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**Labor  
in  
the  
European  
Community**

# Community Social Policy in 1965

The year 1965 in the European Community was dominated by the crisis which started at the first of July with the withdrawal of French representatives from Community institutions. But progress was made in many areas of social policy in spite of the slowing of activity. In addition to proposals passed by the Council before the crisis, important work advanced in the Commission and its committees for the preparation of social measures to be presented at a later date. And the Commission's normal work of analyzing trends in the Community's economic situation and on the labor market and of publishing reports was also continued. The articles in this issue of Labor in the European Community deal with work and proposals in the field of social policy in 1965.

- \* EEC Social Policy in 1965, page 2. A review of Community progress in social policy last year.
- \* Free Trade Unions and European Integration, page 6. An article by Harm Buiter, Secretary-General of the European Trade Union Secretariat.
- \* Vocational Training in the EEC: The Netherlands, page 9. The fifth of six articles on member countries' vocational training programs.
- \* Commission Proposes New Regulation for Social Security, page 13. A new measure for coordination of social security for migrant workers in the EEC.
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# EEC Social Policy in 1965

The main characteristics of the social situation in the Community in 1965 were a rising standard of living created by rapid economic growth, a shortage of skilled manpower in many industries and sectors, and an increasing emphasis on instruments of social policy to meet the problems of a changing economy. Among these instruments at the Community level were a medium-term economic policy, a common vocational training action program, wider use of the European Social Fund, and an accelerated regional development policy.

The strains on the labor market continued in 1965, although the imbalance between the supply of and demand for workers was not as severe as in 1964. During the course of the year the number of unfilled job vacancies averaged about 800,000, and in certain countries there was more than one vacancy for each unemployed person. In Germany and Holland, there were 4 to 6 unfilled job offers for every unemployed worker.

## GERMAN WORKER SHORTAGE WORSENS

By the end of the year a slight easing of employment figures was visible in France and Belgium, but the worker shortage in Germany worsened, and that in the Netherlands remained constant. Unemployment, primarily of unskilled workers, rose in Italy, although somewhat more slowly than the pace in the last half of 1964 and first half of 1965. The Commission estimated that about 300,000 Italian workers were available for employment in the other member states during the year.

The wage rise, which had been fairly strong in 1964, became more moderate in 1965 except in Germany and Belgium, although there was a slowing in the latter country at the beginning of 1965. Both France and Luxembourg registered less rapid increases of salaries, and the wage trend lost considerable momentum in Italy. In Germany, to the contrary, the upward tendency of negotiated wages and particularly of real wages was quite great, and earnings in industry increased by 19.4 per cent from March to August.

## INSTRUMENTS OF SOCIAL POLICY

One of the most important instruments used by the Commission for combatting the strains on the labor market in 1965 was the European Social Fund which it administers. The Fund, established by the Treaty of Rome, provides financial assistance to promote the employment opportunities and the geographical and occupational mobility of Community workers. In 1964, \$4,639,519

was spent for these purposes, and this amount was increased to \$7,200,000 in 1965, granted to 121,000 workers. Since the inception of the Fund in late 1960, the Commission has given nearly \$32,000,000 to the six member countries for aid to 450,000 workers.

In January 1965, the Commission submitted to the Council of Ministers two proposed regulations to increase the effectiveness of the aid and to adapt the Fund to the new employment conditions in the Community. These changes have been required to retrain workers who, while still employed, are faced with the threat of unemployment as the result of technological change. The proposals would enable the Social Fund to provide the retraining facilities for workers in such situations. In addition, the proposals are linked to the needs of regional planning and would give the Commission the power to make Fund contributions toward the cost of guaranteeing incomes of workers awaiting employment in new factories and of building vocational training centers.

#### VOCATIONAL TRAINING PROGRAMS

As a result of the employment problems in the Community, the Commission has given priority to vocational training programs to meet the increasing needs for skilled workers. In May 1965, it presented to the Council two action programs in vocational training, one concerning all sectors of economic activity, the other dealing with agriculture. The overall program provides for both immediate and long-range action in common vocational training policies.

In the short run, proposals would be made for rapid training based on annual forecasts of labor supply and demand. The long-term action would cover training structures and methods as well as standards of education and alignment of levels of training throughout the Community. The agricultural program has been drawn up for the different situation in the agricultural labor market and is aimed at retraining workers leaving the land and increasing the skills and mobility of farm workers. The Commission also proposed two regulations granting Community aid for the retraining of agricultural workers wishing to change jobs within agriculture.

Another Commission proposal suggested a program of accelerated vocational training to meet shortages of manpower in the Community. The first measures were drafted for 3,000 unemployed Italian workers who would be trained to meet demands for skilled labor. Three draft measures were proposed to help Italian sulphur workers undergoing hardships as a result of reorganization

of the Italian sulphur industry. In accordance with a program approved in 1964, the Council agreed upon exchanges of 4,455 young workers among the member countries in 1965.

#### SOCIAL SECURITY MEASURES

A considerable amount of progress was achieved in the domain of social security. In general, the Commission encourages harmonization of national laws rather than proposing regulations or Community laws. Close cooperation among member states in social security as well as in industrial safety, hygiene, collective bargaining laws and working conditions is foreseen in Article 118 of the Rome Treaty.

During 1965 the Commission held a number of meetings on questions of social security including experts from its own services as well as from the member governments. An important meeting was organized with representatives of unions and employers' organizations to survey the progress of all work on social security at the Community level. Another discussion was conducted in April on the first part of a study concerning social security in agriculture. The Commission published its fourth annual report on the implementation of the regulations on social security for migrant workers, covering the period from January to December 1962. Another report was issued on social security of migrant workers listing all the decisions taken on the various regulations passed by the Council.

#### PROPOSALS FOR MIGRANT WORKERS

The Commission presented to the Council in April a draft regulation amending and supplementing Regulations 3 and 4 of 1958 on social security of migrant workers. The new proposals concerned payment of allocations directly to the family of a migrant worker. In December, the Commission adopted and sent to the Council a draft regulation extending to sailors the social security provisions for migrant workers. These provisions guarantee workers from other Community countries the same social security rights as nationals of the host country and permit workers and their families to receive the benefits in the country in which they are located. Also in December the Commission issued a document giving the reports of the member governments on their action in the field of social services for migrant workers.

In July, the Commission sent a recommendation to the six member countries concerning housing of migrant workers and their families. Migrant workers often have difficulties in finding housing, in spite of Community regulations entitling them to the same rights and privileges in obtaining

accommodations as nationals of the host country. The Commission requested that migrant workers' needs be taken into consideration by member countries when planning construction programs and that the countries report the measures they take to prevent housing discrimination against non-nationals.

The Commission published three other important reports during the course of 1965. The first of these was its report on the problems of manpower in the Community in which it discussed labor difficulties and causes for strains on the labor market. The report on the social situation in the Community in 1964 was a general survey of social developments in all fields. The Commission also submitted a report to the Council on the degree to which wage equality for men and women had been attained in the member states by December 31, 1964.

#### MEDIUM-TERM ECONOMIC POLICY

Since the end of 1964, a committee has been working on a medium-term economic policy for the Community from 1966-70 which would permit the coordination of national and Community economic policies on a Community level. One of the major aspects of the medium-term economic policy is the role played by social policy in the development of the Community. In order to ensure a healthy expansion in the five-year period, the policy would include forecasts of supply of and demand for labor and programs to meet the needs of the economy.

Some of the measures to be proposed in the policy are a common vocational training program, an incomes policy on an overall basis, wider use of the Social Fund, and freer circulation of workers throughout the Community. A very important part of the medium-term economic policy is a policy for regional development in the Community in which social aspects would have a major role. A regional policy would be designed to reduce differences in living standards among various regions and to ensure better geographical distribution of economic activity.

The medium-term economic policy was to be sent to the Council by the end of 1965 but was delayed by the crisis in the latter half of the year. The chairman of the committee drafting the policy has expressed the hope that it will be completed by spring of this year for presentation to the member governments for their approval.

# Free Trade Unions and European Integration

By **Harm Bulter**, Secretary-General of the European Trade Union Secretariat

During the Community crisis the democratic trade unions of the six countries were insistent in calling for an early end to the dispute. From June 30, 1965 onwards, they made several appeals to the six member governments to resume talks within the framework of the Community institutions. This action in support of an integrated Europe was certainly no new stand; the free trade unions of the Common Market countries have, since the Community's inception, supported every effort to bring about the unification of Europe.

Their motives for this support have been several. In the first place, the trade unions are firmly convinced that the unification of our continent is vital for the maintenance of peace and freedom. We know that Europe was the source of two world wars. Before nationalism could be revived and get the upper hand after the Second World War, it was urgently necessary to establish a new legal order in Europe.

## "NOW OR NEVER"

For trade unionists there could be no hesitation in pursuing this aim. Internationalism has, in fact, always been one of the characteristics of the whole trade-union movement, and it is therefore not surprising that after 1945 continental trade unionists realized it was a case of "now or never."

Not only did the free trade unions in the Six respond to Robert Schuman's call in 1950, but whenever the work for unity was in jeopardy, they made every effort to find a solution so that the building of a united Europe could continue. Thus, all the free trade unions are represented and active in the Action Committee for the United States of Europe; and whenever new and constructive ideas have been put forward, its chairman, Jean Monnet, has found the Community trade unionists at his side.

## INTEGRATION NEEDED FOR HIGHER LIVING STANDARDS

Apart from the political aspect, the natural vocation of the trade union movement - to raise living standards - has given it a telling reason for supporting European integration.

The use of modern techniques necessitates vast, assured markets.

One thing is certain: if the highly industrialized countries of Western Europe wish to withstand competition from the United States or the Soviet Union, it is imperative that they first create the necessary conditions. A customs union for 170 million people will be an important step in this direction, particularly if it is accompanied by the establishment of economic union and common policies in transport, agriculture, and economics.

The trade union movement has adapted its European structures to the new needs by setting up trade union organizations at the Community level to influence the process of integration.

#### NO UNCRITICAL ACCEPTANCE

The maintenance of peace and freedom and the increase of living standards are aims which amply justify the trade unions' dedication. This certainly does not mean, however, that the unions uncritically accept everything that is done to bring about economic unity within the Community. The Community trade unions have said "yes" to European federation, but we have our own ideas on the form that an integrated Europe should take, and we are campaigning to have these ideas realized.

We consider that, in general, the development of the economic union is proceeding much too slowly, although it is certainly true that the Paris and Rome Treaties do not offer as much scope for advances in the wider economic field as in purely trade matters. We believe that it will take more than the hesitant beginnings of an anti-trust policy to create an economic system appropriate to the needs of our time. In addition, where planning is concerned, we shall certainly need more than the projected medium-term economic policy, especially if it comes to be interpreted only as a form of consultation between the national and Community authorities.

#### POLITICAL AND GEOGRAPHIC GROWTH

Only increasing solidarity between the free trade union organizations within the Community can guarantee the workers their fair share of the wealth of an expanding economy. These organizations have produced a common action program at the Community level, listing those claims that they feel should be given priority.

On the political level, the trade unions have unceasingly urged that the Community's democratic structures should be strengthened, and they insistently call for elections to the European Parliament by direct universal suffrage.

On the geographic level the Community trade unions have always sup-



## **Free Trade Unions and European Integration**

ported the extension of the Common Market to include all the democratic countries of Europe. They were, for example, in favor of the entry of Great Britain and believe that the work of integration can be only half completed without that country.

### IRREVERSIBLE PROCESS

These opinions reflect the broad choices made by the trade union movement. In spite of their criticisms, the trade unions have never questioned the value of European unification. To the contrary they have always called for it to be extended.

Their position has, of course, determined the trade unions' attitude toward the crisis. Here, as in other fields, we continue to support the Common Market Commission and all other political forces which follow the lines we have indicated. We shall likewise continue to oppose any views that endanger what has so far been achieved. In seeking to advance along the road we have chosen, we shall be guided neither by pessimistic nor optimistic visions but simply by what we consider to be an irreversible process of historical development.

# Vocational Training in the EEC: The Netherlands

Vocational training is well-organized and highly-developed in the Netherlands, and the system is characterized by a large measure of freedom for the pupils in choosing their type of training. State regulation of vocational education was begun in 1919 with the passage of the Technical and Vocational Education Act which was superceded in 1963 by the Continued Education Act covering all types of training.

Primary education begins at the age of six in the Netherlands, and the minimum education requirement is eight years. Over 99 per cent of the children in this age group attend some type of educational establishment. After six years in a primary school, pupils have a choice among various schools to fulfil their educational requirements.

## GENERAL EDUCATION SCHOOLS

For those pupils wishing a general education there are a number of possibilities. A six-year course at a "classical" high school is intended for those pupils wishing to go on to the university. Another type of high school, the atheneum, also has a six-year course of study and offers a more modern education than the classical high school. Finally, the lyceum is a combination of the above two enabling the pupils to choose a classical or modern orientation after a two-year basic course. Other possibilities include a five-year course for girls leading to advanced vocational studies, a three- or four-year school in preparation for intermediate technical schools, and a two-year general school to enable pupils to complete the minimum education requirement.

## TECHNICAL AND VOCATIONAL TRAINING

A wide range of schools is also available for those pupils wishing to begin technical and vocational training after the first six years of primary education. In general, most of these schools have a one-year transition course before beginning the actual theoretical and practical training. Vocational training in the Netherlands is taught primarily in the schools as opposed to apprenticeships in the factory or shop. The most popular of these are the technical schools which were attended by almost half a million pupils in 1963-4. These schools give a basic education for pupils in trades and crafts, industry, the merchant marine, home economics, and feminine handicrafts.

One type of technical school is the elementary technical school with an enrollment of about 125,000 pupils. The course of study is generally three years, and the curriculum includes metal-working, wood-working, automobile mechanics, bricklaying, baking, and other trades. The advanced elementary technical schools are day schools for pupils envisaging administrative positions and offer a two-year theoretical course followed by a one-year practical course. They require two years of education after the primary school for admission.

A more advanced education is found in the technical colleges which concentrate on improving general technical knowledge through theoretical training. These colleges offer a four-year course, including one year on-the-job training and require four years of education after primary school as a condition of admission. Students may take courses in most engineering fields as well as applied chemistry and physics. A last type of technical training is offered in the trade schools for printing, fishing, textile manufacturing, music, and photography.

#### HOME ECONOMICS FOR GIRLS

Five hundred fifty home economics schools for girls exist in the Netherlands, the most popular kind being the elementary home economics schools which begin immediately following primary school and which had an enrollment of 110,000 in 1963-4. One-third of the training in these schools consists of general education; the rest is concentrated on cooking, sewing, and other domestic skills. The advanced elementary home economics schools are for girls wishing to follow a profession such as home economics or dietetics. Finally, the secondary home economics schools train girls to teach and prepare them for the necessary diplomas.

Agricultural vocational training is another important aspect of Dutch education, and various types of agricultural and horticultural schools through the college level prepare pupils as farmers, farm managers, nurserymen, and teachers. Trade schools train pupils wishing to become master-artisans and tradesmen. Other types of vocational schools are for fine and applied arts, commercial training, social work, retailing, and socio-pedagogic training.

Vocational training schools are mainly organized by private organizations, although the state and municipalities have established a few schools themselves and exercise a supervisory control over the private schools. A few firms and factories have also set up their own schools.

Approximately 90 per cent of the vocational training schools are privately run, and many of these receive state subsidies, often for their entire expenses.

#### APPRENTICESHIP SYSTEM

In addition to vocational training in the schools a system of apprenticeship has been established in the Netherlands for industry and the crafts. The controversy of whether vocational training in the factory or in the school is preferable has been avoided in the Netherlands where the two complement each other. This special relationship is made possible by the younger age at which pupils may begin their vocational training, 12 as compared to 14 or 15 in other Community countries.

One of the major features of the Dutch system of apprenticeships is the freedom of choice which it allows the pupils. A pupil may sign an apprenticeship contract between the ages of 14 and 16 after he has completed either two years general education above the primary level or two to three years in an elementary technical school. In recent years the tendency has been to acquire some vocational training in a school before entering into a factory or firm as an apprentice. An increasing number of pupils are also choosing an apprenticeship over training in the advanced elementary technical schools, and the number of apprentices has multiplied rapidly from 26,000 in 1952 to almost 60,000 in 1963.

#### ORGANIZATION OF APPRENTICESHIPS

The apprenticeship system is under the supervision of trade organizations in each sector, and these organizations receive government subsidies. But the apprenticeship training itself is organized by the individual firms. The apprenticeship contract is concluded by the pupil and the employer and countersigned by a trade organization which thereby binds itself to supervise the conditions of the contract. The apprenticeship usually lasts from two to four years during which time the apprentices have regular inspection visits from representatives of the supervising trade organizations. The pupils are also required to follow general and theoretical courses during the apprenticeship. They receive a salary and other benefits fixed by collective conventions. At the end of the training period the trade organizations give an examination and present a certificate of vocational aptitude which is recognized by the particular vocation and which often entitles the holder to a higher salary.

ADULT VOCATIONAL TRAINING

**Vocational Training  
in the EEC:  
The Netherlands**

Another important area of vocational training in the Netherlands is the system for adults which has had considerable success. Training centers were established by the government shortly after the war in areas of large-scale structural unemployment, and in following years emphasis shifted to regions with labor shortages. The vocational training centers are open to unskilled adults who are either out of work or in danger of losing work owing to lack of technical training. By the end of 1963 over 60,000 adults had completed a course at the government training centers, and about 92 per cent of these proved successful at the job for which they had been trained.

BASIC STATISTICS FOR THE NETHERLANDS (1963)

Population	11,890,000
Working population	4,324,000
Population by age group	
Under 15	3,437,000
15 to 64	7,346,000
65 and over	1,107,000
Working population by main sectors of activity	
Industry	1,805,000
Services	2,059,000
Agriculture	425,000
Unemployed	35,000
Working population by status	
Employers and self-employed	886,000
Wage earners	2,756,000
School attendance (1963-4)	
Primary schools	1,395,401
Secondary schools	507,227
Vocational schools	563,139
Vocational and technical schools	490,822
Commercial schools	23,996
Social work schools	3,661
Agricultural, horticultural schools	44,271
Other	389
Apprenticeships (1963 est.)	60,000

# Commission Proposes New Regulation for Social Security

The Commission has sent a draft regulation to the Council proposing the coordination of the social security systems in the EEC applicable to workers and their families who move within the Community.

At present, social security for migrant workers is covered by a number of Community provisions, the main ones being Regulations 3 and 4 which went into effect on January 1, 1959. The proposed regulation would revise and improve these regulations and subsequent amending regulations passed by the Council.

Regulations 3 and 4 provide for equality of social security benefits for nationals of Community countries working in other EEC countries, accumulation of eligibility time for work done in other EEC countries, and payment of most benefits wherever a worker may be. The number of workers and families benefitting from Community rules on social security has increased considerably since 1959, and an estimated two million persons received almost fifty million dollars in 1964 as a result of Community regulations.

## FULL PROTECTION FOR MIGRANT WORKERS

The Commission has proposed the general revision of Regulations 3 and 4 in order to guarantee migrant workers and their families full protection, which owing to wide disparities in national social security systems has not yet been attained. The most important of the improvements in the Commission's draft concern family allowances, unemployment benefits, and payments for invalidism, old age, and death. The new regulation would cover all workers who move from one Community country to another including:

- \* workers who take up employment in another EEC country and transfer their residence
- \* frontier workers
- \* seasonal workers
- \* temporary workers
- \* sailors
- \* workers employed in several countries.

## DIRECT PAYMENT OF FAMILY ALLOWANCES

Under the provisions for family allowances family members who do not accompany the worker to the country where he is employed would receive payments directly as provided by the legislation of their country of residence. In

**Commission Proposes  
New Regulations for  
Social Security**

those cases where family members now receive higher allowances owing to bilateral conventions, under the new regulation they would obtain an additional payment to bring their allowances up to the amount previously paid. Regulation 3 provides only for family allowances in the strict sense, but the new regulation would entitle families to receive other payments foreseen in the legislation of their country of residence which they are not now receiving.

Full unemployment benefits would be paid at the rate of the country where the worker is registered at an unemployment office and for as long as that country's legislation provides. At present, such provisions apply only to frontier workers. Also under the Commission's proposal all unemployed persons would be entitled to medical care and family allowances wherever they reside in the Community.

MINIMUM PENSIONS AND GUARANTEED ELIGIBILITY

If the legislation of a country of residence provides for a minimum pension, this would be guaranteed to all workers fulfilling the necessary conditions, and the periods of eligibility completed in different Community countries would be added together to determine the pension. Migrant workers would not lose pension rights acquired in several member countries, but their pensions could not exceed the highest pensions they could have claimed had they lived in only one member country.

An additional provision of the proposed regulation enables workers', farmers', and employers' organizations to be represented in an advisory capacity on the Administrative Committee for the Social Security of Migrant Workers, a body composed of Commission and national experts.

# European Social Fund Grants

The Commission of the European Economic Community has announced in Brussels that a total of \$7,200,000 was granted by the European Social Fund in 1965 to the member states for assistance to 121,865 workers.

The Fund, which was established by the Treaty of Rome, is administered by the Commission and reimburses member states for 50 per cent of their expenditures for worker retraining and resettlement. The Fund is intended to improve employment opportunities for workers and to promote their geographical and occupational mobility, particularly when unemployment results from new conditions created by the EEC. Since the inception of the Fund in 1961, the Commission has granted nearly \$32,000,000 to the six countries for aid to 450,000 workers.

The Fund's resources come from member states' payments to the Community budget according to a scale in Article 200 (2) of the Rome Treaty. The Commission determines at the end of each year the amounts owed. At the end of 1965 only Italy had a credit balance on the accounts, amounting to \$1,316,000. The other member states had debit balances totaling \$684,000 for Germany, \$286,000 for the Netherlands, \$167,000 for France, \$163,000 for Belgium, and \$14,500 for Luxembourg.

The amounts granted to each member country since 1961 are:

Belgium	France	Germany	Italy	Luxembourg	Netherlands	Total
\$1,895,292	\$9,679,397	\$6,884,644	\$10,794,186	\$8,831	\$2,430,999	\$31,693,349
6.0%	30.5%	21.7%	34.1%	.1%	7.7%	100%



# Social Security for Migrant Sailors

The EEC Commission has sent a draft regulation to the Council proposing the extension to sailors of social security provisions for migrant workers.

The original Community regulations Nos. 3 and 4, which took effect on January 1, 1959, guarantee migrant workers the same social security rights as nationals of the host country and ensure that the benefits can be received wherever the migrant worker may be in the Community. Workers are also entitled to accumulate work periods under various national legislations for purposes of calculating benefits.

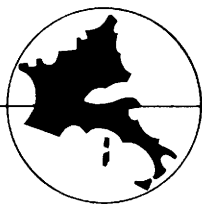
It was foreseen in Regulation No. 3 of 1958 that sailors would fall under its provisions, but the necessary measures for application of these provisions were postponed. Until now bilateral and multilateral conventions have covered social security for sailors.

These conventions are less advantageous than Community social security regulations, and complete coordination is not guaranteed in cases where sailors have served under the flags of more than two member states. The proposed regulation provides that sailors come under the national legislation of the member state whose flag a ship carries.

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