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Social Policy – Introduction

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Different attitudes and different priorities have made their mark on the development of social policy in each of the member states of the Community. The origins of these differences lie in history. For example, trade union pressure, which has boosted provision for employed workers, was lacking until recently in Britain in the years following the postwar 'nationalisation of welfare'. France's high family allowances follow a preoccupation with population policy, and German emphasis on 'national efficiency' has particularly helped employed workers.

Social policy is still shaped primarily by national governments. At Community level it is pushed into the background by other priorities such as agriculture and economic policy. The main weakness of Community social policy is that it is barely mentioned in the Treaty of Rome and lacking this basis, attempts to weld together different national policies have ended in failure. Instead the Community now aims at limited social measures which will not encroach on national territory.

A history of differences

Comparisons between Britain and her European partners have proliferated since we joined the Community, whether the subject be economic performance, housing density, the price of butter or consumption of rump steak. These comparisons often beg a number of questions as well as presuming certain commonly accepted standards and ideals, such as the belief that the standard of living can be measured in terms of cars or televisions per capita. The problem with social policy is that while many countries would agree on certain basic principles – the need to promote full employment, to protect the disadvantaged and to achieve a fairer distribution of resources – they differ greatly in the order of priority in which they place individual social policy items. It would be simplistic to say that Germany, for example, was keen on pensions, but indifferent to the problems of the poor, and accordingly slot each country neatly into its appointed place in a 'Community table'. The picture is incomplete without also considering why a country chooses to spend its social welfare budget on X rather than Y and the evolution of ideas which has created these different national policies.

Having said this, it is also fair to add that the amount of overall social expenditure as a percentage of gross national product does indicate the attitude of governments to social policies as opposed to other measures. The Commission's first European Social Budget (see **Further Reading**), which appeared to show that Britain spent less on social services than any other European country except Ireland, came as a rude awakening to those who believed that Britain, the founding father of the Welfare State, was still a paragon to the rest of Europe.

Differences in individual social policies between the various Community countries will be examined in detail in the following sections. Here it may be useful to give an overall view of the way in which different attitudes to social policy in general have affected the development of social welfare throughout the member states, and in particular the EEC's collective attempt to introduce a common social policy at Community level.

The differences between one country and another are not merely technical, not just a question of whether social policies are paid for by taxation or contribution, whether the employer rather than the state carries the heaviest load or whether systems are simply administered differently. More fundamental are the different attitudes to social policy and the historical and philosophical background

from which they have evolved. In particular, countries have different conceptions of the relationship between the state and the individual, and of who should shoulder the responsibility for what.

Germany and France offer an example of contrasting attitudes to social policy. True to its image in British eyes, Germany puts the emphasis on policies which will oil the wheels of the national machine and produce an efficient use of labour.

What is Social policy

This century has seen the expansion of the Welfare State in all European Community countries. It has meant an increasing transfer of responsibility from the individual to the State such that those services which were given as charity in Dickensian times are now understood to be a basic human right. Today we take it for granted that the State will take care of all our major social needs: it will supplement the income of those unable to earn enough; it will provide free education and medical care; it will offer subsidised housing to those who cannot afford private accommodation and it will take special care of vulnerable groups such as the elderly, young children and handicapped people.

Our expectation of all these services is continually increasing, but the question how far should it go is one not only of what countries can afford but of political attitudes. On the one hand social policy is seen as providing services for those who cannot provide for themselves but not discouraging the individual from standing on his own two feet. On the other hand, social policy is viewed as a crucial and continuing process of achieving a redistribution of wealth and greater social equality.

While the State now holds the principal responsibility for the provision of social services, this responsibility is shared between local and central government. The presence of the European Community adds a third level to this structure of shared responsibility and calls for some new thinking on which aspects of social policy can best be dealt with at local, national and European level.

This theme can be traced throughout the course of this century, resulting in measures which reward and protect the man at work, but are less concerned with the very poor or the mother in the home. Similarly, Germany is much keener to pay for retraining or rehabilitation programmes and work incentives than for straight unemployment benefit.

French social policy on the other hand tends to revolve round the family. Even as early as the nineteenth century, employers began to offer their workers family allowances. These developed further during this century, partly as a response to the promptings of Catholicism, but mainly as a means of increasing the population and strengthening the family unit. France in the 1930's had the lowest birthrate in Europe, a fact which caused continuing concern even up to recent times, in spite of the war being waged against the population explosion in the rest of the world. Emphasis on the importance of the family also encouraged the view that the elderly and disabled should be cared for within the family unit rather than at the expense of the state.

The different background and approaches of France and Germany illustrate the way in which very different beliefs as to the nature and purpose of social policy can evolve even within the limited cultural context of a single continent. Different forces at work in certain countries have produced an impact on social policy unheard of elsewhere. In Britain, for example, we have a highly sophisticated system of voluntary social welfare agencies which operate alternatives to state services and which are powerful in influencing changes in government policy. This diversity is alien to countries such as France, where administrative powers are vested largely in central government. By contrast, the trade unions in this country have until recently only marginally influenced social issues, whilst on the continent they have had a major influence, particularly in the field of employment and retirement benefits.

A chance to co-operate

Within the context of the European Community, these various contrasting attitudes are not just interesting examples of different national characteristics. They place a fundamental question mark over the future development of Community policy. While advocates of the European ideal continue to stress that the Community has much more to offer than a common market and a customs union, it remains to be seen whether member states can move towards a common social policy when many contrasting national priorities still exist.

When the original six countries signed the Treaty of Rome in 1957 and thus established the European Economic Community, social policies were not uppermost in their minds. References to social measures in the Treaty are not only vague or imprecise, but few and far between. The member states agreed to "ensure the economic and social progress of their countries by common action to eliminate the barriers which divide Europe", but while they were clear on what economic measures might be necessary they failed to spell out the means of achieving social progress. Passing references in the Treaty to equal pay for women, equivalence of paid holidays and the improvement of employment opportunities showed a concern for a social policy geared only to the worker rather than to the citizen at large. All in all, there was not much on which to

base a comprehensive social policy, and the vagueness of the references made it easier for individual member states to slide out of agreements when it actually came to putting promises into practice.

One primary difficulty at the centre of attempts to formulate a Community social policy has been the question of harmonisation, or convergence. Individual member states guard their own particular social policies with protective zeal, not just from instincts of national pride, but because they are fully aware of the political sensitivity of social issues and their influence on the electorate. References to harmonisation of social policies within the Treaty of Rome were treated with suspicion by the member states. The Commission initially proposed various areas where minimum standards might be established, for example in the field of family allowances and pension age limits, but the Council of Ministers would hear none of it.

The lack of precision of the Treaty of Rome together with the Commission's lack of power to alter the stance of the member states meant that little progress was made on social policy for the best part of a decade after the signing of the Treaty. Such social actions as did take place were more concerned with keeping economic principles, such as fair competition and free movement of labour, on the road, or with patching up the social consequences of economic policies. Reciprocal social security arrangements for the Community's migrant workers came into this category. So also did manpower training under the social field, designed to pick up the pieces after industrial change had produced unemployment casualties.

The tide began to turn as people realised that economic growth caused as many problems as it solved. Social policy, instead of being a mere afterthought, was of crucial importance if preventive action was to be taken. Also, there was growing scepticism at the concept of economic growth as an end in itself. What people wanted was a Community with more ideological appeal than the customs union had previously offered.

At the Paris summit meeting in 1972, member states reaffirmed their concern for social affairs. By this stage ideas of harmonisation for its own sake had been pushed out of the picture. Instead the focus of attention was on an entirely new programme, one which would not interfere with member states' policies, but which would concentrate on co-operation and co-ordination in areas where common problems existed and where a common solution might be found at Community level. For example, all countries were having to cope with the social effects of industrialisation and economic growth. The Community aimed to inspire new thinking on the effective use of manpower, training and retraining, job satisfaction, industrial democracy and on the improvement of social benefits. This then has been the new direction of Community social policy in the last few years. Unlike agricultural or commercial policy it is not a substitute for national policies, but rather a forum for mutual discussion and a springboard for new ideas.

Vestiges of the desire for harmonisation still remain, particularly where social policies overlap with economic goals. The Community's adherence to the principle of free competition has, for example, encouraged it to produce legislation on equal pay for women, without which disparities between countries would interfere with the free play of the market, and discourage them from improving their

social benefits for fear of the economic handicap it would involve. Social progress is also a goal of these policies in that the Commission aims for upward harmonisation to bring about an overall improvement in standards throughout the Community.

Countries are also achieving a degree of spontaneous harmonisation of their own accord. Prestigious national policies tend to rub off on other countries anxious not to get a reputation for being mean. Germany, for example, once lagging behind on family allowances, has recently taken action to bring this benefit up to the standard of her European partners. Thus although countries still exhibit their own national preferences, the difference between levels of expenditure on particular items has tended to narrow in recent years.

At Community level, social policy still remains firmly linked to ideas of economic stability and expansion. For instance, major Community-wide redistribution of wealth and resources – the ultimate goal of the Social Fund and the Regional Fund – has important social implications in its own right, but it

is no less concerned with the idea that growing prosperity in Sicily or South Wales will mean that Welsh miners and Italian agricultural workers can afford to buy German motor-cars. But although at present Community social benefits are in many cases a spin-off from other policies, but this does not necessarily denigrate their value or mean that this will always be the way things happen.

This section has been about priorities in social policy, both of the member states and the Community as a whole. It should be clear by now that these priorities are not immutable, but subject to evolutionary development and dependent on the desire of individual countries and Europe as a whole to achieve social progress. Community policy, in particular, has over the last few years illustrated its flexibility and capacity to change.

The next sections describe in detail the social policy of the Community and particular aspects of social policy in the member states – in some areas Community policy is virtually non-existent, while in others it plays a valuable role.

The Community's Social Policy

The Community's Social Action Programme covers a wide range of proposals in the field of employment, living and working conditions and industrial democracy. The Programme raises two questions: are these measures adequate to meet the Community's social needs, and can the Commission get approval from the Council of Ministers for more effective policies? What may be needed is a completely new way of thinking about social policy and the part it has to play in the development of the Community as a whole.

The Beginnings

At the Paris Summit of 1972, the Heads of Government issued the following statement:-

“Economic expansion is not an end in itself. Its firm aim should be to enable disparities in living standards to be reduced. It must take place with the participation of all social partners. It should result in an improvement of the quality of life as well as in standards of living”. Furthermore – “The Heads of State or Government emphasise that they attach as much importance to vigorous action in the social field as to the achievement of the economic and monetary union.

They invited the Institutions, after consulting the social partners, to draw up by January 1974 a programme of action providing for concrete measures and the corresponding resources, particularly in the framework of the Social Fund”.

This declaration gave the go-ahead for the development of a comprehensive social policy at Community level. In response, the Commission drew up the first Social Action Programme, planned to run for three years from 1974 to 1976, and given Council approval on January 21 1974.

While there had been certain social measures in the Treaty of Rome, and more especially under the treaties establishing the European Coal and Steel Community, the Social Action Programme provides the major framework for activities in the social field. It emphasises three key objectives:-

- Full and better employment.
- Improvement of living and working conditions.
- Greater participation of workers and employers in the economic and social decisions of the Community.

Employment

This was the Community's most deeply felt commitment. Economic progress was taking its toll by creating regional inequalities and hitting hard at sections of industry left behind in the wake of industrial development, particularly sections of the coal and steel industry, the textile industry and agriculture. For this reason vocational guidance, training incentives, retraining and rehabilitation get the limelight, backed up by the European Centre for Vocational Training, now established in West Berlin. The Centre provides a forum for the exchange of ideas and information and will help to promote a common policy on vocational training.

Certain groups of people suffer first when unemployment increases and the Social Action Programme recognises that women, for example, not only need better training opportunities, particularly in later life, but also, as a matter of crucial importance, need backing by the Community in their battle to get an equal footing with men in the labour market. It is a question not only of legislation but of spreading information and changing attitudes, which is much more difficult.

Handicapped people are also vulnerable, facing both psychological pressures and the practical problem of holding down a job. Within the Social Action Programme the Commission includes both the physically and mentally handicapped and outlines activities, such as the promotion of better housing, social services and vocational training, designed not only to help the handicapped get jobs but also to encourage their social integration. However, more attention has been given to vocational than social rehabilitation, and to the physically rather than the mentally handicapped, the latter in both cases presenting a more difficult problem.

The European Social Fund

Article 123 of the Rome Treaty says that the intention of the Social Fund is to help create employment facilities as well as promoting geographical and occupational mobility.

Between September 1960, when the Fund first started handing out money, and December 1971, which marked the end of the first phase of the Fund's activities, it granted aid worth about £85 million towards financing schemes of the member governments that enabled 733,000 workers to be retrained, and 703,000 to receive resettlement grants.

Under the provisions of Article 126 of the Treaty the rules of the Social Fund could be reviewed at the end of the transition period, and in 1969 the Commission put forward proposals for a reformed Fund – largely at the insistence of the trades unions. The new rules for the Social Fund finally came into operation in May 1972, and the role changed dramatically from a relatively passive one to a forward looking and dynamic function.

The basic change is that the Fund can now be used to anticipate change. For five years its considerably enlarged budget will be split equally between grants for retraining those already redundant, and grants for those who may lose their jobs in the near future due to such events as rationalisation caused by the operation of some Community policy or through advances in technology. Another major change that is worth noting is that the Fund can now be used on the Commission's initiative, with the Council's approval, rather than having to wait for a government to set up a scheme for which a grant would then be sought.

The problems facing migrant workers are discussed in detail later on. While migrants from within the Community were given certain protection under agreements on the free movement of workers in the Treaty of Rome, this left unanswered the question of what happens to migrant workers from outside the Community. The Social Action Programme envisages a number of activities designed to help all migrants in such areas as vocational training, housing, education of children, illegal immigration, and political rights. These come under the general heading of a Migrant Workers' Action Programme, given Council approval in February 1976. At present, under the Social Fund, Community migrants can get financial help for training and resettlement, but non-Community migrants have access only to language teaching and reception facilities.

In the past few months, the Commission has become increasingly concerned with the problems facing young people as jobs become scarcer. It wants to ensure that the young get better vocational guidance to gear them to the jobs that actually exist, and also to create new kinds of jobs especially appropriate for young people. It has, for example, been suggested that young people might spend some time doing community service before going on to ordinary employment, and that employers might also be given financial incentives to take on more young workers. So far, however, these are only suggestions rather than definite plans of action.

The Social Fund is the most important mechanism at the Commission's disposal for directing training and resettlement projects to those areas and industries where it is most urgently needed, and for protecting vulnerable groups of workers. Revamped in 1971 it has been opened up increasingly in recent years to incorporate new areas of need, such as young workers, migrants and the handicapped, though regrettably it has not always been given the extra cash needed to cope adequately with the new initiatives.

Assistance under Article 4 of the Fund is available where the employment situation is specifically affected by Community policy or where there is serious structural unemployment. Help goes to the textile trade, for example, and to agricultural workers for training for work that will take them off the land. Handicapped people, migrant workers and unemployed school leavers are singled out for special help.

Article 5 of the Fund tackles employment problems which are only an indirect result of Community Policy or which are holding up the 'harmonious development' of the Community. Aid here goes to development areas in the poorer regions of the Community, industries where progress demands a change in manpower and skills, and industries facing structural (i.e. permanent) decline. To qualify for help, projects under Article 5 must be concerned with either eliminating long term structural employment, training people who need new qualifications or integrating people into the work force who have difficulty finding jobs because of their age. This applies to men over 50, women over 35, and young people under 25.¹

Small amounts of cash are available under Article 7 to allow for experimental projects which may come up with new ideas in the field of training and resettlement.

The kinds of action which qualify for help under the Social Fund are training and retraining, resettling workers and their families in new areas where work is available, income maintenance, vocational guidance and help for disadvantaged workers.

Living and Working Conditions

Once the Social Action Programme moves from employment to the more general social issues implicit in the expression 'living conditions', it risks treading on the sensitive toes of the member states. Stressing that its aim is in no way to impose a uniform system of social benefits throughout the Community, the Commission is nonetheless keen to see the establishment of certain minimum standards for social benefits which will have built into them a regular increase as standards of living improve. The European Social Budget plays a useful role here. It is not, as one might expect, a source of money but a source of information. It consists of statistical tables comparing social expenditure throughout the Nine.

The chronic poor have a special place in the Social Action Programme. While recognising that member states are primarily responsible for their care, the Commission believes that it can play a

¹ A recommendation to EEC member Governments to improve opportunities for vocational training of young people has been provisionally approved by the Common Market's Standing Committee on Employment.

The Brussels Commission's researches have revealed that only between one-third and a half of young people in Community countries receive further training after leaving school and this makes them more vulnerable than most to cyclical unemployment.

Youth unemployment (under 25 years of age) in the Community has been increasing ever since 1970 and between the onset of the recession in 1973 and the end of 1975 it more than doubled to 1.75 million out of a total unemployed in the EEC of some 5 million.

valuable role in coming up with new ideas and solutions, by means of a programme of pilot projects to combat poverty. The Poverty Programme, which finally got off the ground at the end of last year, is the first example of Community involvement with social problems not directly related to the work context. Money has been allocated to schemes such as family day care centres and community action projects.

The Social Action Programme also expresses concern with the social problems of the elderly, but nothing has been done about this so far.

On the shop floor, there are a number of items in the field of wages and working conditions which the Social Action Programme sees as necessary in the interests both of social progress and of fair competition. These include the introduction of a forty hour week and four weeks holiday, equal pay for women (already approved), and the possibility of introducing a minimum wage throughout the EEC. Job enrichment programmes and better safety at work are two other areas where the Commission plans to introduce measures to improve working conditions. The Foundation for the Improvement of Living and Working Conditions, which is soon due to go into action in Dublin, will be the Commission's instrument for carrying out research in these fields and for coming up with ideas for Community policy in the long term.

More ambitious proposals under this heading of the Social Action Programme include co-ordination of certain aspects of public health throughout the member states and plans for social housing, but there are no signs of action at the moment.

Industrial democracy

The Social Action Programme contains only part of the total Community activity in this area, responsibility for which is shared between two Commission departments – Social Affairs and Internal Market. Within the Social Action Programme the Commission lays particular stress on the importance of joint discussions between both sides of industry, member governments and itself. Specific proposals include a directive on mass dismissals (already approved by the Council) and a directive to protect workers in the event of mergers and take-overs. The Commission also has the idea of setting up a European Trade Union Institute (independent, but financed by the Community) to train union members in Community affairs.

Achievements

Of the exhaustive list of activities under the Social Action Programme, the following proposals have so far been agreed.

1. Assistance from Article 4 of the European Social Fund for migrant workers and handicapped workers.
2. Initial Action Programme for handicapped workers.
3. Directive to implement the principle of equal pay for equal work between men and women.
4. The establishment of a Centre for Vocational Training.
5. The overall application of the principle of the forty hour week and four weeks annual paid holiday between now and 1978.
6. Directive on the harmonisation of the member states' laws on mass dismissals.
7. The setting up of a European General Safety

Committee for Industry and the extension of the powers of the Mines Safety and Health Committee.

8. The creation of a European Foundation for the Improvement of the Environment and Living and Working Conditions.
9. Pilot programmes to combat poverty.
10. Publication of the first Social Budget.
11. Use of the Social Fund to assist in restructuring the economy to assist unemployed school-leavers and young workers.
12. Coordination of member states' employment policies and improvement of analysis and forecasting of the labour market.
13. Directive on equal treatment for men and women at work.
14. Experimental projects to help solve the housing problems of the handicapped.

Other proposals are already on the Council's desk and some have yet to be drafted. A few of the thornier issues, which are either short of government support or financial resources, appear to have been quietly and conveniently forgotten. Meanwhile the Commission is faced with the task of drafting new ideas as to what happens next – the current programme expires at the end of this year.

A Critical Perspective

Community social policy has not had a smooth passage in recent times, in spite of the enthusiasm and conviction which brought the Social Action Programme into being. Criticism varies from the view that the Programme is too idealistic, ignoring political realities and biting off more than it can chew, to the opposite idea that it fails to go far enough.

The main problem facing social affairs has been the changing economic climate. The summit of '72 was a time of prosperity in the EEC and of consequent optimism, but countries lack the political will to follow through Community policies in times of recession, when they are faced with pressing problems at home. Regrettably social policy is often the first to suffer – lacking a firm basis in the Treaties it is viewed by some as an expensive luxury, particularly by countries such as Germany, which appears to pay the highest contribution for it.

It is ironic that while a Community social policy may have to rely on times of prosperity in order to flourish, it is in the lean years that it is most needed, to combat the increasing problems of poverty, unemployment and other social ills. While supporters of the Community's social policy such as Dr. Patrick Hillery, Commissioner for Social Affairs, have hotly defended the Social Action Programme and its relevance to the current situation, it has also been criticised for adhering to principles of 1972 which are out of date in the present time and for lacking the flexibility to adapt to new needs in times of crisis.

One of the reasons why social policy has been ineffective is lack of money. Finance ministers have yet to accept the importance of social measures. Unless social policy gets an adequate vote under the Community budget, instead of being squeezed out by expenditure on the CAP, it will always occupy a peripheral position as the Community's poor relation¹.

¹ The total Community budget in 1975 amounted to 6,764 million units of account. The Social Fund Budget for the same period was 433 million units of account (6.4 per cent of total). This compares with an Agriculture budget in 1975 of 5,044 million units of account (74.5 per cent of total) (1 u a = £0.42)

The effectiveness of social measures has also suffered at the hands of individual countries, which do not always adhere strictly to the rules of implementation. In particular, grants from Community funds have a tendency to be used as national governments see fit, which is not always in the way the Commission intended the money to be spent. The British Government has tended to view the Social Fund as a means of making savings in existing government expenditure, rather than releasing extra funds for additional initiatives in the field of training and resettlement.

Social affairs is still an area where the Commission has to battle for acceptance with the member states, as recent meetings of the Council of Social Affairs Ministers illustrate. In June 1975, the major proposals awaiting Council decision were Social Fund intervention to help young people and industries particularly affected by the crisis, proposals for a forty hour week and four weeks holiday, the Poverty Programme and equal treatment for women at work. By the time these issues had run the Council gauntlet, the Poverty Programme had been reduced from a possible five years to two, the implementation of four week's holiday had been postponed until the end of 1978, and a decision on equal treatment for women was put off until the next meeting, while the Commission's suggestions for tackling discrimination regarding social security benefits had to be crossed off altogether.

Even after the next Social Affairs Council in December 75, member states were still arguing about crisis intervention by the Social Fund, each country claiming that its own worst hit industry should be the one to qualify for aid, and so producing a stalemate. Measures to provide equal treatment for women finally got through in December, though in a weakened form.

Housing

The would-be British home-hunter, dogged until recently by soaring costs of bought and rented accommodation, and still facing severe housing shortages, may raise an incredulous eyebrow at the idea that housing standards have improved appreciably in recent years and that the British track record is better than many of our European partners. Nevertheless this is the case, or was until the oil crisis hit the European building industry. How to face continued demand for housing at minimum cost is a problem the entire Community now has to face.

Changing Patterns

Between 1960 and 1970 the provision of houses improved considerably throughout the EEC, helped not only by expanding building programmes but also by falling birth rates. Pressure on housing still persisted, partly because the steady flow of people from the land to the town made it hard for urban housing programmes to make any appreciable headway; partly because of regional imbalances; and partly because of increasing divisions in the family unit. (The tendency for elderly relatives and unmarried children to live in separate accommodation means more homes with fewer people in them.)

While the overall record for building new homes has been quite good this does not mean that European housing is now plentiful. Some countries have previously had a very poor housing record and have been making up lost ground. A rapid building programme in the Netherlands, for example, was the only answer to severe housing shortages. Also,

The rift between Commission and Council and the wrangling of member states does not encourage an optimistic view of the future of social policy. How then can these problems be effectively tackled?

As with many other areas of Community policy, the progress of social affairs ultimately depends on the achievement of a new working relationship between the Commission and the Council. While the Council uses its power to restrain rather than encourage social policies, no radical development can take place. The Community is then simply a forum for mutual discussion rather than a force for change. To combat the reluctance and hostility of national governments, civil servants and politicians, the Commission needs to canvass much more widely for public support for its policies. It will only shake off its powerless image when ordinary people begin to have some sense of involvement with what is going on in Brussels. The backing of public support will in turn give the Commission much more bargaining power with the member states.

More important than these steps to reallocate influence and decision-making power is the need for completely new thinking on the purpose of social policy in relation to the Community's other goals. Social policy must no longer be seen as dependent on economic growth, as a gesture that the Community can only afford to make when times are good. On the contrary, social and economic policy should together be the foundation for a policy of growth which will ensure a fairer distribution of the Community's resources.

much existing housing throughout the Community is in poor condition, a fact which most member states now recognise and are in the process of putting to rights.

Britain comes off well in housing comparisons, particularly if hygiene facilities, including the number of baths, flush toilets and piped water are taken as a measure of quality. There is a higher percentage of homes with bathrooms in Britain than anywhere else in the Community (see tables). Our building rates have been slightly lower than the European average, but we compare well on many other points. For example, Britain has a larger than average number of rooms in each home, her older property is in better condition, and there is a higher ratio of houses to flats even in urban areas. Furthermore the scale and quality of the British public housing sector is hard to beat. Continental countries are already catching up, however. Many coun-

tries have overtaken Britain as regards owner occupation and more homes with a larger number of rooms are being built. One area where Britain has fallen badly behind is in providing direct housing benefits to families in greatest need.

Crisis

While housing statistics vary from country to country, it is very evident that the oil crisis of 1973 put all the member states into difficulties with their housing programmes. Everywhere building costs soared (a conservative estimate puts the increase at at least 23 per cent for 1974 alone), mortgage rates went up, and investors, once ready to empty their pockets for a deal they thought they were sure to profit by, suddenly began to look on housing speculation as a much more risky venture. The result was not only that housing programmes began to topple, but that workers in the building industry were particularly badly hit by unemployment. Most member states have tried to protect housing from the free play of the market by increasing capital allocations and trying to stabilise building prices and mortgage rates. But this makes large demands on the national purse and in spite of it, the ailing building industry has been slow to respond to treatment.

For some countries, particularly Ireland and the Netherlands, the recession came just when they were about to find the answer to some of their most acute housing problems. The danger of a substantial drop in the proportion of homes to people is a real one for the future. The need for careful husbandry of resources is more apparent than ever as countries are forced to pick and choose between alternative priorities. In general the answer has been much greater selectivity. Countries have responded to the crisis by cutting back on new building in the public sector and concentrating resources where the need is greatest, i.e. housing for the elderly, the disabled, large families and migrant workers. Housing benefits have been made more specific, for example by means of rent allowances, rather than indiscriminate general subsidies. Modernisation of older property now plays a key role in housing programmes, with new building reserved for priority needs. It has been argued that the restrictions which housing policies have had to face could have the unlooked-for advantage of promoting greater rationalisation. A sensitivity to specific housing needs could be more valuable in the long term than the previous tendency towards inadequately planned building programmes.

Several countries, Belgium, Denmark and France for example, have developed new building programmes which focus attention on low-cost housing alongside a general modernisation programme for older property. Ireland has fought hard, with large increases in government finance, to keep up the level of new building programmes, but is still finding it hard to meet its financial requirements. Both Germany and the Netherlands have taken specific steps to combat unemployment in the building industry. For the Netherlands the problem is particularly severe, owing to the very rapid housing expansion prior to the oil crisis, which drew many workers into the building industry.

The increase in housing construction fell away sharply after 1973 and in addition hygiene and comfort standards in large numbers of existing houses began, according to public opinion, to drop. (This may have something to do with raised expectation of housing among the general public, which remains

largely unaffected by economic crises.) However, modernisation, as a valuable answer to housing shortages, has grown in popularity since 1973 and as well as improving sanitation and general housing conditions it has provided scope for countries to go ahead with energy-saving insulation programmes. In addition, the trend towards modernisation has not only provided work for unemployed building workers, but has also encouraged countries to rethink their policies of urban renewal. Belgium, for example, has in the past faced loud protests when houses have been demolished and new, higher-class housing built on the same site. The residents, unable to face the increased costs have been forced to move away. Modernisation has a major advantage over demolition and new building in that it does not run the risk of destroying the existing structure and way of life of the community.

Further efforts on the part of governments to cushion householders from the effects of the recession include rent freezes in Belgium, Italy and the UK, controlled increases in Denmark and Luxembourg and improved rent subsidies in the Netherlands. In spite of gestures such as these, however, there remain certain groups of people particularly hard hit by the housing shortage. Migrant workers tend in any case to occupy the poorest housing, and handicapped people, whose chances of rehabilitation and social integration often depend on good housing, are also badly affected. The EEC Commission is itself taking action to improve the housing conditions of these two groups¹.

Looked at broadly, the housing problems of recent years have also had a significant effect on overall planning policy. Countries have taken action to even out regional and urban/rural imbalances, as well as attempting to reduce the social disparities between housing for the rich and housing for the poor. The trend which stands out from others, however, is the desire to bring private speculation within bounds and assume tighter governmental control of development. Increased power has been invested in the local authorities in Denmark, Ireland and France for example, and Britain's radical Community Land Act is only one of a number of steps taken by member states in this direction.

¹ Earlier this year for example it approved a grant of £187,500 for a number of pilot schemes and studies which will investigate the specific housing needs of handicapped people (access ramps, kitchen and bathroom facilities and so forth). Note that the Commission has little direct power in relation to housing. Only in the case of the ECSC with its more extensive mandate has direct action been possible. The ECSC has part-financed the construction of about 125,000 houses for coal and steel workers.

Social Security

Looking at the statistics, it would appear that Britain has been losing ground fast in the social welfare race. But in some ways the British system has more to offer than other EEC countries, for it distributes resources more evenly. In principle it remains true that while British benefits provide a more effective safety net for the poor, the continental approach takes better care of the ordinary working man and his family.

Patchwork of systems

The reasons for general nervousness at the prospect of harmonisation become clear after a detailed look at the various social security schemes operating throughout the member states. The picture is a bewildering patchwork of different national priorities, different administrative systems and different methods of finance.

One thing is clear however: Britain, pioneer of the Welfare State, has now fallen badly behind on social expenditure. The most generous countries—Denmark, Germany, Luxembourg and the Netherlands—spend about a third of their national income on social expenditure. Belgium, France and Italy spend over a quarter and only the UK and Ireland spend less than this (see tables). The order changes slightly if social expenditure is measured per head of population, but the UK is still near the bottom. (1975 figures in all the tables are projected estimates).

The rate of growth in social spending is also a useful indicator. In recent years social expenditure in all countries has risen faster than the increase in national income, illustrating the continued expansion of national social protection policies. Levels of benefit have been raised, more people have been included and more categories of need have been covered. There are, however, substantial variations from country to country in the rate of increase relative to increase in national income. Between 1970 and 1975 Britain stands out as having a slow rate of growth in this respect.

Differences in national priorities emerge clearly when total national social expenditure is broken down into its separate components. In all countries pensions take pride of place, followed by sickness benefits. Then priorities divide between family benefits (in Belgium, Denmark, France and Ireland) and invalidity (in the rest of the EEC). These four items together take the lion's share of the social security budget, but the relationship between each of them is gradually changing. Pensions for example are becoming less important in the Netherlands and Germany, but growing in importance particularly in Belgium, France and Italy. Sickness benefits on the other hand seem to be attracting more expenditure in Belgium, France, Denmark, Germany and Luxembourg. As might be expected, expenditure on unemployment benefit has increased dramatically throughout the EEC. In Belgium and Ireland it is estimated as representing around 8 per cent of all benefits in 1975, while in Denmark, the Netherlands and the UK it is estimated at above 5 per cent.

Paying for it all

Another key area of contrast between member states relates to the question of finance. Countries fall into two groups depending on whether their main source of income comes from the state and local authorities or from employers' and workers' contributions. Denmark and Ireland rely directly on

the state whereas France, Germany, Italy and the Benelux countries (the original six, in fact) depend on contributions. Britain hovers midway between the two groups, the two main sources of finance being of more or less equal importance. In every member state workers' contributions are less than employers' contributions, often substantially so, but it is significant that on the continent contributions are earnings related rather than flat rate and with the increased (compulsory) participation of higher income groups have grown more akin to direct income tax.

Sources of revenue for social security and medical care 1972

	Sources of revenue – as per cent			
	insured	employers	public authorities	other
Belgium	20	46	30	4
Germany	24	50	23	3
France	20	62	16	2
Italy	15	54	24	7
Luxembourg	24	36	31	9
Netherlands	36	43	13	8
UK	18	34	40	8
Ireland	14	19	66	1
Denmark	6	10	81	3

Source: European Commission, Report on the development on the social situation in the community in 1975.

The pattern of expenditure which emerges from the collection of statistics illustrates the general trend of national policies, but this is only half the picture. Many key factors affecting social security do not come to light in the figures. Firstly there is the contrast between selective and universal benefits. While some countries spread their benefits thinly over the entire population, others are more generous but more discriminating. Britain has, since Beveridge, upheld the principle of comprehensive cover, while in general the continent, at least until recently, looked on social security more as social insurance. Qualifying conditions were more restrictive than in Britain and certain groups were not entitled to benefits. While employees were protected the self-employed tended to be excluded from compulsory cover. This represented a large gap in coverage as the self employed in the 1950s represented nearly a third of the continental working population, compared with only 7.5 per cent in Britain. In Germany the higher paid were also left out of the picture as a result of an incomes ceiling above which people were not entitled to compulsory insurance. In recent years, however, the various excluded groups have gradually been brought into the fold, with the result that continental systems are drawing closer to Britain in their comprehensiveness.

The contrast between flat-rate and earnings-related benefits also plays an important part in influencing the texture of social security provision and the redistribution of wealth. Taking pensions as an example, while the British state scheme has up

to now favoured a flat-rate benefit, pensions on the continent, with the exception of Denmark and the Netherlands, have stuck more closely to the earnings related principle. In most countries there are a complex variety of special schemes which, far from redistributing wealth, tend to preserve occupational status by discriminating in favour of certain groups. Civil servants do particularly well. In Britain, however, discrimination and inequality enter the system via the private occupational pension schemes. Continental sickness, unemployment and maternity pay are also more closely linked to earnings levels than in Britain, the aim being to preserve usual earnings as far as possible rather than setting a basic maintenance level. Unemployment benefit in France is now 90 per cent of the previous year's earnings for the first 12 months out of work.

In spite of all these considerations it remains a fact that Britain comes off badly in the welfare race in terms of both overall expenditure and on many individual items. It is mainly on health care that the statistics fail to do justice to the UK, because they are based on current expenditure and ignore the vast capital cost of the health service.

Moving closer

For the moment, national social security policies remain strikingly different from one another, whether it is a question of social principles or methods of applying these principles. Nevertheless there are areas where countries are beginning to assume common objectives. Most countries are moving towards broader social security coverage which will plug the gaps where social protection is not available. They are also attempting to raise the level of benefits, bringing them more into line with rising wages and increased prosperity. Several countries are trying to make benefits fairer – for example, Italy and Luxembourg have taken steps to bring their various pension schemes into line. There are also moves afoot to rationalise social security systems, bearing in mind that in many countries they are even more complex and varied than in Britain. In addition, particular groups of people have been the focus of attention in several countries, showing a common recognition of need. Women have benefited in Belgium, France, Luxembourg and the UK, as have disabled people in Belgium, Germany and the UK.

But the most crucial problem which all countries have had to face since 1973 is the economic crisis and the consequent inflation/unemployment spiral. While the need for generous benefits to offset the effects of the crisis have become more acute, the financial wherewithal to provide them has been running dry. Countries have reacted by concentrating on the least privileged categories and the most

pressing needs while at the same time readjusting financial burdens and spreading reforms over a period of time.

The joint attack to combat unemployment has taken different forms throughout the Community. In 1974 Germany introduced new machinery to guarantee workers an income of equal value to their wages over the last three months of work in the event of an enterprise going bankrupt. France also agreed a scheme which with state financial aid gives workers a year's redundancy pay at almost the level of their previous earnings. Last year Italy introduced guaranteed wages for people laid off or on short time working, Belgium brought in interim pensions for elderly workers, France and Luxembourg improved compensation for partial unemployment and the Netherlands proposed a scheme to give elderly workers unemployment benefits for an unlimited period. Several countries relaxed conditions of eligibility and raised the level of benefits, as well as extending cover and bringing in special measures to help young people.

Inflation has put certain groups of the population in a particularly vulnerable position. Countries have reacted by raising the level of benefits, sometimes by very large amounts. In 1974 Belgium introduced a system to give a guaranteed income to people with no other adequate means of subsistence; Germany took special action on the handicapped; France and Italy improved minimum old age benefits; and Ireland and the UK raised the level of all basic benefits. (In the UK the increase was 30 per cent for long-term cash benefits, the largest ever made.) The Netherlands on the other hand took action to reduce contributions. These various activities were developed further in 1975.

While the expansion of benefits goes on, countries are still searching for ways of paying for them. In the past period of economic prosperity maintaining financial equilibrium was not so difficult, but the present crisis has made this an urgent problem. The dilemma is exacerbated by the changing ratio of working to elderly people in the Community which means that there are increasingly more beneficiaries and fewer contributors (see page 17).

Faced with this problem, Community countries have come up with a variety of solutions, such as increasing contributions and taxation; rationalising their benefit systems; redistributing costs and borrowing money. Ultimately, however, the policy of expansion of social security must suffer and some major compromise may have to be reached between social priorities and financial means. Whether this will lead to renewed emphasis on selective benefits and restricted eligibility or whether it will entail other methods of provision, such as preventive measures and more community services, still remains to be seen.

WELFARE COSTS

The pressure of social security and welfare costs on gnp and on the working population of five European countries. All historical figures are for 1973

	Total welfare spending as % of gnp (a)	Total health spending as % of gnp (b)	Total pension spending as % of gnp (c)	Other welfare spending as % of gnp (d)	Soc. security contribution as % of gnp (e)	No. of nonworkers per 100 of working pop (f)	Same ratio for 1985 by OECD forecasts	Over-65 as % of total population
Netherlands	23	6.5	8.5	8.0	16.0	180	193	10
W. Germany	22	6.5	8.5	7.0	13.0	130	133	14
Italy	22	6.5	7.5	8.0	12.0	165	177	11
France	19	5.5	7.5	6.0	15.0	136	134	13
UK	17	4.5	9.0	3.5	5.5	118	119	14

(a) Social security payments, including those coming from taxes. (b) Excluding private health insurance spending. (c) Private pension schemes excluded. (d) Unemployment benefit, maternity and family allowances etc. (e) Money coming in from contributions. (f) Unemployed counted as non-workers

Source: OECD, EEC, national statistics and VISION estimates. Figures rounded.

Health

While many feel we still have cause to be proud of our National Health Service, it is useful to see how it compares with other countries. The main difference involves the question of financing, with varying burdens being placed on the tax payer, the employer, the employee and the patient himself. The rapidly escalating costs of health care provision have made all countries anxious to improve the efficiency of their systems, but this is easier said than done.

Belgium

The chequered history and divided culture of Belgium have left their mark on the development of health care services. The resulting system, an incohesive service with relatively little state control, is anything but systematic. Although central government in Brussels is responsible for most decision making, much of the responsibility for carrying out policy is in the hands of some 2,000 local authorities, and this decentralisation does not make administration easy. Added to this the government has also to take account of many different interest groups within its borders – the Flemish, French and German subcultures, the strong Roman Catholic element, and the pressures of a high percentage of immigrants and elderly people in the population.

The present system of supplying and paying for medical care in Belgium works as follows: about 98 per cent of the population are covered by compulsory health insurance, and their contributions are paid via the government to the various sickness funds. These sickness funds are responsible for reimbursing patients and fixing the fees doctors can charge. The patient has to pay the doctor first, and then is paid back from the sickness fund, but this reimbursement usually covers only three-quarters of the cost of treatment. In the case of hospital treatment however, a patient usually gets all his money back. Doctors are paid a fee for their services rather than a fixed salary.

While nearly everyone is thus covered by medical insurance, the main problem Belgium faces at the moment is to make the service more efficient. Rapidly escalating costs of health care have not been helped by the fact that services are not rationally planned, producing too many doctors, too few nurses, and an uneven geographical distribution of hospital beds. The Government is taking steps to improve the situation but the main stumbling block – the medical profession itself – still has to be overcome. The doctors have a powerful influence in the development of Belgian health care, but a vested interest in keeping things the way they are. They see health care as the responsibility of the individual and resist attempts by the state to rationalise the system, if this means restricting the personal freedom of the profession.

Denmark

The tale of the Danish health service is one of increasing state control, resulting in a system which bears many similarities to our own National Health Service. Increased power has been vested in the local authorities, and now fourteen counties (equivalent to the UK regional health authorities) are largely responsible for the executive and operational functions of the health service. The national government's role is that of policy maker and supervisor, but it is still at present directly responsible for psychiatric hospitals and institutions for

special groups, such as the blind, the deaf, alcoholics and mentally handicapped people. Interestingly enough, the state also controls the price and distribution of pharmaceuticals, to the extent of running all the chemists' shops.

While the British health service offers blanket protection, not all Danish people are entitled to completely free health care. There is one level of benefit for the 80 per cent of people whose income falls below a certain point, and another for the second group whose income is above it. People in the former group are entitled to free medical care from state-approved GP's and specialists and free choice of doctor among those approved. If they choose an unapproved doctor they are entitled only to a proportion of the fees. People in the latter group get a refund equal to that of the first group's benefits, the difference being that doctors can charge them higher fees, (otherwise doctors are paid a set amount by the state, half their fees being paid on a per capita basis, and the other half on a fee-for-service basis). Groups 1 and 2 both get free treatment in public and other approved hospitals, and counties are obliged by law to provide a free hospital service to a reasonable standard. Counties also pay three-quarters of the cost of medicines. There is virtually no private hospital service in Denmark. The Danish system seems to operate more smoothly and harmoniously than in many countries. One reason for this may be the even geographical distribution and abundant supply of doctors – 163 per 100,000 people compared with 133 per 100,000 in England and Wales (in 1972).

France

Two characteristics stand out in the French health system: a degree of state intervention which is minimal by British standards, and a financial framework which places heavier burdens on the patient than anywhere else in the Community.

The system of compulsory health insurance is complex. Over 90 per cent of the population are covered by compulsory insurance, more than 70 per cent within the general scheme, and others by special schemes for such groups as civil servants, miners and agricultural workers. However, the special schemes do not always cover all risks, so some people belong to both groups. Many of the self-employed are excluded altogether. This compulsory insurance only covers a proportion of the patient's costs, which are determined by a complex mechanism known as the 'ticket modérateur'. This sets the amount the patient will have to contribute. It may be a proportion or a lump sum, and varies according to the standard and type of treatment – consultations, medicines, hospitalisation, and so forth. In general, compulsory insurance covers about three-quarters of the cost of treatment, but, with the exception of hospital care, the patient has to pay first and is then reimbursed, which can

involve costly bridging finance. As far as the remaining quarter of the cost is concerned, the patient has to pay out of his own pocket or from private insurance. The poor are covered by supplementary benefit.

In practice the burden the patient has to bear can be heavier than this, owing to the precarious method of fixing fees. It is up to the sickness funds which administer health insurance to determine fees with doctors in each locality, so costs can vary considerably from place to place. The sickness funds tend to be weak negotiators, but since 1971 the state has made efforts to bring the situation under control by imposing national agreements and tariff ceilings. If doctors and sickness funds fail to agree, the state can intervene and establish official fee scales. In spite of this system, not all doctors have toed the line, and patients can find themselves paying fees at one rate but being refunded at another.

Quite apart from the problem of fixing fees, there is also very little state control over the standard and quality of health care within a largely privately operated system. One major problem is poor geographical distribution of resources. While the government is beginning to take action to achieve a better distribution of hospital beds, it can do almost nothing about the acute regional imbalance of doctors. In 1968-9 there were 367 doctors per 100,000 in Paris, compared with 60-70 per 100,000 in the provinces.

The rapidly rising costs of health care, which all countries face, are now beginning to tax the French system to the limits, with the sickness funds threatened with insolvency. The government will have to use its financial powers to intervene, but increasing contributions and redistributing costs is not an easy business. At present employers make a very high contribution to the sickness funds – more than three times the amount contributed by employees – so they will not welcome any heavier burden, but nor for that matter will employees.

Germany

Germany operates a health care system which is lavish by any standards, with very high doctor/patient and nurse/patient ratios, plenty of the latest medical equipment and hospital beds to spare. The patient is covered by health insurance and has very few extra costs to bear. There are no waiting lists for admission to hospital, no pressures to discharge people, and doctors are among the best paid professions in the country. Understandably however, even the Federal Republic cannot survive the ever escalating costs which this system brings with it.

The standard method of increasing revenues is to raise the level of contributions to health insurance funds, but contributors are beginning to protest at having to shoulder this burden while attempts to control costs remain inadequate. Employees' insurance contributions now amount to over 10 per cent of their salary, with employers contributing an equal amount. 90 per cent of the population are covered under the official insurance system; 8.5 per cent are private patients, and a few are covered by special schemes or not insured at all. People with incomes above a certain limit are not obliged to contribute, but can do so voluntarily. Under the official system patients are entitled to almost 100 per cent free medical care and although they do have to pay prescription charges, these are low relative to average salaries.

The government has made attempts to save money and reduce patient demand by proposing higher prescription charges, and operating a 'no claims bonus' for the insured, but the health cost explosion still continues. This is partly due to increasing demands on the system, but the costs which people protest about are the very high doctors' fees which the insurance funds pay, and the wasteful duplication of services caused by the division between treatment in hospital and treatment in doctors' surgeries. There is no interrelationship or continuity of care between hospital and GP services. The two systems are run by entirely different staff with no overlapping of responsibility. This means that each time a patient leaves or enters hospital, he must be re-examined by a different doctor. The resulting duplication of equipment and wastage of manpower is considerable. Because of the absence of out-patient departments, patients have to be fully admitted to hospital for relatively minor treatment, and often stay there for longer than necessary.

Legal and financial state intervention is increasing in Germany, as elsewhere, in order to even out the inequalities of the system and avert a financial crisis, but the government faces strong opposition from doctors and patients, both of whom have much to gain from preserving the status quo – the doctors because they do not want to sacrifice their high salaries, the patients because they at present enjoy a very generous service. On the other hand, the government is under pressure to take action from the general public, who are not prepared to accept high rises in insurance contributions.

Ireland

General poverty has hampered the development of a national health service in Ireland but radical changes have been implemented in recent years which have cemented the foundation of a state service. There has been a gradual move towards universal benefits, though free medical care is still not considered a right to which the whole population should be entitled. Eligibility for benefits still depends on income, and while 90 per cent of the population can now obtain free hospital services, only about a third can as yet obtain free treatment from GP's. For those not fully covered, the government encourages voluntary health insurance administered through a government appointed Voluntary Health Insurance Board. Private health insurance companies also operate but are not allowed to compete with the VHIB.

Administration of health services was, until 1971, almost entirely in the hands of local government, but since then has been dealt with by eight newly-established regional health boards. Financial responsibility has been increasingly shouldered by central government, with more than half of health care costs now coming from general taxation. The Irish Hospitals Derby Sweepstake used to cover nearly all capital expenditure on hospitals, but now contributes to only a fifth of these costs. As the situation is still one of change and development, it is too early to comment on the advantages or disadvantages of the system.

Italy

While there are frequent rumblings in Italy of a major reorganisation of health care in the direction of the British NHS, the present system has been

openly described as chaotic. Devolutionary measures of the early 1970s have ensured the necessary regional administrative structure for the provision of health care, but the system founders on the rocks of financial administration. Instead of a similar delegation of financial responsibility, a separate central organisation is still responsible for the varied network of insurance institutions, some 200 of them, which provide 94 per cent of the population with compulsory cover.

There are proposals for merging the sickness funds into a single social security fund, but meanwhile the present system continues. The various sickness funds, which are run on a commercial and actuarial basis, have different contribution rates and different benefits. Each fund competes for its own doctors, and establishes its own rates of fees with them. The largest Fund, INAM, pays for medical care direct, but under some other funds, the patient pays and is then reimbursed. Hospital cover under most funds only lasts for 180 days, after which the poor can be paid for by the state (but may have to move hospital) while those with more resources must resort to private means. Most hospitals are independent, and the sickness funds take out contracts with them for beds, though there appear to be frequent arguments about fees. In spite of the general shortage of beds it is not unknown for hospitals to close owing to lack of finance.

As a rule, doctors in hospitals are on a salary, which may be boosted by private work using hospital facilities, but doctors outside hospitals are paid in a variety of ways, depending on negotiations with the sickness funds. The usual systems are a capitation fee or a fee for service, or a mixture of both, but some specialists are paid by the hour. More recently, the sickness funds have tried to get fees fixed at national level in order to unify the system.

While most Italians are covered by compulsory insurance, there is little faith in the standard of medicine that this cover provides. Private practice therefore thrives, but at high cost to the patient.

Netherlands

While the health care system in most European countries seems to point to the advantages of state control, this is less true of the Netherlands, where an almost entirely private system operates efficiently and to the satisfaction of its inhabitants.

Both insurance cover and provision of care are run on a private basis, with the patients, the insurers and the providers of care free to bargain on prices and benefits within certain constraints laid down by law. Doctors' fees are, in fact, fixed by negotiations between the medical profession and the joint Association of Sickness Fund Organisations on a per capita basis, or, in the case of specialists, a fee-for-service basis.

Compulsory insurance covers 70 per cent of the population. The remaining (wealthy) 30 per cent may either contribute to public funds or take out their own private insurance. The various sickness funds offer free comprehensive cover for the normal run of medical treatment – consultations, hospitalisation, medicines, and so forth – and usually pay for medical care directly than on a refund system.

The hospital system, like the rest of Dutch medical care, is run largely on a private basis, though hospitals are forbidden by law to make a profit. Holland is one of the very few European countries where a thriving hospital out-patient service exists. Elsewhere in Europe out-patient departments are regarded with hostility by non-hospital doctors as

encroaching on their own territory.

In spite of the smooth running of the present Dutch system, government involvement has increased in recent years. On occasions it has intervened where the private system seemed reluctant to take on high risks, for example by legislating for full compulsory cover of the chronic sick. There has also been increasing financial involvement and a growing concern for coherent planning at government level to ensure even distribution throughout the country of all medical resources. Exactly how these aims will be executed is not yet certain, however.

Conclusion

Whether one opts for the social insurance system of the original six members of the EEC or the state system of the new three, it is fairly plain that no system is without its problems. Nevertheless throughout the Community a pattern emerges of increasing state control to impose a fairer distribution of services, to restrain escalating costs and to act as arbiter in the anarchic negotiations of doctors and sickness funds. This does not necessarily mean that other countries are inclined to embrace the political ideology of the state system; in some countries there still remains a tendency towards the view that illness is a financial risk like any other. Indeed the whole question of private practice and social justice, a subject of hot debate in the UK, fails to raise much protest in those other European countries where private medicine, resulting in different standards of health care, is accepted.

In continental countries efficiency is the main appeal of the state system. Apart from ensuring more even distribution of services, and saving on the separate administration of hundreds of sickness funds, the state is seen as the only institution which can counteract the monopolistic stranglehold of the medical profession. If the state is the sole buyer of services it has much greater bargaining power with the sole sellers, i.e. the doctors, than individual insurance funds could ever have. Alan Maynard presents this argument convincingly in *New Society* (28.8.75) and suggests that this is one reason why British expenditure on health care may appear relatively low compared with other European countries. However, he also points out that state control of the market may exert its own stranglehold, resulting in a brain drain and nurses' strikes. The state can exert a similar hold over drug companies which may be led, by reduced profits, to restrict further medical research.

Certainly the state system is not necessarily a panacea for all ills; it brings with it the problems of a vast monolithic organisation. How to be effective at national, regional and local level and how to respond to the dictates of government on the one hand and the voice of the consumer on the other, have been questions taxing the British health service in recent years. The combination of limited resources and ever-increasing demands also presents major problems, requiring the state to choose priorities in health care rather than offering a truly comprehensive service.

At a time when rapidly rising costs pose very severe threats to the operation of health services in all European countries, governments are being forced to take action to protect their health care systems. Regrettably, the combined experience of members of the European Community fails to suggest an easy answer to the problem.

Poverty

With the possible exception of Denmark, all countries agree that the expansion of social welfare benefits has not eradicated poverty in the Community. A different kind of approach is needed to help those who are still excluded from the EEC's growing prosperity. Under the auspices of the Community's Action Against Poverty Programme, member states have come together to investigate the causes of today's poverty and to suggest effective remedies to end it.

Progress and Poverty

The social security and health care boom of recent years is held up as a sign of European progress; social expenditure is an ever increasing proportion of GNP, more and more groups of people have been sheltered under the social welfare umbrella, and protection in theory covers everyone from the cradle to the grave. In spite of seemingly extensive provision, the European consciousness has in recent years woken up to the fact that poverty has not after all been eliminated. Furthermore the numbers of poor people are too large to be quietly ignored. Estimates for the Community as a whole put the figure at an alarming ten million people "who do not have acceptable material means, sufficient intellectual resources, or opportunities allowing them to dominate their environment, to face up to other people, in other words to possess an identity and see this accepted by others."

The numbers of poor vary substantially from country to country. In Ireland 24 per cent of the population are thought to be below the poverty line, in Belgium about 10 per cent, while in the UK the official estimate of people entitled to supplementary benefit is 9 per cent of the total population. But even in wealthy Germany the number of those outside the ordinary prosperous community is substantial – up to 800,000 homeless, up to 100,000 vagrants, 10,000 drug addicts and 1,200,000 actual or potential alcoholics. While large numbers of the poor in all European countries are supported by social welfare provision, the persistence of poverty clearly indicates that this mechanism is inadequate to wipe it out. Consequently countries have been looking beyond existing measures of material assistance to reach a better understanding of the root causes of poverty, to see why people fail to take advantage of the benefits available and to discover effective remedies.

The Poverty Programme

The various threads of this activity have been drawn together at Community level under the EEC's Action Against Poverty Programme. This represents a new departure for Community social policy in that it is the first programme concerned with groups of people in a purely social context rather than as cogs in an economic machine. It is also a new departure for the member states, who are not in the habit of getting together to discuss and compare national social policies.

The object of the programme is to fund a number of pilot projects throughout the Community designed to explore new ways of combating poverty, and to provide a pool of knowledge and expertise on which all member states can draw. It is possible that from this may grow commonly shared views of the nature of poverty and a joint approach to its solution.

This has not been the case to date. The initial discussions which formed the basis for the Poverty Programme in 1974 revealed wide-ranging attitudes both to the cause and extent of poverty and to methods of tackling it. To start with, countries have different ideas about the very definition of poverty. In Denmark the poor are all those earning less than half the average income. Other countries also accept a relative definition, though they may gear it differently, but in some the idea still persists that poverty depends not on the wealth of the rest of the Community, but on the idea of a fixed minimum subsistence level or "poverty line". Throughout the EEC there is widespread acceptance of the view that poverty refers both to a shortage of cash and other material goods, and also to a lack of intangible benefits, such as access to education, health and amenities, and the power to control one's own destiny.

These deficiencies, both material and intangible, result in exclusion from ordinary society. In fact, the Poverty Programme defines the poor as "an individual or family whose resources are so small as to exclude them from the minimum acceptable way of life of the member state in which they live". Many of the projects finally chosen under the programme have as a common theme the social reintegration of the poor, and aim to give them an accepted place in the local community, together with the rights and responsibilities which that position brings.

Both financial and socio-cultural factors are at work in the social isolation of the poor, but countries have different ideas as to which item is the chief cause of poverty. Strikingly, countries such as Denmark, Germany and Holland have expressed the view that they have wiped out the financial causes of poverty – inadequate benefits, low incomes and so forth – and that the next step is to tackle the hard core of social problems. For Italy, Ireland and the UK, on the other hand, the financial hurdle still looms large.

The differentiation between economic and social poverty also gives rise to a curious separation of responsibility on the part of governments. The existence of widespread poverty as a result of inadequate financial benefits puts the ball firmly in the government's court to improve services and increase take-up of benefits through welfare rights programmes. On the other hand countries have reacted in very different ways to the social circumstances of poverty. In the reports submitted by member governments during initial discussions on the Poverty Programme, Germany, for example, expressed concern about peripheral groups such as vagrants, gypsies, drug addicts and convicts, and described ways in which the state was taking action to get these various groups back on the road to supporting themselves. France, rather than select-

ing particular deviant groups, laid the emphasis on the family unit. The principal French approach, which runs along the lines of Sir Keith Joseph's cycle of deprivation theory, sees poverty as being handed on from generation to generation, and the main means of tackling it being to intervene with family aid, casework and child care to break the cycle. While France and Germany are both ready to intervene with policies to support particular groups, there seems to be the implicit idea that the poor in these cases are responsible for their own condition, rather than the idea that it is the structure of society that has made them what they are.

The Dutch approach, on the other hand, is to accept that the social structure is as much to blame for the persistence of poverty as the various deprived groups themselves. According to the Dutch ethic everyone should have equal access to adequate income, education and so forth, but groups such as the elderly, the handicapped, migrants and the low paid will need extra help if they are to be offered genuine equality.

Tackling poverty within a community setting seems very much the hallmark of social action in the Netherlands, (although there are also policies aimed at eradicating the personal problems of particular deprived groups). The UK also has increasingly adopted a community wide approach, as the growth of the urban aid programme, educational priority areas and community development projects illustrates. In fact Britain and the Netherlands are the two countries where community work plays a key role as a method of social intervention. Within the UK section of the Poverty Programme itself, a fair slice of aid has gone to community action projects and community resource centres.

A keynote of many projects chosen under the programme is the accent on self help. Deprived groups within the Community will draw up and execute their own projects, ranging from family day care centres in the UK and groups for the homeless in Germany, to community action groups in France and the Netherlands. The idea is that poor people should bring about their own social integration and acceptance within the surrounding community.

While the Poverty Programme has given its blessing to a wide variety of projects concerned with community development or with the social and psychological needs of particular groups, there is a notable absence, even in the poorer countries, of projects concerned with the financial aspects of poverty. In their original reports the member governments were at pains to stress the adequacy of their social security measures, and the comprehensive range of social assistance available for those not eligible for social security. As illustrated above, social and psychological factors were largely blamed for the persistence of poverty. No government seemed particularly keen on the idea that one reason for continuing poverty might be that people were not claiming the benefits to which they were entitled. While welfare rights are considered crucial on this side of the channel, particularly where voluntary organisations are involved, they are not considered so important on the continent, where the stigma and disincentive attached to means-tested benefits, and the shortage of information on them, appear to rouse less concern. In fact, Germany seems more concerned with preventing people from getting benefits they don't need than encouraging them to apply. Candidates for social assistance may have to pay it back if they are 'to blame' for their situation, and one of the German projects is con-

cerned with stopping the flow of benefits to the un-needy as a way of combating increasing social welfare demand. Out of the twenty-six projects chosen under the Poverty Programme, only one Irish project is concerned with welfare rights. This is in spite of the vehement protests of the British voluntary movement, which insisted that welfare rights were a key instrument in alleviating financial poverty and a vital contribution to the Programme.

While there may be certain gaps in the Poverty Programme, most countries seem to agree that the pilot projects now being set in motion will, although operating on a small scale, supply important information on the inadequacies of provision for the poor and suggest appropriate remedies. Only Denmark has shown relatively little interest in the problem, claiming that poverty in Denmark has been virtually eliminated. The Danish philosophy of universal and uniform state benefits and its history of harmonious industrial development have, it would seem, produced a homogeneous community within which there are no isolated groups and no real poverty. Voluntary organisations, while playing an invaluable role in combating poverty elsewhere in the EEC, particularly in the UK, Ireland and the Netherlands, are thought to be superfluous in Denmark, where the existing services are entirely adequate. Denmark may be fortunate, but the rest of the Community will need to work hard to eradicate the poverty within its midst if it is to shake off the stigma of hypocrisy attached to the 'Rich Man's Club of Europe'.

Action Against Poverty

United Kingdom Projects

1. A group of voluntary organisations from various parts of the country will collaborate on a *Family Day Centre* project which seeks to experiment with different approaches to the task of helping the poorest families to counter the particular deprivations of extreme poverty - depression, sense of hopelessness, and social and cultural isolation. The organisations concerned are: London Council of Social Service; Gingerbread, Croydon; Aide à Toute Détresse; Defoe Day Care Project Committee; Cambridge House and Talbot; Camden Family Service Unit; Liverpool Personal Service Society.
2. The Calouste Gulbenkian Foundation (Lisbon) is setting up an *Area Resource Centre* in the United Kingdom which will be located in a major city with areas of deprivation. The centre will help field workers and local groups, particularly self-help neighbourhood groups, with technical aid and equipment, and advice.
3. The *South Wales Anti-Poverty Action Centre*, which is a consortium of local groups combating deprivation, are setting up a multi-purpose resource centre. The resource centre will employ a lawyer, community worker, and a research and development officer.
4. Two projects concerning the Edinburgh area are being organised by the *Craigmillar Festival Society* and the *Lothian Regional Council*. The Craigmillar project is an attempt by the people themselves of this poor area of mainly public housing to tackle and solve its physical and social problems. The Lothian project aims at combating poverty within the areas of Edinburgh where it is most concentrated. It is intended that the work should not be confined to a separate programme, but that its aims and methods should become part of overall local government policy.
5. The *National Association of Citizens' Advice Bureaux* plans to improve the effectiveness of its services in giving advice and information about the rights of appeal to social security tribunals and in organising the provision of lay advocates to appear before these tribunals.
6. The *Northern Ireland Department of Health and Social Services* plans two surveys studying firstly the extent to which government and other services are being utilised in the fields of housing, health and education, and, secondly, the part played by voluntary organisations in meeting social needs.

The EEC Contribution to the UK projects: 1975 - £192,500
1976 - £229,000

Migrant Workers — The Unwelcome Guests

The economic recession marked an abrupt end to the laissez-faire attitudes of member states to the migrants in their midst. While governments hastily imposed immigration bans to protect their own nationals from increasing unemployment, the Commission was left with the task of campaigning for better conditions for the large numbers of migrant workers already resident in Europe. The protection of intra-Community migrants is not too great a problem since they are covered by the Treaty of Rome. Migrant workers from outside the Community are in a much more precarious position. The Commission will have to fight hard to get them accepted as equals.

Caught by change

Migrant workers were the answer to the employer's prayer in the labour-hungry boom years of the fifties and sixties. They flooded into the rich parts of Europe from elsewhere in the Community and further afield, providing an invaluable source of cheap labour, boosting growth rates, keeping down wage levels and performing those poorly paid, unpleasant jobs which the indigenous population was beginning to find unacceptable. Because they were only supposed to be temporary workers, the host countries followed the line of economic opportunism, and quietly ignored any question of their social and political rights, or even basic housing and education needs.

By the early 1970's however, migrant workers were making their presence felt — their numbers swelling to the proportions of a so-called 'tenth member state'. There are now thought to be at least ten million non-Community migrants in the EEC, reaching a possible fifteen million if those here illegally and migrant workers from elsewhere in the Community are included.¹ Host communities began to show rapidly decreasing tolerance towards migrant workers as the recession deepened. Increasingly they were felt to be less a boon than a burden, making growing demands on the services and goodwill of the host country.

Some irony attaches to this view of migrants as parasites on the host country for, seen another way, the rich countries had in fact been sucking the life blood from poorer countries by taking on migrant labour in the first place. The rich countries have argued that they have done poor countries a service by absorbing people they could not employ and returning highly skilled workers a few years later, workers who brought with them, moreover, valuable foreign currency. But it is arguable that richer EEC countries have in general taken the most promising and adventurous workers from other poorer countries, have benefited from their education without having to pay for it themselves, have profited from their labour without giving them decent wages, social benefits, or any political rights and far from offering them job security have threatened to take away their residence permits when they fall unemployed.

In any event, the oil crisis of 1973 and the subsequent recession meant that the extra labour was no longer wanted, thus providing host governments with a good excuse for clamping down on immigration and soothing their own nationals.

Shutting the doors

Germany imposed an import ban on non EEC foreign workers from November 1975, and those migrant workers remaining found it increasingly difficult to renew their work permits where they were thought to be competing for jobs with German nationals. In 1975 laws were introduced to impose strict penalties on illegal immigration, and to bring about a more even regional distribution of migrant workers. One after another, major West German towns closed the door to immigrants. Munich, Frankfurt, Hanover and West Berlin have now been followed by Cologne. They are applying a ruling passed in April 1975 which allows towns to do this once their immigrant population includes more than 12 per cent of the total. EEC citizens are, however, exempt (it would be against the Treaty of Rome). The measure is aimed at the growing colonies of Turks and Yugoslavs in Germany. German recruiting agencies in the labour exporting countries were, except in Italy, closed. By September 1975, there were still 2,100,000 foreign workers in Germany, 500,000 less than before the oil crisis. Migrants have been particularly vulnerable to unemployment; at the end of last year they accounted for 9 per cent of the German labour force, but for 11.85 per cent of the unemployed.

In France, a provisional halt to immigration was called in 1974 and then extended throughout 1975. Families of migrants have, however, been allowed to settle again since last July. Efforts to stop illegal immigration have increased, but whereas originally illegal migrants were given the chance to regularise their position, they now risk being thrown out if discovered. France has combined its restrictions with attempts to improve the conditions of existing migrants, by action on housing and training facilities. The big *bidonvilles* (shanty towns) around Paris have been bulldozed, though only to be replaced by the ruthless exploitation of the *marchands de sommeil*, who rent beds by the hour.

Belgium has also tried to cut down on illegal immigration, while legalising the position of those already in the country. Legalisation has, however, led to a new wave of illegal migrants, who won't be treated so generously. The ban on immigration began in 1974 and continued in 1975; it applies to all non-EEC workers except the highly skilled. The Belgians have been more imaginative in their family policy, even paying half of the fares for families to join immigrant workers in Belgium. Housing is above average, racial tension low, and Belgian trade unions have done more than Dutch, French or German, to make the foreign workers feel wanted.

While continuing to allow free entry from other Scandinavian countries, Denmark has excluded all other non-Community immigrants since November

¹ It is some comfort to be reminded that mass migrations are nothing new, even in relatively recent times. A census in 1907 showed nearly 800,000 foreign workers in Germany, while in 1930 there were some 3,000,000 foreigners living and working in France. Britain lost the same number through migration between 1871 and 1931, but took in 700,000 Irish in 1851 alone, followed by Italians and some 120,000 East European Jews. A similar number of Poles stayed after the Second World War.

1973. Refusing to renew work permits is another way of restricting numbers².

Luxembourg and the Netherlands have been slow to impose a complete import ban, although Luxembourg is now only opening the door to highly qualified workers. The Netherlands has no immigration ban as such, but has in the last two years imposed a very strict interpretation on regulations governing the issue of work permits and lets in workers only from countries with recruitment agreements when there are jobs going which Dutch manpower could not cover. In recent months the major problem has been the influx of immigrants of Dutch citizenship from Surinam. The Dutch seem to have exhausted themselves with their national effort to integrate 300,000 Dutch Indonesians in the 1950s. The estimated 120,000 Surinamese who poured in mainly in 1974 and 1975 have fared less well, and relatives of Mediterranean immigrants have been discouraged.

The poorest Community countries, Italy and Ireland, don't of course face these problems except, as it were, in reverse, being exporters of labour. The new legislation of the rich countries does not apply to Irish and Italian migrants as EEC law forbids any restriction to free movement of labour within the Community. In any case, intra-Community migration, accounting in 1960 for three quarters of the total foreign labour force in the EEC, is now responsible for less than a quarter.

In Britain the problem is one of immigration rather than migration. The number of Commonwealth citizens coming to Britain has vastly outweighed the few from such countries as Turkey, Yugoslavia, Greece, Portugal, Algeria and Morocco, who make up the bulk of migrants on the continent. While some continental countries may still view their migrant populations as a temporary phenomenon, it is accepted in Britain that immigrants come here to stay as British citizens. Consequently Britain is heavily involved with questions of racial equality and social integration, whereas across the channel migrant labour has until recently been viewed simply as an economic device, and it has taken longer for governments to realise the social and political side effects of their migration policies.

This is not to say that Britain has not benefited economically from immigrant labour, for indeed it has. But in Britain immigration restrictions were imposed to avoid racial conflict, leaving certain industries, such as transport, badly understaffed. The continental countries, on the other hand, clamped down for economic reasons because there were no jobs for migrants, or their own nationals, to do.

Now, however, the whole of Western Europe is paying increasing attention to the long term social questions raised by the existence of a foreign work force. It is already clear that in spite of immigration bans, migrant workers won't quietly disappear in a puff of smoke. Numbers are still vast and workers are being joined by their families and having children. These children will have different ideas about going back to a country they have never seen. The workers themselves are also not keen to go, in spite of various financial inducements, knowing they may never be given a chance to return.

² A report in *Vision* noted that foreign workers do not hesitate to get married to renew a residence permit or working permit. In Denmark more and more Yugoslavs and Turks are marrying Danish girls. Nine times out of ten, the bride does not go off with her husband after the ceremony. She vanishes - after receiving 'compensation' averaging some £400

Can the Community help?

Better conditions for migrant workers have therefore become an urgent and long term necessity, but one which the various governments whether willing or not, have found difficult to sell to their electorates. For this reason member states have looked to intervention at Community level to help them out.

When it comes to the crunch however, member states are less keen to act on the Commission's recommendations. The particular stumbling block is the difference in attitude to Community and non-Community migrants. The Commission has not tried to suggest that the two groups should be allowed the same freedom of movement; simply that non-Community migrants, once resident, should be given the same rights as the others. Member states on the other hand are less keen on the idea, particularly when it comes to political rights, which they argue are outside the Community's brief.

In general, workers from within the Community are already entitled, under existing legislation, to move freely throughout the Community and to be treated equally with nationals regarding employment, social security, living and working conditions, trade union rights, their children's education and the right to bring their families with them. Non-Community migrants on the other hand are at the mercy of the individual requirements of each member state and any bilateral agreements it may have with their own country. They have no automatic right to any of the benefits granted to Community migrants.

The Community's Action Programme for migrant workers and their families, now approved by the Council of ministers, envisages improving the conditions of Community migrants, particularly in the field of employment and social security, and gradually extending all their benefits to migrants from third countries. It also underlines the importance of civic and political rights.

The Programme as such does more to enumerate the problems facing migrant workers than to produce any precise remedies, but the Commission has promised more detailed proposals on specific problems. A draft directive on the education of migrant workers' children is already on the Council table. This is designed to ensure that migrant children have adequate reception facilities in their new schools; that they continue to use their mother tongue and learn about their own culture as well as learning the language of the host country; and that teachers are trained to cope with their special problems. (See E.S.T.S.22.) Also in the pipeline are proposals on illegal immigration, on co-ordination of migration policies and on consultative organisations for migrants.

While the Programme so far has mainly been concerned with improving conditions of migrants resident in the EEC the Commission tends to take a global view of the situation, bearing in mind not only economic and social factors in the host country, but also the consequences for the donor country. There is increasing support for the view that the protection of migrant workers should be only one aspect of a comprehensive policy of aid towards developing countries. Policies are now needed which will not merely act as palliatives to ease social tensions within the wealthy nations of Europe, but will break the vicious circle by ending the need to emigrate.

Further Reading

Publications of the European Community

Report on the development of the Social situation in the Community in 1975.

The first European social budget (1970-1975) (revised).

Comparative tables of the social security systems in the member states of the European Community.

The Social Action Programme.

The publications above are published by the Community's Official Publications Office, Boite Postale 1003, Luxembourg. They are generally available from Her Majesty's Stationery Office.

From the London office of the Commission of European Communities, 20 Kensington Palace Gardens, London W8 4QQ (usually free)

The Common Market and the Common Good.

People come first.

Other publications

Health care in the European Community. A. Maynard. Croom Helm 1975.

Europe and the British Health Service. Lord Wade. Bedford Square Press 1974.

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The Flight from Rural Poverty - How Nations Cope. E. Bussey. Lexington 1973.

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The EEC and the migration of workers. W. Böhning and D. Stephen. Runnymede Trust 1971.

Western Europe's Migrant Workers. J. Power. Minority Rights Group. 1976.

The European Community and the elderly. J. Rao. Age Concern 1975.

Europe Report (on population, work, housing, transport, education and leisure) New Society reprint 1975.

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The politics of social policy. Two-part Economist 'Schools Brief' 24.4.76, 1.5.76.

Britain's flagging Welfare - Community Care 10.7.74.

Welfare rights - the one that got away. Community Care 18.2.76.

The EEC's attack on poverty. Contemporary Review May 76.

Slamming the door on Europe's guest workers - Economist 9.8.75.

Western Europe and Its Immigrants - New Society 13.6.74.

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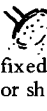
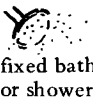









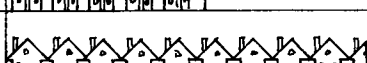
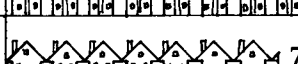
TOTAL POPULATION IN MAIN AGE GROUPS
(total for each year = 100%)

Country	1970			1975		
	0-19	20-64	65 and over	0-19	20-64	65 and over
B	31.1	55.5	13.4	30.3	55.9	13.8
DK	31.0	56.8	12.2	30.0	56.7	13.3
F	33.2	54.0	12.8	32.5	54.3	13.2
IR	40.2	48.7	11.1	40.3	48.6	11.1
I	31.7	57.7	10.6	31.7	56.6	11.7
L	29.3	58.1	12.6	27.4	59.5	13.1
N	35.7	54.1	10.2	33.9	55.3	10.8
UK	30.9	56.3	12.8	30.8	55.3	13.9
G	29.8	57.0	13.2	29.2	55.9	14.9

HOUSING

There are not enough houses to go round, and there probably never will be. As quantitative changes cope with the minimum demands for putting a roof over everyone's head, demands for better quality housing make existing stock obsolescent if not obsolete. The quantity of housing stock in each Community country has been affected by the date at which rapid industrialisation began, by such recent events as the Second World War (which destroyed proportionately more houses in some countries than in others), and by the priorities of government policy – the French, for example, concentrated on rebuilding the economy and further rapid industrialisation rather than meeting the demand for housing quickly.

The National Building Agency (1973) Survey gives much information about housing provision within the European Community. This covers each state individually, and deals with owner-occupiers, provision by the state, building societies, housing associations, new and old houses, flats and rents, giving an overall picture of the main characteristics of each country's housing situation. One thing that emerges clearly is that the scope for harmonisation by the Community is large if the political will exists to make good European housing an important social objective.

	 % of home owners		 % of households with ...					dwellings built		dwellings built before 1945	
	1960	1973	 piped water	 flush toilet	 fixed bath or shower	 private garden	 central heating	average each year 1960 to 1973	per thousand population	1960	1973
Belgium	66%	50%	77%	48%	24%	64%	21%	52,000	 5.4	75	—
Denmark	47%	47%	97%	91%	63%	63%	78%	45,000	 9.3	76	63
France	43%	42%	93%	53%	49%	46%	36%	550,000	 11.0	83	71
W. Germany	34%	35%	98%	83%	64%	50%	30%	535,000	 9.2	54	49
Ireland	60%	64%	57%	54%	33%	74%	4%	12,000	 4.2	80	—
Italy	53%	46%	72%	90%	29%	20%	18%	303,000	 5.7	—	—
Luxembourg	60%	55%	99%	82%	46%	83%	51%	1,800 *	 5.3 *	75	—
Netherlands	36%	29%	90%	68%	27%	67%	19%	122,000	 9.6	80	45
UK	51%	43%	99%	98%	84%	78%	15%	396,000	 7.2	76	61

*1970 only

SOCIAL SECURITY

EXPENDITURE AND BENEFITS (as % of national income)

Total expenditure	1975	28.6	33.2	27.7	34.3	21.0	28.8	33.5	34.3	24.0
Total benefits	1975	26.8	32.6	25.9	33.0	20.2	26.0	32.3	33.2	23.2

Source: EEC

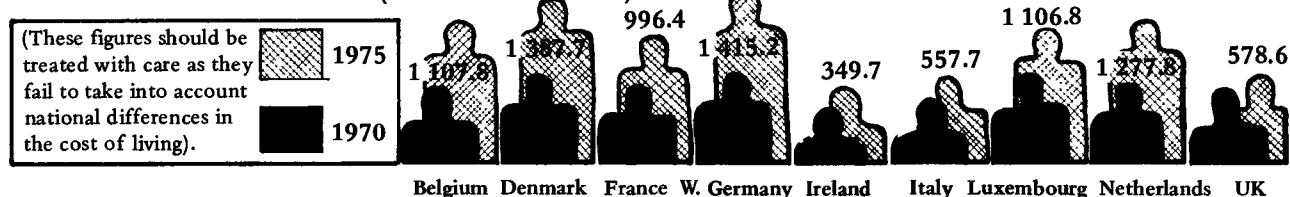
Belgium Denmark France W. Germany Ireland Italy Luxembourg Netherlands UK

SOCIAL EXPENDITURE AND NATIONAL INCOME (in annual average rates)

Social expenditure	1970-1972	14.6	16.7	12.4	13.5	17.8	18.0	13.2	19.5	13.8
	1973-1975	19.8	19.0	18.1	15.0	28.7	21.6	19.4	19.9	21.2
	1970-1975	17.7	18.1	15.8	14.5	24.3	20.2	16.8	19.7	18.3
National income	1970-1972	11.2	10.6	11.8	9.6	16.2	10.3	6.9	13.0	12.4
	1973-1975	13.6	12.0	12.8	8.9	20.2	15.1	9.5	12.5	16.6
	1970-1975	12.7	11.4	12.4	9.2	18.6	14.6	8.4	12.7	14.9

Belgium Denmark France W. Germany Ireland Italy Luxembourg Netherlands UK

EXPENDITURE PER HEAD (in units of account)



Belgium Denmark France W. Germany Ireland Italy Luxembourg Netherlands UK

BENEFIT BY FUNCTION (as % of total benefits)

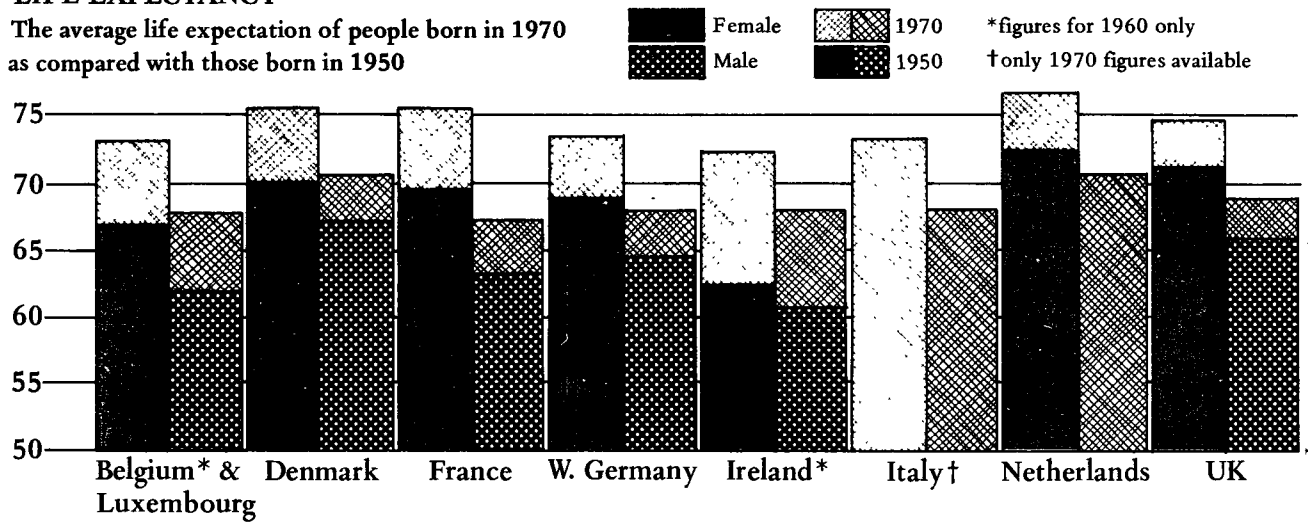
Sickness	1975	23.1	29.9	27.1	30.1	27.6	24.9	22.1	30.8	24.1
Old age	1975	39.3	35.3	39.6	40.3	36.0	36.3	55.2	36.2	47.4
Invalidity	1975	8.1	12.0	1.4	7.6	8.5	16.0	6.1	15.6	9.2
Industrial industries Occupational disease	1975	4.3	1.0	4.3	4.7	0.4	2.7	6.5		1.4
Unemployment	1975	7.8	5.2	2.9	3.5	8.0	2.8	0.4	5.7	5.8
Maternity	1975	0.6	1.1	1.4	0.8	2.0	1.6	0.5	0.4	2.0
Family benefits	1975	14.6	13.7	16.1	9.5	15.7	9.8	8.9	10.8	7.7
Miscellaneous	1975	2.2	1.8	7.2	3.5	1.8	5.9	0.4	0.5	2.4
Total benefits	1975	26.8	32.6	25.9	33.0	20.2	26.0	32.3	33.2	23.2

Belgium Denmark France W. Germany Ireland Italy Luxembourg Netherlands UK

HEALTH

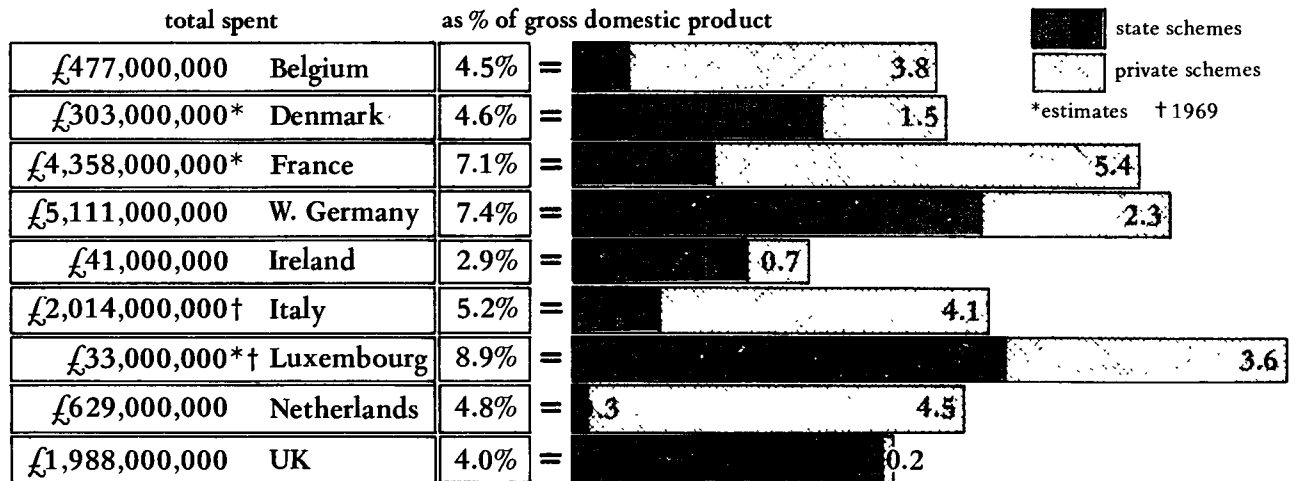
LIFE EXPECTANCY

The average life expectation of people born in 1970 as compared with those born in 1950



Source: The Bartholomew/Warne Atlas of Europe

SPENDING ON HEALTH (1970)



The items and services included in health expenditure vary from country to country therefore the figures in this chart are only roughly comparable between countries.

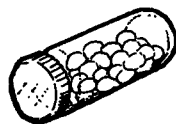
Source: The Bartholomew/Warne Atlas of Europe

HEALTH CARE



Doctors per 100,000 inhabitants – at the end of the year

128	127	105	134	105	161	102	122	107	1960
164	163	141	184	118	193	108	136	133	1972



Pharmacists per 100,000 inhabitants – at the end of the year

59	30	42	29	59	61	54	7	40	1960
71	40	53	38	53	68	47	8	31	1972



Hospital beds* per 10,000 inhabitants – at the end of the year

86	96	97	—	148	—	118	—	107	1960
86	96	96	114	115	106	113	102	93	1972

Belgium Denmark France W. Germany Ireland Italy Luxembourg Netherlands UK

*Including clinics, psychiatric hospitals, sanatoriums, nursing homes and old persons' homes.

Source: Social Report 1975

MIGRANT WORKERS

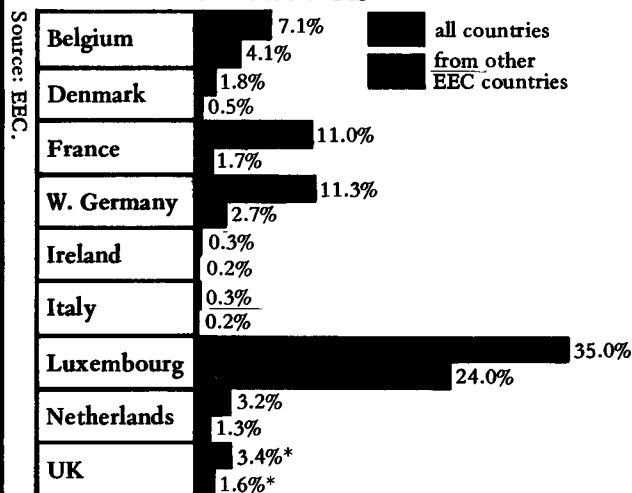
EMPLOYED IN THE COMMUNITY *

Country of origin	Country of employment									Total EEC
	Belgium	Denmark	France	W. Germany	Ireland	Italy	Luxembourg	Netherlands	UK	
Belgium		974	25 000	11 000	50	539	6 500	23 162	13 500	74 000
Denmark	200		1 000	4 000	50	248		126	2 000	7 500
France	15 000	568		51 000	210	4 145	6 000	1 742	20 000	93 000
W. Germany	4 500	5 385	25 000		210	7 190	3 900	11 652	20 000	81 000
Ireland	100	50	1 000			300			470 000	471 000
Italy	86 000	672	230 000	409 689	500		11 000	9 506	121 000	858 000
Luxembourg	1 400		2 000	1 450	7	32			500	5 400
Netherlands	13 500	974	5 000	70 000	250	1 146	500		6 000	92 000
UK	5 000	2 962	10 000	19 000		4 500	100	3 285		46 000
Spain	30 000		270 000	179 498		2 006	1 200	14 824	30 000	527 000
Greece	7 000		5 000	268 096		768		1 145	50 000	332 000
Yugoslavia	1 200	14 241	50 000	466 128		4 103	500	8 810	4 000	535 000
Portugal	3 500		380 000	69 099		631	8 000	2 513	5 000	469 000
Turkey	12 000		18 000	528 239		317		20 883	3 000	582 000
Algeria	3 000		450 000	2 000					600	456 000
Morocco	16 500		120 000	15 317				14 205	2 000	168 000
Tunisia	2 100	10 617	60 000	11 162					200	74 000
Other non-member Countries	18 000		130 000	239 576		18 205	2 300	9 715	918 205	1 348 000
TOTAL: all countries	219 000	36 443	1782000	2 345254	2 120	44 130	40 000	121 568	1 666005	6 244 000

Source: European Documentation 1975

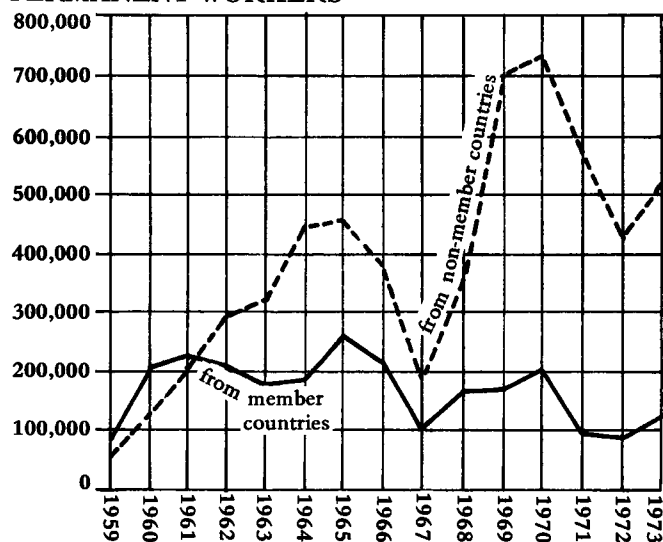
*figures shown are taken from 1971-1973

AS A PERCENTAGE OF WAGE AND SALARY EARNERS



* Provisional (communicated by national experts) — excluding Commonwealth workers holding UK passport. The 1971 census of population showed that 3% of the labour force were born in the Commonwealth.

TREND OF NEW ARRIVALS OF PERMANENT WORKERS*



* Employment of foreign workers issued with their first work-permits. Work permits for Community workers were abolished from Nov. 1968.

