

Brussels, February 1964

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INFORMATION MEMO

Subject: Social matters on the Council's agenda
for February 6, 1964

1. REGULATION ON THE SECOND STAGE OF FREE MOVEMENT OF WORKERS

The Council of Ministers is to adopt a regulation on the second stage of the free movement of workers within the Community. This regulation, submitted to the Council by the Commission, will replace Regulation No. 15 which has been in force since September 1, 1961. Most of the provisions proposed by the Commission, which are a considerable advance on the first regulation, are already agreed in fact. Thus, priority for the national labour market will be abolished and all Community workers allowed to take up available jobs in the member country of their choice on an equal footing with workers of that country. However, in order to prevent any imbalance which might arise in certain regions or trades from an indiscriminate abolition of priority to the national labour market, Member States may, if circumstances so require, temporarily maintain or re-establish this priority in regions and trades which are particularly threatened. They shall inform the Commission of the step and justify their action. In any case the limitations and exceptions imposed by Regulation No. 15 on the operation of the national labour market's priority are to be maintained for the regions and trades specified.

Furthermore, under Regulation No. 15 workers had to have been employed regularly for four years in order to be assimilated to national workers; in the second stage two years' employment will suffice to qualify them for the same rights.

Progress has also been made on the admission of the worker's family, since the worker's right, granted by Regulation No. 15, to be joined by his wife and children under age is now extended to all dependent relations, both ascendants and descendants, on the sole condition that he has a "normal" dwelling for his family.

There are two outstanding points awaiting the Ministers' decision. The first concerns the right to belong to the workers' representative organizations in a firm. While there is agreement in principle on this important point and it is likely that workers will be accorded the right, the practical details are still the subject of controversy. There is a similar situation regarding the priority of the Community labour market, to which the Commission attaches particular importance, but which is meeting with difficulties at Council level.

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Two further but less serious difficulties remain, one on the right to housing and the other on the right to leave the territory of a State in order to work elsewhere.

It must be pointed out that the new rules are no longer limited to workers covered by Regulation No. 15, but also include wage-earners accompanying the provider of a service or undertaking a service on his account. This is to allow the effective application of the directives implementing the general programme for the abolition of restrictions on the free supply of services. These rules also cover seasonal and frontier workers who are not catered for by Regulation No. 15.

2. ARTICLE 119 - EQUAL PAY FOR MEN AND WOMEN

On December 30, 1961 the Conference of the Member States adopted a resolution on the harmonious and uniform implementation in the six countries of the European Economic Community of the principle of equal pay for men and women workers.

According to the resolution any difference of pay between men and women was to be reduced to a maximum of 10% by June 30, 1963, while a further step forward was to be taken towards the total abolition of any form of discrimination between male and female labour having a direct or indirect influence on pay.

After a thorough survey carried out in co-operation with the Governments and representatives of both sides of industry in the six countries, the EEC Commission submitted a detailed progress report to the Council on the implementation of Article 119 as of June 30, 1963.

The picture presented by the Commission of the situation in the various countries is positive, although there is evidence of omissions and delays in several Community countries.

In Belgium there has been decided progress. In certain sectors where women workers are in the majority, collective agreements have modified job structure by establishing a single classification system for men and women.

In other sectors collective agreements have faithfully observed the time-table set by the resolution, sometimes adding intermediate stages.

In many sectors the gap in wages between men and women has been narrowed in order to get nearer to the 90% level fixed by the resolution.

In Germany the constitutional norm of equal rights for men and women, consistently upheld in the courts, where the principle of equal wages is defined as a corollary of the constitutional principle, makes it impossible to pay men and women different wages for absolutely equal work. In numerous sectors, however, thanks to

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insufficiently defined wage categories, it is possible to practise discrimination against women, who often find themselves classified at a lower level than unskilled workers. It is confirmed, however, that at the organizational level conditions in Germany are particularly favourable for the proper implementation of the principle of equality.

In France the formal recognition of the principle of equal wages was achieved far in advance of the other countries. This has made it possible to apply the principle extensively. However, there are still sectors where equal pay for men and women does not seem to have been fully implemented. The practical application of the principle of equality would be better ensured by specific legislation providing legal protection for women who consider themselves the victims of discrimination.

In Italy, in consequence of certain modifications in trade classification - which had aroused fears that all women workers might be included in categories almost entirely reserved for female labour - there is a tendency to abolish the less well-paid categories, so that in many sectors women are already to be found holding jobs classified at a higher level than unskilled workers.

The clear advance over the last year confirms that implementation of the principle of equal wages is making headway on the right lines in Italy.

In Luxembourg the same minimum legal wage, a relatively high one, has been adopted for both sexes, equality has been introduced into the public sector, and collective agreements embracing 80% of the industrial labour force have been amended. These measures should be the first steps towards the creation of a situation of equality which will spread to all levels. It is perhaps too early to pass a final judgement on the matter, but the female worker in Luxembourg already possesses a personal right to equal pay which can be defended in the courts.

In the Netherlands the Government very recently decided to promote proper application of the principle of equal wages for men and women during 1964.

Although at present there are still certain loopholes, it can be stated, in view of the Government's decision, that the principle of equality will be speedily applied in the Netherlands.

3. NEW REGULATIONS OF THE EUROPEAN ECONOMIC COMMUNITY CONCERNING SOCIAL SECURITY FOR MIGRANT WORKERS

The regulations concerning social security for seasonal and frontier workers took effect on February 1, 1964.

The official gazette of the European Communities of January 17, 1964 publishes the texts of two regulations concerning social security

for seasonal and frontier workers, adopted by the Council of Ministers on December 18, 1963 and supplementing the basic regulations concerning these workers which were adopted on April 2, and July 11, 1963. All these regulations came into force on February 1, 1964.

These new regulations form a more complete social security system than that provided by bilateral conventions between certain Member States. They guarantee the right of seasonal and frontier workers, and of their families, to all social security benefits in the country where they work and in the country of residence.

It has been laid down that for frontier workers and their families medical care in the case of illness, maternity, industrial injury and occupational disease shall be provided by the institution of their place of residence on behalf of the institution they belong to in the country of employment. Money payments, such as daily invalidity benefits and family allowances, are made directly in the country of residence by the institution to which they belong. Unemployment benefits will be paid by the country of residence in the case of total unemployment and by the last country of employment if unemployment is partial or temporary.

Sickness and accident benefits for seasonal workers will continue to be provided by the country of employment where workers return to their country of origin for treatment. Their families will receive medical care and family allowances in the country of residence.

The official gazette of January 29, 1964 also contains pro formas to be used by seasonal and frontier workers wishing to receive social security benefits according to the new rules (attention is also drawn to the list published in the official gazette of February 1, 1964 of communes in the frontier regions on both sides of the borders between France and neighbouring countries).

Improvement of Regulations No. 3 and No. 4 concerning social security for migrant workers

Continuing, in the light of experience, its work of progressively improving the social security situation of migrant workers, the Commission has submitted to the Council of Ministers an amendment to Article 13 of Regulation No. 3 and Article 11 of Regulation No. 4. The Council will express its opinion on the proposal on February 6 and 7, 1964. Its object is to put an end to certain abuses arising from a provision relating to social security legislation applicable to "detached workers" (i.e. workers rendering services in another Member State on their employer's instructions). It also aims at bringing persons who normally carry on their trade in several countries - such as certain commercial travellers - under a single system of social security legislation, in order to do away with the difficulties they experience at present in paying social security contributions and receiving benefits.

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This will be the sixth amendment made by the Council, on the proposal of the Commission, since Regulations No. 3 and No. 4 took effect. The principal aims of previous amendments were:

1. To increase from 3 to 6 years the period in which medical care and family allowances are granted to migrant workers' families who have remained in the country of origin (the amendment took effect on January 1, 1961);
2. To provide benefits for workers suffering from occupational diseases, in particular silicosis, contracted during work in various Community countries (the amendment took effect on March 1, 1963);
3. To supplement and simplify provisions on family allowances for children of "detached workers" (the amendment took effect on April 1, 1963) and for the orphans and children of pensioners (the amendment took effect on February 1, 1964).

In order to make it easier to consult the amended Regulations No. 3 and No. 4, the Council is considering a proposal to publish a codified text of the regulations and all amending regulations pursuant to them in the official gazette of the European Communities.

4. REPORT ON MANPOWER TRENDS

The EEC Commission is at present drawing up its fifth annual report on trends in the Community's labour market. The fourth report was distributed to government departments and to employers' and workers' organizations in mid-1963.

These reports analyse the effects of economic evolution on the labour market by country and sector and in certain areas and trades. They also present provisional estimates and indicate means of promoting economic expansion and better use of manpower.

The reports conclude with recommendations and suggested measures, especially at Community level, to remedy cases of imbalance.

The report on 1963 is to be examined for approval by the Council of Ministers on February 6 and 7, 1964. On the basis of these reports the Council requested the Commission to work out and propose to the Member States concerned, in the framework of provisions in force and allowing for steps already taken, practical measures and programmes to meet the requirements of the labour situation in the Community.