19.5	19.0	18.1	19.0	.	.
<i>1964/67</i>	.	<i>1971</i>	<i>1970/72<sup>1</sup></i>	<i>1965/67</i>	<i>1969/70</i>	.	.
67.9	.	71.0	68.7	68.6	70.8	.	.
51.6	.	52.9	50.8	51.2	52.8	.	.
32.8	.	33.9	31.8	32.2	33.9	.	.
16.4	.	17.0	15.2	15.6	17.1	.	.
73.4	.	76.4	75.0	72.9	75.7	.	.
56.5	.	57.9	56.6	54.9	57.2	.	.
37.2	.	38.5	37.3	35.7	37.9	.	.
19.5	.	20.5	19.8	18.4	20.4	.	.
43.9	31.5	16.5	22.4	29.3	21.5	33.6	30.8
36.0	24.0	14.4	19.6	25.3	18.7	26.3	24.6
29.2	25.0	12.8	18.5	19.2	14.2	22.7	22.0
28.3	22.5	12.1	17.8	18.0	13.5	21.9	20.8
27.0	14.0	11.7	17.6	17.7	12.2	20.8	19.9
25.7	15.3	11.5	17.2	17.8	11.5	20.3	19.4
22.6	13.5	11.3	16.7	17.1	...	18.6	18.0
161	102	122	107	105	127	133	.
170	102	128	115 <sup>3</sup>	104 <sup>3</sup>	135	144	.
182 <sup>2</sup>	107	130	130	103	144	162	.
184	108	132	129	120	152	165	156
193	108	136	133	118	163	170	162
61	54	7	40	59	30	42	.
66	49	8	31	57	41	49	44
69	49	8	31	53	41	50	46
68	47	8	31	...	40	50	46
.	118	.	107	148	96	.	.
105 <sup>2</sup>	.	99	96	126	96	.	.
106	115	102	94	120	...	103	102
106	113	102	93	115	...	104	102

## Sources:

1. + 2.: 'Year-book of Social Statistics — 1972', SOEC, Luxembourg.

3. (a)-(c): 'World Health Statistics', WHO, Geneva.

	Year	Belgium	FR of Germany	France
<i>1. Sickness insurance</i>				
Persons entitled to medical care as % of the population	1960	73	85	66
	1965	91	87	88
	1970	99	88	98
	1972	100	90	98
<i>2. Employment injuries scheme</i>				
Persons insured as % of civilian labour force	1960	61 <sup>4</sup>	100	.
	1970	80	100	95
	1972	85	100	95
<i>3. Unemployment insurance</i>				
Persons insured as % of civilian wage and salary earners	1960	79 <sup>4</sup>	77	53
	1970	81	86	72
	1972	100	92	...
<i>4. Old-age, invalidity and survivors' pension scheme</i>				
Pensions insured as % of civilian labour force	1960	61 <sup>4</sup>	88	92
	1970	100	88	100
	1972	100	90	100
<i>5. Family allowances</i>				
Children entitled to claim as % of the population between 0 and 19 years of age	1960	71 <sup>5</sup>	13 <sup>5</sup>	80
	1965	74 <sup>5</sup>	28 <sup>5</sup>	81
	1970	83	29 <sup>5</sup>	84
	1972	86	31 <sup>5</sup> or 48	...

<sup>1</sup> Free medical treatment of all kinds, including clinical and surgical treatment.

<sup>2</sup> Only free hospital care, treatment by surgeons and specialists, maternity and child care.

<sup>3</sup> 1961.

<sup>4</sup> 1959.

<sup>5</sup> Excluding family allowances paid to public employees.

<sup>6</sup> Excluding family allowances paid to public employees in Belgium, the FR of Germany and Italy.

<sup>7</sup> 100% in the case of serious illnesses.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
78	83	76	100	} 30 <sup>1</sup> or. 90 <sup>2</sup>	90 <sup>3</sup>	77	82
85	98	76	100		94	86	89
91	99	76 <sup>7</sup>	100		100	91	93
94	99	76 <sup>7</sup>	100		100	93	94
73 <sup>4</sup>	.	68	92	60	100	.	.
66	92	73	94	70	100	87	90
65	92	88	99	72	100	88	90
60	78	69	87	90	46	67	72
72	79	86	82	93	44	79	79
...	...	100	82	95	43	...	...
78 <sup>4</sup>	89 <sup>4</sup>	100	88	64	100	88	88
98	96	100	83	66	100	95	92
98	97	100	84	69	100	96	93
43 <sup>5</sup>	97	50	37	83	96	42 <sup>6</sup>	43 <sup>6</sup>
45 <sup>5</sup>	100	82	39	81	94	54 <sup>6</sup>	52 <sup>6</sup>
57 <sup>5</sup>	100	90	42	83	95	60 <sup>6</sup>	57 <sup>6</sup>
...	100	94	42	85	90	...	...

## Sources of the basic data:

Year-book of Labour Statistics 1961', ILO, Geneva.  
 Indicators of Social Security', Commission of the EC, Brussels 1971.  
 Report on the Development of the Social Situation in the Community in 1971', Commission of the EC.  
 The financial development of Social security in the Member States of the Community, 1965-1970-1975', Brussels, November 1971.

	Year	Belgium	FR of Germany	France
1. <i>Total expenditure as % of the available net national income</i>	1965	18.3	21.0	20.4
	1970	20.5	23.8	21.4
	1971	20.9	24.5	21.7
	1972	21.8	25.6	21.8
2. <i>Social benefits per function as % of the available net national income</i>	1970			
— Sickness		4.3	5.9	5.3
— Old-age, death, survivors		7.2	9.6	7.8
— Invalidity		0.8	1.0	0.3
— Physical and psychical infirmity		0.3	0.2	0.3
— Employment injuries, occupational diseases		0.8	1.2	0.9
— Unemployment		0.8	0.3	0.2
— Family charges		3.6	2.2	4.3
— Political events, natural catastrophes		0.6	1.7	0.9
— Other		0.3	0.4	0.1
Total		18.7	22.5	20.2
	1972			
— Sickness		4.8	6.9	5.6
— Old-age, death, survivors		7.6	9.9	8.1
— Invalidity		0.9	1.0	0.2
— Physical and psychical infirmity		0.4	0.1	0.3
— Employment injuries, occupational diseases		1.1	1.2	0.9
— Unemployment		1.1	0.3	0.2
— Family charges		3.5	2.2	4.1
— Political events, natural catastrophes		0.5	1.6	0.9
— Other		0.8	1.0	0.2
Total		20.6	24.2	20.5
3. <i>Receipts for the financing of social expenditures by nature</i>	1970			
— Contributions from employers		47	49	61
— Contributions from insured persons		21	25	20
— Contributions from public authorities		27	23	17
— Income from capital		4	2	1
— Other receipts		1	1	1
Total		100	100	100
	1972			
— Contributions from employers		46	50	62
— Contributions from insured persons		20	24	20
— Contributions from public authorities		30	23	16
— Income from capital		4	2	1
— Other receipts		0	1	1
Total		100	100	100

<sup>1</sup> The payments of benefits in respect of employment injuries and occupational diseases are included under the headings 'Sickness', 'Invalidity' and 'Survivors'.

Italy	Luxembourg	Netherlands	United Kingdom	Ireland	Denmark	EUR 6	EUR 9
19.0	19.3	18.8	.	.	.	.	.
20.5	20.0	22.7	18.0	13.9	21.8	.	.
22.0	22.0	24.0	18.5	14.4	23.5	.	.
24.5	22.5	25.3	19.0	14.4	23.3	.	.
4.9	3.3	5.8	4.6	3.8	6.1	.	.
6.5	11.8	8.9	8.1	4.9	7.7	.	.
2.2		1.8	0.6	1.3	2.0	.	.
0.4	0.2	1.5	0.6		0.8	.	.
0.7	1.3	<sup>1</sup>	0.2	0.1	0.3	.	.
0.2	0.0	0.7	0.8	0.8	0.6	.	.
2.4	2.2	3.0	1.8	2.3	3.5	.	.
0.8	0.4	0.1	0.3	—	0.0	.	.
0.5	0.1	0.0	0.3	0.2	0.2	.	.
18.6	19.4	21.9	17.3	13.4	21.2	.	.
5.6	3.9	6.6	4.8	4.0	6.3	.	.
7.7	13.6	9.3	8.7	5.1	8.1	.	.
2.8		2.3	0.6	1.4	2.3	.	.
0.3	0.0	2.0	0.7		0.8	.	.
0.8	1.4	<sup>1</sup>	0.2	0.1	0.3	.	.
0.4	0.0	1.0	0.9	0.8	0.8	.	.
2.3	2.4	3.1	1.7	2.1	3.7	.	.
0.8	0.3	0.1	0.3	—	0.0	.	.
0.6	0.1	0.0	0.4	0.3	0.3	.	.
21.4	21.7	24.5	18.3	13.8	22.6	.	.
55	36	44	34	19	11	.	.
15	25	36	18	12	7	.	.
24	31	12	39	68	82	.	.
3	8	8	9	1	0	.	.
3	0	0	0	0	0	.	.
100	100	100	100	100	100	.	.
54	36	43	34	19	10	.	.
15	24	36	18	14	6	.	.
24	31	13	40	66	81	.	.
3	8	8	8	1	3	.	.
4	1	0	0	0	0	.	.
100	100	100	100	100	100	.	.

Source: Statistical Office of the European Communities, Luxembourg.



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A 1/3, 5 (c), 7, 8,  
 10, 12, 14 (c)  
 B 16/19, 23, 31  
 C 51/56, 58/62,  
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(see *groupings*)

**W**

*wages*

(see also: *earnings*,  
*income, pay, women*)

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B 36  
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minimum *wage*

C 70, 107, 158,  
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index-bound *wage*

C 107, 111, 113,  
157, 162, 163,  
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*women* (see also:  
*earnings, pay, wages*)

A 3, 8 (a), 9,  
14 (a + e)  
B 16, 20, 24,  
29, 31, 33,  
35, 36  
C 51, 54, 58,  
60, 64, 68,  
95, 102, 113,  
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III 1 b, III 2 c,  
VIII 1

*welfare*

(see *social services*)

*working people*  
(workers)

– elderly: see *elderly*  
– female: see *women*  
– foreign: see *migrants*  
– handicapped: see *handicapped*  
– self-employed: see *self-employed*  
– young: see *young*  
– with higher educational degrees: see  
*graduates*

**Y**

*young (people)*

A 2, 5 (c), 7  
14 (a + c)  
B 16, 17, 21,  
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C 51, 54, 56,  
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<sup>1</sup> The contents of this section do not figure in other Commission publications.