

Lecture given by M. François Vinck  
to a visiting party of delegates  
from the Labour Committee for Europe  
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POWERS AND ACTIONS OF THE HIGH AUTHORITY IN THE SOCIAL FIELD

Unlike a Government, the High Authority cannot formulate and apply any real social policy nor modify it according to requirements or circumstances.

In fact, the essential characteristic of the social actions of the High Authority is that their aims and methods have been clearly defined by the Treaty establishing the European Community for Coal and Steel.

This is why it is accurate to speak of the social aspects of European integration and not, if words are to have a strict meaning, of any social policy at this level of government.

The general mandate of the High Authority, as defined in the first articles of the Treaty, forms the basis of its social actions.

According to the terms of these articles, allowance must be made for social matters in all decisions.

The Treaty never neglects the social implications of economic decisions - and this perhaps is its most original feature from our present standpoint.

Nevertheless, the text of the Treaty of the European Coal and Steel Community gives only little scope for direct action in the social field.

This is due to two facts :

- The first one is that the E.C.S.C. integrates only the steel and coal industries of the member countries; that means that only about 10 % of the working population of all six countries are covered

by the Treaty;

- The second reason for this restriction is the fact that the bargaining for higher wages and better working-conditions must remain the untouchable right of the trade-unions and employers.

I propose that we examine the articles of the Treaty, which give the High Authority the possibility to further social progress and - with practical examples of our work in the Labour Problems Department - I will try to show you what is being done in the social field.

1. First of all there is article 3, section e of the Treaty, which describes the social aims of the E.C.S.C. : "The Institutions of the Community shall promote the improvement of the living and working conditions of the labour force in each of the industries under its jurisdiction so as to harmonize those conditions in an upward direction". Although this postulate is very general, the High Authority was able to take action on the basis of this paragraph in two fields and these are : housing programmes for miners and steel-workers and a programme of vocational training.

- a) One of Europe's major problems when the Community began was the general shortage of housing. In mining districts especially the shortage was acute and housing standards very low. Some miners spent as many as five hours a day simply in travelling to and from work and the journey meant unnecessary tiredness for the men as well as extra-costs for the employers. Poor housing also meant greater absenteeism and a quicker turn-over in mining recruits, some of whom left the industry after little more than a year. This delayed the building up of a skilled labour force. It may even have contributed, through miners' inexperience, to accidents in the pits. For both social and economic reasons, therefore, more housing was an urgent necessity.

Although the High Authority certainly does not claim to have solved the housing problem, it made a good start in tackling it in two separate ways :

- In the first place, it has raised special funds to make direct low interest loans to housing projects. These loans supplement other sums raised for the purpose by the national and regional authorities responsible for official building programmes. That means that they act as a spur to the raising of cheap money on the ordinary capital market. Up to now the construction of about 71,000 dwellings has been considered with the aid of credits of the High Authority. Of these, some 49,000 have been completed and are occupied; 40 % of the dwellings have become property of the workers, the other 60 % are being rented. By completion of the 5th loan programme, now considered, some 100,000 dwellings will have been financed by 1964 with aids coming from the High Authority alone, amounting to about 150 millions of dollars.
- Alongside these loan programmes, the High Authority is running a series of experimental housing programmes aimed at reducing the cost of building, but at the same time maintaining minimum standards throughout the Community with allowance for local and climatic variations. The first of these experimental programmes aimed at the building of 1,000 dwellings is already finished. Two other experimental programmes have been launched. The aim of the second programme is to assemble experience on the standardisation and normalisation of construction elements and the third one will deal with the building of special blocks of houses with all public and social utilities.
- b) As far as vocational training is concerned, the High Authority has endeavoured during the past years to assist the industries of the Community to develop, intensify and improve vocational training.

The exchange of experiences is the main instrument of the High Authority in this field. Thus far, 3 Commissions have been established : one for the steel industry, another one for coal mining and the third one for iron-ore. They are composed of experts of trade-unions and employers' organizations. Besides the work of the Commissions, the High Authority organizes congresses and seminars on specific problems of vocational training and it has also set up a pool facilitating the exchange of teaching aids and means.

The High Authority has undertaken its action in 3 phases :

- from 1953 until 1956 its action was concentrated on the vocational training problems of mines and steel process workers;
- during the second phase the training of supervisors and training instructors was examined;
- since 1960 emphasis is being put on both preparatory and follow-up training for workers and managerial personnel alike. This has become necessary because of the introduction of new types of plants and new production processes in the iron and steel industry and of the steady advance of mechanisation and electrification of pits.

2. The next article which is of interest to us, is article 46, 3rd paragraph saying :

- a) Point 4 : "....(4) at the request of the interested Governments (the High Authority shall) participate in the study of the possibilities of re-employing, either in existing industries or through the creation of new activities, workers unemployed by reason of the development of the market or technical changes".

Studies on the economical and social conditions in the following areas have been undertaken :

- Limburg, in the Netherlands
- Lower-Saxony, in Germany
- Liguria, Piombino and Umbria, in Italy
- Commeny and Decazeville, in France
- Charleroi, Centre and Borinage, in Belgium.

- b) Point 5 of the same paragraph is of great importance for the work of the High Authority in the social field. It says : ... (5) (the High Authority shall) "gather any information required to assess the possibilities of improving the living and working conditions of the labour force in the industries under its jurisdiction, and the risks menacing their living conditions".

On the basis of this text and in connection with articles 2 and 3, it was possible for the High Authority to publish a fundamental documentation on various social topics. For example a monograph was published on the development of wages in the member countries, a comparison of real wages was undertaken, a comparison of social security systems, comparisons on the hours of work, of vacations, different aspects of labour legislation. As the social development in the different member countries differs considerably, a great deal of care and work have to be put into these studies. All the more, these monographs have to be absolutely objective. For this reason, these documents are submitted before publication for examination to Commissions composed of experts of the trade-unions and the employers' organisations of the six countries of the Community. We have six Commissions of this kind. Three for wages and social security and three for terms of employment, not counting the various working parties. Besides there is a study group, composed of six university professors, which is working on Labour Law.

This contact with the professional organisations of the member countries makes it possible for the High Authority to present the problems directly to the interested circles and thus enables it to contribute to the harmonization of living and working conditions of the labour force in the industries under its jurisdiction. It is then the task of the trade-unions and employers' organizations, on the basis of the objective material furnished by the High Authority, to bargain out the working conditions in their respective countries.

3. On the basis of article 55, paragraph 1, which states : "The High Authority must encourage technical and economical research concerning the production and the consumption of coal and steel, as well as workers' safety in these industries. To this end, it shall organize all appropriate contacts among existing organizations", the High Authority was able to act in the field of medical research and accident prevention.

Up to now it has employed four methods to fulfil this obligation :

1. the financial promotion of research work;
2. the promotion of co-operation among researchers and the research centres;
3. the publication of the results of the research work;
4. the provision of documentary material.

The High Authority is establishing these research programmes, which in all amount to 8 million dollars, after having consulted the competent government experts, the workers' and employers' associations and a research committee, which is composed of medical experts on industrial health and hygiene (other programmes are in preparation for 6 million dollars).

The High Authority is coordinating existing research programmes, both by means of meetings of experts in Luxembourg and by means of a special "publication pool" whereby abstracts of all relevant studies published in the six countries are centralized, translated and distributed to scientific institutes through the Community.

In this connection I must also mention the work of the Mine Safety Commission. The origin of the Commission dates back to September 6th, 1956, shortly after the disaster at Marcinelle (in Belgium, where 262 lives were lost), when the Special Council of Ministers decided to convene a conference on Safety in Coalmines. This conference published a number of reports and recommendations and the Council of Ministers decided in May 1957 to set up a permanent commission to follow development with regard to safety in coalmines and to ascertain action taken by each country to put into effect the recommendations of the conference and such proposals as the Council might find necessary to advance.

4. Now I come to another very important topic in the action of the High Authority, that is the readaptation of workers, linked to the reorganization and redevelopment of industries.

Fortunately we experienced no mass-unemployment since the creation of the Community. But this does not mean that the Common Market has caused no pockets of local or temporary unemployment.

Such unemployment is the inevitable price of technical progress, an experience thousands of miners made during the last three years especially in Belgium and in Germany, where the coal industry had to reorganize and rationalize very fast and deeply.

The Treaty provided the High Authority with two articles upon which it could act in such cases. One was article 56 (which was not used during the transitional period) and the other one was section 23 of the transitional provisions. They provide in principle the following assistance for the affected workers :

1. the High Authority can help out of its financial resources, to tide workers over until they obtain new jobs, (these payments are made in addition to their national unemployment benefits);
2. finance their re-training in new skills if necessary;
3. pay for their travel and furniture removal, as well as for their re-installation if they move to a new area;
4. in certain circumstances, provide investment loans for new industries to absorb labour even outside the field of coal and steel.

#### A. Workers' Readaptation

Although all the Community countries have national unemployment insurance schemes, those who framed the European Coal and Steel Community Treaty foresaw that "readaptation" would have to be more comprehensive than any of them, and in fact these readaptation provisions are new in several respects :

- a) They were designed to forestall crises, rather than to alleviate them after their occurrence.
- b) They do not depend upon a direct contribution, voluntary or compulsory, from the workers concerned, but are financed out of the general resources of the High Authority and the Governments.

- c) They provide for tidying-over payments, based on the workers' previous salaries and very much higher than unemployment benefits.
- d) They recognize that the burden of temporary unemployment in individual countries must be carried by the Community as a whole.

On the basis of Section 23, readaptation help was considered for about 115,000 workers, 95,000 workers from the coal industries and about 20,000 from the steel industries. About 42,5 million dollars were made available for these readaptation schemes by the High Authority.

The transitional period came to an end on the 10th of February 1960 and operations have come to an end on the basis of this disposition.

Readaptation help is now being accorded on the basis of article 56. Since its application, in 1960, readaptation schemes have been established for 54,000 workers, of which 44,600 are coal mine workers, and about 13 million dollars have been put at the disposal of these schemes (11 million dollars for coal mine workers). Readaptation operations during the transitional and definitive periods have involved by now a grand total of 169,000 workers of the coal and steel industries, and a total sum of 55,5 million dollars has been engaged.

The High Authority's readaptation schemes differ widely. In the various cases so far undertaken, all the different methods provided for in the Treaty have been applied with varying degrees of success - resettlement in new areas, and retraining on the spot.

The advantage of assistance to coalminers affected by the closing of pits as a result of the reorganization of the coal industry is apparent.

However, assistance is also given to iron-ore miners.

The High Authority has already been asked to help workers from a number of iron-ore mines which have been, or will be, affected by the structural changes in the iron-ore market, in which rich ores



from third countries are gaining an increasingly important place.

The assistance of the High Authority will perhaps one day benefit iron and steel workers liable to be threatened by the advance of substitute products and the needs for specialization or concentration.

Although technical progress has been rapid for some years in the industries coming within the scope of the High Authority, it has not, so far, resulted in unemployment on such a scale as to justify intervention from the Community.

However, if employment was to be substantially affected by technical progress, the High Authority and the Governments could restrict the harmful effects upon the workers.

The High Authority is therefore effectively protecting the workers' incomes.

It does so by assuring continuity of employment as far as possible.

In order to be able to ensure such continuity, it is closely following the situation in the three industries and in the areas where the enterprises covered by the Treaty are situated.

Regional studies of employment financed by the High Authority have helped in identifying the problems involved and in preparing appropriate solutions.

#### B. Industrial Redevelopment

Since March 1960, the High Authority has been empowered by article 56, 2 of the Treaty to grant loans and to give its guarantee for loans contracted for the extension, conversion or introduction of activities which will provide productive re-employment for miners or steelworkers rendered redundant as a result of radical changes in the marketing conditions of their industry.

In order to examine the problems of the areas affected by pit closures, and to ascertain what industrial redevelopment could do to remedy the situation, the High Authority and the Council of

Ministers convened an intergovernmental conference. The conference took place in September 1960 and devoted particular attention to the means of action open to the Governments and the European institutions and to the manner in which they would need to co-operate in order to stop the economic decline of the areas affected and to ensure a satisfactory level of employment.

Since then a number of projects have been realized and some of them are on the way. In the region of Liège (Belgium) a new steel processing plant is nearly completed; it will create 4,000 new jobs. The High Authority granted a low interest loan of 2 million dollars.

In the same area an industrial zone has been created and it is hoped that it will attract firms which will be able to offer employment to about 4,000 workers. The High Authority is participating in this project with a sum of 2,5 million dollars.

In the Borinage, another depressed area in Belgium, an aluminium processing plant is being constructed with credits of the High Authority and it is hoped that employment can be offered to 500 mineworkers (2 1/4 million dollars).

Several redevelopment schemes have also been started in France. One is in Champagnac, the other in the Bethune area.

5. Apart from these direct financial contributions, article 69 obliges the High Authority to facilitate the free movement of labour. One major step in this direction is the introduction of a community labour card for skilled coal and steel workers in the six countries. Holders of this card are able to work at their trades in any of the Community countries without having to obtain the national labour permits normally needed by foreign workers. To qualify for the labour card, workers who have taken formal training courses must have had one year's experience on the job; for others, the minimum is two years experience.

A further step to ease labour movement is an agreement on social security benefits. This will ensure that those who move to

other Community countries shall suffer no loss from unemployment, sickness and family allowances, etc....

The workers immediately affected by these provisions will probably be only a small proportion of the 1 1/2 million employed in the Community's coal and steel industries. Most of the present migration within the Community is of Italians employed in the Belgian mines. About 25,000 of the 95,000 miners in Belgium are Italians (26 %) and the proportion at the face is even higher. But many of them return home with their savings after a short stay. The other main group of migrants are about 12,000 workers who live near frontiers which they cross to go to work.

Nevertheless, the fact that workers have the right to transfer to areas where wages and conditions are more attractive is bound to exert an upward pressure on wages in the lower-paid pits and mills from which qualified workers, in particular, might migrate. It is therefore one factor helping to bring about the "upward harmonization" of working conditions which is an important aim of the Community.

To sum up the essentials :

As we have seen, the powers of the High Authority in social matters are no doubt incontestable, but just as unquestionably limited : they are determined by the text of the Treaty.

This limitation probably arises out of the fact that the authors of the Treaty made the economic life of the coal and steel enterprises the centre of gravity of the Community. They conceived the social activity of the High Authority as a complement to and, often, as a corrective of, the action they expected from it in the economic field.

Furthermore, they did not wish to give the High Authority powers which might have been confused with those of the Governments and social partners.

As I have pointed out repeatedly, the rights of the Governments and social partners have been respected, the High Authority using its powers in an incentive or complementary way.

Ladies and Gentlemen,

I have tried to give you in a nutshell a description of the social activities of the High Authority. I fully realise the difficulty to understand and to digest it all in such a short time. But I do hope that my answers to your questions will enable me to clarify the dark points left in your mind.

I thank you for your kind attention.

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