

THE SOCIAL TASKS FACING THE E.E.C.

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In my own country we are this year celebrating the centenary of the creation of an independent and united Italy. But as we look back, and recall the achievements of the past, we are also ourselves taking part in events which are quite as revolutionary. The outlines of the new European Community have already been firmly drawn, and it is clear to us in the six countries - as I am sure it is also to the rest of the world - that the force of the movement towards integration is as powerful to-day as that towards national independence was a hundred years ago.

Although part of our work is to dismantle the economic barriers which have been inherited from the past, we are also conscious of building - in other directions - on the positive achievements of our separate nations. This is particularly true in social policy. Over the past hundred years in western Europe there has been not only a remarkable rise in the wealth and prosperity of the community at large, but also an equally marked growth in all countries of a feeling of responsibility on the part of public authorities for safeguarding and increasing that welfare.

## NO PIOUS HOPE

It is on this that we in the Communities are now building. It finds its expression in the Preamble to the Treaty of Rome where the six member states state quite firmly that their "essential purpose" is the constant improvement of the living and working conditions of their peoples. This is not just a pious hope. It expresses a determination to create a community not of mere economic interests, but one which - through certain basic changes in economic structure - will be a community in the fullest possible sense: a community in which the general welfare of the entire population is at once the objective and the

yardstick by which we measure our efforts to achieve it.

This social objective of integration was recognized in 1951 in the Paris Treaty setting up the European Coal and Steel Community. But since then - and largely because of the experience and action of that organization - we have learnt a great deal about the steps which the Communities themselves can take to ensure its realization.

The actions which the Economic Community is taking to reach its social objectives are of two types. In the first place, what may at first sight appear to be purely economic steps are being taken with a full appreciation of their social consequences. Economic policy, that is, is being designed with a positive social purpose. It is extremely important from a social point of view, for instance, that while the Common Market is being created, the member states are pledged to concerted action designed to guarantee a steady expansion of their economies, balanced trade and fair competition. To ignore any of these three would certainly entail the possibility of serious social consequences in one or more of the Community countries.

Similarly, the provisions in the Treaty in favour of the development of the less fortunate regions of the Community, and the conditions attached to policy on balance of payments in Article 104 of the Treaty - which require that equilibrium in this sector is to be sought "while ensuring a high level of employment and the stability of the level of prices" - show that all our work is infused with a keen regard for the Community's social obligations.

This is reflected also in the institutional structure of the Community, which is designed to associate representatives of all sides of industry with the work of the Commission. The consultative Economic and Social Committee, where organized economic interests are represented, is one formal expression of this aim: there is also the Community's Parliament where the various political groups reflect the opinions of the public in general. The Commission welcomes the efforts now being made to prepare schemes for direct elections to this Parliament. We believe it is of the utmost importance that the population of the member countries should have an opportunity for direct participation, through their elected representatives, in our work.

At the same time, and here I turn to that part of the Commission's task with which I am particularly concerned, the Treaty contains a number of specifically social provisions. Their general objective is laid down in Article 117. It is defined as "the necessity to promote the improvement of the living and working conditions of labour so as to permit the equalization of such conditions in an upward direction". As I have said elsewhere (1), this does not mean that such conditions are to be aligned on some theoretical average. This would mean that the more socially advanced countries would have to mark time till others had caught up. Our concept is a much more dynamic one: we believe that we should aim at a general improvement, but that we must also take steps to see that those who have some leeway to make up should be given special help to allow them to come into line with the leaders.

In this task, the role of the European Investment Bank is crucial. It is already contributing through its loans to the development of industry in those parts of the Community where the need is greatest. At the same time the Commission is fully conscious of the need for a general effort by member governments: preliminary discussions have already begun with national experts to select those regions for which special action is required, and to draw up with them plans which will fit into the general pattern of the Community's development. In this context, the Commission's own proposals for a common agricultural policy are also of the greatest importance, for these, too, aim at a general raising of the level of the living standards of those engaged in agriculture - an activity which in the Community as a whole at present occupies more than 20 per cent of the active labour force.

This complex of measures aims not only at improving existing living standards, but also at the gradual removal of pockets of structural unemployment in the community. But the treaty also provided a means to deal with certain difficulties in employment which may arise out of the progressive putting into effect of the Common Market. In the past, the worker himself has often had to bear the brunt of economic change: when deprived of employment he has had to fend for himself. To-day, in the Community, this is no longer so. Member countries have accepted a joint

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(1) Bulletin of the European Economic Community, No.2, 1959

responsibility to cushion the social effects of the changes which they are putting in motion. For this reason they have equipped the Community with a Social Fund whose purposes is to ensure continuity in suitable employment for those displaced.

The Social Fund will be used to reimburse half the cost sustained by member states or public organizations in three types of intervention. First, the retraining of unemployed workers who have to find another job; secondly, the resettlement of workers who have to change their place of work; and thirdly, the maintenance of full normal wages of workers who have to be temporarily laid off during approved reconversion schemes.

The potential importance of the Fund has recently been underlined by the experience of the Coal and Steel Community with its readaptation scheme. It has already benefited more than 110,000 workers in those industries under the jurisdiction of the E.C.S.C., but it was originally conceived as a purely transitional measure. The structural crisis in the coal industry has now shown, however, the desirability of having similar aid available on a long-term basis, and the principle of this has been accepted by the Community's Council of Ministers.

#### FUND REGULATIONS APPROVED

The regulations drafted by the Commission to govern the operations of the Social Fund have now been considered and approved - with some suggested amendments - by both the Social and Economic Committee and the European Parliament. It is impossible at the moment to forecast the financial extent of the Fund's interventions; one can say, however, that the Fund will have an obligation to meet all the demands made on it in conformity with the provisions of the Treaty, without budgetary limitations. The Commission itself will administer the Fund, in cooperation with an advisory committee composed of representatives of governments, trade unions, and employers.

The importance of the Fund is that it provides a means of anticipating difficulties, and not merely of applying remedies when damage has already been done. It is all the more useful because it gives certain possibilities to the Commission of directly influencing social development in the Community.

Where the free movement of workers is concerned, the aim is that by the end of the transition period the ordinary working man and woman will be free to accept an offer of employment in any of the countries of the Community. Looked at from one point of view this is the social corollary of free movement for goods, capital and services: but it is at the same time a gain in personal freedom. At present, mobility of labour within the Community is severely restricted in most member countries by systems of labour permits (usually issued only for comparatively short periods) and other restrictions. To achieve a more rational distribution of the Community's labour force, corresponding to the needs of the Common Market, it is necessary to remove such barriers.

Much preparatory work to make this possible has already been done. Our first task has been to analyse the present legislative and administrative provisions for the employment of foreign workers in force in the member countries. The next stage is to draw up proposals to end existing forms of discrimination, particularly those concerning the entry of workers and their families, employment, and residence. In this work, we are in close touch with experts from the various countries, with their aid the Commission hopes also to devise means which will effectively coordinate the work of national employment agencies, and where necessary to supplement them by a Community agency.

Formal restrictions are not, however, the only barriers to the freer movement of workers. There is also the complex of social security regulations which at present tend to put a worker at a disadvantage the moment he steps out of the territory of his own country, where he has made his contributions to a national or private scheme. The Commission has therefore to seek ways of harmonizing these schemes and to ensure that migrant workers do not suffer.

One important advance in this sphere has already been achieved. By using the provisions of the Treaty to put into effect the European Convention on Social Security for Migrant Workers (drawn up and concluded on the initiative of the High Authority of the E.C.S.C.) one of the handicaps on such workers has been removed. By regulations which came into force at the beginning of 1959 the principle of an equality of rights to

social security benefits has been established as between native and migrant workers. Periods in insurance are added together, and in certain instances benefits are paid in the country to which the worker has moved. Much detailed work is needed to smooth the way for the practical application of this measure. It is being carried out by an Administrative Commission, the secretariat for which is provided by E.E.C.

This measure is the first practical achievement by the Community in the context of its more general task of harmonizing and coordinating legislation. We have also to prepare the way for a number of specific measures which are spelled out in detail in other articles of the Treaty - for instance, the introduction, by the end of the first stage of the transition period, of equal pay for men and women throughout the Community; the maintenance of the existing equivalence of paid holiday schemes; and a harmonization - on the basis of existing French practice - of average rates for overtime pay.

To put these provisions into practice, the Commission has first to undertake studies on the present legislative and administrative situation in the various member countries. Once this has been done, we shall be in a position to make recommendations about the steps to be taken.

We need to know, for instance, much more than we do at present about employment - and its prospects - in the Community. On the one hand, the active population of the Community continues to grow (though at a lower rate than the total population), and on the other employment prospects vary greatly both between the various member countries, and between different sectors of the economy. We are at present studying recent trends (during the years 1954-58) as a first step towards making forecasts about changes which are likely in the next few years. Such forecasts will then make it possible to pinpoint the main problems that have to be faced, and provide a guide to the steps which will have to be taken to avoid difficulties.

The Commission is convinced that an important contribution to the development of social welfare within the Community can be made by an intensification of the present efforts in vocational training. The raising of the general level of professional skill in the Community's labour force

can greatly help the maintenance of a high level of employment in an expanding economy, add to the mobility of the labour force, and help its better distribution within the Community. At present, efforts in this field are divided between governmental agencies, public organizations, and private firms, and there is a wide diversity in the measures taken, for instance, to train young workers. As a first step towards an intensified drive, the Commission has set out to provide a comprehensive picture of what is being done already. This year, in October, the Commission is taking the initiative itself in organizing a study conference on the efforts demanded by the increasing degree of technological skill required in industry, and particularly, the spread of automation.

Similar studies are also being conducted in a variety of other fields - legislation on social security, housing, safety regulations and so on. Meanwhile, proposals for speeding up the Community's timetable are being discussed by the Commission, not only in the light of their likely effects upon trade, but also upon the social provisions of the Treaty. The two cannot be considered in isolation without the risk of upsetting that essential balance of the Common Market, which the authors of the Treaty were careful to maintain.

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