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**Labor
in
the
European
Community**

Labor and Overtime Trends

This issue of Labor in the European Community reviews major labor events during 1966 and their impact on living and working conditions. This issue contains :

- When Is Working Overtime "Overtime Work"? page 2. A review of the EEC members' laws on overtime work and a survey of overtime practices in selected industries.
- Community Social Policy in 1966, page 7. Highlights of the European Economic Community Commission's Social Report appended to the Tenth General Report.

Requests for further information on the European labor situation may be sent to the European Community Information Service, 808 Farragut Building, Washington, D.C. 20006.

When Is Working Overtime, 'Overtime Work'?

"Overtime" means one thing throughout the United States to industries in intra-state commerce. In the European Community, however, the meaning changes at each frontier between the member countries: France, Italy, the Netherlands, Belgium, Luxembourg, and the Federal Republic of Germany.

Normal and maximum working hours, overtime conditions, and the length of annual paid vacations vary widely in the Six, according to a study published in September 1967 by the European Communities Commission.* The study examines the laws affecting working time and the actual hours worked in selected companies in the automobile, electrical, textile, synthetic fiber, rubber, and chemical industries. Data are based on a Community survey of weekly time-schedules and work breaks allowed by those firms and exclude workers in agriculture, forestry, fisheries, transport, and mining.

LEGAL NORM OF 48-HOUR WEEK, WITH EXCEPTIONS

A 48-hour week is the general rule in all Community countries, but each makes important exceptions to it. Five of the Six allow an eight-hour day and a six-day week. In France, the hours may be spread over 5, 5-1/2, or 6 days, depending on the kind of work involved.

In the Federal Republic of Germany, the law regulates only daily working hours, as does most legislation in Luxembourg. Belgian, Dutch, and Italian laws regulate the length of both the working day and the week. French law regulates only weekly hours, set by statute at 40 hours per week. However, an exemption given in 1946 to improve production remains in force which permits 20 additional hours of work a week, 10 of them without special permission from the employment inspector.

Normal working hours in the Netherlands are between 7 a.m. and 6 p.m.

* Les Systèmes de la durée de travail dans les Etats membres de la CEE, EEC Commission, Brussels, 1966. (Available only in French.)

(7 a.m. to 1 p.m. on Saturdays); women may never work between 10 p.m. and 6 a.m. France, Italy and Luxembourg also prohibit women from working at night, but their laws do not otherwise prescribe normal working hours. Female workers in Belgium and Germany may not work between 8 p.m. and 6 a.m. German women are not allowed to work either after 5 p.m. on Saturdays or on the eve of public holidays.

AVERAGE WEEKLY HOURS - OCTOBER 1966

	Germany	France	Italy	Netherlands	Belgium	Luxembourg
① Mining & quarrying	42.2	47.0	34.4	43.3	41.1	45.7
② Manufacturing:	43.8	46.3	38.0	46.0	44.5	44.5
Food	48.2	48.3	36.0	47.5	45.8	50.5
Textiles	42.7	43.8	36.9	45.3	43.5	45.6
Paper	45.0	46.7	39.7	45.8	45.7	-
Chemicals	45.0	45.2	37.3	45.8	44.1	47.3
Metal	43.5	47.2	39.1	43.7	45.5	42.3
Electrical machinery	44.1	47.0	39.6	46.4	44.3	46.8
Machinery & appliances	42.5	46.6	38.4	45.2	44.5	48.8
③ Building & construction	44.9	50.7	32.0	45.9	44.2	52.6
①+②+③ Industry as a whole	43.9	47.3	37.0	45.9	44.2	45.7

WHAT ARE THE EXCEPTIONS?

All member states recognize exceptions to the legal average hours of work permitted in a given period of time, but those extra hours do not necessarily involve overtime rates of pay. Seasonal occupations and other activities where working hours are irregular, "exceptional cases," and emergencies are among the exceptions recognized by all Six, although in some instances their definitions of "emergency" and "exceptional cases" differ.

In an emergency, with special permission, German men may exceed the 10-hour daily limits. Overtime is often allowed for "technical and business reasons" such as, in Germany, "preventing excessive damage to the economy." In France, the length of overtime allowed depends on the nature of the work; maintenance personnel, for instance, may work four extra hours a day. In Italy, exemptions are usually granted only for maintenance work and other essential tasks, but the government does regulate overtime for seasonal workers. In the Netherlands, detailed legislation prescribes the length (and in some cases the actual hours) of overtime allowed. Security guards may work 72 hours a week and seasonal workers 62 hours a week. Each member state has varying formalities with which employers must comply if they want their employees to work above-average hours.

Overtime is also allowed in "exceptional cases:" accidents and urgent work on machines or material in all member states, except the Netherlands, and national security and defense in France. In these instances, overtime rates must be paid. In Germany, overtime rates need not be paid in cases of urgency or where working time is lost through "national events" and "inevitable disorders."

The rate of overtime pay, when specified by law also varies. Italy requires payment of at least an additional 10 per cent more than ordinary wages. At the other extreme, Belgian legislation stipulates a 25 per cent overtime bonus for the first two extra hours of work per day or per week, 50 per cent extra beyond 2 hours, and 100 per cent for work on Sundays and public holidays.

COLLECTIVE AGREEMENTS

Norms established by collective agreements between workers and employer rather than legislation always prescribe the length of the normal week, not the working day. In negotiations for these agreements, labor always tries for a shorter working week than the one allowed by law. The exception is France where no collective agreement has so far laid down a shorter week than the statutory norm. In the other countries, the

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reduced working week generally involves a reduction in the number of work days in a week so that daily hours either remain the same or increase. Collective agreements also provide for exceptions to the maximums.

The overtime rates of pay negotiated in collective bargaining vary from country to country. In Germany, the rate is usually 25 per cent for the first two hours and 30 per cent to 50 per cent after that. In Italy, it is generally about 30 per cent. In the Netherlands, overtime rates may be 25 per cent, 50 per cent, or even 100 per cent, depending on whether the work is carried out on a normal working day or on a holiday or weekend.

PER CENT INCREASES IN GROSS EARNINGS

April 1964 - October 1966

Country	Average	Lowest	Highest
Germany	20	13 (iron mines)	31 (tobacco)
France	15	11 (coal)	26 (petrol refining and natural gas)
Italy	18	5 (building)	33 (petrol refining and natural gas)
Netherlands	23	16 (building materials)	36 (petrol)
Belgium	24	16 (coal)	36 (chemical)
Luxembourg	13	6 (metal)	42 (chemical)

The rise in real earnings is less because of the 5-10 per cent increase in the cost of living in the Six.

Source: Gains et durée du travail - octobre 1966. Série Statistiques sociales no. 8/1967. Published by the European Community Statistical Office.

VACATIONS AND HOLIDAYS

By law, workers receive annual vacations of 15 working days in Germany, 18 in France, 12 in Belgium, 8 in Luxembourg and 12 in Italy. However, collective agreements often add a few days. Additional holidays may be

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granted for seniority or age. German workers older than 35 receive three extra days. French workers get two extra days after 20 years' service, four days after 25 years' service, and six days after 30 years' service.

In Germany, there are 10 to 13 paid public holidays, depending on the region; in Belgium and Luxembourg there are 10; in Italy, 16; French law recognizes only May 1. Collective agreements give Italian workers a seventeenth holiday on the feast of the patron saint of the region where the firm is located. French workers receive six or seven extra holidays through collective agreements.

The law grants French workers a three-day break on the birth of his child, and makes special provision for the mother. Collective agreements enable workers to take one to three days off for reasons including the marriage of the worker (15 days in Italy) or of his children, his wife's confinement, his own silver wedding or his parents' or grandparents' anniversary, the ordination and entry into a convent of certain relatives, a death in the family, and to vote. A worker may also be absent from work to carry out his duties as a member of parliament, or of a trade union or professional association. In general, the worker does not lose his salary as a result.

In comparing specific industries within each country, the Commission found a fair degree of uniformity in general regulations on maximum working time in Belgium, Germany, and the Netherlands but wide variations from industry to industry in Italy and, especially, in France. In Italy, the actual work week fluctuates between 44 and 48 hours; in France, it is 40 hours or less in some sectors (textiles) but 50 and sometimes 58 in others (chemicals).

Community Social Policy in 1966

Multipurpose vocational training and improved methods of forecasting employment are two priorities proposed by the Commission of the European Communities for labor and social policy.

In the introduction to the Community's tenth social report,* the Commission stressed the importance of these aspects of Community policy. The document covers the major social and labor developments from April 1966 through April 1967. It was discussed by the European Communities Council of Ministers in Brussels on December 21, 1967.

UNEMPLOYMENT ROSE AS THE ECONOMY SLACKENED

Total population in the Community increased by 0.9 per cent during 1966 to 184 million, despite decreases in the birth rate and, as a result of economic recession, in the number of immigrants. The birth rate averaged 18 per 1000 persons in 1966, compared with 18.9 per 1000 in 1964.

The civilian labor force decreased from 74.5 million at the beginning of 1966 to 74.3 million. During the year, employment fell from 73.2 million to 72.9 million as the economy slackened.

CIVILIAN EMPLOYMENT			
(in thousands)	1965	1966	Per Cent Change
Belgium**	3,584	3,603	+0.5
France	19,422	19,456	+0.2
Germany	26,699	26,601	-0.4
Italy	19,011	18,708	-1.6
Luxembourg	139	140	+0.9
The Netherlands	4,386	4,425	+0.7
Community	73,241	72,933	-0.4

* "Exposé sur l'évolution de la situation sociale dans la Communauté en 1966 (joint au 'Dixième rapport général sur l'activité de la Communauté' en application de l'article 122 du Traité)," European Communities Commission, Brussels, August 1967.

** New series: situation on June 30, 1966.

Unemployment increased most noticeably in the construction sector and in industries experiencing structural changes, such as shipbuilding, textiles, and mining. The hard impact of the recession on single-industry towns and areas in the Community, the Commission said, pointed to the urgent need for regional development planning. Its impact on unskilled and older workers, usually the first affected by production cutbacks, illustrated the need for modern vocational training and rehabilitation programs.

THE EUROPEAN SOCIAL FUND: AN INSTRUMENT FOR CHANGE

The EEC Treaty created the European Social Fund to improve employment opportunities by promoting "employment facilities and geographical and occupational mobility of workers." During 1966, the Fund reimbursed the member states a total equivalent to \$8,696,960, half of their expenditures on retraining and resettling workers.

EUROPEAN SOCIAL FUND			
<u>September 20, 1960-December 31, 1966</u>			
Country	Purpose	Amount (in dollars)	Number of Beneficiaries
Belgium	Retraining	2,490,355	5,864
	<u>Resettlement</u>	<u>1,477</u>	<u>9</u>
	Total	2,491,832	5,873
France	Retraining	10,628,123	20,588
	<u>Resettlement</u>	<u>415,854</u>	<u>58,836</u>
	Total	11,043,977	79,424
Germany	Retraining	7,695,941	38,780
	<u>Resettlement</u>	<u>616,171</u>	<u>64,377</u>
	Total	8,312,112	103,157
Italy	Retraining	12,653,120	142,830
	<u>Resettlement</u>	<u>1,940,182</u>	<u>167,652</u>
	Total	14,593,302	310,482
Luxembourg	Retraining	8,831	92
	<u>Resettlement</u>	<u>-----</u>	<u>--</u>
	Total	8,831	92
The Netherlands	Retraining	3,925,352	8,502
	<u>Resettlement</u>	<u>14,903</u>	<u>205</u>
	Total	3,940,255	8,707
Community	Retraining	37,401,722	216,656
	Resettlement	2,988,587	291,079
Total		40,390,309	507,735

The Social Fund Budget for fiscal year 1967 was also approved, making available the equivalent of \$19,817,606.

WAGE TRENDS CONTINUED TO DIFFER

During 1966, the trend of wages continued to vary from country to country, but in all countries, the working week was a little shorter than in 1965.

Wages in Belgium rose by 9 per cent, about the same rate as in 1965. France and Luxembourg registered a 6 per cent rate of increase, slightly higher than in 1965. The rate of increase slowed to 6 per cent in Germany and to 3.5 per cent in Italy.

Wages of agricultural workers and women increased more sharply than men's wages in the Netherlands, Belgium, Italy, and Germany.

The legal situation for equal pay for men and women performing the same work remains unchanged, however.* In Italy, France, Luxembourg, and the Federal Republic of Germany, the law guarantees women's rights, whereas in Belgium and the Netherlands, the legal safeguard depends on whether or not collective bargaining agreements contain equal pay clauses.

Labor costs increased only in Belgium (by 9.5 per cent) and the Netherlands (by 10 per cent), as employers paid higher social security taxes and began to pay employee vacation bonuses. These increases brought labor costs in both countries closer to those in Luxembourg and Germany, and widened the gap with Italy and France.

<u>Hourly Wages in Manufacturing Industries</u>			
	April 1964	April 1965	April 1966
Belgium	\$.78	\$.86	\$.93
France	.70	.73	.77
Germany	.92	1.00	1.10
Italy	.56	.63	.66
Luxembourg	1.16	1.23	1.28
The Netherlands	.74	.81	.86

* Report on the Implementation of the Principle of Equal Pay for Men and Women: the Situation on December 31, 1966, Information Memo P-50, The European Communities Commission, Brussels, September 1967.

Prevention of accidents at work and occupational diseases was the purpose of numerous administrative and legislative changes made by Community members during 1966. In many instances, the Commission's efforts to harmonize working conditions at the Community level were already in evidence, and several member states advised the Commission of their plans in accordance with the recommendation of September 20, 1965. Most members endeavored to extend medical supervision of workers at their place of employment, as the Commission had recommended. In view of the large new gas fields recently opened in the North Sea, many new safety laws dealt with the protection of drillers and other mining labor and the protection of purchases of compressed gas.

PRESSURES PERSIST ON CONSUMER PRICES

Consumer prices continued to rise through the first half of 1966. Although pressures abated later in the year, only in Italy and Luxembourg did the yearly average show a marked slowing. The largest increases occurred in rentals and services.

COST OF LIVING (1958 = 100)	Annual Average		Per Cent Change
	1965	1966	
Belgium*	115	120	4.2
France	132	136	2.7
Germany	118	122	3.5
Italy	129	132	2.3
Luxembourg*	112	115	2.6
The Netherlands	126	133	5.5

* Excludes rent.

As a result of reductions in the working week, increases on wage and social security taxes, and higher consumer prices, industrial workers' real net income increased 1 per cent in Germany, 2 per cent in the Netherlands, 3 per cent in Italy, and 3.5-4 per cent in Luxembourg, Belgium, and France.

Consumer activities gain strength from year to year. The Community's Consumers Contact Committee, which consists of trade union members, family

organizations, and consumers unions, gave the Commission its views on the organization of the common market for sugar, milk prices, and agricultural producers unions. In March 1967, at an all-day seminar on consumer problems, the Committee tried to define a common strategy for the EEC on consumer information. The national consumer groups continued to conduct campaigns on product labeling and advertising.

LABOR AND MANAGEMENT LOBBIES TO STEP UP ACTIVITIES

In the area of labor relations, the Commission reported a more purposeful awareness on the part of labor and employers' unions of the changes they would have to make in their operations to influence labor and social policy decisions effectively at the Community level.

The International Confederation of Free Trade Unions and the International Confederation of Christian Trade Unions, the representatives of the major free trade unions in Community countries, have maintained lobbies in Brussels for several years. In October 1966, the ICCTU membership passed a resolution in Amsterdam urging its executive board to work more closely with the ICFTU. In November 1966, the ICFTU membership approved a resolution to the same effect, and adopted an action program for its trade union members in Europe.

The wood and building unions in the ICFTU actually began to function at the European level in December 1966, holding in Milan the first European conference of wood and building unions. The action program adopted by the conference clearly defined the European aspirations of their members. In addition, a Committee of Wood and Construction Workers in the EEC was formed to harmonize working conditions in that sector throughout Europe.

UNICE,^{*} the confederation of employers' associations, published a memorandum on EEC social policy. The memo stressed the importance of establishing a social policy for the Community and the necessity for employers and labor unions to work together to coordinate wages and other contractual obligations throughout the Community, without at the

* "Union des industries de la Communauté européenne."

same time compromising the autonomy of labor and management in collective bargaining.

SOCIAL SECURITY VS. SOCIETY'S OTHER NEEDS

A series of contradictions characterized social security and welfare developments in 1966. Without any new measures, social security expenditures increased as a result of demographic changes and longer compulsory school attendance. While coverage was extended by law, in some instances benefits were limited, the financial contribution of the insured raised, or the application date deferred. The Netherlands passed a unique law, eliminating the classical distinction between sickness and occupational accident as a cause of long-term disablement and instituting a uniform system of compensation for both.

All in all, social security benefits seemed to have reached a ceiling, but costs continued to increase as fast as in earlier years, raising a dual problem:

- aligning increases in social expenses with the capabilities of the national economies (Community members now spend 20 per cent of national income each year on social welfare programs.)
- determining what part of national income should be reserved for social security in view of society's other needs. (Social security accounts for almost all of the Community members' social welfare expenditures.)

These considerations, according to the Commission, indicate the necessity of coordinating social transfer policy with economic development policy, of reexamining the orientation of this policy in the light of current needs, and listing these needs in the order of their priority.

"SOCIETY'S OTHER NEEDS"

"Society's other needs" encompasses a broad range of services for which government assumes partial or full responsibility: family allowances, public medical clinics and medical research, child care centers, education, student allowances, and urban planning, to name just a few.

* Recreation facilities: As the working weeks grow shorter, the question of leisure assumes greater importance. All Community members subsidize non-profit "social tourism" facilities, such as youth hostels, camping sites, and vacation hostels for families with limited means. Urban parks and green squares have always been carefully tended in Europe.

* Urban planning: In postwar years, Europe's concern with planning livable cities has intensified. During 1966, the French Government continued its efforts to prevent the population of the Greater Paris Area from expanding further by concentrating on developing Lille, Lyon, Strasbourg, and Bordeaux. The Netherlands passed its second law on land use, which outlines the general responsibilities of government and private interests in planning and revitalizing cities and metropolitan areas. Luxembourg was preparing its first law on land use, while Italy approved 208 community plans despite difficulties encountered in applying its Law 167 in this area. Germany continued its 5-year-old program of sponsoring pilot studies for urban and rural renovation. Under the slogan, "Citizen, it's your community," a contest was organized in which 285 German communities of between 3,000 and 30,000 inhabitants participated in the preparation and the execution of urban development plans.

* Housing: During 1966, 1,467,200 new dwellings were completed in the Community countries, 20,000 fewer than in 1965. Of these, 46.3 per cent were subsidized, compared with 47.9 per cent in 1965. The Commission reported a trend toward the relaxation of rent controls, an excess of middle- and luxury housing in several countries, and a persistent shortage of low-cost housing, especially in Italy, as recession in the north sent many migrant workers home.

* Family allowances: There were few significant changes in 1966 in the member countries' laws on family allowances. The situation remained static, except for cost-of-living adjustments, and except in Belgium where family allowances continued to rise steadily and where they were paid to the self-employed as well as to wage-earners.

* Social services: The budgets of all six countries were larger in 1966, and all six intensified their efforts to coordinate different branches of social services within the broader context of social assistance and welfare programs.

The shortage of social workers was reversed in France during the year following salary improvements and administrative reforms in the social assistance and welfare programs. In Italy, pending legislative reform of social service training, two different social service schools have been joined by presidential decree to two facilities of the University of Rome.

TEACHER SHORTAGE LIMITS VOCATIONAL TRAINING

Throughout the Community during 1966, there was a greater awareness than in 1965 of the desirability and need for multipurpose vocational training. Traditional preparation consisted of a thorough grounding in every aspect of a single skill. The teacher shortage placed severe limitations on the effectiveness of efforts to improve the quality and scope of vocational training, but some progress was made, particularly in adult education. Still, the vocational training situation remained an acute problem.

A tendency began to emerge towards the centralization of vocational training policy decisions in a single agency, such as the one created by the French Law of December 3, 1966, to coordinate programs. The decentralization of training sites continued. Instead of locating one large institute in one part of the country, Italy, for example, continued its efforts to open schools in the areas that needed them.

THE COUNCIL OF MINISTERS DISCUSSES REPORT

Lionello Levi Sandri, vice president of the Commission, reviewed this report at the Council of Ministers on December 21, 1967. Despite rising unemployment in the second half of 1966, he emphasized, the trend of employment from 1958-66 showed a distinct improvement.

Now and in the near future, he said, all Community members would face problems of rapid economic changes brought about by more intense international competition, technological progress, and the achievement of a single internal market of 190 million consumers. The Community's social policy must prevent this strengthening of the economy from harming workers and their families, he said. He called upon the member states to demonstrate the political will to improve living and working conditions throughout the Community. Economic growth does not automatically assure balanced social growth, he emphasized. This responsibility is incumbent upon the member states and the Commission, which must work together still more closely to execute it.

NOTICE

This is the last issue of "Labor in the European Community." Labor news will be incorporated from now on in "European Community," the monthly magazine of the European Communities. The names of "Labor in the European Community" subscribers have been added to the "European Community" mailing list. However, if you are not receiving copies of the monthly magazine, please write so that the mailing list can be corrected.

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