

EUROPEAN COAL AND STEEL COMMUNITY
EUROPEAN ECONOMIC COMMUNITY
EUROPEAN ATOMIC ENERGY COMMUNITY

COMMISSION

Report on the Development of the Social Situation in the Community in 1973

(Addendum to the 'Seventh General Report
on the Activities of the European Communities'
in accordance with Article 122
of the Treaty of Rome)

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A. Introduction

1. The most important achievement of 1973 in the social field was the adoption by the Council of a Resolution embodying its support for a Programme of Social Action to be carried out over the next three years which sets out the objectives to be attained, the measures to be implemented and the priority actions.

The importance of this programme lies not only in what it sets out to achieve over the next three years from 1974-1976 through comprehensive and radical social reform; it also represents the first attempt by the Community to draw up a coherent social policy setting out in a purposeful way the initial practical steps on the road towards the ultimate goal of European Social Union. Clearly the precise nature of such a Union forms part of the broader issue of European Union generally.

The Community Social Action Programme, however, is geared to the relatively near future—the actions that can and should be achieved over the next three years to make the Community a better place in which to work and to live. In this context, particular attention is given to the situation of the more vulnerable sections of the population such as migrants, the handicapped, the elderly, and school leavers who have particular difficulties in regard to employment. Measures to eliminate discrimination against women in job opportunities, promotion, and pay are also included. Account has also been taken of the problems of people suffering from chronic poverty.

2. Towards the end of 1973, the plight of these weaker groups within our Community was highlighted even more by the threat to employment and living standards brought about by both the effects of the shortage of supply, and later the increased cost of energy.

The Commission, at the request of the Council, is preparing a report on the consequences of the fuel situation on employment and a study on the systems for adjustment of wages to the development of the cost of living. The report will contain an assessment on employment prospects for 1974 and will consider the possibilities of action both by individual Member States and the Community as a whole. The extent to which the Social Fund might be utilized in this context will also be examined.

3. The solution of the social problems arising from the energy situation will, obviously, be a major preoccupation in the Community in the months ahead. It is usually the weaker groups of the population which suffer most in time of hardship. This accentuates the need to press ahead with measures, such as those contained in the Social Action Programme, to effect fundamental social reform in the Community.

The new European Social Fund, which entered its first full year of operation in 1973, has an essential role to play in the framework of the Action Programme. As one of the major instruments available for achieving the social objectives of the Community, the Social Fund must be able to provide the support necessary to carry out a number of the individual measures proposed. The Commission is committed to developing the potential of the Social Fund on the basis of the principle of Community solidarity and in close cooperation with other interested Community Institutions, Member States and the Social Partners.

4. The Commission drew up a discussion document—Guidelines for a Social Action Programme—published in April 1973 as a basis for consultations with the Institutions of the Community and the Social Partners on the nature and content of a Community Social Action Programme. Following these consultations, both formal and informal, the Commission drew up its definitive programme in October 1973 and transmitted it to the other Community Institutions together with a draft Council Resolution relating to the main objectives and actions contained in the Social Action Programme. The Council agreed the political content of its Resolution on 11 December 1973, and approved the final wording on 21 January 1974.

5. The Resolution outlines the individual reforms which the Community intends to carry out over the next three years, 1974-1976. Furthermore, it sets down a time-table of decision-making which commits the Council to taking a decision on each implementing proposal submitted by the Commission within five months after the completion of the normal consultation process with the European Parliament and the Economic and Social Committee.

6. The scope of the various actions contained in the Resolution of the Council reflects the three broad objectives expressed in the Communiqué issued at the end of the Paris Summit (19/21 October 1972):

- (i) Full and better employment;
- (ii) Improvement of living and working conditions;
- (iii) Greater participation of the Social Partners in the economic and social decisions of the Community.

7. During the last quarter of 1973 the Commission submitted a group of seven actions which make up the *first stage* of the three year programme. These relate to:

- (i) assistance from the European Social Fund for migrant workers and handicapped workers;
- (ii) an action programme for handicapped workers;
- (iii) more effective legal application in the Member States of the principle of equal pay for men and women;
- (iv) the designation as an immediate objective in each Member State of the application of the principle of the standard 40 hour working week by 1975, and the principle of the 4 weeks annual paid holiday by 1976;
- (v) the setting up of a European Foundation for the improvement of the environment and living and working conditions;
- (vi) the protection of workers by the approximation of the Member States' legislation on mass dismissals;
- (vii) the setting up of a European General Safety Committee and the extension of the competence of the Mines Safety and Health Committee.

8. The Commission announced its intention to submit a further group of three proposals before 1 April 1974 to be decided by the Council, in accordance with the time limit mentioned in paragraph 5 above, by the end of the year (*second stage*). These relate to:

- (i) a first action programme for migrant workers;
- (ii) the setting up of a European Vocational Training Centre;
- (iii) the protection of workers' acquired rights in the case of changes of ownership of companies, and particularly in the case of mergers.

9. Finally the Council has specified in its Resolution nine other priorities in the Social Action Programme on which it wishes proposals to be drawn up by the Commission during 1974 (*third stage*). They relate to the following objectives:

- (i) Improved consultations between Member States on their employment policies and better cooperation between national employment services;
- (ii) The establishment of a comprehensive programme for migrant workers;
- (iii) The implementation of a common vocational training policy;
- (iv) Equality between men and women in access to employment, working conditions, training and promotion;
- (v) Coordination of policies of social protection in the Member States;
- (vi) Improved standards on health and safety at work;
- (vii) Preparation of a programme for pilot schemes to combat poverty;
- (viii) The progressive involvement of workers or their representatives in the life of firms;

- (ix) The increased participation of management and labour in the economic and social decisions of the Community.

10. The successful implementation of the Social Action Programme will require the full support of Member State Governments and the Social Partners as well as the Community Institutions. Commission policy is not in any way directed towards the centralization of the solution of all social problems or harmonization for its own sake. Social problems differ in nature and degree in the various Member States as indeed do social systems. In the Commission's view the rôle of Community Action is directed towards establishing minimum social standards capable of being regularly improved. For this reason the social policy of the Community should be regarded as a worthwhile aim in itself and not just as a means of counteracting the social ill effects of economic progress.

11. The Council Resolution lays down the main guidelines for the Community's work in the social field during the period ahead but does not, of course, constitute a limit to such activity. The Commission retains its right of initiative to make proposals when it thinks fit, even regarding matters to which the Council did not attach a priority in its Resolution. Such proposals, for example, could well include the protection of workers against the abuses of temporary employment agencies. Naturally this right of initiative also applies to matters which the Council did not include in its Resolution such as the promotion of national systems of income maintenance for workers undergoing retraining. The schemes envisaged would encourage workers to undertake training that would not only be of great benefit to them but also protect them against loss of earnings during such training. In addition the Commission intends to pursue various studies, as announced in the Social Action Programme, such as the levels of minimum wages in the Community and the provision of social housing. These studies may well lead to proposals being submitted to the Council.

12. The Commission will continue its practice of closely following social trends in the Community such as for example those brought about by the energy situation referred to in paragraph 2 above and will not fail to make proposals to the Council where unexpected problems arise for which it considers that action at a Community level would be appropriate and effective.

13. Finally the Commission is anxious to promote throughout the Community higher standards of public health. In all Member States there appears to be a need for much closer coordination of public health policy, particularly in matters such as migrant workers and their families, prevention of mental and psychosomatic illness related to working and living conditions and a wider approach to

prevention and care of social diseases. For that reason the Commission will examine these areas in order to consider possible scope of Community action in the field of public health.

14. In a Community of 255 million people, there is a wide diversity of priorities, needs and ambitions in the Social field, which a Community Social Action Programme must take account of and meet in a practical and relevant way. In the Commission's view the way this can be achieved most effectively is through the fullest possible consultations with other Community Institutions and with the Social Partners. Only by establishing this level of participation can the Community ensure the attainment of its social objectives.

15. Whilst it is obvious that social policy must remain at the centre of the Community's attack on social problems, it is essential that all other Community policies must continue to include a strong social content which aims not only at improving the quality of life and standards of living of our people but also pays special attention to the needs of the most vulnerable sections of the population.

Furthermore, in the opinion of the Commission, the Community will in future have to allocate an increasing proportion of its budget to the achievement of a coherent and progressive social policy—a view shared by the European Parliament. By 1977, when the Community will dispose of all its own financial resources, the European Parliament will have a major contribution to make to the development of Community solidarity, on which all progress in social policy will ultimately depend.

**B. Outline of activities by the Commission
of the European Communities
in the social field in 1973**

General aspects

16. For the Commission the social year has been dominated by the preparation of a Social Action Programme in response to the mandate laid down by the Heads of State or Government at the Summit Conference in Paris in October 1972.

The first step was the drawing up in April of guidelines of a Social Action Programme in which the Commission set out its basic ideas and philosophy. These guidelines served as a basis for discussion with other Community Institutions and the Social Partners.

These discussions not only corresponded with the spirit of the Summit Communiqué but were of great assistance to the Commission in concentrating on proposals in its final programme that were not only imaginative and ambitious but, perhaps even more important, relevant to the important social issues of our Community.

This work was completed in October and the draft Social Action Programme setting out the Commission's priorities and its timetable of work over the period 1974-76 was examined by the Council of Social Ministers on 11 December 1973. At this meeting the Council approved of the substance of the Commission's programme and decided on a Resolution, which was adopted by the Council on 21 January 1974.

The Council Resolution noted that the Commission has submitted during the last quarter of 1973 its proposals for a group of seven actions which make up the *first stage* of the three year programme. These relate to:

1. assistance from the European Social Fund for migrant workers and handicapped workers,
2. an action programme for handicapped workers in an open market economy,
3. the setting up of a European General Industrial Safety Committee and the extension of the competence of the Mines Safety and Health Committee,
4. a Directive providing for the approximation of legislation of Member States concerning the application of the principle of equal pay for men and women,
5. the designation as an immediate objective of the overall application of the principle of the standard 40-hour working week by the end of 1975, and the principle of 4 weeks annual paid holiday by the end of 1976,
6. the setting up of a European Foundation for the improvement of the environment and living and working conditions,
7. a Directive on the approximation of the Member States' legislation on mass dismissals.

Furthermore the Council Resolution also noted that the Commission intends to submit three further proposals in the first quarter of 1974. These will include a first action programme for migrant workers, a proposal to set up a European Vocational Training Centre and a draft Directive on the harmonization of laws with regard to the retention of workers' acquired rights in the case of changes of ownership of companies and particularly in the case of mergers.

The Council also decided to select nine priorities for which the Commission is due to submit further proposals before the end of 1974. These include a comprehensive programme for migrant workers, proposals relating to a common vocational training policy and the establishment of a programme for the progressive involvement of workers in the life of firms. Furthermore the Council has also called on the Commission to draw up before the end of 1974 a programme of pilot studies as means of combating poverty which could be undertaken in the course of 1975 and 1976.

The Council of Ministers has undertaken to act on each Commission proposal necessary to implement each part of the programme within five months of the normal consultation procedures with the European Parliament and the Economic and Social Committee, or, if such consultations have not taken place, at the latest nine months from the date of transmission of the proposals to the Council.

Towards the end of the year the development of the energy crisis posed a threat to employment and living standards in our Community. Its existence has highlighted even more the need for the continuing social progress outlined in the Social Action Programme. The Commission has been requested to make a report on the situation and its possible effect on employment which could serve as the basis of concrete proposals.

The Commission's activities in the social field were also marked by the implementation of the new European Social Fund which entered its first full year of operation in 1973. The scope of this Fund was increased not only to take account of the enlargement of the Community but also to provide increased financial assistance to regions or industries in difficulty.

Social aspects of the common and Community policies¹

17. In 1973 the short-term and medium-term economic policies emphasized employment problems. It appeared necessary to intensify activities designed to resolve

¹ A comprehensive and detailed table of the social aspects of the Community's various policies is annexed to the Social Action Programme. A second additional document sets out the social activities of the European Communities in a survey of 20 years experience.

regional imbalances and to adapt vocational training and retraining to the needs of sectors in which the expansion of demand will be concentrated. In addition, the Commission's Annual Report on the Economic Situation in the Community (1973) stresses the need, in the face of persistent inflationary trends, to ensure that real incomes and the standard of living in the Community rise whilst, at the same time, guaranteeing those strata of the population with the lowest incomes as far-reaching a protection as possible.

Regional policy too has numerous social aspects, above all with respect to employment, and the improvement in working and living conditions. It also implies a close link between intervention measures taken by the European Social Fund, the EAGGF, the EIB and the future Regional Development Fund.

In its Memorandum on the industrial and technological policy programme, the Commission states clearly that the 'employment aims of industrial policy, of social and regional policies coincide' and proposes numerous measures to achieve these objectives. Furthermore, the Scientific and Technological Programme, adopted by the Commission on 25 July 1973, emphasized the need in the social sector for a medical research programme: training of research workers and clinical specialists and various research programmes, which must begin before 1 April 1974.

Concern for a better quality of life led the Commission to formulate, on 10 April, the Environmental Programme of the European Communities. The creation of better working conditions within firms, which is one of the programme's objectives, will be based on a number of measures in the fields of hygiene, medicine and safety. The programme also envisages the establishment of a European Foundation for the long-term study of factors which will improve the quality of life whether it be a matter of environment or of living and working conditions.

In order to strengthen consumer protection the Commission, on 25 September 1973, decided to establish a Consumers' Consultative Committee: its first meeting took place on 19/20 November 1973. Furthermore, at the beginning of December, the Commission adopted a Consumer Information and Protection Programme.

The social measures taken by the Commission, in the fields of agriculture, sea fisheries, transport, construction and the coal and steel industries are described in detail below.

The promotion of employment

18. Employment problems are increasingly acquiring a Community dimension. Developments in commercial policy, international monetary trends, the prospects for monetary integration and the hopes for a Community regional policy all have

a great effect on employment. In addition, there has been a profound change in attitudes to employment within the Community. It is realized that comprehensive regulations are not enough to remove the structural causes of unemployment and that inter-regional mobility poses a serious threat to the balance and vitality of certain regions of the Community and consequently to its overall balance.

The promotion of employment now means that the considerable disparity between jobs offered and persons available must be reduced, both as regards the qualifications required and as regards siting. The creation of new jobs in the regions and the preparation of workers for new types of job by means of an active employment policy (including occupational training) constitute the two prongs of the attack. The purpose of this attack is, firstly, to set up, in close cooperation with member countries, machinery for information and analysis making it possible to detect employment problems in time and, secondly, to develop the use of the instruments already available to contribute to the promotion of employment in the Community.

Free movement of workers

19. In order to develop assisted employment of workers and to ensure better clearing of employment supply and demand in the Community, an initial exchange of Italian and German officials responsible for the workers' employment was organized between 1 March and 31 August under the aegis of the Commission.

When it adopted the SEDOC system (Système Européen de Diffusion des Offres et Demandes d'Emplois en Compensation Internationale),¹ the Commission made provision for an adjustment period of two years in order to enable its departments and those in the Member States to satisfy the requirements resulting from application of the system. The Commission is formulating an audio-visual training programme for the competent national and European officials and has established within its departments an administrative unit to study the programme for processing the data to be gathered under the SEDOC.

In addition the Commission in conjunction with the Technical Committee is making preparations to process the first data communicated to it under the Community outline it adopted on 14 December 1972.¹

Pending adoption by the Council of a suitable legal instrument, the Technical Committee for the Free Movement of Workers has given its approval to a provisional procedure designed to bring about exchanges of information, cooperation

¹ Sixth General Report, point 206.

and mutual assistance between Member States' administrations, the social protection of workers hired by temporary employment agencies and operating beyond the frontiers of the country in which their head office is situated.

In the context of the coordination of national policies on foreign workers the Commission has set up an *ad hoc* working party of representatives of the Member States to assist it in framing suitable proposals in this field.

European Social Fund

20. The new Social Fund was established in 1972 and 1973 was its first full year of operation. The appropriations, initially set at 177.95 million units of account, were increased by 45.00 million units by a Council decision of 21 September 1973.

TABLE 1
New Social Fund - 1973 Budget

	(million u.a.)			
	Art. 4	Art. 5	Surveys	Total
Initial endowment	68.80	108.40	0.75	177.95
Supplementary endowment	—	45.00	—	45.00
Total	68.80	153.40	0.75	222.95

The first report on the activities of the new Social Fund, which deals with 1972, was forwarded to the Council on 19 October 1973, in accordance with the decision creating the Fund. The Commission considered that it would be advisable to present the second report, which covers 1973, during the early months of 1974.

The amount of assistance applied for from the new Fund for activities to be carried out in 1973 under Articles 4 and 5 of the Council decision of 1 February 1971 totalled around 320 million u.a. Of this 28.09 million u.a. was granted under Article 4 (agriculture 24.50 million u.a., textile industry 3.59 million u.a.) and 157.96 million u.a. under Article 5 (of which 31.33 million u.a. was earmarked for the handicapped).¹

¹ After carrying forward 1972 appropriations (4.56 million u.a.) to the 1973 financial year.

During the financial year under consideration the Commission reviewed applications involving a total of around 400 million u.a. and, after consulting the European Social Fund Committee, approved them as far as the financial resources available allowed.¹ The total amount of assistance thus approved is 186.05 million u.a., allocated as shown in Table 2 below.

After obtaining the opinion of the Social Fund Committee, the Commission also addressed to the Council on 22 November two proposals for granting assistance from the Fund under Article 4 to handicapped persons and migrant workers.

TABLE 2
Total commitments decided for the 1973 financial year

(million u.a.)

Country	Article 4			Article 5		
	Agriculture	Textiles	Total under Article 4	Regional and Technical progress ¹	Handicapped	Total under Article 5
Belgium	0.13	0.59	0.72	5.00	1.47	6.47
Denmark	—	—	—	1.85	3.20	5.05
Germany	9.56	—	9.56	3.96	6.42	10.38
France	13.47	0.89	14.36	14.35	7.41	21.76
Ireland	0.10	0.61	0.71	8.66	0.44	9.10
Italy	—	0.04	0.04	41.99	1.70	43.69
Luxembourg	—	—	—	—	0.04	0.04
Netherlands	0.81	—	0.81	3.75	2.21	5.96
United Kingdom	0.43	1.46	1.89	47.06	8.45	55.51
Totals	24.50	3.59	28.09	126.62	31.34	157.96

¹ Appropriations under Article 5 cover all operations benefiting priority regions and 'technical progress' operations, as these two aspects which are very often interrelated cannot be broken down in a simple table. In any event, aid committed for operations of a clearly regional nature greatly exceeded the minimum percentage laid down in Article 2, Title I of Council Regulation (EEC) No 2396/71 of 8 November 1971.

In pursuance of Article 7 of Council Regulation (EEC) No 2396/71, the Commission has carried out a number of studies closely related to the search for a solution to the

¹ The report of the activities of the European Social Fund during the 1973 financial year will provide all other relevant information.

problems raised by the intervention of the new Social Fund. The studies were designed to determine the ways in which the Fund's intervention could be efficiently carried out in agricultural areas, including the formulation of a strategy for developing the textile sector. They also dealt with the qualitative improvement of vocational retraining facilities for handicapped persons and with the formulation of pilot training programmes for vocational retraining officers. The Commission also allocated credits to a further series of studies and pilot schemes relating to new training methods for officers involved in the retraining of agricultural workers, handicapped persons and migrant workers.

In pursuance of Regulation (EEC) No 2397/71¹ on aid from the Fund, the Commission adopted a regulation laying down a maximum level of assistance from the Fund for certain purposes.²

The former Social Fund has continued its activities pursuant to Article 125 of the EEC Treaty, in accordance with general implementing Regulation (EEC) No 2396/71.¹ The total amount of assistance applied for in 1973 is approximately 60 million u.a. The total amount of Fund aid granted was 61.41 million u.a., broken down as follows: 34.50 million u.a. were granted to Germany, 1.62 million to Belgium,

TABLE 3
Old Fund
Assistance granted in 1973

(unit = 1 u.a.)

Country	For retraining	For resettlement	Total
Belgium	1 616 219	—	1 616 219
Germany	34 471 355	30 370	34 501 726
France	7 392 768	399 315	7 792 083
Italy	15 740 820	10 402	15 751 222
Luxembourg	62 700	—	62 700
Netherlands	1 733 632	13 003	1 746 635
Total	60 954 794	453 090	61 407 884

¹ OJ L 249 of 10.11.1971.

² OJ L 205 of 26.7.1973.

7.79 million to France, 15.75 million to Italy, and 1.75 million u.a. to the Netherlands. Of the total amount only 0.45 million u.a. was granted for resettlement purposes.

Community aid for redundant workers from the Italian sulphur mines¹ totalled 214 000 u.a. paid to the Italian Government in the 1973 financial year.

Finally, for the 1974 financial year, the European Social Fund has a budget of 327.8 million u.a. Of this 98.8 million u.a. are for assistance granted under Article 4, 168.4 million u.a. for activities under Article 5, 60.0 million for activities under the former Fund and 0.6 million for studies and pilot schemes.

Retraining and re-employment of workers

21. The appropriations made available for the retraining of workers in the ECSC industries increased appreciably compared to previous years. Between 1 January and 31 December 1973 a total of 37.94 million u.a. were set aside for the retraining of 41 600 workers (see Table 4).

The most important Community intervention measures in the past year involved the coal industry.

In Germany the rationalization of the coal industry was much faster. In France and Belgium the programmes were carried out in accordance with set plans.

In the iron and steel sector retraining measures were reduced, although a slight increase on the previous year was noted. Appropriations in this sector cover two cases in Germany and two in the United Kingdom.

In the French iron-ore mining sector the applications filed were for increases in appropriations already granted. A new application was made to have appropriations made available for the United Kingdom.

In the past year there have been no significant amendments to retraining methods.

The Commission however concluded an agreement with the British Government which provides for aid to be granted under Article 56(2) of the ECSC Treaty to workers in the iron and steel industry, and also began talks with the British Government with a view to concluding an agreement to help workers in the coal industry.

Redevelopment of undertakings and re-employment

22. During 1973 the Commission, by means of redevelopment loans for eight investment schemes, encouraged the creation of about 2 450 jobs in various regions where

¹ OJ 246 of 31.12.1966 and Sixth General Report, point 203.

TABLE 4
Retraining of Workers

Country	Coal Industry		Iron and steel industry		Iron-ore mining		Total	
	Workers	Appropriations (in u.a.)	Workers	Appropriations (in u.a.)	Workers	Appropriations (in u.a.)	Workers	Appropriations (in u.a.)
Belgium	5 542	2 760 000.00	—	—	—	—	5 542	2 760 000.00
Germany	26 641	24 944 398.90	3 967	797 814.21	—	—	30 608	25 742 213.11
France	4 143	8 370 750.00	—	—	260	408 700.47	4 403	8 779 450.47
United Kingdom	—	—	816	534 393.60	232	120 000.00	1 048	654 393.60
Community	36 326	36 075 148.90	4 783	1 332 207.81	492	528 700.47	41 601	37 936 056.58

ECSC industries are located. The obligation incumbent upon the recipients of these loans to retrain former workers in the coal and iron and steel industries guarantees that priority will be given to resettling about 1 300 people in the factories financed in this way.

Other activities in connection with employment

23. Studies and research have continued to dwell on employment problems in the light of the possible means of intervention made available by the Social Action Programme and by the new Social Fund. Thus the Commission has forwarded to the Council and to the Standing Committee on Employment a report drawn up by a working party of independent experts on the relationship between employment policy and economic and monetary union. There is a direct link between the main conclusions reached in the report and the current discussions on regional policy. Some of its other conclusions were used in the preparation of the Action Programme. In addition, a report on manpower problems in 1973 has been completed; it examines probable labour market trends for the coming months.

Studies concerning employment forecasts have been focused on medium-term forecasts of the demand of labour for each sector or branch of activity broken down by demands for employment classified according to the skills of the applicant. The Member States' experts met in July to carry out an initial review of national statistics already available.

The employment of young people, especially those looking for their first job, was a priority in the action programme. These proposals will involve both aid from the Social Fund and the exchange programme for young workers.

The Commission completed its evaluation of the results of the survey concerning female wage-earners in the private sector of the six original Member States. The national reports on the survey and the synopsis will be supplemented by a comparison of the situations in the three new Member States. All this documentation should underpin the work of the *ad hoc* working party which assists the Commission in framing proposals on employment and working conditions for women which must be drawn up between now and the end of 1974 in accordance with the commitments of the Social Programme.

The Commission has written into this programme a set of measures designed to improve the conditions of women's work. They included the establishment of a specialized documentation and information centre and the setting up of a standing working party on women's employment and conditions of work. The Commission continued its programme of providing the various groups concerned with informa-

tion and has taken part in work on the employment of women in the OECD and the Council of Europe.

Vocational guidance and training activities

24. In March¹ the Council adopted its position on the action programme submitted by the Commission concerning 'first measures to implement a common policy of vocational training'.² It approved a number of priority measures, such as the improvement in exchanges of information and experience, a solution to the training problems facing such people as migrant workers, or handicapped persons and certain sectors of the economy (such as agriculture, road transport). Other measures designed, for example, to develop vocational training in certain regions, will be implemented under the Social Action Programme, which makes special provision for the establishment in 1974 of a European Vocational Training Centre.

The Commission paid particular attention to the training of training officers. In February, in conjunction with the ILO International Centre for Advanced Technical and Vocational Training in Turin, the Commission organized a seminar for adult training cadres.³ Following the seminar held in 1972 at Heidelberg the Commission organized, from 10 to 14 December, at the Retraining Centre in Mulhouse, a second seminar for training cadres concerned with the vocational retraining of handicapped adults. These two seminars brought together persons with responsibility for training in public administrations, employers' and workers' organizations, research and vocational training bodies and adult retraining and vocational training centres. The Commission also helped to organize two other seminars, one in conjunction with the International Institute for 'youth' and educational television on 'Television and vocational training' (Munich, 5-9 February 1973), the other, in conjunction with the European Centre for Promotion and Training in Agricultural and Rural Areas on 'The Activity of the European Social Fund in the Community's priority agricultural regions' (Freyung, 9-13 April 1973).

The Commission will be pursuing its vocational guidance programme with the aim of achieving closer cooperation between the vocational guidance services in the Member States. It has, in particular, organized in-training periods for those directing these services.

¹ 236th session of 26 and 27 March 1973.

² Sixth General Report, point 200.

³ Bull. EC 2-1973, point 2209.

General social security matters and European social budget

25. In the social security field the Commission in general concentrated on possible ways and means of improving social protection within the context of the Action Programme. It undertook preliminary studies enabling it to put forward practical proposals in 1974. The studies previously begun have continued. A new edition of the comparative social security tables for both the general and the mining systems was updated to 1 July 1972. Another special brochure concerning the three new Member States was published and brought up to date. In addition a number of studies completed last year have given supplementary details on the situations in these States. The study on the scope of application of social security to individuals was withheld to coordinate its finding with the Social Action Programme.

The second volume of the medical information memoranda on occupational diseases on the European list provided for in the Commission Recommendation of 23 July 1962¹ was completed. Further studies on the relations between the medical profession and social security, the cost of hospital treatment and of the consumption of pharmaceuticals in the new member countries are being carried out. A draft review of the European list of occupational diseases is in preparation by the Commission.

Following the decisions taken on 9 November 1972 by the Council of Ministers (Social Affairs), the Commission was able, in conjunction with national experts, to begin to draw up the first European social budget which was to specify the actual contents of the social accounts (social security, war pensions, social assistance and voluntary awards by employers) and to deal retrospectively with the period 1970-72. It will also forecast for the period 1973-75. Beginning in the spring of 1973 the Commission held three meetings with government experts to jointly define the scope and contents of national reports which would serve as a basis for the projected first European social budget.

On the basis of these reports, the Commission is preparing a draft summary report. After examination this draft will become the first European social budget during the first half of 1974. Its publication will be rapidly followed by that of the national reports.

¹ OJ 80 of 31.8.1962.

Social security for migrant workers

26. Regulations (EEC) No 1408/71 and No 574/72 on social security arrangements for migrant workers, to which technical adjustments had been made,¹ entered into force in the new Member States on 1 April 1973.

The Administrative Committee has revised the forms for migrant workers and for social security bodies to enable them to be used in the enlarged Community.² The decisions which the Committee has taken since 1959 for the purpose of interpreting and applying Regulations No 3 and No 4 were examined to assess their relevance to the application and interpretation of Regulations No 1408/71 and No 574/72. A batch of new decisions³ and the statutes of the Administrative Committee⁴ were adopted.

At the invitation of the German authorities a seminar for social security officials from the Member States was organized in Augsburg in October to enable them to study in detail the application of Community provisions to pensions insurance.

Article 39 of the Supplementary Protocol to the Ankara Agreement stipulated the Council of Association shall, before the end of 1973, lay down provisions concerning the social security of Turkish workers who move within the Community.

The Commission, after consulting the Administrative Committee, has forwarded to the Council of Ministers a memorandum on which this article would be implemented.

As regards the negotiations with the Maghreb countries begun in 1973 the Commission's mandate from the Council extends to social security arrangements for workers from these countries who move within the Community.

The Court of Justice delivered eight judgments on the interpretation of the Community's social security arrangements for migrant workers.⁵

Industrial relations

27. At numerous meetings throughout the year to prepare the Social Action Programme the Commission closely associated the employers' and trade union organiza-

¹ Sixth General Report, point 208, and OJ L 74 of 27.3.1972, OJ L 2 of 1.1.1973, OJ L 306 of 31.12.1972 and OJ L 86 of 31.3.1973.

² OJ L 363 of 30.12.1973.

³ OJ C 75 of 19.9.1973.

⁴ OJ C 68 of 21.8.1973.

⁵ Cases 73/72, 78/72, 82/72, 13/73, 35/73, 51/73, 110/73, 140/73.

tions in all stages of the work. They were consulted on the likely consequences of the conclusions of the Summit Conference for the Community's social policy, on the preliminary documents drawn up by the Commission on this question, on the 'Guidelines for the Social Action Programme' adopted by the Commission on 18 April,¹ on the Social Programme itself, on the draft Council Resolution concerning the programme and, finally, on the priority measures proposed.

A proposal for a Council Recommendation to the Member States on the subject of the application of the principle of the 40-hours week and four weeks annual holiday was addressed to the Council in December.

As a result of enlargement of the Community it was necessary to adjust the procedures and work of joint committees with equal representation of the parties concerned and of the consultative and mixed committees. Consequently, existing contractual provisions had to be updated. Numerous meetings were devoted to matters of vocational training and safety.

The Joint Committee on Agricultural Wage-earners is preparing reports and opinions on further education for heads of undertakings and for agricultural wage-earners. In addition, after formulating an opinion on the safety of farm tractors, it is pursuing its examination of the construction and utilization of other dangerous machines in this sector. Finally, it suggested the organization of a Community week on safety in agriculture.

The Joint Committee on Sea Fishing concentrated on the social security arrangements for sea fishermen and has delivered an opinion on this matter. Following the conclusions of the Venice symposium dealing, in particular, with vocational training, the Committee is framing opinions on particular aspects: training programmes, finance, methods, permanent training, equivalence of degrees and diplomas, teaching aids. Two opinions were issued on the preparation, in 1974, of a study on the circumstances surrounding accidents at work and possible ways of coordinating assistance at sea. The Committee also studied life-jackets to be worn during work periods, physical aptitude conditions, firefighting and safety standards in the construction of fishing boats.

In the transport sector the work already undertaken was continued. The aim of consultations between labour and management in the field of inland waterway transport was to evolve an instrument for supervising the social regulations planned by the Commission and proposed to the Council.

Working parties² on road transport are drawing up a set of criteria for cabins and sleeping berths in vehicles used in the transport of goods (including dangerous

¹ Supplement 4/73 — Bull. EC.

goods) and persons. A coherent working programme for each of these two types of transport has been discussed by the representatives of labour and management. The joint consultations in the railway sector have continued with a view to the harmonization of certain social provisions contained in the Council Decision of 13 May 1965.¹

Finally, consultations between representatives of labour and management were organized in the maritime and harbour sectors with a view to establishing joint committees and adopting a working programme.

As regards the harmonization of national laws relating to commercial agents, the Commission has consulted government experts in the new Member States and, as a result, a proposal for a directive will be forwarded shortly to the Council.

The joint committees in the *coal and steel sector* and their working parties held several meetings at which their restructuring, the results of previous studies, and their future working programme were discussed.

Continuing its negotiations with a view to the setting up of other committees, the Commission had numerous contacts with employers' organizations, particularly in the fields of construction, furniture, energy, public services, teaching, banks and insurance, footwear and engineering.

As a result of expert studies information will be available on the working conditions in several sectors and it will be possible to study ways of achieving harmonization in several sectors such as energy, shipbuilding, postal services and mining.

As regards overall relations with workers' and employers' organizations, the Commission not only considers that the committees are a suitable forum for the negotiations to improve working conditions, moreover it hopes that they will constitute an instrument for concerted action at branch of industry level, for both economic and social matters enabling all aspects of the future of the various branches to be debated as is the current national practice.

The Commission consulted *inter alia* both labour and management representatives on 24 October on the transition to the second stage of economic and monetary union and on the economic situation.

Wages and working conditions

28. The Commission forwarded to the Council on 31 July 1973 its progress report on the application, as at 31 December 1972, of the principle of equal pay for men

¹ OJ 88 of 24.5.1965.

and women. In its conclusions the Commission proposed a set of practical measures designed to eliminate the shortcomings and inadequacies which still exist despite progress achieved since 1958. These measures concern, in particular, the institution of infringement proceedings (Article 169 of the EEC Treaty) against a number of Member States which have not yet carried out the formal and direct obligations imposed upon them by Article 119, the preparation of a new Community instrument laying down legal measures which would make it easier for public authorities to implement the principle of equal pay (a proposal for a directive based on Article 100 was sent to the Council on 19 November 1973), and the proposal put to labour and management representatives that they meet at European level to negotiate a framework agreement on a number of matters concerning collective bargaining at national level. This report deals only with the Community's six founder States. A report on the situation in the three new Member States will be completed early in 1974.

The report on the legal provisions in member countries for the benefit of workers in the event of dismissal, along with the Commission's conclusions as regards harmonization of these provisions, which was submitted to the Council,¹ was extended to include the three new Member States. In addition the Commission amended its initial proposal for a directive on the approximation of legislation in the Member States relating to collective dismissal,¹ forwarded to the Council in November 1972, in order to take account of the opinions delivered by the European Parliament and by the Economic and Social Committee.

With the preparatory work now completed,² the Commission, in cooperation with the relevant national centres, will from 1 January 1974 onward, begin to collate and systematically utilize collective bargaining agreements in 13 industrial sectors. Any renewal of or amendment to these agreements will be taken into consideration as it occurs. In this way, the Commission will be able to carry out its initial analyses by the end of 1974.

The Commission forwarded to the Council a proposed regulation on the provisions concerning conflicts of laws in Community industrial relations. The European Parliament and the Economic and Social Committee delivered favourable opinions on this proposal. The Commission is examining the legal possibilities of extending its provisions to nationals of non-member countries carrying out a professional activity on the territory of a Member State of the Community.

In conjunction with experts from the Member States and from trade union and employers' organizations, the Commission pursued its study of the social

¹ Sixth General Report, point 211.

² Sixth General Report, point 210.

problems posed by cross-frontier mergers¹ which were given priority in the Social Action Programme. As its first step it submitted to the Council a proposed directive to enable workers to retain rights already acquired. The Commission updated the comparative tables on working hours in the selected industrial branches in the EEC and in the ECSC industries (normal working hours, annual holidays, paid public holidays). The harmonized tables showing the situation at 30 April 1973 were published. In addition, the Commission sponsored a study of cultural holidays by national experts. This work, concerned with the original Six, will be extended to embrace the new Member States and incorporated in a synoptic report.

In accordance with the proposals contained in the Social Action Programme, the Commission examined the situation in job enrichment and plans to organize in 1974 a symposium of labour and management representatives and experts in this field.

On 7 December, the Commission transmitted to the Council, in connection with the Social Action Programme, a proposal to establish a European Foundation for the improvement of living and working conditions.

Housing

29. The building of houses for workers in ECSC industries was again financed under Scheme VII of which the first portion totalling 13 000 000 u.a.² has been almost entirely utilized. The Tables on pages 34 and 36³ show how finance was allocated among the three experimental and the seven major schemes: by 31 December 1973 125 501 dwellings had been financed, of which approximately 60% are for renting and 40% for owner-occupation. At the same date the number of completed dwellings came to 116 479.

The experimental programme, relevant to the first phase of the seventh programme dealing with the modernization of existing dwellings, has been carried out in the majority of the participating countries. The final Report of the International Council of Experts on the results will be published at the beginning of 1974.

¹ Sixth General Report, point 210.

² See Sixth General Report, point 212.

³ See Tables 5 and 6, and graph.

As regards the second portion of Scheme VII for which the Commission decided on 22 December 1972 to earmark a total of 20 million u.a., contacts were made during 1973 with the parties concerned including the new Member States for the first time. Thus the Commission was able to decide on 17 December 1973, on the financial allocations amongst the nine Member States by reconciling requests with financing possibilities.

The Commission has gathered information on accommodation for migrant workers from the Governments on the progress made by the Member States in implementing the Commission's recommendation on housing for workers and their families moving within the Community.¹ A fourth report which covered the period from 1 January to 31 December 1972 will be distributed in 1974.

Among priorities specified in the working programme for the application of Article 118 of the EEC Treaty there is a study of the housing conditions of migrant workers. In order to collect the necessary information the Commission, in co-operation with research institutes will prepare a sociological survey, the results of which would be forwarded to the Governments and local authorities.

TABLE 5
Work on the seven major schemes and the three experimental schemes
(situation at 31 December 1973)

Country	Dwellings financed	Of which:		
		In preparation	Building	Completed
Belgium	7 189	—	486	6 703
France	23 228	335	1 465	21 428
Germany	83 272	2 361	2 935	77 976
Italy	6 175	104	605	5 466
Luxembourg	858	22	—	836
Netherlands	4 779	124	585	4 070
Total	125 501	2 946	6 076	116 479

¹ See Sixth General Report, point 213.

GRAPH
ECSC subsidized housing financed and completed

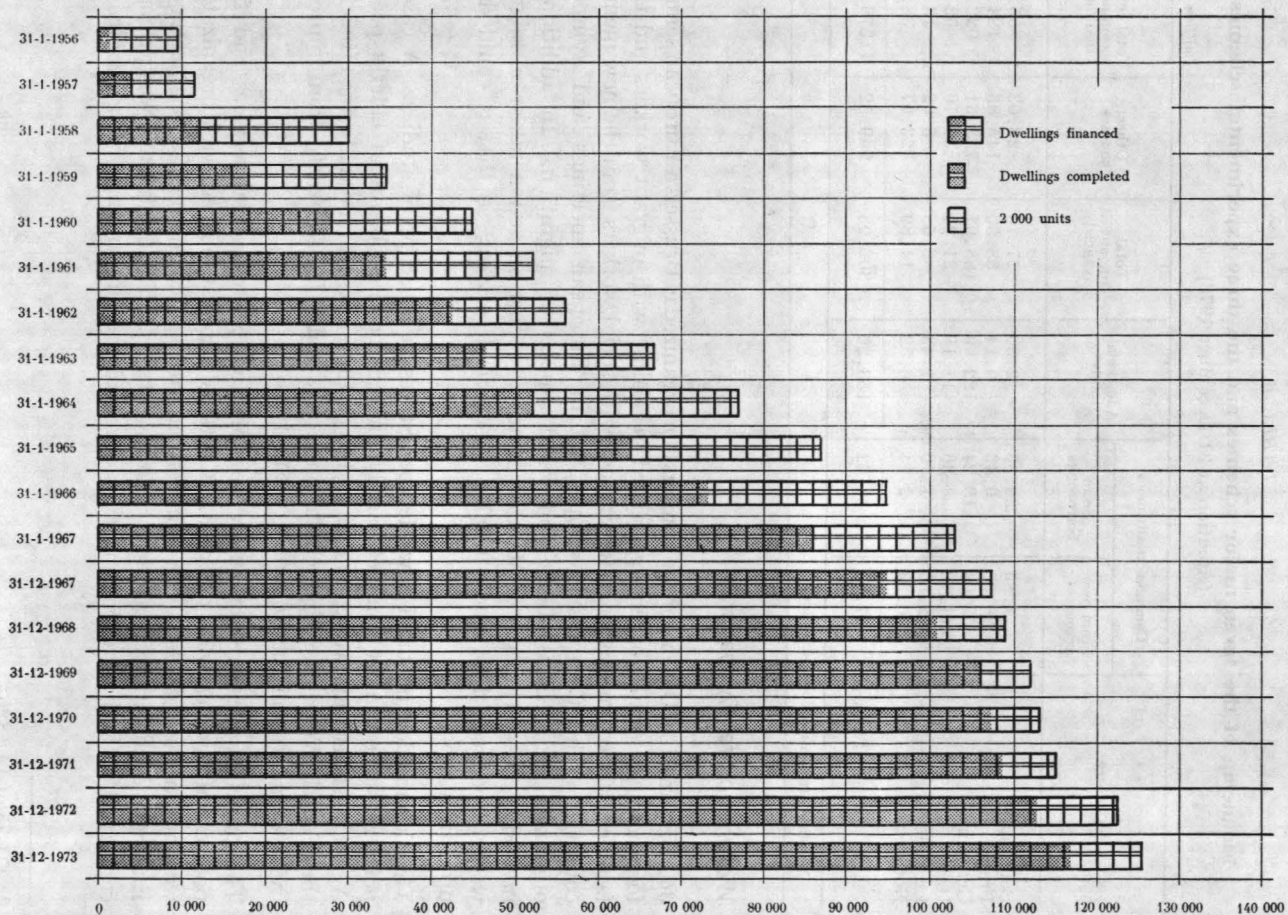


TABLE 6
Financing of the seven major schemes and the three experimental schemes
 (situation at 31 December 1973)

(million u.a.)

Country	Commission advances		Additional funds*	Total amount advanced	Other sources	Total cost of accommodation built
	From own resources	From borrowings				
Belgium	4.85	20.55	2.30	27.70	28.03	55.73
France	28.93	0.43	9.14	38.50	145.83	184.33
Germany	53.04	13.24	122.69	188.97	733.31	922.28
Italy	11.70	8.36	11.18	31.24	30.76	62.00
Luxembourg	2.55	1.70	1.43	5.68	8.02	13.70
Netherlands	6.23	2.14	6.52	14.89	23.57	38.46
Total	107.30	46.42	153.26	306.98	969.52	1 276.50

* Mobilized at Commission instigation.

Welfare and family matters

30. From 4 to 6 December the Commission organized in Brussels a European seminar for about 40 social workers specialized in dealing with migrant workers and their families. The aim was to foster contact with social workers from the new member countries. The Commission cooperated in European meetings and symposia organized by specialist bodies on social aspects of migration. In addition, it invited the Governments of Member States to report on action taken on migrant workers between 1971 and 1973 by these social services¹ so that it could draw up a fifth report.

The Commission included new Member States in its scope of studies. A case in point was the almost complete study on the social problems of elderly people. A specialist institute was commissioned to produce a system for analyzing efficiently the 'Fourth World', i.e. the population sectors which fail to benefit from improved living standards in the Community countries.

The principal measures taken by new Member States' social services and their policies on families were recorded. Contacts were established with organizations working in these fields. The Commission participated in the 13th Conference of European Ministers responsible for family matters. The Conference was primarily concerned with the prevention of social maladjustment among young people.

¹ OJ 75 of 16.8.1962.

Common health and safety policy

Handicapped persons

31. On the basis of the interim report drawn up in 1972¹ the Commission has adopted and submitted to the Council a six-year action programme entitled 'Employment of the handicapped in a free market economy'. A further seminar for rehabilitation officials was held in Mulhouse between 10 and 14 December 1973. It made an outstanding contribution to preparing the implementation of this programme. Community action however could not be restricted solely to handicaps compatible with normal work. Problems raised by the most serious illnesses and injuries were dealt with on the basis of clinical data and medical rehabilitation. The study and information sessions on 'the traumatology of work' held in Luxembourg in April contributed to existing knowledge and practical experience of traumatic lesions.

Industrial medicine

32. The Commission after consulting labour and management representatives, and government experts, adopted themes for two new research programmes: 'Traumatology—Rehabilitation' and 'Ergonomics'. The latter programme may start at the beginning of 1974. The current research programme on chronic respiratory diseases will be rounded off by the participation of British scientists whose projects have been studied by the Commission's departments and advisory committees. The epidemiological studies of pulmonary diseases have been considerably enriched by the contribution of British research. The Working Party on Rehabilitation published a guide to the rehabilitation of chronic inadequacies which is intended for doctors specializing in industrial medicine and rehabilitation centres.

Community ergonomic research was extended by forming a new iron mines research team and publishing results obtained by ergonomic teams working in the coal and steel sectors. The Working Party on ECSC medical services initiated a study of methods of assessing industrial noise. It began, in conjunction with the Information and Safety Centre of the International Labour Organization (ILO), to give industrial medical specialists more information. The standardization of ergonomic tests was supplemented by a new edition of the 'Aide-memoire'. This included new techniques for the functional investigation into the respiratory system in the fields of preventive medicine and detection.

¹ Sixth General Report, point 215.

Industrial health

33. The third research programme on health in mines, which was adopted by the Commission on 28 July 1971, began to register its first practical achievements in 1973. On 27 September the Commission approved the allocation of 1 900 441.83 u.a. to finance 32 projects which covered most research programme sectors and particularly the technical prevention of dust in mines. Some of the projects concern combating dust levels during production, the measurement and physics of dust, and the epidemiology of miners' pneumoconioses. One project concerns ventilation in iron mines and is linked with conditions of hygiene in underground workings.

The working parties set up to survey this kind of research met in Hasselt in March to study the new techniques of seam infusion, in May in Briey to examine progress in the prevention of leakages of nitrous gases in iron mines, in June in Verneuil-en-Halatte for an information session on recent work and projects on the measurement of dust levels, in Berlin in October to clarify the problem of the use of additives (wetting agents and evaporation retarders) in the campaign against dust emission.

A record of the information sessions on the technical prevention of dust in mines held in October 1972 was published.¹

Under the second research programme on the technical prevention of air pollution in the iron and steel industry the Commission approved the allocation of 640 674.56 u.a. for the financing of four schemes, thus bringing total allocations under this programme to 3 749 310.15 u.a. A brochure published in 1973 recounts the progress of this research programme.² It was decided to organize information sessions on this subject in Luxembourg in September 1974.

The Commission, in order to extend the second research programme decided to promulgate a third five-year programme pursuant to Article 55 of the ECSC Treaty, on the 'technical prevention of pollution in the iron and steel industry'. A total of 10 million u.a. will be allocated to this programme. In addition to methods for preventing air pollution it will include research into the prevention of water pollution and into industrial noise abatement. This programme will start early in 1974.

Industrial safety

34. The Commission has arranged for a series of case studies permitting detailed comparisons between industrial accidents suffered by national and by foreign

¹ Publication EUR 4957 (Office for Official Publications of the European Communities).

² Publication EUR 4921 (Office for Official Publications of the European Communities).

workers in 1972. These studies cover 12 undertakings belonging to four different industrial branches and employing 260 000 workers, 20% of whom are migrant workers.

The technical preparatory work on the harmonization of safety signs and notices in undertakings was completed, as was the comparative study of the structures and responsibilities of safety services in the enterprise. These studies must be extended to include the new member countries before any concrete implementation can be envisaged.

The production of a Community accident prevention film, which will deal with the transport and handling of dangerous and heavy products, was organized in conjunction with the nine member countries.

Work continued on framing a European code of good practice in agriculture. Safety requirements for the construction and use of a range of agricultural machinery were defined. Preparatory work on the use of pesticides is under way and a start has been made on the examination of electrical equipment on farms.

The in-training programme for factory inspectors which was organized in 1973 was adapted to the enlarged Community. Accordingly, representatives of the original and new member countries met for the first time to discuss general problems in industrial safety and medicine. Fifty high-level officials participated in this programme.

On 12 September the Commission took two decisions relating to mine safety programmes. The first allocated 234 332 u.a. to a joint research programme on the rescue of trapped miners by large-diameter boreholes which was put forward by CERCHAR (the study and research centre of the Charbonnages de France) and by Bergbau-Forschung of Essen, and the second allocated 317 027 u.a. to the joint research programme on triggered barriers presented by CERCHAR, the Versuchsrubengesellschaft mbH in Dortmund and Iniex at Liege. The two programmes will continue the work begun in 1969.

The Committees of Experts in Mine Safety met in February in Luxembourg and in May in Verneuil-en-Halatte to discuss mine fires and in December in Dortmund to discuss explosives and explosions.

Steel Industry Safety and Health Commission

35. The Commission met on two occasions in Luxembourg. On 15 January it adopted the overall conclusions arrived at by the Working Party on Rescue and gave it a mandate to review and update its document every two years. On 10 July the Commission adopted its Fourth Report to the European Parliament and also

the conclusions arrived at by the Working Party on Oxygen on hoses for oxygen. Finally, it discussed its future programme details.

During the year the following documents were distributed: the British Steel Corporation's prevention policy; adoption and use of measures to protect personnel; design, construction, installation and use of pressurized oxygen equipment; rescue; bibliography; transport and handling.

Mines Safety and Health Commission

36. In 1973 the Mines Safety and Health Commission approved the following documents:

- (i) amendments to the memo on the relevant information to be sought during surveys on fire-damp and dust explosions;
- (ii) roof control: the interim report on the statistical comparison of fatal and serious accidents caused by rock falls between 1969 and 1971 in the enlarged Community;
- (iii) as regards mine fires: the comparison of specifications and testing methods for belt conveyors.

The following work was completed by the working parties and will be submitted to the Safety and Health Commission: methods and common criteria for testing the fire-resistance of conveyor belts in the enlarged Community; haulage powered by linear-motors; directives on the conditions under which exemption from raising the maximum permitted fire-damp limit may be granted.

The Mines Safety and Health Commission studied the most recent cases of group accidents and has sent a working party of experts to coal mines where disasters have occurred as a result of instantaneous outburst and rock bursts. It has also examined British methods of safety improvement including a mobile exhibition. It supported the preparation and implementation of safety campaigns in three coal-mining areas in continental Europe.

Information sessions prepared at the request of miners' trade unions on comparative working and safety conditions were held in Newcastle (United Kingdom) between 17 and 20 September 1973.

Finally, the Safety and Health Commission favoured the extension of its responsibility to all underground mines and the entire extractive industry.

Dr Hillery, Vice-President of the Commission responsible for social affairs, was, in this capacity, nominated to the chairmanship of the enlarged Paul Finet Foundation. Between its creation in 1965 and the end of 1973, the Foundation has made

3 242 grants totalling Bfrs 25 398 358 to the orphans of workers in ECSC industries who died as a result of occupational accidents or diseases.

Health and safety (Euratom)

37. The Commission continued its work in the field of protection against radiation on regulations and technical harmonization along with its research and study programme.

The legislations of Member States are based on fundamental principles stipulated in the Euratom Basic Standards, so that harmonization of radiation protection standards is guaranteed within the Community. The Commission has given its opinion on a draft decree in which it was notified by the Italian Government under Article 33 of the Euratom Treaty. This draft amends and supplements Law No 1860 of 31 December 1962 concerning the peaceful use of nuclear energy.

The Commission examined the legislative texts on radiation protection forwarded to it by the new Member States under Article 157 of the Accession Treaty. Analysis of this legislation revealed that the substance of the provisions in force in these countries conforms to Euratom Basic Standards.

Various studies were published on the special problems of application of directives laying down basic standards in the legislation of the Member States. The Commission's proposals on the general revision procedure for these standards, on which the Economic and Social Committee expressed unanimous approval, is being discussed by the Council of Ministers.

The Commission, aware of the need to protect against dangers resulting from certain popular equipment which emits non-ionizing radiations harmful to health, pursued detailed studies begun the previous year on means of applying the Basic Standards to a number of risks similar to ionizing radiations. It has thus complied with the express wish of the European Parliament.¹

The technical harmonization programmes for personal dosimetry continued, particularly in the field of thermo-luminescent dosimetry. Numerous studies on the calibration of standard and neutron dosimeters continued and new techniques were developed.

Other research work being carried out on a contract basis under the multiannual research programme on biology and health protection and dealing mainly with the

¹ Resolution of the European Parliament on the Sixth General Report.

contamination of the environment and the food chain, epidemiology, radiotoxicology, and the irradiation of foodstuffs, was continued.

The study of medical irradiations and radiation protection for patients was extended to the new Member States. This study was designed to show that medical irradiations, which account for 90% of the artificial irradiation to which the population is subject, may be monitored and reduced without, however, questioning the irreplaceable auxiliary rôle of medical radiology.

Under Article 37 of the Euratom Treaty the Commission gave its opinion on the radiological consequences of the discharge of radioactive waste from three new installations, in other member countries: the nuclear power station at Doel (Belgium) designed to produce fuel elements for the nuclear power stations at Bosco Marengo (Italy) and at Niederaichbach (FRG). This brings the number of projects dealing with the discharge of radioactive waste submitted by the Member States and the number of the installations examined to 57 and 79 respectively. According to a report¹ published in 1973 and intended mainly for the new Member States, these figures are expected to rise very rapidly during the next few years.

Although the discharge of radioactive waste from nuclear installations carried out under Article 37 has yet to present a health hazard in neighbouring countries, as the number of installations grows, a comprehensive survey of any discharges made will be needed. A report² lists the discharges from Community nuclear power stations and attempts to compare the level of exposure to which the surrounding populations are subject.

Concern to limit unnecessary exposure of workers and surrounding population resulted in consideration being given to the case of iodine. From a radiological viewpoint, it is one of the most important and likely nuclides in radioactive waste. A technical seminar on the experimental use of iodine filters in nuclear installations was held between 4 and 6 December 1973 in Karlsruhe (FRG).

As in previous years the reports on the trend in background radioactivity were published and reveal that the general level of radioactivity in the air and in foodstuffs has been falling appreciably.

A report on the monitoring and control of radioactivity in the neighbourhood of nuclear installations was drawn up. Its aim was to propose Community-wide harmonization of control and monitoring methods in order to protect human

¹ 'Application of Article 37 of the Euratom Treaty—measures taken—results achieved between 1959 and 1972'.

² 'Radioactive waste from nuclear power stations in the Community—waste situation—radiological aspects.'

beings and their environment. This document, which will be published, includes recommendations.

The approval of the 'Environment' programme by the Council of Ministers on 19 July 1973 marked the transition from the exploratory phase of the health protection programme (environment) to an operational phase. The Commission attaches great importance to an objective assessment of the risks resulting from pollution, nuisances and hazards, and will organize the necessary meetings of experts for the formulation of Community criteria and common health standards. The Committees dealing with criteria and standards and with the harmonization of measurement results have already considered the various pollutants to which the programme attaches priority. They began to examine studies carried out by institutes and by Commission experts. The organization by the Commission of meetings at European level to discuss problems raised by the contamination of the environment by certain pollutants resulted in a better knowledge of the effects on health of mercury, cadmium and carbon monoxide. The symposium held between 3 and 5 July 1973 revealed that mercury presents less of a health hazard than was previously supposed. Vigilance is, however, still required, and mercury discharges and subsequent environmental contamination should still be monitored. Cadmium appears to raise more serious problems. The sources of environmental contamination are numerous and diverse. Little is yet known of its toxic effects.

The Commission continued its work on the preparation of an International symposium on progress in assessing environmental pollution effects on health. This will be arranged in conjunction with the World Health Organization and the US Environmental Protection Agency, to be held in Paris between 24 and 28 June 1974.

C. Development of the Social Situation in 1973

Chapter I

Employment (including migrant workers)

Trends within the Community

38. During the first half of 1973 the *economic situation of the Community* was characterized by a great increase in economic activity, which occurred in every Member State to a greater or lesser degree.

Generally speaking, production within the Community is expected to have increased yet again in 1973. The rate of growth of the gross domestic product should reach approximately 6% in real terms before the end of 1973, as against 4% in 1972 and 3% in 1971. The faster rate at which prices are rising is nevertheless still a serious problem, especially since the effects of measures introduced or planned to combat inflation will only be felt after a certain time lag, particularly in respect of consumer prices.

39. The continued economic expansion during the first half of 1973 brought about a general improvement on the *employment market*. Nevertheless, the improvement was not as considerable as expected. The number of employed did indeed increase throughout the Community, and total unemployment figures¹ fell in most Member States; however, this favourable development was accompanied by signs of new pressures on the employment market and there was an increase almost everywhere in the shortage of the skilled labour required by the economy, so that a limit was placed on the number of favourable effects which could be expected.

The number of *unfilled vacancies* continued to increase during 1973 in most Member States. This increase was particularly noticeable in the United Kingdom, France,

¹ As there is no Community definition of unemployment, each Member State has its own definition and therefore no genuine comparison can be made between the unemployment figures.

For example, the unemployment statistics do not take into account those persons—e.g. young people—who are seeking employment for the first time.

According to the Statistical Office of the European Communities, 4.1% of the German unemployed, 17.4% of the French unemployed and 49.3% of the Italian unemployed were in this category in 1971.

Thus the value of the conclusions which can be drawn from the information is reduced but they are nevertheless a significant indication of the trend.

Belgium and Denmark where the averages of the figures recorded for 1973 were at least 50% higher than those recorded for 1972. In Germany, on the other hand, despite the fact that the increase in the number of unfilled vacancies was relatively low (+ 8.05%) compared with 1972, there seems to be an increasing tendency towards stabilization at quite a high level. In Italy, too, there are indications that the rise in production, which has become more and more evident since June, is, in some sectors, causing bottlenecks in the recruitment of skilled labour.

40. The increased number of vacancies—even if they are not always filled—has contributed to the improvement in the general level of employment in 1973. In most Member States, in fact, *total employment figures* rose still further. This increase was particularly noticeable in the United Kingdom, Ireland, Denmark and France, as shown both by the specific statistics and by indirect factors, e.g. the reduction in total unemployment which has been more marked in some places than in others. In Germany, however, the number of employed increased fairly slowly (+ 0.2%), whereas in the case of the other Member States of the Community the lack of total figures relating to developments in the number of employed prevents such accurate conclusions from being drawn.

There are, however, many indications that even if the level of employment in those countries does not show direct signs of a distinct improvement, this does not necessarily imply that the situation is worse than in 1972. On the contrary, the level of employment has risen in those countries, even if only slightly. In Belgium, for example, the increase in the general level of unemployment is not so much a sign of a significant deterioration in the employment situation, accompanied, for example, by a reduction in the number of vacancies, or even the laying-off of workers. It is more an indication of quite recent trends where new sectors of the population are being pushed towards a labour market which was unknown to them before and which they now wish to enter in order to find employment.

In Italy, too, after an uncertain start to the year in which a marked reduction in the number of employed was recorded for the month of January (100 000 fewer than in January 1972), there was a distinct improvement in the employment situation in 1973, and total employment figures exceeded those for 1972.

41. Just as the general development was fairly favourable throughout the Community as a whole in 1973, the *unemployment figures adjusted for seasonal variations*, were constantly below the 1972 level in most Member States. The fall in unemployment was particularly noticeable in the United Kingdom, France, Denmark and Ireland. Nevertheless, this development slowed down during the final months and the number of unfilled vacancies rose steadily, existing alongside unemployment pockets which are proving even more difficult to eliminate. The increase in

economic activity in 1973 therefore seems destined to reach its limit here as far as employment is concerned, and to have only a restricted impact on this field. This has already become very noticeable in certain Member States, such as Germany, where the number of vacancies has increased without there being any reduction in unemployment.

The fact that, despite the high level of economic activity, the pressures on the labour markets have been relatively low, and that unemployment is higher than in 1973 in some countries, indicates the persistent lack of *adaptation of the supply of labour to the demand*, either on the geographical level or as regards vocational qualification. It is also significant that the unemployment level is higher than the minimum levels recorded prior to the increase in economic activity. At the same time, businesses seem reluctant to take on additional labour as it would be difficult to reduce the number of staff should there be a reversal in the economic trend.

Unemployment rates remain highest in Italy, and, especially, in Ireland. In both of these countries the employment problems are of an essentially structural nature. In other countries, however, such as Belgium, in particular, and, to a lesser degree, the Netherlands, where the statistics for 1973 reveal a higher unemployment rate than in 1972, the overall increase is particularly due to an increase in the number of women who registered for employment.

42. A more detailed comparison of the statistics available for 1973 with those for 1972 reveals, furthermore, that the differences found in an analysis *by sector* between privileged and underprivileged are showing no signs of becoming less marked, as all of the underprivileged sectors in most countries have experienced a deterioration in their position, even if this deterioration has only been slight.

An analysis *by sex and by age* of the unemployment reveals that, in general, an improvement in the employment situation benefits male workers first. Overall statistics reveal that, in reality, the female labour force often represents simply a reserve which can be drawn upon when there are serious pressures on the labour market. It is precisely when this happens that there is some willingness to introduce a number of essential measures needed to attract women back to work (crèches, transport to and from work, flexible working hours, etc.) When economic activity decreases, however, women are among the first to be affected by a deterioration of the employment situation.

This is a characteristic which women sometime share with other categories of the population such as the young, the elderly workers and the handicapped, in that all the disadvantages of each individual situation are summated. Statistics for 1973 reveal an increase, which is particularly marked in certain countries, in school-

leaver and graduate unemployment, which constitutes a structural imbalance between the number of persons leaving schools and universities and the number of openings actually available to them. This is one of the difficulties which young people encounter regularly when in search of a first job.

In the case of the older unemployed, the statistics for 1973 once again furnish an opportunity to emphasize the obstacle to the resumption of work which an advanced age represents, even if these older unemployed persons can still be considered fit for work.

43. In view of the problems which continue to arise with regard to employment, the competent national administrations have endeavoured, by means of specific measures to promote geographical and occupational mobility of workers (training, refresher courses, retraining, etc.), in order to make better use of existing and potential labour resources and to meet requirements of a purely social character.

As far as Community action is concerned, the strengthening of instruments such as the European Social Fund¹ is already contributing towards the realization of specific projects aimed at reintegrating the unemployed into the working population. On a more general level, the social action programme drawn up in 1973 will contribute towards the creation of a framework within which it will be possible to carry out several projects at the same time, relating in particular to:

- immigrant workers;
- handicapped workers.

In addition, the setting up of a European Regional Fund will not fail to have a favourable effect on the employment situation, particularly in the underdeveloped regions of the Community suffering from a very high level of unemployment of structural origin.

Developments in the Member States

Belgium

44. Under the pressure of domestic demand the economy expanded even faster in 1973. As a result of the constant increase in economic activity in most of its customer countries, Belgium's exports also rose rapidly.

¹ Cf. Survey of the activities of the Commission above, point 20.

The increase in economic activity brought with it a slight improvement on the *employment market*, but this improvement did not lead to the expected reduction in total unemployment. According to the information available, it has in fact been found that in 1973 continuous improvement in the economic situation had favourable repercussions on the pool of male labour, but that the number of totally unemployed constantly remained above the figures recorded for 1972. In September 1973, for example, there were approximately 88'000 persons totally unemployed and available immediately on the labour market, which was an increase of approximately 4 230 persons, or 5.1%, compared with the corresponding period in 1972.

This fact, recorded at the end of the third quarter, seems to characterize the developments in the employment situation throughout 1973 and can therefore not be interpreted simply as the development of the employment situation lagging behind that of economic activity. A total of 17 133 unfilled vacancies was recorded at the end of November 1973 as against 9 457 one year earlier.

45. A more detailed comparison of the statistics available for 1973 with those for 1972 reveals, furthermore, that the differences found between privileged and underprivileged *sectors* are showing no signs of becoming less marked, as all of the underprivileged sectors (e.g. boot- and shoe-making, clothing and diamond industries) have experienced a deterioration in their position, even though it was only slight.

It will be noted that the number of unemployed (all sectors) increased by almost one-third from 1972 to 1973, while the increase from 1971 to 1972 was 38%.

46. An analysis by sex and by age of the unemployment statistics reveals that the continuous improvement in the economic situation had a considerable effect on the pool of *male labour*. According to the statistics available for the month of September, the reserve of male labour had been reduced by almost 2 500 compared with the corresponding period in 1972.

The reduction in the number of totally unemployed persons fit for work applied to every age group of the male population, but is was particularly noticeable in the case of those under fifty years of age. The statistics relating to totally unemployed persons of under twenty-five years of age who are fit for work reveal a distinct net decrease of 30.4% in relative terms between June 1972 and June 1973. The improvement in the level of male employment is also noticeable in the 25 to 50 age group where a net decrease of almost 26% was recorded. In the case of unemployed persons of fifty years of age or more, the decrease was less considerable, however, amounting to 4.4%. This emphasizes once again the obstacle

presented by advanced age to the resumption of work by laid-off workers, even if they are still considered fit for work and even if the employment situation is favourable.

47. In the case of *women*, the developments in the employment situation have not been as favourable as in the case of men. The obvious deterioration in the situation revealed by comparing the statistics for 1972 with those for 1973 is due entirely to the increase in female unemployment.

The number of unemployed women increased by 7 000 between September 1972 and September 1973, moving from 42.6% to 49.3% of the total unemployed. The number of unemployed women, which until recently was around 30% of the total of unemployed equalled for the first time the number of unemployed men (15 November 1973.)

A breakdown into age groups shows that female unemployment is highest in the under-forty age group; the under-twenty-five age group is particularly badly affected, with 27% of the total number of unemployed women in June 1973. An improvement was recorded in the employment situation for men in the same age group, with a reduction of more than 28% in the number of unemployed. Approximately 3.5% of these young men held university degrees, as against 1.5% of the young unemployed women. On the other hand unemployed women who have not got beyond primary-level education are an important section; they represented, for some months, almost half of those under 25 years.

48. As regards *foreign workers*, the number of initial work permits issued between January and September 1973 to workers from non-member countries rose to 4 155 (as against 3 306 during the same period in 1972). Furthermore, during the same period 3 907 permits were issued to foreigners already living in the country (as against 3 219 during the same period in 1972) and 5 692 permits were renewed (as against 6 323 during the same period in 1972).

Denmark

49. After a temporary slow-down, the rate of growth of the economy increased. Exports rose fast; sales of manufactured goods and agricultural products benefitted considerably from the opening-up of the Community market. Domestic demand was particularly dynamic. Investments increased and the building sector acted as a stimulus to expansion. Private and public consumption also rose rapidly.

This dynamism resulted in *an increase in employment, a decrease in unemployment and serious labour shortages.*

Denmark's working population comprises 2.4 million persons, 865 000 of whom are subject to compulsory unemployment insurance; the statistics relating to unemployment are drawn up on this basis. The unemployment rate has fallen to less than 1.3%; it was approximately 1.6% in the summer of 1973 as against 2.0% in the summer of 1972. In absolute terms, the unemployed numbered 19 200 in August 1973, as against 16 000 one year earlier.

50. *Female unemployment* was approximately 1% lower than male unemployment. This difference is probably due to the fact that women rarely do work which is dependent on climatic conditions and that they often withdraw voluntarily from the labour market when they lose their jobs.

Unlike most Community countries, Denmark has practically no *unemployment among young people*. However, it must be added, that scarcely more than 30% of young employed persons are insured against unemployment, which leads to the assumption that the real number of unemployed is underestimated.

However, the *number of unemployed elderly persons* poses a much more serious problem. In January 1973, for example, 5% of the insured persons in the fifty-five to fifty-nine age group were unemployed, 7.4% in the sixty to sixty-four age group and 13.1% in the sixty-five to sixty-six age group.

51. The highest levels of unemployment were recorded in the shipping sectors, followed by the boot and shoe-making and clothing sectors.

The unemployment level varies from region to region and, of course, also depends on the time of year. Nevertheless, taking the year as a whole, there is a correlation between the size of a town and the unemployment level; the largest towns have the lowest unemployment levels. At present the employment situation is confronted with the uncertainties brought about by the energy crisis (although as yet this had not resulted in any harmful effects on employment), inflation and balance of payment problems. Furthermore there are two other problems which should be noted:

- (1) the threat of unemployment as a result of the postponement of building programmes in the public sector;
- (2) unemployment among holders of degrees.

52. The number of *vacancies* increased considerably. For every 1 000 employed workers there were 3.5 vacancies in January 1973 and 5.3 in June 1973. Most of

these vacancies were for men and were in East Jutland; the number of vacancies is lowest in North Jutland.

The largest number of vacancies is in the metallurgy industry (13.7 jobs per 1 000 employed workers in June), but there are also large numbers in the textile, building and hotel/restaurant industries. Nevertheless this growth should not be regarded as very significant on account of the reference period: namely, January to June.

The vacancies recorded number between 20 000 and 25 000 per month; between 16 500 and 19 000 of these are filled per month.

53. The public authorities have adopted various *measures* in order to ensure a better balance in the employment situation. For example, every year 35 000 unskilled workers receive vocational training in state schools and 10 000 skilled workers receive training to provide them with the qualifications required by industry, the accent being placed not on specialization but on a sounder general training aimed at providing the persons concerned with a wider range of possibilities. Furthermore training courses are provided for people who may lose their jobs, notably in the development regions.

Every year the rehabilitation centres help 50 000 unemployed persons to find employment in which they can use their qualifications; the success rate is estimated at 50%. Where appropriate, the employment agencies grant travelling allowances, removal allowances, rent security allowances, etc., to workers who have to move elsewhere to work.

As part of the campaign against unemployment among elderly persons, an experiment is currently being carried out to encourage undertakings to employ workers from this category; this experiment involves the employment agencies assuming part of the cost of the wages paid by the employers.

The State is trying to solve the problem of regional unemployment by giving grants to undertakings which agree to move to depressed areas.

54. In addition to the measures mentioned above aimed at remedying shortages of labour which are becoming more and more serious, attempts are being made to make it easier for married women with families to take up employment, and to bring in foreign workers.

Nevertheless, immigration into Denmark is relatively low. Very few workers come from the other Member States of the Community or from the Scandinavian countries, namely, 2 000 community workers were registered in July and 2 500 in October, and

the number of workers from non-member States is not very high. The latter numbered approximately 36 000 on 15 January 1973; they consist mainly of unskilled Turks, Yugoslavs, and Pakistanis.

In June 1973 an agreement was reached between the Employers' Association (DA) and the Trade Union (LO) on the question of immigrant labour policy which was later suspended because of uncertainty about the situation.

Germany

55. In 1973 the German economy was characterized, until recently, by *rapid growth*. The strongest impulse came from external demand while domestic demand which was strong at the beginning of the year lost its force during 1973 under the influence of the restrictive policies of the Government and the Federal Bank.

In this situation a slackening appeared in the labour market; the seasonally adjusted number of unemployed increased and from February the number of vacancies fell regularly, with the exception of a short period of stability in the second quarter of the year,

Furthermore structural problems became apparent, notably in the textile, clothing and leather industries; these took on an even more severe appearance with the future uncertainty of oil supplies.

On the other hand the building industry, helped by a relatively mild winter, had labour shortages at the start of the year. Later departures from its work force were not balanced by new recruits. This trend was strengthened by the second stabilization programme adopted by the Federal Government in May 1973 which included certain provisions affecting in particular the building sector.

56. As for developments in *unemployment* it must be remembered that, having reached its lowest level of the year in January/February, it did not cease to increase as from March. At the end of August 1973 the number of unemployed totalled 221 900, exceeding the figure for the end of August 1972 by 23 600 (+ 11.9%). In October, it rose to 267 000, exceeding the figure for October 1972 by 52 100 (+ 24%). Comparisons relating to the part-time employment markets for men and women reveal that the total number of unemployed men in October 1973 was 15.6% higher than at the same time in 1972, whereas the total number of unemployed women exceeded the level recorded one year earlier by 33.5%. The more marked increase in *unemployed women* is due mainly to developments in certain branches of the services sector, particularly as regards the limited opportunities of obtaining part-time employment, and in the textile and clothing sectors.

In the metal-working trade and other employment connected with industrial production, however, the number of unemployed women is lower than in 1972 as in the case of the men. The unemployment rate was 1.2% in October 1973.

57. In accordance with the recently-observed trend, the number of *vacancies* recorded in August 1973 was 647 000; this represents a decrease of 2.7% compared with July and may be viewed as a sign of the expected easing of the demands on the labour market. This trend strengthened in September: at the end of September, in fact, the number of vacancies fell to 612 700 and at the end of October to 508 200. At the same time, there was a marked increase in partial unemployment, which rose from 13 800 (September 1972) to 36 250 (September 1973) and to 67 760 (October 1973).

58. The *law on the promotion of employment* is a modern tool in an employment policy; one of its principal objectives is the improvement and extension of basic and advanced vocational training and of retraining. The number of applications received for the aid provided for under this law has decreased recently, which leads to the conclusion that the need for a certain degree of levelling upwards has been met. A further reason, no less significant, is that the conditions for acceptance have been made more strict.

In view of the increasing expenditure (despite the decrease in the number of applications), discussions are being held at present on how to increase the resources of the Federal Institute of Labour for vocational training.

The results of measures adopted under the law in question reveal that it is in fact those workers with the greatest need for adaptation, i.e. unskilled workers and women without any previous vocational training or with very limited skill, who have so far benefitted the least from the aid; unskilled workers, for example, constitute only 4.6% of the applicants for advanced vocational training courses, while this category of persons represents 25% of male workers. Experience hitherto shows that the promotion projects have done little to compensate for the lack of training in certain sections of the population.

59. As in the past, there is still a great demand for *foreign workers*. The average annual number of foreign workers employed by the German economy is expected to reach approximately 2.5 million in 1973, an increase of 150 000 to 200 000 approximately. The social problems posed by the employment of foreign workers form one of the major concerns of the interested circles (political parties, trade unions, churches, humanitarian institutions, etc...), as indicated by the numerous declarations and a decision adopted by the Government. The rapid and marked

increase in the number of foreign workers has resulted in the social infrastructure reaching the limits of its capacity, particularly in heavily-industrialized regions. Moreover, a solution must be found to the problem of the integration of foreigners, who should be considered not only as workers but also as citizens. Finally, illegal immigration must be prevented as far as possible.

On the 6 June the Federal Government adopted a series of measures intended to improve the situation of migrant workers where problems of social infrastructure exist. These measures are suggested by the following principles:

- (a) Before the placement of a foreign worker by the Federal Work Office, there must be verification, case by case, that the future employer is fully aware of the directives of the Ministry of Labour.
- (b) The admission of foreign workers to overcrowded cities will depend on the capacity of the social infrastructure.
- (c) The administrative fees for placement of foreign workers will be increased from 300 DM to 1 000 DM.
- (d) If the measures taken do not improve the situation of foreign workers the introduction of a special tax will have to be considered.
- (e) The illegal employment of foreign workers must be rigorously combatted.
- (f) When the stay of a foreign worker is being prolonged, his residence permit must consequently be modified. The improvement of the situation of foreign workers must apply to all areas: labour market, accommodation etc.

On 23 November 1973 a governmental decision was introduced, aimed at stopping, for the moment, the placement of foreign workers. This was a precautionary measure taken in the light of the energy crisis which will undoubtedly affect the employment situation in the coming months.

The measures adopted do not affect the system of free movement of labour enjoyed by workers of community origin.

France

60. In 1973 the French economy expanded, although this expansion was accompanied by inflationary pressures. The large increase in consumer spending, the rapid growth of foreign sales and the revival of investment activity brought with them a gradual and constant speeding-up of production.

The high level of activity had repercussions on the *labour market* where the pressures were stronger than in 1972. Available labour, even unskilled labour, is now in such great demand that bottlenecks are occurring in production in France.

61. The number of wage-earners in industrial or commercial establishments with ten or more employees rose by 1% in gross figures between 31 March 1972 and 31 March 1973. This is significant because it is necessary to go back to the period 1969-1970 to find a higher figure.

The data available for the period following March 1973 confirm this trend towards a high level of employment. May 1973 saw the greatest increase in vacancies for skilled and unskilled workers, with increases of 31% and 35% respectively compared with the preceding month, whereas the average increase in vacancies was 25%.

62. All the various estimates of *unemployment* for the past months of 1973 showed a strong improvement, in particular the figures for the 'population seeking employment' were the lowest since 1963. However, during the second half of the year the trend was reversed so that from November 1972 to November 1973, the number of persons under 60 receiving unemployment benefit (ASSEDIC beneficiaries) remained stable (122 500).

The 'number seeking work during the month' (158 800 in November 1973, 12% higher than November 1972) increased more than the 'number seeking work at the end of the month' (455 000 in November 1973, 8% higher than November 1972).

63. Despite the difficulties in interpretation, the breakdown of unsuccessful applications for employment into sex and age groups reveals certain facts; between the first quarter of 1972 and the first quarter of 1973, the trends in *female unemployment* are always less favourable than those in male unemployment, as the latter decreased while the former increased. Only in the case of persons under twenty-five looking for their first job was the situation the same for both men and women, however the situation gets worse for women than for men.

As regards developments in the *unemployment of elderly persons*, the statistics issued by ASSEDIC, which give an indication of the trend among approximately one-quarter of the 'population in search of employment', underline the difficulties encountered by older workers. The number of recipients of a guaranteed income (wage-earners of 60 years of age or more without employment) rose, in fact, from 13 900 in July 1972 to 27 000 in May 1973.

64. Despite the existence of an unemployment level which, calculated on the basis of the 'population in search of employment', approaches 2.5% of the active population, there was a further increase in May 1973 in the total number of *unfilled vacancies* compared with both the preceding month and May 1972.

The discrepancy between the number of vacancies and of unsuccessful applications for employment is still particularly acute in Lorraine, Alsace, Franche-Comté and Rhône-Alpes. In those regions there is at least one vacancy per application. Sometimes there are considerably more vacancies than applications.

The situation is reversed in the Paris region, the Loire region, Nord, Brittany, Aquitaine, Midi-Pyrénées, Languedoc-Roussillon and Provence-Côte d'Azur, where the number of unsuccessful applications for employment is sometimes five times as high as the number of vacancies.

65. During the first nine months of 1973 the total number of new *foreign workers* rose by 22.4% to 109 308, 7 048 of whom came from Member States of the Community, and 21 345 of whom were Algerians possessing O.N.A.M.O. cards.¹

Finally, the need for seasonal labour led, during the same period, to the employment of 87 146 seasonal foreign workers (95 162 in 1972).

Ireland

66. Expansion was renewed, promoted at first by the rise in external demand, and gradually extended to every component of internal demand, thus causing a reduction in spare capacity.

The *improvement of the employment situation*, which began during the second half of 1972, continued in fact in 1973. In 1972 the active population in employment fell by approximately 10 000. According to estimates, total employment figures for 1973 should show an increase of 1.5% to 2%, i.e. 15 000.

For demographic reasons a slight reduction can be expected in the number of persons employed in agriculture.

Employment in industry, which, in 1972, was below the level of the preceding years, showed signs of recovery as from the first quarter of 1973. This development, which continued during 1973, is largely due to the increased number of jobs in industries producing manufactured goods which provide almost two-thirds of the employment in industry.

Employment in the services sector is expected to have increased too, as a result of the rise in tourism in particular, but also as a result of the relatively rapid economic growth. This favorable development of the tertiary sector is to the

¹ Office National de la Main-d'Œuvre Algérienne.

advantage of the female work-force, especially married women whose presence in the work-force is steadily growing.

67. Although *unemployment* is still high, it has decreased considerably. In mid-1973, the number of registered unemployed—excluding the agricultural sector—represented approximately 7% of workers subject to compulsory unemployment insurance, as against 8% one year earlier. In September 1973, the unemployed (including agricultural workers) numbered 67 500, compared with 75 000 at the same time in 1972; the figure for September 1973, adjusted for seasonal variations, includes more than 10 000 women and young girls, almost 5 300 persons of sixty-five years of age or more and approximately 10 000 agricultural workers. The drop in unemployment occurred in fact in activities other than agriculture where the number of unemployed fell by only 1 000, while unemployment in general fell by 5 500.

The problem of young people looking for their first job does not appear to have become any more serious. There is at present a spontaneous trend for people to go on into higher education; this led to the fear that a large number of graduates would come onto the labour market at the end of 1973. These young people do not seem to have had any particular difficulty in finding employment. In fact, in view of the stage which Ireland has now reached in its economic development, an increasing demand for graduates is to be expected.

68. In spite of the rise in employment and the fall in unemployment in 1973, no shortage of labour was recorded. Nevertheless, there have been certain shortages of skilled labour, which were already evident for years. The textile and clothing industries in particular are faced with a shortage of skilled female workers. The problem there is to attract married women to the labour market; in order to do so, undertakings are proposing certain benefits such as: transport between the home and the place of employment, nurseries, flexible working hours and part-time employment.

69. Great care should be taken in interpreting the employment: unemployment ratio, because the emigration from Ireland must be taken into account: a fall in unemployment could quite simply be the result of an increase in emigration.

There are no statistics available relating to migration. Nevertheless, the movement of travellers by sea and air, which acts as an indicator of the amount of emigration, shows fairly clearly the number of former emigrants who are returning, attracted by the improved employment prospects. There is in fact a large reserve of labour

living abroad and wishing to return to Ireland as soon as the domestic employment prospects improve.

Italy

70. During the first quarter of 1973, the loss of production and the delivery problems resulting from the renewed outbreak of strikes, together with the reaction to advance purchases made at the end of 1972 before the introduction of value added tax, caused a distinct decline in *economic activity*.

Nevertheless, the wage negotiations which began in the Autumn of 1972 ended in April 1973, with the signing of a new collective agreement for workers in the metal-working industry. This led to a relaxation of the tensions in the field of industrial relations thus making the resumption of production easier.

After months of uncertainty and even weakness from the economic point of view, there were signs in 1973, especially as from June, of a growing economic recovery.

71. Just as there were very marked variations in the economic situation, there were also changes—some contradictory—in the *employment* situation in 1973.

In fact, when economic activity was at its lowest, in January 1973, there was an overall decrease of 0.5% in the *employment figures* compared with January 1972. A survey carried out in July 1973 revealed a marked increase, as a result of the economic recovery, in the number of employed: an additional 305 000 compared with July 1972 (+ approximately 1.6%) and an additional 124 000 compared with January (+ 4.0%). The tertiary sector contributed significantly to this evolution. Nevertheless, it is worth stressing here that the total employment figures had begun to increase even before the economic recovery really became evident. As early as April, in fact, the number of employed had risen by 59 000 compared with April 1972 (+ 0.3%) and by 180 000 compared with January 1973 (+ 1%).

72. A more detailed analysis reveals, however, that—as far as total numbers employed are concerned—the various *sectors of the economy* did not always react in a uniform way or in accordance with the general trend of the economy.

It was the industrial sector that suffered the worst repercussions of the variations in the degree of economic activity.

In agriculture, on the other hand, there was relative stability in the normal trends in 1973. The rural exodus slowed down slightly compared with the annual average recorded over the past decade.

The tertiary sector was also stable during the whole of the reporting period. Despite the negative aspects of the general short-term economic situation, the number of persons employed in this sector continued to rise, especially in trade and public administration, above the levels reached in 1972.

73. The unfavourable situation on the labour market led to a net overall increase (+ 1.8%) in the number of *unemployed* from January 1972 to January 1973. In July 1973, the economic recovery enabled some of the unemployed to find employment, so that the total number of unemployed fell by approximately 1.6% compared with July 1972 and by approximately 18.9% compared with January 1972.

It must, however, be added that not all of the persons who lost their jobs as a result of the deterioration of the labour market at the beginning of the year tried to find new employment. The near-age-limit or marginal categories of the active population, such as women, the young and the elderly seem to have suffered most of all from the effects of the worsening of the employment situation. It is, in fact, those sections of the active population which, having lost their jobs, are the first to leave the labour market, choosing either to continue their studies, to go into early retirement, or to take on insecure jobs of which the public authorities often have no knowledge.

74. In all, 55% of those persons leaving the labour force between October 1972 and January 1973 on account of this were female workers. The *female employment* crisis therefore tends to become more acute when the economic situation is unfavourable. In 1971, in fact, 18.5% of the total female population were in employment; in 1972 the figure was not more than 17.8%. The downward trend in female participation seems to have reached a minimum in the opening months of 1973; in July 1973 the number of employed women was 3.8% higher than the number a year previous, representing an increase of 191 000 units.

75. The under-employment of *young people*, and 'intellectual unemployment' i.e. school-leaver and graduate unemployment, appears to be a particularly serious problem. Approximately 38% of those persons in search of a first job in 1972 had obtained either secondary school qualifications or a university degree. The fact that this phenomenon has persisted for years shows that what is involved here is not only an economic imbalance but also a structural imbalance between the number of persons leaving schools and universities and the number of openings actually available to them.

This aspect of the employment situation prevails in particular in the 'Mezzogiorno'. For the past four years, 50% of the young people in search of a first job are from this area. An increase in the overall unemployment level in these regions was recorded for the last two years.

76. According to estimates made during a study carried out in 1972 by the Ministry of Labour on the reasons for emigration, the number of workers actually available to take up employment in another Member State of the Community exceeds one million, three-fifths of whom are unskilled workers or workers with limited skills. A new phenomenon, is the large percentage of those persons prepared to emigrate who have, in fact, obtained secondary education certificates and are prepared to emigrate on account of the difficulties on the Italian employment market.

Luxembourg

77. Employment figures have continued to rise owing to the lack of a reserve of native labour. The requirements of the economy can be met only by the employment of foreign workers, which, in 1973, rose slightly above the 1972 level.

The total number of vacancies reached its peak in March 1973; although it fell subsequently, it nevertheless continued to remain higher than the levels recorded at the end of the corresponding months in 1972. Seasonal unemployment, on the other hand, remained minimal in absolute figures.

Netherlands

78. The improvement in the economic situation which was evident since the end of 1972 continued. Nevertheless, even though the increase in overall demand, stimulated by the expansion of world trade, resulted in a much greater use of overall production capacity, this development failed to produce a favorable effect on the level of unemployment.

As a result of the energy crisis an increase in all forms of unemployment is expected. Whereas the Centraal Economisch Plan estimated that the reserve of labour would fall substantially, the number of *unemployed*—adjusted for seasonal variations—at the end of June 1973 was 123 900 (June 1972: 122 300). In August 1973 it rose to 124 700; in September it was 122 600 and in October 1973 121 000 which corresponds to an unemployment level of approximately 3%.

A comparison of the statistics shows that *structural elements* are coming to play an increasingly important part in the unemployment pattern. There has been, for example, a marked and persistent rise in unemployment figures in the large towns in particular (Amsterdam, Rotterdam, The Hague). Furthermore, unemployment is increasing in those sectors which have up to now been less sensitive to market pressures. Although the demand for labour is growing slowly, the gap between supply and demand is still increasing. The drop in unemployment in the three northern provinces (Groningen, Friesland, Drente) can, it seems, be

attributed to the implementation of supplementary employment programmes aimed especially at those regions. The length of the periods of unemployment throughout the country gives rise to concern. The number of persons in prolonged unemployment (12 months or more) increased in the case of men, from 8.9% in May 1972 to 17% in May 1973, and, in the case of women, from 9.1% to 11.9%. If a comparison is made with a phase in which similar economic conditions prevailed, i.e. 1968, it can be seen that unemployment was reduced much more slowly in 1973, and this emphasizes its structural nature. Furthermore, besides the demand for labour, there exists still an unsatisfied unemployment of certain professional categories absorbed by measures promoting the mobility of manpower.

Another phenomenon of recent occurrence is unemployment among persons who have received a university education. In May 1973, 2 020 unemployed persons fell within this category. The total number of such workers, 55 000 in 1960 and 84 000 in 1970, will reach 166 000 in 1980; in view of the present situation, this is a fact which gives rise to concern. In order to deal with the problems arising from the present and foreseeable future situation, the Netherlands' employment agencies set up a special employment service for workers with a university education. This agency receives and circulates throughout the country notices of vacancies which are suitable for such persons and applications for employment submitted by them. It is at the same time an information and advisory centre.

79. After a temporary decrease in February 1973, the number of *vacancies* recorded increased slightly compared with 1972, passing from 75 750 (June 1972) to 78 300 (June 1973). At the end of August 1973 the total was 80 700 (men and women), and since then has fallen.

The trends in the principal occupational groups show that there was a marked increase between June 1972 and June 1973 in the number of workers employed in the metal-working industry and, to a lesser extent, in the building trade, whereas there was a marked decrease in the number of shop and office staff required. This trend continued until September 1973. These statistics refer to male workers. In the case of women workers, however, there is a definite trend towards a reduction in the number of vacancies. The Netherlands employment agencies recorded 23 000 unfilled vacancies in August 1973, for female workers and 21 200 in September 1973, while the figures for the corresponding months of 1972 were 21 200 and 22 700.

According to available information, the total number of *foreign workers* is between 110 000 and 120 000 at present, i.e. 3% of the total of wage-earners.

80. In considering the *measures* adopted by the Netherlands Government to deal with the present employment situation, particular mention should be made of the supplementary employment programme for which the Netherlands authorities granted appropriations amounting to 863.5 million guilders in 1972. Additional appropriations amounting to 750 million guilders were allocated in 1973 in order to improve the employment situation, as the programme implemented in 1972 had not produced the anticipated results.

Another regulation concerning internal migration was adopted in 1971 and implemented in 1972; it was aimed at promoting the employment of married persons in search of suitable employment but unsuccessful in quickly finding a job close to their place of residence. These provisions do not as a rule apply to Randstad-Holland. (The name given to the complex of towns by Rotterdam - The Hague - Leiden - Haarlem - Amsterdam - Utrecht.)

Finally, mention must be made of a regulation which entered into force on 1 September 1973 and provides the employment of persons for whom it is difficult to find employment and who have been in prolonged unemployment. These subsidies, which amount to 30% of the salary, are granted to undertakings which employ this category of workers.

United Kingdom

81. At the beginning of 1973, the economy of the United Kingdom has experienced growth; initially demand and production rose rapidly. This growth was later hindered by economic and social difficulties which the country has had to face. The increase in exports has been particularly good, especially as regards exports to the other Community countries.

This expansion, stimulated by certain economic measures introduced by the Government, has resulted in an improvement in the *employment level*, throughout the country; the rise in employment figures has been particularly evident in the engineering industry, building trade, the services sector and in all other forms of employment in the tertiary sector.

82. At the same time there was a marked decrease in *unemployment* throughout the country, including the high unemployment areas such as Northern Ireland.

The number of unemployed, fell to approximately 598 000 in September 1973, compared with almost 891 000 in September 1972; this figure includes approximately 89 000 women, 32 000 of whom were married. If young people in search of a first job and adult students are excluded, the number of unemployed persons

was below 542 000. This decrease means an unemployment rate of 2.5%, compared with 3.9% a year earlier.

83. *Unemployment among young people* was particularly low in 1973; this improvement must be regarded as temporary since it was mainly due to the raising of the school leaving age to sixteen in the 1972/73 school year. This means that only 260 000 young people under eighteen came on to the labour market in 1973, compared with 451 000 in 1972.

However, the increase in the student population in the universities means that 50 000 graduates come on to the employment market every year and cause problems for the economy.

84. The number of *unfilled vacancies* more than doubled in September 1973 (+ approximately 130%) compared with 1972, increasing from 209 000 to 483 000. The number of vacancies for young people was 127 000, i.e. 4 times the number of unemployed young people. This situation is clearly due largely to the raising of the school leaving age referred to above.

Apart from the increased demand by employers for young workers, *shortages of labour* has appeared in certain regions such as south-east England, in certain sectors, and with regard to persons with certain qualifications; this structural phenomenon can be attributed to the economic policy measures and to the improvement in the employment situation; nevertheless, it could slow down the expected rate of expansion.

To meet this shortage, employers can be expected to turn to *women* as a potential source of *labour*, in particular by increasing the number of part-time jobs.

85. The Government has implemented *a number of measures* aimed at correcting the imbalances in the employment situation.

In order to assist unemployed young people in certain depressed areas, subsidies have been introduced to create jobs which would be useful to the community and which would not otherwise have come into being.

On the other hand, the Government decided to abolish certain regional employment premiums which were used to subsidize undertakings in areas with high unemployment by covering part of the labour costs. The TUC¹ and the CBI² were strongly

¹ Trades Union Congress.

² Confederation of British Industry.

in favour of the maintenance of these premiums, without which 20 000 to 50 000 jobs would be endangered in the areas in question.

86. *Vocational training* schemes have been introduced, however, with a view to making it easier to solve the problems presented by the shortage of labour; it is the responsibility of the employers and trades unions to implement these programmes.

A special programme¹ was implemented with a view to encouraging geographical mobility of labour. It involves helping workers in depressed areas to settle elsewhere where there is employment. During the first year this programme had a budget of £ 6 million; this covered the costs of removal, resettlement, the journey from the place of origin and the start in a job. The aim is to assist 16 000 workers per year.

87. The Government has begun reorganizing the *employment agencies*. A committee, composed of representatives of the employers, workers and educational establishments, was set up for this purpose; its task is to assist the Ministry of Labour in its responsibilities with regard to employment and vocational training.

As part of this reorganization, it is planned to set up, within the next ten years, 800 centres to replace the present employment agencies. Some of these centres are already in operation. The aim is to make these offices more attractive and to make sure that they can constantly ensure a comprehensive advisory and booking service.

A special department for finding employment for executives has also been set up; in addition, it is planned to set up special employment agencies for university graduates.

88. As regards *immigration*, statistics for the first half of 1973 indicate that 600 work permits for six months were issued to Commonwealth citizens and 5 240 to foreigners coming from third world countries and having work permits. During the same period work permits for less than 12 months were issued to 169 Commonwealth citizens and 4 046 workers from outside the Community. The issue of work permits is subject to very strict conditions but there is some relaxation in the hotels and restaurant sectors.

During the first half of 1973, 2 990 work permits were issued to Community workers. A division of these workers into nationalities shows a slight decrease in the numbers of French and Germans compared with 1972 and an increase in the proportion of Italians. Nevertheless, the total number of immigrants does not exceed the number expected under the former system.

¹ E.T.S. (Employment Transfer Scheme).

The ECSC Industries

89. In the *ECSC industries* the trend towards a decrease in the total number of workers continued in the 1972/1973 financial year. As no complete statistics have been drawn up for the nine Member States, it is not possible to give accurate figures relating to the decrease. It can be estimated at nearly 30 000.

Coal-mining

Between 30 June 1972 and 30 June 1973 the total number of registered coal-miners in the enlarged Community fell from 699 000 to 646 500, i.e. a reduction of 52 500 persons or 7.5%. The greatest decrease was recorded in Germany, where the number of miners fell by 19 900, i.e. 8.7%. In Great Britain the number fell by 11 955 or 4.4%. There was also a decrease in the number of miners in France (— 9 500), Belgium (— 4 400), the Netherlands (— 3 100) and Italy (— 400).

Iron and steel industry

In the iron and steel industry, on the other hand, the number of workers increased; the total increase for the entire Community is slightly over 10 000.

Iron ore mines

The decrease in the number of workers in this sector continued in accordance with the trend of recent years. The total number of workers in the iron ore mines is approximately 17 000.

Chapter II

Vocational training

Development trends in the Community

90. There is an increasingly marked trend in many Community countries to carry out studies and to take initiatives designed to instigate legislation to provide the basis for developing technical and vocational training as part of continuing education.

Recurrent education is now considered as one of the most appropriate methods of ensuring continuing training.

This intention is to undertake this training throughout the individual's life. This is carried out in parts or in stages by means of alternation between the training and the occupational or other activity.

This requires close coordination of policy on recurrent education and social policy, particularly where it affects employment policy.

Study leave or paid time allowance is being granted on a progressively larger scale and there has been a notable increase, in several Community countries, in the possibilities offered to employees and workers at all levels to obtain basic and advanced training within and outside companies.

A growing trend in many Community countries is for training and retraining in up-to-date management techniques to be organized in courses intended for managerial staff and company executives.

91. The Council, on 26 and 27 March 1973, expressed an opinion on the Commission's communication on the 'First measures to implement a common policy of vocational training'.¹

It approved a certain number of actions which it considered as priorities, such as an information bulletin on vocational training, to be brought out in 1974. The

¹ *Report on the Development of the Social Situation in the Community in 1972*, part A, point 8.

Bulletin will have three parts: the first part devoted to new provisions laid down by law or collective agreements adopted in the Member States, the second part with leading articles on new trends and innovations in the field of methods and techniques involved in vocational training, the third part will provide documentation in the form of a bibliography of recently published works, articles and studies.

Although the Bulletin will mainly be devoted to the situation and development of vocational training in the Member States, it will also point out any developments in other countries. It will thus provide a means for comparison which could give rise to new ideas.

92. In view of the enlarged Community, the Council agreed at the end of 1973, within the framework of the Social Action Programme, on the creation of a European Centre for Vocational Training at the beginning of 1974 to give an impetus to the common policy on vocational training.

Development of the situation in the member countries

Belgium

93. The Law of 10 April 1973¹ grants 'paid time allowance' to workers aimed at promoting their social advancement.

This law grants the worker the right to be absent from his work, while his normal remuneration is still being paid, during a number of hours equal to the number of course hours contained in the year of study undertaken, if he has successfully completed 'instructions for social advancement' for at least two years. Moreover, if a worker has already successfully completed a year's instruction for social advancement, he is allowed to be absent from his work for a number of hours equal to half the number of course hours contained in the year completed. The aim of this Law is to facilitate and encourage the worker's attendance for this instruction by compensating, in the form of paid leave, the effort which results from the accumulation of the exercise of wage-earning activity with evening or week-end studies. This free time can thus be used to attend courses, to study the subjects during the academic year, to prepare for the examinations or quite simply to provide relaxation. The expenses incurred in implementing the Law are shared by the State and the employers.

¹ *Moniteur Belge*, 21 April 1973.

The procedures relating to the use and distribution of the special training leave are determined by collective agreement concluded in the competent joint committee; until such agreements enter into force, the procedures for granting paid time allowance are laid down in the Royal Decree of 24 April 1973,¹ in which provision is made for consulting the Boards of Directors. By the end of October 1973 such collective agreements had already been concluded in twenty sectors or so. It should be noted that the Royal Decree mentioned above extends the paid time allowance system to workers following management courses organized or subsidized by the 'Middenstand'.

94. For several years now, the vocational training of adults organized by the National Employment Office² has been dealing with applications which are becoming more and more diversified. Formerly applications came mainly from unskilled manual workers whereas now they concern just as much staff employees as manual workers, low-grade workers, technicians and holders of even higher education qualifications.

The Office has therefore had to expand considerably its continuation training activities and to take quite special care that the methods introduced can be adapted to these diverse groups by making the teaching relationship as individual as possible.

Since 1969, the number of adult workers having completed group or individual training has risen continuously. The latest available figures relating to 1973 show that the advance will be maintained (5 159 in 1969, 5 255 in 1970, 7 561 in 1971 and 9 773 in 1972).

Denmark

95. In June 1972 the Folketing (Parliament) adopted a new act on training of apprentices. According to the act the training will be accomplished on an experimental basis until 1975/76. Thereafter the act will be revised with a view to a total introduction of the new system.

The former system implied that young people wanting to become skilled workers had to make a contract of a duration of 3-4 years with a master in one of some 150 trades.

¹ *Moniteur Belge*, 5 May 1973.

² *Report on the Development of the Social Situation in the Community in 1972*, pp. 106 and 107.

According to the new system the apprentice starts his training in one of only 8 main trade areas at a technical or commercial school for one year. Towards the end of the first year the apprentice makes his definite choice between the various trades. The apprentice then has to work in one or more enterprises in the selected trade for about 2 years. During these two years he spends up to half the time at the school-bench; however, the entire training-period normally lasts for 3 years.

Through this new educational system the intention has been to create a flexible system, which to the greatest extent possible ensures that the apprentices can remain in touch with developments within society; economically, technically and socially. It is intended to achieve this goal by, among other things, widening the scope of sectoral training, during the first year, and including general education in the entire training programme. Up till now 6 main trades (commerce and office, iron and steel, services, foodstuffs, building and construction and printing and publishing) have started experiments to conform to the new system; thus some 2 000 apprentices started their experimental training in 1973. Experiments in the remaining two main trades, i.e. agriculture and road-transport, are expected to start in the coming years.

The vocational training for adults in Denmark has up till recently been divided into three sections: the training of semi-skilled workers, general retraining and continuation training.

The three sections have now been placed under one secretariat, with the aim of increasing the effectiveness of the system.

Germany

96. In recent years the competence for vocational training which hitherto came within the brief of the Federal Ministry for Economic Affairs and the Federal Ministry of Labour and Social Affairs has been grouped under the Federal Ministry of Education and Science, which is competent in particular for coordination and questions of principle in vocational training.

Pursuant to the Vocational Training Law, nine new sets of training rules and four legal provisions, to regulate the requirements in the master's examination, were issued during the year covered by the report.¹ Furthermore, the vocational and job training as well as the legal and business parts of the master's examination

¹ Cf. *Report on the Development of the Social Situation in the Community in 1972*, Part. II, p. 107.

in all 125 trades were uniformly regulated by decree. In order to promote inter-company training institutions, directives were issued in 1973 according to which, by 1976 in the first instance, 10 000 additional places at inter-company training establishments are to be provided.

In November 1973 the Federal Government decided on a new reform of vocational training legislation. This reform is aimed at defining training policy within an overall framework, which will consist of all economic activities and employment aspects along with their financial repercussions.

97. The main aim is to enable a degree of equivalence to be established between general schooling and vocational training. To achieve this, and in line with the objectives promoted by the Bund and the Länder in a global training programme, vocational training should be drawn into the State's sphere of competences.

On 15 June 1973 the Joint Committee of the Bund and the Länder for the Planning of Training¹ communicated to the Heads of Government of the Bund and Länder the comprehensive training plan which it had adopted. On 20 September 1973 the Heads of Government approved the educational policy aims of the plan and requested the Joint Committee of the Bund and Länder to continue its work on this basis. On 8 October 1973 the Joint Committee of the Bund and Länder decided to draw up a comprehensive step-by-step plan for the development of vocational training.

The coordination committee to harmonize the training regulations of the Bund with the outline syllabuses of the Länder¹ which was set up in accordance with the report on results of May 1972, has decided to test as a prototype the procedure of the harmonization of training regulations and outline syllabuses against the training regulations for non-precision mechanical trades, for opticians and the whole range of clerical trades. As part of its research on teaching media, the Federal Institute for Vocational Research² is developing systems combining several media for the fields of electrical engineering and metal.

98. In order to ascertain the vocation training situation after the introduction of the vocational training law, scientific investigations were started. These reveal that the following defects among others still exist in vocational training in enterprises:

- (i) Lack of individual training plans;
- (ii) Carrying out of tasks unrelated to training;

¹ Cf. *Report on the Development of the Social Situation in the Community in 1972*, Part. II, p.107.

² *Idem*, p. 108.

- (iii) Too much routine work;
- (iv) Too little theoretical instruction in the works and in the vocational training school;
- (iv) Too little theoretical instruction in the works and in the vocational training school;
- (v) Unequal compensation;
- (vi) Too little practical training connected with production;
- (vii) Too few instructors.

In 1973 the Committee of experts on 'Costs and financing in vocational training'¹ submitted an interim report in which one possibility mentioned was inter-company financing of extra-mural vocational training by a fund to which all employers would contribute.

99. In the framework of training and further training for adults, the comprehensive training plan, based on the vocational training law, provides for a new regulation on continuing vocational training. In addition a television course 'The training of instructors' started at the beginning of 1973; an initial part has already been concluded with an intermediate computer-based examination.

France

100. Pursuant to the Laws of 16 July 1971 on continuous training, apprenticeship and technical instruction,² the following decrees have been published:

As regards continuous training:

Decree 73/45 of 5 January 1973 relating to the sickness insurance of trainees undergoing continuous vocational training which grants a *per diem* allowance to these persons during the training period and the month following the conclusion of this,

Decree 73/137 of 13 February 1973 on the setting up of the National Agency for the Development of Permanent Education. This public establishment must contribute towards the development of permanent training organized in the public teaching establishments by advice, aid and study,

Decrees 73/562 and 73/563 of 27 June 1973 organizing vocational training in the Civil Service.

¹ Cf. *Report on the Development of the Social Situation in the Community in 1972*, p. 109.

² *Idem*, p. 110.

As regards apprenticeship:

Decree No 72/1208 of 27 December 1972, fixing the date of entry into force and the special procedures applicable to the Department of Haut-Rhin, Bas-Rhin and Moselle,

Decree No 73/50 of 9 January 1973, on the inspection of apprenticeship, sets up regional services for this inspection,

Decree No 73/758 of 30 July 1973, extending to the Overseas Departments the participation of employers in the financing of initial technical and vocational training,

Decree No 73/759 of 30 July 1973 on the implementation in the Overseas Departments of the Law of 16 July 1971 concerning apprenticeship.

101. With regard to collective agreements, no important agreement concerning vocational training has been made to amend or supplement the interprofessional agreement of 9 July 1970.¹ Some eighty training insurance funds have been approved; they cover very many sectors at all interprofessional levels.

On the other hand, in carrying out this agreement, the employers' organizations have developed training structures to quite an extensive degree.

Furthermore, a survey carried out in 1972 showed that private companies as a whole spent a sum equalling 1.15% of paid wages on training for their staff, while legally they were only obliged to spend 0.8%. Nearly 10% of workers therefore took part in training activities which averaged 60 hours.

102. As for public subsidies, they are primarily intended to contribute towards the improvement of the employment situation by developing:

- (a) measures for the conversion of unemployed workers;
- (b) measures enabling young people to fit into professional life.

In the second place the subsidies are aimed at evolving measures on behalf of certain categories which are liable to be left behind by economic and social development: migrant workers, the handicapped, women wishing to resume professional activity, unskilled workers anxious for professional, cultural and social advancement.

Lastly, the aids for vocational training may in certain cases facilitate operations connected with regional economic development.

¹ *Report on the Development of the Social Situation in the Community in 1972*, p. 110.

103. In the field of methods and techniques, present research is directed towards wider use of teaching machines, closed circuit television, particularly for the training and further training of teachers and for the utilization of courses reproduced by video tape recorders on television sets.

Furthermore, some outstanding steps on behalf of foreign workers and women cannot be ignored.

For the first group, new forms of action are now being instituted. They mainly consist of the training of teachers selected from the particular national groups. These persons will be responsible in firms for imparting to their newly-arrived compatriots basic ideas concerning French social and occupational life. These measures promoting integration into the reception surroundings constitute an indispensable condition for any later vocational training.

Training courses intended for women are organized according to procedures which enable these trainees to reconcile their family life with the obligations imposed by the resumption of work outside the home. It is a matter of bringing women, who have interrupted their professional activity, to the desired level in the subjects in which gaps have appeared. This 'à la carte' training, organized by the National Agency for Employment and the National Association for the Vocational Training of Adults, responds effectively to commonly felt needs and is very successful with the women concerned.

It should also be noted, that the public agencies for training depending on the Ministry of Labour, Employment and Population Affairs, are becoming increasingly concerned with the female population by offering them new specialities, which correspond to the aspirations of this category and to the needs expressed on the labour market.

104. With the implementation of the Law of 16 July 1971 on continuous training, the activities relating to the training of instructors are bound to expand considerably. In this field heavy demands have been placed on the public training agencies, especially on the Association for the Vocational Training of Adults (AFPA). This organization is able to satisfy this growing demand thanks to the Regional Educational and Technical Centres, one of the tasks of which is to ensure the training and further training of the instructors of adults.

Ireland

105. The Department of Education is responsible for vocational and technical education. That Department has continued during 1973 to expand the Regional Technical Colleges Scheme—the building of the final college in Cork is in progress.

The primary aim of these colleges is to provide technician and higher technician courses and to provide alternative forms of post-secondary education.

The scholarship scheme to these colleges was extended in value and scope to offer freedom of choice to all suitably qualified secondary pupils to pursue third-level courses of a technological nature.

At second-level a number of community schools which provide comprehensive, practical and academic facilities were opened and there was a growth in the number of general secondary schools also providing a comprehensive curriculum.

Primary responsibility for vocational training in industry and commerce rests with the Industrial Training Authority (AnCO).

AnCO has drawn up a training programme covering the period 1973-1978 which involves a major expansion of its training capacity and published proposals for modernizing the system of apprenticeship.

In the field of experiments, AnCO ran a series of experimental summer courses at 58 Regional Technical Colleges and Vocational schools for unemployed workers and school leavers with little or no experience in industry.

The courses were run by vocational teachers under the guidance of local AnCO training centre managers. On completion of the courses, some of the trainees received further experience in industry for 3/4 weeks.

AnCO attaches particular importance to the training of instructors. A wide range of courses is offered (craft instructor, clerical instructor, process instructor, repetitive instructor, demonstrator). A refresher course is given in those cases where instructors are experiencing difficulties in introducing and implementing training programmes in firms.

106. In addition to activities directly undertaken by AnCO there have been further developments in the field of training. The Industrial Development Authority (IDA) has widened the use of re-equipment grants to include finance for the training of workers in existing Irish Industry. The IDA's activities are seen as complementary to AnCO's concentrating on special training to upgrade and widen the skills of workers in firms attempting to cope with EEC trading conditions, and in addition laying emphasis on workers formerly employed in agriculture and to textile workers who are either upgrading or changing their skills.

The Council for the Education, Recruitment and Training for the Hotel and Catering Industry (CERT) continued with its programme of rationalization which when

completed will have concentrated training in four centres. The programme of in-service courses which is designed to bring training to those in the industry continued in 1973 with 1 000 attending courses. CERT continued with its management development course designed to meet the management needs of the small-to-medium size hotel.

The Irish Management Institute, a private organization in receipt of an annual State grant, continued its programme for business management, smaller businesses, in-company development, manpower development and supervisory training and its research and development programme. During 1973 5 000 managers and supervisors attended the Institute's courses. The Institute has undergone a complete re-organization and policy documents covering each of its activities, with projections up to 1977/78, are in the course of preparation. The construction of the Institute's new premises, which is estimated to cost £ 1 200 000 is expected to be completed in 1974. The State is contributing £ 400 000 towards the cost of the project.

Italy

107. The recent transfer to the Regions, to which the law grants specific legislative and administrative power with regard to vocational training of functions which were previously carried out by State bodies, has created a new situation rich in activity but also in varying problems.

The need for a far-reaching reform of legislative instruments in particular, which would allow the solution of both old and new problems in vocational training in the widest social sense, is increasingly evident. This need has required the study of an enabling act to govern the vocational training sector, to take into account the new realities and to define, in particular, the relationships and links between extra-mural training, the school and the world outside.

In addition, such a transfer brings about a wider and more detailed participation by local elements in the training policy, while the State, now free from troublesome administrative tasks, is better able to dedicate itself to the general programming, coordination and supervision of training activities.

108. To carry out the functions which are still its responsibility, the State instituted, by Decree No 478 of 13 June 1973, the Istituto per lo sviluppo delle formazioni professionali (the Institute for the Development of Vocational Training).

The Institute is a public authority having administrative and financial autonomy, which, on the basis of directives from the Ministry of Labour and Social Security,

looks after amongst other things the development of studies and research on national programming and coordination in this sector, in addition to the study of the professions and their structural changes and also the provisions concerning vocational training requirements. It is to propose and develop institution and refresher courses for personnel engaged in the fields of training and put in hand experiments in pilot schemes, ensure technical assistance to the regions which request this and, finally, carry out any other study or research which the Ministry might entrust to it.

In the interim before the authority becomes operative, the Ministry of Labour has directly promoted and financed, for the financial year 1972-1973, numerous training and refresher courses for 17 374 teachers and instructors.

Luxembourg

109. A Grand-ducal regulation of 15 October 1973 has amended that of 6 September 1968 on the setting up and organization of sections of education preparatory to the medical professions.

This new regulation provides for the establishment of a section of education preparatory to the ancillary medical professions in a secondary and vocational educational establishment at Wiltz, in order to make available to young people of the northern part of the country, who intend to take up paramedical professions, an infrastructure dispensing them from undertaking long journeys in pursuit of their education. Furthermore, the declaration of equivalence between the examination at the end of studies in the biological and social section of secondary education and the end-of-year examination of paramedical courses has been made possible by aligning the study programmes of this section of secondary education on those of the paramedical section. A Grand-ducal regulation of 16 October 1973, lays down the conditions of inservice training and appointment of lecturers in special branches of technical and vocational education¹ concerning the specialities of secretarial work, the sale of goods, and paramedical techniques.

Lastly, a draft law on the institution of instruction preparatory to certain professions ancillary to medicine and social professions is going through the necessary legislative procedures.

110. During recent years the Government has implemented a certain number of measures to raise the level of training in preparation for the teacher's diploma

¹ *Report on the Development of the Social Situation in the Community in 1972*, pp. 113 and 114.

(CAP). It must be anticipated that the number of candidates who are unable to keep up with more intensive theoretical training will continue to increase in the coming years.

In order to prevent the courses being abandoned in large numbers by these candidates, who have, however, considerable aptitude for the teaching profession, the Government has instituted, on an experimental basis to start with and then as a final solution, a system of training chiefly based on professional practice, success in which will be confirmed by a certificate of practical competence (CCP-certificat de capacités pratiques).

However, this type of training is reserved only for trades, whose practice does not require any advanced theoretical knowledge.

111. With regard to the development of methods and techniques, multilateral attempts have been made to achieve coordination between professional theory taught at school and professional practice which is generally the prerogative of the employer's workshop. This type of training has met with reservations.

112. Lastly, in regard to the training and further training of adults, it should be noted that since December 1973 evening classes have been held for adults who wish to prepare for the teacher's diploma (CAP).

To begin with, these classes will be confined to professional sectors to enable an adequate number of candidates to be recruited. Furthermore, the introductory and further training courses for foreign workers employed in the building trade have been extended.¹

113. With regard to the training of instructors, it is planned to extend theoretical training for future instructors (shop-foremen) in technical and vocational subjects. The organization of a training cycle of one to two years for holders of the mastership certificate who intend to take up teaching is contemplated.

Netherlands

114. Under the auspices of the Social and Economic Council's committee for increasing productivity, an interesting congress was held on the subject of the permanent education of adults in economic life.

One of the recommendations submitted to the congress concerned a structure for permanent training and education of young people and adults with a view

¹ *Report on the Development of the Social Situation in the Community in 1972*, p. 125.

to bringing about the coordination and development of activities at national, regional and local level. Time and resources for permanent training can be a negotiating point when collective agreements are concluded, anticipating general standards which will have to be laid down by law for everybody.

It was emphasized at the congress that permanent education is necessary for the democratization of the undertaking and society. It is a condition for the worker remaining active in the production process as technology advances. However, it also makes the technological innovations possible.

115. It must also be stated that, as from 1 September 1973, arrangements were made to combat excessive unemployment.

The measures can be considered as supplementary to the already existing training facilities, namely:

- (a) training in the centres for adult vocational training;
- (b) training in cooperation with the public authorities and industry;
- (c) training by application of the industrial training arrangements;
- (d) arrangements for defraying the study costs of persons seeking employment.

re (a): The employment exchanges must pursue a more selective policy than hitherto as regards admission to occupations for which there is still a demand that is expected to continue for a lengthy period.

re (b): If industry can make available training accommodation, equipment and training staff in order to adapt the available manpower supply to meet the special requirement of undertakings, a financial contribution is made towards training costs.

re (c): This applies especially to the Randstad (conurbation). The former maximum payment of Fl 1 500 per trainee has now been increased to Fl 3 300 and in certain cases to Fl 4 000.

A 'Placement promoting measure' has also been included, which provides for a contribution towards the wage costs of an employer engaging a registered person who is difficult to place.

This subsidy is given in cases of placement in posts for which the remuneration (including social security charges) does not exceed Fl 35 000 a year and the conditions of employment are normal. The standard subsidy is 30%.

For a person up to the age of 45 registered as unemployed for longer than an uninterrupted period of six months, a 30% subsidy is paid for six months, with a maximum of Fl 5 000 per case.

For a person aged 45 years and over a 30% subsidy is paid for one year; the maximum subsidy per case is Fl 10 000. There are no restrictive provisions as regards duration of registration.

United Kingdom

116. The most important change has been the setting up of the independent Manpower Services Commission¹ in the early part of this year, as a consequence of the Employment and Training Act which became law on July 25.

This Commission takes over from the Department of Employment most of its executive responsibilities for employment and training. The tripartite body is to be run by representatives of employers, trade unions and educational interests. The ten members of the Commission are being appointed in consultation with the CBI, TUC, local authorities and educational interests. Its budget is provided for by the Department of Employment.

The Commission has as a major responsibility the control of the training boards in 24 different industrial sectors which operate under the powers of the Industrial Training Act of 1964. These boards were set up to encourage industries to make better provision for their training needs than they had done previously and they continue to do so. The new Act removes the obligation of training boards to impose a levy and now sets a top limit on the levy of 1% of the wage bill. It also provides for firms which are deemed to have satisfactory training schemes to become exempt altogether from a levy.

In the past the boards have raised levies on all employers in each particular industry, up to 1% or more of the wages bill, and have used the money to finance their own operations including in some cases the maintenance of training centres, or to reimburse training of their own employees. So in practice training in different industrial sectors has since 1964 accordingly been under the supervision of statutory training organizations.

Under Boards, most of the training has been carried out by employers on their own initiative and for their own employees.

117. Under the new system, the boards will have the same authority and responsibility to secure adequate training in the industries and it will be for each board to identify needs and priorities in its own industry and to develop its activities accordingly. However it will be up to the Manpower Services Commission from

¹ *Report on the Development of Social Situation in the Community in 1972*, p. 190.

now on to supervise the activities of these training boards through a central training agency.

During 1973 the Government training programme for individuals has greatly expanded as a step towards the objective of training 100 000 people per year. Besides the increase in training capacity 1973 saw a diversification in the range of courses available—particularly in clerical and managerial subjects. This has benefitted a wider range of people and in particular women.

For young workers we have to note the shortening, since the early sixties, in the length of training. This applies particularly to apprentices whose training has been reduced from five to four and, in a few occupations, three years. This reduction is due mainly to the introduction of more flexible training schemes which have been recommended and grant-aided by Industrial Training Boards.

These schemes normally provide for broad-based initial training, taken off-the-job, followed by training in specialized skills or modules.

Chapter III

Industrial Relations

Trends within the Community

118. At Community level, the Commission and both sides of industry are aware of the political importance for the future progress of a European social policy of the declaration issued at the Conference of Heads of State or Government in Paris on 19 and 20 October 1972, and have mainly devoted their meetings to the preparation of a social action programme.

At numerous meetings throughout the year the Commission has associated the Trade Unions and employers' organizations very closely in every stage of its work. The representatives of the workers' and employers' organizations were consulted as and when necessary on the basis of the various documents prepared by the Commission departments, particularly 'the Guidelines for a Social Action Programme' presented to the Council on 18 April 1973. As a result of the decisions taken by the Council at its meeting on 21 May 1973 the Commission continued the preparation of an Action Programme within the time limits which had been set.

The Commission supported the Council decision to organize a conference at the end of June 1973 in order to allow all the parties concerned (workers' organizations, employers' organizations, Council and Commission) to discuss the matter effectively and constructively. Although a disagreement about the representation of certain Trade Union and employers' organizations prevented this conference from taking place, the Commission, in the spirit of the Paris Summit, then entered into broad consultations with the parties concerned about the Action Programme, which was approved by the draft Council Resolution, along with the priority schemes and each of the proposals relating to these lodged with the Council before 31 December 1973.

The Trade Union and employers' organizations within the Community have therefore had ample opportunity to put their views to the Community institutions about the matter and the objectives that they wish to be attained as result of the measures proposed in the Social Action Programme.

119. In a memorandum of 15 May 1973 and a declaration of 15 October 1973—both addressed to the Council of Ministers and to the Commission of the European Communities—, the *European Trade Union Confederation* formulated its ideas on Social Affairs.

In general terms, this memorandum evokes the social challenges with which the Community institutions, national Governments and the employers' and workers' organizations are confronted. It confirms the ETUC's willingness to participate in the formulation of the decisions which the Community will have to take in order to meet the challenges constructively and emphasizes the need for all Community policies to be aimed at achieving objectives of a social nature.

The ETUC considers the objective of full and better employment should be pursued and carried out, particularly on a regional basis and that the Social Fund and the Regional Fund should be allocated sufficient resources to finance Community development programmes. In this context the ETUC wants tripartite employment committees to be set up in the regions, whilst at Community level the Standing Committee on Employment should become the forum for discussing all employment problems. Furthermore, workers should have increased protection against dismissal, a guaranteed income and opportunities for retraining and re-employment.

As regards improvements in living and working conditions the ETUC urges that joint schemes should be introduced to combat inflation and wants a European consultative body to be set up to study price trends and suggest concrete measures.

Particular attention will have to be paid to industrial safety and health. Minimum standards must be adopted and joint safety committees must be made compulsory in factories. The European Foundation for the improvement of living and working conditions could play a positive rôle in this matter and could make recommendations to the Community institutions.

As regards European collective bargaining, the European Trade Union Confederation reaffirms the principle of freedom of negotiation whether at national or European level and considers that the Community institutions could pave the way for future negotiations, particularly by setting up a European Trade Union Institute, forming Joint Committees in specific sectors and branches of industry, by extending the European index of collective agreements, and by codifying information about legislation on industrial relations in the Member States.

As regards the democratization of economic and social life, the ETUC considers that the man in the street must now be given wider opportunities for participating in decisions which affect his life, including these concerned with consumer problems,

industrial health and safety, the running of industrial undertakings and financial bodies.

120. The European Organization of the WCL, whose position was adopted on 13 September 1973, considers that it is of great importance to know whether or not the political will, the institutional mechanisms and concrete means are available to rescue social policy from the realm of declarations of intent.

Moreover, all Community policies must make social progress their prime objective and a political commitment from the authorities in the Member States and the Community institutions is needed to turn Economic and Monetary Union into a Social Union.

As regards Community employment policy, the EO/WCL considers that this policy has no real meaning unless its objective is to translate into reality the right of each individual to work. This organization also wants new employment to be created on a priority basis in regions which are affected by migration and underdevelopment or threatened with depopulation, the labour market to be organized and the fight against unemployment intensified. This implies that the resources of the European Social Fund must be increased and the powers of the Standing Committee on Employment enlarged to cover all matters likely to influence the level and structure of employment.

As regards improvements in living and working conditions, emphasis is laid upon the need to combat the dehumanizing effects of most of the modern methods of organizing work in undertakings, and to adopt standards establishing a minimum level of protection against occupational risks.

For the EO/WCL, workers' participation and the democratization of economic and social life must become effective at every level especially within factories. As regards the Community the Council and the Commission must establish a system for consulting Trade Union organizations, along with the creation of joint Committees for specific sectors or branches of the economy.

121. The Standing Committee of the CGT/CGIL considers that an end must be put to the discontent of workers, growing unremittingly in volume in all member countries. Faced with factors such as rising prices and inflation—threats to the purchasing power of wages, to pensions and social benefits—the continually high level of unemployment, the accentuation of regional imbalance, persistent migration patterns, inadequate or ill-adapted public facilities, extreme differences in working conditions, and the marked tendency towards discrimination between various categories of workers, a social action programme must aim at a radical

change of policies, both national and Community, in the economic, monetary, industrial, agricultural and commercial fields.

For this reason, the Standing Committee wants priority measures taken to defend the purchasing power of workers and pensioners against inflation and rising prices by introducing throughout the EEC a sliding salary scale based on an index which reflects cost of living trends objectively and by revising the present policy on the price of agricultural products.

Where full and better employment is concerned, the Standing Committee considers that the major problem is to eliminate underemployment and structural unemployment by implementing a real regional policy.

As regards improvements in working and living conditions the attention of the authorities concerned should be concentrated on the need to lighten work loads, to raise the level of qualifications, to prepare European rules and regulations on the protection of workers against industrial accidents, and to develop and improve public services such as urban transport, subsidized housing, education, vocational training and health.

On the question of participation, Joint Committees should be set up in each sector and the Standing Committee on Employment resurrected. Workers should be represented within regional policy bodies, and the Economic and Social Committee substantially reformed.

122. On the employers' side, *the Employers Liaison Committee*, in its statements of 31 July 1973 and 23 October 1973, said that a great deal of progress had been achieved in operating the Common Market between 1958 and 1973 as is shown by continued economic expansion, a rapid improvement in the standard of living, and an appreciable reduction in unemployment.

The ELC subscribes to the objective of full and better employment, but points out that in addition to unemployment problems there are also difficulties concerning shortage of jobs, and it is not always possible to stop forced migration of workers. It also considers that the profit motive should be taken into consideration when creating jobs.

Where the improvement of living and working conditions is concerned, the ELC states that it is prepared to seek the ways and means to encourage, in the light of production needs, the ultimate objective of obtaining the greatest degree of satisfaction possible from the work provided.

As regards participation by employers and workers in economic and social decisions, the ELC points out that it has always been favourable to the development of participation and hopes that constructive dialogue can be set up between employers

and workers in order to promote progress, the correct operation of undertakings and improved labour relations. On industrial relations in the Community, the ELC would like dialogue to begin, provided, however, that its content and the professional or inter-professional level at which it would take place are determined.

In this context, it is also necessary to note the positions taken by the various organizations grouped within the Employers' Liaison Committee.

As regards the UNICE, its 2nd. memorandum of 11 April 1973 on the social policy of the Community, its opinion of 11 December 1973 on the priority actions of the Social Action Programme should be recalled and also its previous positions on the draft Directive on collective dismissals and on the Commission's proposals on workers' representation on supervisory bodies of limited stock companies.

The COCCEE and the UACEE in their positions dating respectively from 23 March and 27 November 1973 and 19 September 1973, confirmed the overall position of employers as expressed within the ELC, and draw the attention of the Communities' responsible institutions to the need, during the preparation of the Social Action Programme and its implementation, of taking into account the specific problems encountered by business concerns and small-scale enterprises.

123. The Committee of Agricultural Organization (COPA) in its memorandum of 13 June 1973 emphasized that in view of the interdependence of the economic and social aspects of European integration, a consistent common policy must be pursued, otherwise the harmonious development of the various sectors of the economy and of the different regions of the Community could be jeopardized.

The COPA subscribes to the objective of full and better employment and considers that the Community policy in the matter should be pursued in the form of integrated and coordinated schemes by concentrating all the financial means which the Community has at its disposal under its various policies (European Investment Bank, Social Fund, Agricultural Fund, Regional Development Fund), and that the standing Committee on Employment should prepare a joint programme.

As regards improvements in living and working conditions, the COPA considers that the differences in living conditions in rural and urban regions within the Community must be reduced, and that it is important to encourage the coordination of industrial safety and health measures by fixing Community standards.

Finally, the COPA considers that if the Social Policy is to be implemented, there must be regular concerted action between employers and workers, the national Governments and the Community institutions.

124. The European Centre for Public Enterprise in its statement of July 1973 considers that the declaration issued at the Summit Conference of October 1972

in Paris provides an opportunity for the Community institutions to rethink the methods and the scope of the Community Social Action Programme and to indicate the guidelines for this programme. Moreover, as the interdependence between the Social Policy and the other policies is becoming more and more evident, the ECPE is of the opinion that a process by steps should be planned.

As regards full and better employment, this is a priority objective which can only be achieved by means of Community action on the basis of existing instruments (Standing Committee on Employment and Social Fund).

To improve working and living conditions, the ECPE advocates schemes to promote the prevention of industrial accidents and occupational diseases. Moreover, questions such as staggered working hours, monthly wages payment, the break down of tasks, etc. should also be brought up, particularly in the Joint Committees in each branch.

Finally, the ECPE considers that intensive studies should be carried out with a view to extending worker participation in the decisions of undertakings. This participation is indeed already satisfactory in many public undertakings in the Community.

125. As regards general relations between the Commission and Trade Union and employers' organizations, the Commission, in a letter to the Council accompanying the Proposal for a Resolution concerning the Social Action Programme, emphasized that no Community measures should be prepared or implemented without the widest prior consultation with employers and workers and pointed to wishes expressed on this subject by the Heads of State or Government at the Paris Summit Conference. The Commission stated that this was all the more important in view of the fact that the social objectives fixed by common agreement at the Summit Conference cannot be attained by purely social measures, but must on the contrary be the main objective of all Community policy.

In order to give employers and workers effective participation in the preparation and implementation of the various Community measures, the Commission consulted employers and workers separately in December 1973.

126. The various problems raised by the activities of *multinational companies*, and particularly the repercussions on the social status of wage-earners employed in the undertakings concerned, still figure highly on the list of preoccupations of the workers' organizations.

For this reason the Working Party set up at the tenth World Congress of the ICFTU in order to study trends and development in the process of multinational concentrations held several meetings in 1973. At the one in Tokyo, at the beginning

of October 1973, the Working Party adopted an Action Programme which provides in particular for a campaign to introduce an international code of conduct governing the activities of these companies. Implementation of this code would be supervised by a body which would include representatives from Trade Union organizations. In this connection, the Working Party criticized the decision of the United Nations to exclude workers' delegations from the Committee of 'eminent personalities' preparing recommendations for regulating the activities of multinational companies.

For its part, the Commission considers that a balanced solution to these problems can only be possible if the Trade Unions are consulted; the Commission is endeavouring to contribute towards this, among other ways by setting up Joint Committees for each sector in the Community.

Moreover, considering that it was not possible to adopt measures specifically aimed at multinational companies, the Commission has attempted to work out general measures applying to all undertakings which can provide the solution to the special problems raised by the development and the operation of multinational companies, particularly as regards protecting the interests of workers, the maintenance of competition, takeovers, etc. Having consulted both sides of industry, the Commission sent a report on the matter to the Council in November 1973.

Moreover, it should be mentioned that the Commission has contacted other international organizations, particularly the ILO and the OECD with a view to collaborating with them concerning the social repercussions of multinational companies.

127. The most important element in the question of adapting the structure of Trade Unions and employers' organizations to the growing economic and social integration in Europe, as reflected particularly in the enlargement of the Community, is the decision of the European Trade Unions which are members of the ICFTU to set up the *European Trade Union Confederation*, founded on 8 and 9 February 1973 in Brussels. The task of this new Confederation, representing 29 million workers affiliated to 17 organizations in 15 European countries, is to represent and promote the social, economic and cultural interests of all workers, particularly those of the European Communities and of EFTA and to safeguard and strengthen democracy in Europe.

In its letter of 23 March 1973 the EO/WCL proposed that contact be made with the ETUC in order to reach an agreement enabling national organizations which are members of the EO/WCL to affiliate on an individual basis with this new Confederation. The delegations designated by the Executive Committees held two meetings.

Moreover, the Secretary General of the CFDT at the XVII Congress of the WCL held at Evian at the end of September 1973, advocated a *rapprochement* with the member organizations of the ICFTU by emphasizing in particular an organic regrouping within the ETUC.

In addition at the World Congress of the WFTU at Varna in Bulgaria in October 1973, the CGT (France) and the CGIL (Italy) announced that they wished to start negotiations with a view to possible accession to the ETUC.

128. During 1973, there has been a growing tendency for governments to influence the conducts and results of collective bargaining in order to associate employers and workers more closely with the attainment of the major objectives of general economic and social policy. However, this policy, in certain countries at least, is making only slow progress as sectoral interests have become far more apparent than in the past and what is more to a degree which is likely to compromise economic growth and a fairer distribution of the benefits flowing from this policy.

The rapid increase in prices, the maintenance and even aggravation of inflationary strains, the ensuing reduction in the purchasing power of wages, pensions and Social Security allowances, have been the central concern and source of worry of Governments and employers and workers, particularly of Trade Union organizations.

Controversies have broken out between the interested parties over the causes of the deterioration in the economic situation and over the measures to be taken and methods to be employed in order to reduce the adverse effects.

Consequently, measures varying from one country to another were taken (price and wages freeze in Great Britain for a limited period, general price freeze in Italy). In other countries, the Governments have issued urgent appeals to employers and workers to bring their price and pay policies into line with the objectives of government programmes for stability.

129. Although the Trade Union organizations were often convinced of the need to moderate their wage claims, they have been exposed to pressures from the rank and file up to and including wildcat strikes.

This unrest has made itself felt not merely with pay problems but also with working conditions in all their multiple aspects: improved measures for preventing occupational risks, stronger demands for humanizing assembly line work and for reducing the degree of job specialization in undertakings, increased protection against loss of employment and better safeguard for workers' interests in the event of mergers or concentration operations by undertakings, and emphasis on the need to ensure increased participation by workers in decisions which concern them.

At national level, solutions to these problems have been found in legal provisions and agreements which provide a new basis for negotiation between employers and workers.

130. These problems are central to the Commission's preoccupation and activities.

In fact, the increasing number of mergers, concentrations and rationalization measures in undertakings, have led the Commission to propose that the Council make compulsory the supply of information to the workers, and consultation and concerted action between the parties concerned in national mergers.¹

Moreover, the Commission, in its Social Action Programme has undertaken to submit to the Council before the 1 April 1974 a Directive concerning the protection of workers' interests, and particularly their acquired rights in the case of mergers, concentrations or rationalization operations.

In the same context, it should be pointed out that the Commission has submitted to the Council a draft Directive concerning the approximation of the laws of the Member States concerning collective dismissals.

As regards the democratization of the economy, much discussion was stimulated in most Community countries by the proposals the Commission presented to the Council concerning the representation of workers in the organs of joint-stock companies.²

This controversial topic, which never ceases to increase in importance, has been the subject of far-reaching debates in the political parties (particularly in West Germany, where all political groups envisage an improved system), in legislative bodies (draft laws are at present being discussed in Denmark and in Luxembourg) Trade Union and employers' organizations and academic circles.

More generally speaking, this trend provides evidence of the desire of most of the parties concerned to set up institutional mechanisms in order to ensure that, following the tradition of democracy and freedom inherent in our Western Society, each individual has the right to determine his own fate by participating in the decisions which concern him as a citizen, as a worker and as a consumer.

¹ Proposal for a third Council Directive protecting associates and third parties in the event of mergers of limited companies.

² Proposal for a fifth Council Directive to protect the interests of members and others as regards the structure of joint-stock companies and the powers and obligations of their organs.

Developments in the Member States

Relations between Governments and the two sides of industry

131. *In Belgium*, in 1973 there was a great deal of contact between the government and both sides of industry within the National Committee for economic expansion for the purpose of drawing up important measures to resolve a certain number of present day problems.

Both sides of industry agreed in principle to the programme for fighting price rises, drawn up by the Government in March 1973. The programme aims at maintaining the competitive position of the Belgian economy on international markets, fighting structural unemployment and encouraging private investment.

The work of the National Conference on Employment continued in 1973, particularly within two committees (Employment Committee and Investment Committee). (The Conference met for the first time on 27 November 1972 at the request of Trade Union organizations and was made up of representatives from both sides of industry, holding companies, ministerial departments and semi-public institutions concerned).

The Employment Committee issued two recommendations intended to increase protection for workers in the field of employment.

One of these recommendations led to the adoption of a collective agreement on mass dismissals within the National Labour Council.¹

Furthermore, the National Employment Conference recommended that workers aged 60 and over, who are the first to be dismissed for economic and technical reasons and to enable younger workers to remain employed, should be granted a special allowance equal to half of the difference between the former wage and unemployment benefits; this allowance would be payed up to the normal retiring age. This recommendation has not been agreed to in a collective agreement up until now because of certain differences between the employers and workers on the financing of the system and the position to be reserved for working women.

Negotiation between the Government and both sides of industry on the subject of social benefits also covered problems which affect sections of the population which are not employed; there are so-called peripheral groups such as handicapped persons, old people who do not have an adequate pension, etc...

¹ Cf. Chapter IV 'Working conditions and labour law', point 182.

Furthermore, the Unions demanded a revision of the method of calculating the consumer price index, particularly including the price of heating oil in this index. As a result of the meeting of the National Committee for economic expansion on 29 November 1973, two items of liquid fuel for heating were included on the consumer price index.

In December 1973 a tripartite committee (government and both sides of industry) was set up with the aim of examining the problems created by the oil crisis and taking the necessary measures to ensure priority supplies.

132. In Denmark, the national collective agreement negotiated between the two sides of industry in April 1973 called upon the Government to set up a commission on the wage regulation system bound to the cost of living index.

The Commission was set up by the Government in August 1973 and it facilitated negotiation in the second half of 1973.

133. In Germany, the main topic for the talks in connection with concerted action was the problem of massive price increases and measures to fight them. The trade unions warned that industrial peace could well be endangered as a result of the increasing reductions in terms of real wages caused by price increases and demanded that a stronger competition policy should be implemented in order to counterbalance this.

They emphasized that they had made an advance contribution to price stability by pursuing a reasonable wages policy. The employers were in favour of restricting public expenditure and supported a continued restrictive central bank policy. All the interested parties were against wages and price controls.

The Government for its part appealed to the partners in collective wage agreements to support it in the implementation of its wide-ranging stability programme by pursuing a reasonable wages and price policy.

134. In France, during the general election campaign, when the leftwing opposition agreed to a 'governmental joint programme' predominantly concerned with social and economic affairs, the representatives of the majority put forward, on 7 January 1973, a package of social measures, known as the 'Previns Programme', which included the following major provisions: monthly wages, the generalization of part-time work for working mothers, the setting up of 2 000 day nurseries, increased family allowances, reform of the 1920 abortion law, the construction of 600 000 dwellings per year, doubling of the minimum old-age pension between now and 1978, and retirement at sixty.

The Government for its part has made a survey of social measures already applied and those proposed. Five main concepts are represented: introduction of the notion of a minimum income for elderly, handicapped and unemployed people, establishment of a 'national growth guarantee', for wage-earners (2 to 3% annual increase in purchasing power); changes in the methods of financing social security benefits; active participation in 'social' Europe; creation of a 'Participating Management Company'.¹

135. *In Ireland*, the Government attaches great importance to the continuation of National Pay Agreements as an essential part of a counter-inflation policy.

In this respect, it has reacted fairly quickly with legislation to prevent bank employees from winning increases in salaries above the level established under the Pay Agreement, although neither bank nor bank officials were covered by the Agreement. The use of legislation in this case was seen primarily as a move by the Government connected with the negotiations for the Third National Pay Agreement.²

136. *In Italy*, the workers' organizations have confirmed, in the course of numerous meetings, that they are available for constructive dialogue with the Government. However, the trade union organizations, particularly in the first half of the year, expressed dissatisfaction on several occasions with the results obtained during these meetings. This dissatisfaction resulted among other things in the general strike of 12 January 1973.

Similar consultations on the same problems have also taken place between the Government and the employers' organizations.

After the new coalition Government was set up, the trade union organizations made it clear that they were willing to contribute, at all levels and in every case, with a view to improving the very serious economic situation by increasing their participation in political and economic decisions.

Confronted with the governmental measures of July 1973 which introduced a general price freeze, the trade union action group pointed to the urgent need to solve as soon as possible the problems concerning employment, investment, the cost of living, prices, the *Mezzogiorno*, rents, pensions and social security benefits, the Civil Service and agriculture, etc. In this connection mention should be made of the agreement concluded between the workers' organizations and the Government concerning minimum pensions, family allowances and unemployment.³

¹ Cf. Chapter V 'Wages and Asset-Ownership' point 205.

² Cf. Chapter V 'Wages and Asset-Ownership' point 206.

³ Cf. Chapter V 'Wages and Asset-Ownership' point 209.

137. *In the Netherlands*, within the context of the fight against inflation, the Government concluded a central agreement with the workers' and employers' organizations which will come into effect in 1974.

138. *In Great Britain*, the Government's counter-inflation measures have introduced additional elements in relations between employers and employees and the Government, thereby accentuating the already rather acrimonious situation created by the conflicts arising from the passing of the Industrial Relations Act.

During the first three months of the year, the standstill was accepted by the vast majority of employers and trade unions. Only in a small number of cases was it necessary to use the statutory power available in order to prohibit them from making pay increases that had been agreed. The Government introduced the counter-inflation (Temporary Provisions) Act, only after the CBI and TUC failed to reach agreement on a voluntary pattern of controls on pay, prices and dividends. These counter-inflation measures continue to have an overriding impact on collective bargaining procedures and their outcome. The TUC organized a stand against state interference in collective bargaining and against rising prices culminating in a day of protest in 1 May 1973. Since then, however, a reluctant acquiescence to the policy can be observed.

At the beginning of May, the Prime Minister suggested that the tripartite discussions which failed in the autumn of 1972 should be taken up again to consider the problems of the economy. Subsequently, talks took place with the Government during the Summer, the Government, however meeting employers and workers separately on these occasions.

Towards the end of 1973, was the introduction of an overtime ban by the National Union of Mineworkers in protest against the National Coal Board's refusal to increase a pay offer calculated on the basis of Phase III of the Counter-Inflation Measures. The affect of this ban coupled with the impact of the cut in oil imports led the Government into introducing a three day working week from 31 December 1973, with limited exceptions only for industries operating a continuous production cycle.

An argument was put forward by the TUC to treat miners as a special case outside Phase III, but despite assurances from the General Secretary of the TUC, the Government remained unconvinced that other unions would not demand similar treatment.

The final meeting of the National Economic Development Council just before Christmas failed to reach agreement on any future joint voluntary action between the Government, the employers and Unions to handle the inflation problem.

Relations between employers and workers

139. *In Belgium*, the climate of social relations was marked by the expiration at the end of 1972 of the inter-professional programming agreement for 1971-72 and by the discussions concerning the renewal of numerous collective agreements regarding all the important sectors of industry (with the exception of the building trade and 75% of wage earners).

The employers' organizations found themselves confronted with global wage claims and also with claims for individual sectors. Consequently, they questioned the appropriateness of negotiating an inter-professional agreement, taking into account the claims from the sectors which they considered to be too costly.

The end product is a very tense social situation, and agreements are signed more often than not under the threat of strikes.

As regards the contents of collective agreements, the trade union organizations are trying to change the content by putting an increasing weight on human values and on the quality of working life. On a more long-term basis, new motivations for work will have to be found based on a fair appreciation of the work done, enrichment of its very content, and the possibility of taking responsible initiatives. Moreover, pay schemes which make a direct link between wages and the nature and quantity of work done will be eliminated and workers will be guaranteed a fixed wage.

As regards professional relations at international level the National Agreement promulgated on 6 April 1973 confirms the decisions taken previously concerning the reduction of working hours and four weeks vacation and invites the Joint Committees to do everything they can in order to ensure that these objectives are attained at the latest in 1975. Among other things this Agreement recognizes the Right to a guaranteed minimum wage, the level of which is to be determined by each Joint Committee. The employers' organizations have acknowledged what the trade unions consider as the minimum which should be an indexed Bfrs 12 500 gross at the age of 21. Furthermore this agreement provides with a view to approximating staff regulations of employees and workers, for the adoption of a guaranteed monthly wage for manual workers both when sick and in the case of being given notice. Confirming the Agreements previously concluded, the Joint Committees are invited to ensure payment for 10 days leave per year. As regards pensions, the signatories of the agreement agreed to try and attain a better parallelism in the development of pensions, and of remunerations for wage-earners, and at the same time to give particular attention to the case of the oldest pensioners. A joint working party was set up to analyse the sectoral collective agreements governing attendance at trade union training courses, which

were concluded pursuant to the Agreement of 15 June 1971. This was to attain a generalized implementation of the provisions provided on this point in the last Agreement.

140. *In Denmark*, relations between the two sides of industry in 1973 were characterized by a large number of conflicts. Only after a major strike and lock-out was a new national collective agreement signed on 9 April. Its contents are significant: equal pay for male and female workers, the introduction of the 40-hour week, wage increases and the establishment of a fund for educational purposes, to which the employers subscribe more than DKr. 7 per year.

Other significant events which might have important repercussions on future negotiations are the reform of the Social Security systems¹ and the draft law on economic democracy,² which would entitle workers not only to a participation in decision-making procedures, but also grant them a profit-sharing scheme. The DA is strongly opposed to these reforms on the grounds that they would impose a heavy financial burden on Danish industry. The proposed bill was not presented to the Parliament before the general elections in December 1973. It will not be reintroduced by the present government, at least not without substantial changes.

141. *In Germany*, the controversies about the causes of the exceptionally high price increases and the measures to fight them have resulted in a noticeable cooling off in relations between the trade unions and employees.

The trade unions have been playing up their achievements in the field of wage policy in the interest of stability (standard wage and salary increases have been consistently below the 10% limit at least at the beginning of 1973) and have been criticizing the price policy of employers, which has necessitated an increase in wages before the end of the Pay Agreement.

According to the employers the situation has been produced partly because of additional costs arising from wage increases.

Consequently a series of Pay Agreements were concluded only after strike threats had been made or as a result of the pressure of strike. In the second half of the period covered by this report there were a series of wildcat strikes, particularly in the metal industry in North Rhine-Westphalia and later in North-Württemberg and North-Baden. Whereas in the first phase of these strikes the main demand was still for cost-of-living supplements in order to counterbalance losses in terms of real wages as a result of the price increases, the central questions were later

¹ See Chapter IX 'Social Security' point 263.

² See Chapter V 'Wages and Asset-Ownership' point 199.

job security, protection against dismissal and better working conditions, particularly in assembly-belt production.

Thus after strikes in the North-Württemberg and North-Baden metal industry (400 000 workers) an agreement was reached which provided for guaranteed piece-work pay at a rate of 125 % (average of wages in the undertaking) rising in 2 years to 130% and a minimum rest period of 5 minutes per hour in assembly-belt production and piece-work. These provisions concerning the 'humanization of work' will have repercussions on many future Pay Agreements.

Moreover, a new phenomenon in the history of social conflict has made itself apparent in the wake of these disputes (even if only sporadically). Some of the strikes mainly involved foreign workers in coherent groups.

142. In France, The elections in March set the scene for relations between workers' and employers' organizations in the first half of 1973.

In the second half, the climate of industrial relations was oppressive, without any evidence of any deterioration due to a significant intensification of the conflicts.

The result has been an unsettled climate with a period of relative calm during which progress was made in the field of social protection, and fever periods in certain undertakings and among certain categories of staff. Among these periods of high temperature mention should be made of the conflicts in the Renault factories for the OS (specialized workers), in the Peugeot factories for retirement at 60 years of old and 75% wages, the air traffic controllers' strike, the conflicts in the Pechiney-Noguèzeq factories for improved working conditions and professional classifications, in the footwear industry in Romans, in Salamander and Charles Jourdan factories and Lip factories concerning economic and financial restructuring of the undertakings, in the iron and steel industry in the East and North for improved working conditions and for wage increases.¹

There has been a relatively large amount of collective bargaining at all levels resulting in agreements which have considerably improved the level of wage protection.

As far as National Agreements are concerned, mention should be made of that of 7 March 1973 increasing the supplementary hourly allowance for partial unemployment, the number of paid hours in a civil year (320 instead of 280) and amending provisions concerning the cumulation of partial unemployment benefits and of wages. At the occupational and national levels mention should be made

¹ Cf. Chapter V 'Wages and Asset-Ownership', point 203.

first of all of the Agreement signed on 15 May 1973 reducing the working hours of 1 800 000 metal workers in 1973/74, and the Agreement signed on 24 September 1973 bringing the working week of 250 000 workers in chemical industries down to 40 hours starting from 1 November 1973 at the latest, and the Agreements of 12 January 1973 and 29 January 1973, which mainly concern pay increases in the iron and steel industry.

Where individual undertakings are concerned an important Agreement was concluded on 17 January 1973 for 95 000 workers in the Regie Renault.

This agreement provides for a general pay increase of 6% in 1973, reductions in working hours from 1 October 1973 of 40 or 30 minutes according to the case, improved working conditions on assembly lines, reduction in job specialization, measures concerning monthly pay for all workers on an hourly basis, an increase to 60% for the compensation for lay-offs due to reduced economic activity, provisions concerning the maintenance of hourly rates or basic remunerations for one year in the event of technical modifications or changes that might prove necessary.

In the semi-public sector, various wage contracts introduced with a view to fixing wages for 1973 provided for (besides a general increase of 6% in wages) a saving clause intended to guarantee an increase of 2% in the purchasing power of the workers concerned.

As the implementation of these provisions gave rise to increases which were considered inadequate by wage earners at the beginning of the last half of 1973, the trade union organizations called for a 24 hour strike on 11 October 1973. As a result of this dispute, wages were first of all increased by 1.25%—1 October, then by 2% on 1 January 1974. However because of the provisional nature of these increases there will have to be a correction at the end of the year because of the real development of prices which cannot be calculated definitively until the price index for the month of December is known, which is at the end of January 1974.

At its 38th Congress of 30 May to 2 June 1973, the CFDT reaffirmed its wish to take the first steps towards self-management.

Where the employers are concerned, the General Assembly held on 19 June 1973 traded the guidelines for the action of the CNPF (Nation Confederation of French Employers) for the next five years. The General Assembly affirms that although the economic growth is still the motor in reducing inequality, social policy must in its turn enable people to find fulfilment in their work.

143. *In Ireland*, industrial relations during 1973 have been largely determined by the Second National Pay Agreement negotiated at the Employer/Labour Conference in July 1972. The National Agreements have operated to provide a minimum level of wage and salary increases and higher relative increases for lower paid workers.

The National Pay Agreements have resulted in a significant decrease in the number of man-days lost through industrial disputes. However towards the end of the year there were a number of disputes in essential industries.

144. *In Italy*, the general political situation (characterized among things by the early dissolution of the 5th Parliament, the persistence and even worsening of inflationary tendencies, the expiration of collective agreements in many of the more important sectors of the economy have formed the backdrop for social relations in the period under consideration. The price freeze measures introduced by the Government in July 1973 and the improvement in inflationary tendencies have improved relations with the trade unions but it is still impossible to talk about a truce with these, and in fact the workers' organizations have never formally discussed this possibility.

Consequently, the action of the trade unions has concentrated on negotiations at national level concerning the most important sectors of economic activity aimed at ensuring more marked social equality between all workers (articulated negotiation has been relegated to second place) and more general topics concerning social reform, employment and the development of the Mezzogiorno, as objectives to be attained in the interest of all workers. The need to safeguard and raise the level of employment was the cause of the provisions of the collective agreements which have fixed the working hours in industry in general at 40 per week spread over 5 days and considerably restricted overtime or made it subject to union supervision.

Moreover, the collective agreements provide evidence of the trend towards introducing restrictive provisions concerning contract work and negotiating technological innovations, changes in work organization, a single classification for workers and employees, and automatic career development in professional occupations.

The collective agreements concluded by 16 June 1973 concerned 4 817 000 workers, of whom 4 254 000 are in industry and 563 000 in services.

In addition, a congress of the most representative workers' organizations was held in 1973.

The 6th Congress of the UIL, held on 21 to 25 March 1973, allowed this organization to heal the crisis symptoms that had appeared in its internal structure as a result of events concerning a unification of trade union forces in Italy.

The Congress of the ICFTU, which took place from 18 to 21 June 1973, concentrated on the ways and means by which trade unions could act within Italian society (relations with the Government, model for economic development, advisability of regulating the right to strike, trade union unification, the fight against inflation, social reforms, the Mezzogiorno, etc...) and subsequently focused attention on the differences which already exist between workers in industry in general and those in agriculture and the Civil Service in particular.

Finally, the Congress of the CGIL, held between 2 and 7 July 1973, mainly discussed the rôle of the trade union movement in this adoption of a new economic policy to promote employment, development of the Mezzogiorno, structural reforms, the consumption of collective goods, increased social services and a better quality of life.

It should be mentioned that the various employers' organizations have confirmed that, where problems concerning industrial relations are concerned, they prefer the method of constructive confrontation between the social groups concerned with the various problems.

145. In the Netherlands, relations between employers and workers entered into the situation different to that established since 1945. Certain trade union circles consider that there is in fact a need for workers' organizations to solve problems which no longer appear in the traditional context of negotiation and consultation with the other partner, but in opposition to employers' organizations which is more rigorous now than in the past.

On the question of the representation of the managerial staff in collective bargaining, workers' organizations consider, contrary to employers' organizations, that they are qualified to ensure the representation of this professional category also.

Furthermore, employers' organizations rejected a draft central agreement on the subject of which a convention had been temporarily concluded within the Joint Industrial Labour Council (Stichting van de Arbeid). The employers' organizations thought that the draft of this Agreement did not contribute enough to the fight against inflation and furthermore provided for a restructuring of incomes without any cause. The trade union organizations did not share this opinion.

146. *In the United Kingdom*, free collective bargaining has been sharply restricted by the Government's measures to control inflation.

During the first three months of the year whilst the standstill on increases in pay, prices, rents and dividends was in operation, the powers under the Counter-Inflation (Temporary provisions) Act were used by the Government on relatively few occasions where employers attempted to make payments not permitted by the policy. Groups affected included electricity contract workers and some shop assistants. The gas supply industry and National Health Service auxiliary workers were among those whose negotiations were held up.

At the end of the standstill on 1 April, further trouble broke out, often because of the new pay levels and also over claims for parity with other workers. The settlements in the car industry were not achieved without some stoppages and strikes, and the Government deliberately refrained from any form of intervention.

Apart from these conflicts, it can however be observed that there has been a reluctant agreement between employers and unions in working out settlements, which now tend to be in the form of agreements almost entirely related to the determination of pay increases to comply with the restrictions imposed as far as the content of agreements are concerned. There has been an almost complete cessation of the negotiation of productivity and of pay structure agreements which have been an important feature in industrial negotiations over the last ten years.

Representation of workers

147. *In Belgium*, a Royal Decree of 27 November 1973 governs economic and financial information to be given to the works council.

This decree replaces that of 27 November 1950 and it substantially extends the employer's obligation to inform the works council of the economic and financial development of the undertaking. The principle of this new Regulation was adopted at the 1970 Economic and Social Conference, but there have been difficulties in implementing it, particularly from the employers who plead the essentially secret nature of certain information. The decree provides for basic information, annual, periodic and occasional information.

Basic information is a series of more or less permanent information on the legal, economic and financial situation of the undertaking. Annual information is intended to inform the works council on the situation and development of the undertaking in the year gone by, on the objectives of the year to come and prospects for following years. Periodic information is given at least every three

months. It should enable the works council to check to what extent objectives have been attained.

Occasional information should be given each time that events which could have important consequences for the undertaking occur.

Derogations are allowed if the information could harm the interests of the undertaking.

148. *In Denmark*, the amendment to the Danish Company Act (Aktieselskabsloven) has introduced the possibility of worker representation on Boards of Directors from 1 January 1974. In limited stock companies with a staff of more than 50, 2 workers' representatives can be elected as members if the workers so wish and the management agrees.

149. *In Germany*, discussion on the representation of workers at the level of the undertaking has continued. The DGB has maintained its claim for joint representation for workers on supervisory boards in limited stock companies, whereas workers' organizations have put forward reservations on this point. The government has said that legal initiative will be taken in this field.

150. *In France*, the number of trade union sectors, set up pursuant to the Act of 27 December 1968 on the setting up of trade union sectors in undertakings with more than 50 wage-earners, grows each year. According to a survey carried out by the Ministry for Labour, Employment and the Population, shows that on 1 July 1973 one or several trade union sectors had now been set up in more than a fifth of the undertakings subject to the abovementioned Act.

151. *In Luxembourg*, the Government has encouraged the drawing up of new legislation on joint committees in undertakings and the representation of workers in the organs in the undertaking. In this context it has had interviews with the representatives of workers' unions.

152. *In Ireland*, the fourteen point programme of the national coalition Government contains an overall commitment to advance worker participation in industry and a specific commitment to provide for the election of workers to the boards of state industries. Legislation which will provide for the election of worker directors to the boards of state companies is being prepared in the Department of Labour. Also proposed is a comprehensive programme of education and training which is regarded as an essential component of any approach to worker participation.

A sub-Committee of the Employer/Labour Conference (a body representative of employers and workers at the national level) has carried out a study of the operation of works councils and the Minister for Labour will have regard to the recommendations which emerge from this study when proposing action for advancing worker participation at other levels.

153. *In the Netherlands*, the Ministry of Social Affairs submitted to the Government a draft Law concerning the financing of training for Members of Works Councils.

In several collective agreements one paragraph is devoted to¹ the 'bedrijvenwerk' (work by the trade unions in an undertaking).

154. *In the United Kingdom*, the Commission proposals have been effective in stimulating discussions about changing the status of workers in relationship to their companies—by the appointment of 'worker directors', participation in management in one form or another, the extension of the field of company information to employees, and the development of consultation and negotiation (particularly at the work place) in determining work practices.

These subjects have been provoking discussion and theoretical arguments for a long time, and the Government has promised to publish a document on worker participation.

The Trades Union Congress has reacted to the Proposed Fifth Directive on Company Structure by supporting the concept of a Supervisory Board and proposing that only Trade Unionists elected through Trade Union machinery should be appointed. It affirms that the worker representatives should be responsible to their Trade Union members employed by the firm and not to the shareholders. The TUC would like the proportion of worker representatives on the Supervisory Board to be half the total number, and not one-third, and suggests that the Board should be the supreme body of the company, empowered to override both the Management Board and the shareholders' meeting.

Furthermore, the TUC approved a report on 'Industrial Democracy' in September of this year. It substantially supports the view that the best way of obtaining participation for employees in industry in a democratic way is through the strengthening of negotiation procedures. It objects to the idea of imposing a network of Works Councils which might supersede or displace existing Trade Union arrangements.

¹ Cf. *Report on the Development of the Social Situation in the Community in 1972*, point 43.

At the moment, the Confederation of British Industry firmly opposes the introduction of any form of mandatory two-tier board structure in Great Britain, unless advantages of which they are at present unaware are disclosed by further enquiries into the workings of this sort of system in other countries. The CBI believes that the requirements of the draft EEC Directive can be better met by the best British practice.

Trade union unification

155. In Belgium, it should be mentioned that on 9 October 1973 the FGTB and the CSC held for the first time a joint meeting outside their respective Secretariats. This type of meeting has taken place many times in the past at the level of professional sectors.

In Italy, difficulties which had arisen previously persisted into the period under consideration so that no progress was recorded concerning several problems—such as autonomy, incompatibility, relations with international trade union groups, relations with the basic trade union structures—which have already been the main stumbling blocks on the path towards unification.

In the Netherlands, discussions took place concerning the unification of the 3 main trade unions (the NVV, CNV and NKV—which was scheduled in principle for the end of 1973).

However, because of differences of opinions no solution has yet been found.

Chapter IV

Working conditions and labour law

Trends within the Community

Working conditions

156. With regard to working conditions in general, the trend towards improvements in the working environment and better working conditions was also evident throughout the Community in 1973, and more particularly in Germany, France and the UK as well as in Belgium and Luxembourg.

In *Germany*, the problems connected with various forms of repetitive work, especially assembly-line work, have been the subject of wide-ranging discussions between the Government and the social affairs representatives of various branches of industry. The Ministry of Labour and Social Policy intends to make several surveys on measures to improve working conditions in the manufacturing industry. The commission for economic and social redeployment has been instructed to plan a research project on new forms of work in order to establish what measures should be taken in this field.

In *France*, law No 73-1195 concerning the improvement of working conditions was passed on 27 December 1973. This provides particularly for:

- (a) broader powers for works committees regarding working conditions by the creation of a special commission in firms and establishments comprising more than 300 employees and the creation, at national level, of an agency for the improvement of working conditions whose task is one of encouragement and coordination;
- (b) the strengthening of existing measures in the field of hygiene and security of employment;
- (c) the arrangement of working hours, including flexible working time and a reduction in the length of the working day.

Furthermore, the problems raised by various forms of repetitive work, especially assembly-line work, and job enrichment and job enlargement have given rise to various experiments during the last year.

In the *United Kingdom*, although the Government does not control hours of work or holiday entitlement generally, mention should be made of the Counter-Inflation Act, 1973 which sets limits on increases in pay and conditions through the Pay Code. Special dispensation is given to allow employers to reduce the standard working week to not less than 40 hours and to raise holiday entitlement up to three weeks.

The problem of unsatisfactory and repetitive work is now being given closer attention following the publication by the Government in May 1973 of a report entitled 'On the Quality of Working Life'. A tripartite group has been set up to look into the problem of job satisfaction and, to this end, a programme of industrial and commercial projects is being initiated to promote changes in the content and organization of work.

Working hours.

157. Although in 1973 there have been no changes in legislation or regulations concerning *hours of work*, the trend towards introducing the 40-hour week under *collective agreements* has continued throughout the Community in most sectors. In view of the likely expansion of collective bargaining and the enforcement dates laid down in industrial agreements already concluded, it is most probable that in the major sectors of activity in the Member States the working week will be reduced to 40 hours by 1975.

This target has already been practically reached this year in *Germany, Italy, the United Kingdom and Ireland* for all industrial workers and in the other Community countries for almost all branches of this sector.

The trend towards restricting *overtime* has also continued during this period. This will help to improve working conditions and to maintain job security.

Finally, the increase in holidays with pay, the institution of a number of movable days of leave and other improvements in the distribution of the working time in general together bring the actual average hours of employment of all workers closer to the aim of the 40-hour week.

Holidays with pay

158. There has been an increasingly marked trend in many branches of activity towards a fourth week of *holiday with pay*, arrived at under collective agreements.

As regards *training leave*, there have been many improvements, both in legislation and under collective agreements. This advance is in line with the trend apparent

in most countries for some years past of making more time and money available for the permanent, vocational and general training of workers already engaged in the production process.

The following events should be noted in this connection:

- (i) the adoption in April 1973 of the new *Belgian Law* granting a paid time allowance to enable workers to attend vocational upgrading courses,
- (ii) the *Luxembourg Law* of 4 October 1973 in the establishment of *educational leave*.

Labour law

159. In the field of labour law a trend has continued which has long been apparent in the Community countries and which can be placed under the broad heading of 'Security in terms of Employment terms':

- (i) safeguarding of earning and social security entitlements,
- (ii) improved protection against dismissal.

In some cases, this goes as far as to make it impossible for elderly workers to be dismissed from their jobs.

Developments in Member States

Working conditions

Working hours

160. In *Belgium*, as a result of the new 'national agreement', signed on 6 April 1973 for a period of two years, the working week will be reduced to 40 hours in 1975. This agreement provides, *inter alia*, that the normal actual working week will not exceed 42 hours in 1973 and 41 hours in 1974 (1975 for certain exceptions).

The moral obligation contained in this agreement was translated into concrete terms in an interprofessional collective agreement concluded by both sides of industry on 22 November 1973.

161. In *Denmark*, the working week had been 41 $\frac{3}{4}$ hours for daytime work and 40 hours for night work since 1 September 1970. For shift work, the hours were 41 $\frac{3}{4}$ for the first shift and 40 for the second and third shifts. The new collective

agreement signed on 10 April 1973, however, laid down an additional two hours leave for every 40 hours of work on second and third shifts, to be taken as days of leave during the following year. Under this agreement the general working week has been cut back to 40 hours from 2 December 1974.

162. In *Germany*, the 40-hour week was also introduced in 1973 in insurance companies and in certain minor branches of activity. The reduced working week of 40 hours fixed by collective agreements should also be in effect in the banks from 1 July 1974 and throughout the public services from 1 October 1974.

163. In *France*, the trend to a shorter working week has been followed in collective agreements, with a general movement towards the 40-hour week. This trend is apparent in works agreements (for example, the Renault agreement of 17 January 1973) and also at industrial and national level in the main sectors of activity (for example, the fourth agreement in the metallurgical industry of 15 May 1973, reducing the working week in this sector for 1 800 000 workers and the agreement of 24 September 1973 in the chemical industry reducing the working week to 40 hours).

Furthermore, Chapter III of the law of 27 December 1973 concerning the improvement of working conditions incorporates certain changes authorizing individual work schedules or shorter working hours.

164. In *Ireland*, the actual working week of industrial workers has in general been reduced to 40 hours since 1 July 1973.

165. In *Italy*, the trade unions, as in 1972, concentrated on the general adoption of a 40-hour, five-day week and restrictions on overtime, as a means of keeping down unemployment.

166. In *the Netherlands*, the working week for manual workers has been reduced from 42 ½ to 41 ½ hours under a large number of collective agreements, in accordance with the recommendations of the national agreement of 1973 between employers and trade unions. The 40-hour week will be general in 1975.

167. In the *United Kingdom* a reduction of the working week to not less than 40 hours is permissible under the Counter-Inflation Act outside the limits imposed by the Pay Code.

The shorter working week has been brought into several branches of activity in 1973, including agriculture. The working week for agricultural workers will be cut from 42 to 40 hours from 1 January 1974.

Public holidays; holidays with pay; training leaves

168. In *Belgium* the government introduced, on 31 July 1973 a draft law amending the law of 25 February 1947 on public holidays. The draft law has been approved by the legislative chambers but has not yet been promulgated or published. The law provides, *inter alia*, for three principles, notably:

- (i) Prohibition of working on public holidays;
- (ii) Payment for these days where, by the nature of their employment employees are obliged to work;
- (iii) Guarantee of at least ten paid public holidays per year. An innovation in the present bill lies in the provision enabling the executive to designate a day to replace a holiday which coincides with a customary non-working day, apart from Sunday.

The inter-professional agreement of 6 April 1973 provides for the progressive implementation by 1975 of a fourth week of annual holiday; two extra days are to be granted in 1973, and three in 1974.

This provision is included in the collective agreement concluded by the National Labour Council on 30 May 1973 and made law by the Royal Decree of 20 August 1973.

As regards training leaves, the law of 10 April 1973 'awarding a paid time allowance to enable workers to attend vocational upgrading courses' has been adopted. Under this law, workers attending upgrading courses, i.e. part-time training given in evening courses or on Sundays are entitled to a paid time allowance. Other types of training may also be recognized by Royal Decree. The cost of this new system will be shared equally between the State and the employers.

169. In *Denmark*, both legislation and collective agreement provisions of 1973 provide for 24 working days annual leave (including Saturdays).

The leave allowance was increased on 1 July 1971 from 7.25% to 9.5% of the annual wage and has remained unchanged since that time.

Workers are entitled to 9 1/2 days public holidays under legislation and agreements. As regards training leave, the application of the relevant clauses in the collective agreements of last April will mean the payment of more than 7 million Kroner into a special training fund.

170. In *Germany*, many collective agreements have increased, by one day, the basic annual leave. In other respects the number of collective agreements providing for supplementary compensation for leave has increased greatly during the past two years. This is why, in 1972 about 70% of all workers (80% of them manual workers

and more than 60% employees) had a right to supplementary compensation for leave calculated partly as a percentage of normal leave entitlement and partly on a rising contractual basis, or as a fixed sum per day of holiday.

This tendency in collective agreements towards the introduction of supplementary compensation continued in 1973.

171. In *France*, no major changes have occurred under agreements as regards paid holidays. However, under works agreements, there is a growing trend towards the introduction of holiday bonuses (one half or one quarter of the monthly wage).

172. In *Ireland*, the Holiday Act which was enacted in December 1973 provides that as from 1 April 1974 most workers will become entitled to a minimum of three weeks' annual paid holidays. By Government order made in December 1973 the number of public holidays was increased from six to seven as from 1 January 1974.

173. In *Italy*, under a recent collective agreement for workers in the metallurgical and mechanical industry, each worker is entitled to 150 hours of training leave over the next three years. However, resulting absences from work should not exceed 2% of the total works personnel.

174. In *Luxembourg*, the Law of 4 October 1973 provides for the establishment of education leave for young people in paid employment. The main aims of this paid education leave are the civic training of young people and the training and further training of youth movement leaders.

This leave may also be granted to persons in active employment who wish to attend official adult education classes. It may not exceed twelve working days in a two-year period or 36 days in all.

Finally the law only provides compensation for public holidays falling on a day normally worked. The government has, however, just drafted a law under which a public holiday falling on a day which is not normally worked (e.g. Saturday) would be compensated for by an extra day's paid holiday for all employed persons.

175. In the *Netherlands*, basic holidays with pay have generally been increased by one day under collective agreements. In accordance with the recommendations of the 1973 national agreements, the basic annual leave of 20 days will probably be achieved in 1975.

176. In the *United Kingdom* some groups of workers have taken advantage of the provision in the Counter-Inflation Act which allows an increase in paid holidays

up to three weeks without counting against the pay limit. The annual basic three weeks' holiday has now become more widespread. Following a decision of the government in 1973, New Year's Day is to be a public holiday with effect from January 1974. As Hogmanay was already officially celebrated in Scotland, the Scots will henceforth have an extra day's holiday.

Monthly payments

177. In *Belgium*, genuine progress has been achieved in 1973. An inter-occupational agreement of 6 April 1973 incorporates a welcome advance towards establishing a guaranteed monthly income for manual workers. The worker is now entitled, in the first 30 days of sick leave, whatever the origin of the disability, to an income equal to the net earnings he would have made during this period if he had been fit for work. This objective was made concrete by the collective agreement signed in the National Labour Council on 28 June 1973 which applies as from 1 July 1973.

However, for cases of non-industrial illness and accidents, the present rate of 80% of income for the first 7 days of disability remains in force until 31 December 1973. Under Article 3 of the agreement, this rate will also be raised to 100% as from 1 January 1973. For the last 23 days the employer will be required to pay 29% of the first Bfrs 17 075 of the wage (added to 60% to be met by the insurance) and 91.5% of the remainder of the wage above that figure.

Furthermore, a Royal Decree of 13 July 1973 extends the minimum period of notice which an employer can give a worker from 14 days to 1 month.

178. In *Denmark*, an important legislative measure was passed in the process of bringing employment conditions for manual workers closer to those for non-manual workers. The Act on Daily Allowance in case of illness and pregnancy, in force since 1 April 1973, no longer differentiates between these two categories, thus putting them on the same basis with respect to an important factor in terms of employment.

Furthermore the 'General Agreement' concluded in November 1973 strengthens the protection of non-manual workers against unfair dismissal, although it does not yet give them the same rights as those enjoyed by non-manual workers.

179. In *France* the movement towards monthly payment, operated through collective agreements, continued in 1973. New agreements either extended the system of paying monthly wages to manual workers in certain branches which were not yet covered, or accelerated the granting of additional advantages to

monthly wages for wage earners already involved. Wages are now paid on a monthly basis in the most important branches of industry: metal works, building, textiles, clothing, sugar works. The procedure of extending agreements was applied particularly in 1973 in the agreement to pay monthly wages concluded in the metal works industry and has now become obligatory in all undertakings in this sector. The objective, which is to approximate the staff regulations governed by collective agreements for manual workers paid monthly, with those of non-manual workers, has been achieved in some branches (particularly oil, chemical industry and the mechanical manufacture of glass) where single texts have been conducted which apply to both manual and non-manual workers.

180. In *Italy*, the trend towards parity of treatment as between manual and non-manual workers, already apparent in previous years, continued in 1973 with progress towards single classification, annual leave, seniority allowance and sickness/accident treatment allowances and flat-rate wage increases for all persons employed in a given sector.

181. In *Luxembourg*, the partners in the collective agreement in iron and steel works are agreed on the principle of paying manual workers a monthly wage with effect from 1 January 1976 and of negotiating the details of this in 1974/75.

Labour law

182. In *Belgium* an interprofessional collective agreement on mass dismissals was concluded on 8 May 1973 within the National Labour Council and was made *erga omnes* by the Royal Decree of 6 August 1973. This agreement provides for granting workers who are affected by mass dismissals, a supplementary allowance, the amount of which is equal to half the difference between the old wage and the unemployment benefits to which the worker is entitled; the allowance is normally stopped after four months.

183. In *Denmark*, the 'General Agreement' governing industrial relations was denounced in 1968 by the L.O. and a new agreement finally adopted in November 1973.

The general agreement which is of substantial importance to the Danish system of industrial relations and labour law, lays down, among other things, that no strike or lock-out may be instituted during the course of an agreement. Furthermore, it provides for the procedure to be followed in the event of a strike or lock out, and for certain limits to the employer's right of dismissal.

The Committee for the revision of the Labour Act, referred to in the 1972 Social Report, finished its work in the spring of 1973. In the light of the conclusions of the Committee the legislation on labour law was largely reformed, and the new Labour Act (No 317 of 13 June 1973) came into operation on 1 July 1973.

The most important changes in the new Labour Law Act are new penalty provisions and, in that context, for example, the duty to convene a so-called joint meeting in connection with stoppages of work and extension of the competence of the court.

As regards the penalty provisions, it shall no longer be possible to impose a penalty in the event of short-term strikes. If the persons taking part in a strike resume work before the holding of the joint meeting, or if they comply with an appeal by the joint meeting to resume work immediately, no penalty can be imposed. The joint meeting, which shall be held not later than the day after the commencement of the strike, is typically a meeting of the parties involved in the dispute, as well as representatives of their organizations and of the central organizations.

As far as the wider competence is concerned, it should be noted that the Labour Court is now competent to deal with violations of all collective agreements on wages and other conditions of work; thus also agreements where the employer is a public authority. So far, such cases have come within the competence of the ordinary courts.

184. In *Germany*, under an agreement between employers and trade unions in the Krupp Company, about 20% of the Krupp work force were declared protected from dismissal with effect until 1 June 1973. This ruling effects about 5 000 manual and non-manual workers. It was also agreed gradually to align the manual workers' status with that of non-manual workers, in particular through improved protection from dismissal and by unification of the wages and salaries system. From 1974 onwards a fixed monthly wage will be introduced for Krupp workers. All employees of the firm will be protected from dismissal after 20 years' service if they are at least 50 years of age.

Two draft laws adopted in May 1973 provided in particular for:

- (a) increases and a 'dynamization' (standard of living adjustments) of old-age pensions for working farmers;
- (b) effective legal protection for about 300 000 home-based workers;
- (c) better social protection for those working under conditions of employment similar to manual workers, and in particular those working free-lance for the press, radio and television. Basic principles for the conclusion of collective agreements have been established.

The Law covering war invalids will be further amplified under a Federal Government bill of March 1973. Disabled people will be reintegrated by making jobs available for them or by the payment of compensation.

Another draft act of the Federal Government provides for the safeguarding under labour law of the industrial retirement pension, which represents a supplement to statutory old-age insurance and applies at present to about 12 million employed persons. The purpose, *inter alia*, is to prevent loss of entitlement to the industrial retirement pension by a worker when he changes his job, to restrict its wasteful application by counting it against other benefits and to adjust the benefit levels to regulations on the flexible age of retirement.

185. In *France*. Law No 73-680 of 13 July 1973 amends provisions governing the termination of work contracts of indefinite duration. This text, whose scope was defined in detail by an implementing decree of 10 August 1973, introduces substantial changes in three essential areas; dismissal procedure, under which both sides must now be heard; legal evaluation of the regularity of the procedure and the grounds for dismissal (the onus is on the employer to prove the validity of the dismissal.); and finally the legal sanction whereby the court can order either that the dismissed employee be reinstated if both parties agree or that compensation must be paid, fixed in accordance with the damage incurred. These new provisions, however, do not apply to mass dismissals or to individual dismissals in firms employing fewer than 11 employees.

186. In *Ireland*, there has been much legislation in the social field. The Minimum Notice and Terms of Employment Act is of significance to all employees—no income ceiling is involved—normally working 21 hours a week or more for the same employer. It thus covers the majority of wage and salary earners. It lays down minimum periods of notice to be given by employers and by employees when terminating a contract of employment and gives employees the right to be informed in writing about the terms of their employment.

Two other Acts passed by the Oireachtas during 1973 define the social rights of employed women.

The Civil Service (Employment of Married Women) Act removed the statutory restrictions which applied in relation to the employment of married women in the Civil Service.

In addition to removing the marriage bar from the Civil Service, the Act also includes a provision to enable married women who served in the Civil Service before the Act came into force and who resigned on marriage to be reinstated

in their former positions, where non-support by the husband is established, for instance, in cases of desertion or of the husband's incapacity for work.

The Redundancy Payment Act provides that widows, deserted wives and unmarried mothers who are employed and paying social insurance, cease to be liable for deductions in respect of weekly redundancy contributions, if they are in receipt of pensions or allowances from the Department of Social Welfare.

187. In *Italy*, Law No 533 of 11 August 1973 introduces new provisions governing individual labour disputes and social insurance. In order to help workers claim their rights, some provisions of the code of civil procedure have been amended to speed up and simplify the various procedures.

The ministerial decree of 5 July 1973 has laid down the arrangements whereby the labour inspectorate and the Ministry of Labour may, while observing ILO Convention 89, authorize night work by women in industrial firms.

188. In *the United Kingdom*, the main interest in labour law continues to be concentrated on the way in which the Industrial Relations Act, now in operation for nearly two years, is being applied. The opposition of TUC and individual unions to the Act as a whole and the policy of non-cooperation with the institutions set up under the Act, are largely instrumental in preventing the proper implementation of the Act.

Despite the fact, however, that TUC-Affiliated Unions are in general chary of acknowledging publicly any use they make of the Code of Industrial Relations Practice (which has its origin in the Act), almost all unions take advantage of relevant parts of it, both in discussion with management and in proceedings before the Industrial Tribunals and the National Industrial Relations Court.

The relevant provisions of the Code, although not of themselves legally binding, must be taken into account in proceedings under the Act. This has led management and unions to review existing industrial relations procedures and practices in the light of the Code's provisions.

The Act provided for the National Industrial Relations Court to be the main judicial body dealing with collective industrial disputes and it was hoped that this body, aided by the Commission on Industrial Relations, would play a major new rôle in settling disputes between unions and management.

In practice, relatively few cases have been brought to the Court either by management or by the unions. Within these limits the Court has achieved a measure of success in the exercise of its statutory duty to promote conciliation and the settlement of cases wherever possible. It has not, however, had the opportunity

to become a central organ for conciliation and the settlement of disputes and there are no immediate prospects that its contribution in this area will grow.

The need for adequate procedures for independent conciliation was much discussed and emphasized in 1972, and as a consequence the TUC and the CBI agreed in August 1972 to set up a joint independent conciliation and advisory service. This service has only so far been used in one minor dispute, despite the fact there have been numerous conflicts which, on the face of it, might have been referred to it by either party if each had so wished. In the meantime the longstanding conciliation services of the Department of Employment continue to be used in the private sector, particularly at works and company level.

A second subject of major importance in the Industrial Relations Act concerned arrangements for establishing bargaining units and for handling problems of union recognition. Here again, the practical results have not been as originally expected. This has mainly been due to the refusal of the majority of unions to register with the Registrar of Trade Unions. As a result, they denied themselves access to the rights and procedures laid down under the Act. In practice, however, satisfactory arrangements already exist in some industries for workers who have gained recognition (e.g. textiles) at national level. The main uncertainty concerns recognition for white-collar workers. The Code of Practice has also influenced the growing trend towards recognition in this field.

Under the Industrial Relations Act every worker should have the right to belong to a registered Trade Union or not to belong to any union, registered or not. In its recent report, the CIR¹ states the practice of the closed shop arrangement is still widespread, because it had not been challenged.

¹ Commission on Industrial Relations.

Chapter V

Wages and asset-ownership

Development trends in the Community

189. Throughout 1973 wages policies and problems have been marked by constant and, in the majority of the Member States, increasing inflation. Because of a number of international factors, the most prominent of which were the increase in the price of raw materials, the imbalance of the international monetary system and the growth of liquid assets due partly to the activities of multi-national firms, the anti-inflation policies of the Governments of the Member States, although aimed at combatting the more strictly internal cumulative aspects of inflation, did not really achieve the expected results in spite of the basic guidelines laid down in the Council Resolutions of 5 December 1972 and 14 September 1973 on the measures to be taken against inflation. In a number of countries, supervisory mechanisms, i.e. price freezes and, in one country, measures for controlling wage increases, profit margins and dividends were added to the 'traditional' instruments of economic action which stem from public finance, monetary credit and competition policies and are used to varying degrees by all the Member States. Given the fundamental importance in this field of the behaviour, responsibility and autonomy of the various groups active in economic life, one can but note the failure, in spite of a number of attempts, to implement a really effective procedure for concerted action on the distribution of the fruits of growth. By highlighting the structural aspects of the problem such a procedure would perhaps make it possible to reconcile the often contradictory requirements for higher incomes for the various social groups aiming for greater stability of prices and fairer distribution of the national income. The problem is therefore more political than economic.

190. Within this general economic context, marked by strong inflationary pressures, the first trend which emerges from the wages policies applied in all the Member States of the Community in 1973 is the concern shown by both sides of industry and the public authorities, as already noted, though less markedly during the three preceding years, to increase low wages proportionately more than

the average wage increase. This was noticeable in the three countries of the Community where a legal minimum wage for all occupations already exists: France, the Netherlands and Luxembourg. In Luxembourg a law amending the terms for fixing a legal minimum wage has even been introduced. In Belgium the first step was made towards meeting union demands for the introduction of an adequate guaranteed minimum wage but as part of collective agreements for the different branches of industry. As regards collective bargaining, it can be said that in all the countries, efforts were made to increase the lowest wages but in varying forms: round sum increases, reappraisal of the lowest job categories, percentage increases decreasing up the scale, etc... In the Netherlands, strong union pressure for the progressive levelling off of wages should be noted. As regards the British Government's anti-inflationary policy, part of the allowable wage increases included a fixed round sum. In this connection it should be remembered that the draft social action programme presented by the Commission to the Council did in fact provide for the examination of the lowest wages in the Community, whether laid down by law or agreed upon in collective bargaining, in order, if possible, to encourage concerted Community action involving the Governments and both sides of industry on the subject of giving priority to progressively increasing and harmonizing the lowest wages.

191. The second trend noted in 1973, which is closely related to the first, is the safeguarding of the purchasing power of wages in view of the marked increase in prices. Of course, the automatic sliding scale systems have played a more important role in the countries where they are in general use such as Luxembourg, Italy and Belgium, but doubts have been cast from time to time in the last two countries as to the adequacy of this protection. In Denmark, wage compensation based on the rise in the cost of living was increased, and in the Netherlands union demands for 'levelling off', which have already been mentioned, led to new and varied forms of compensation to make up for loss of purchasing power. In France, the clauses laid down in collective bargaining agreements guaranteeing purchasing power have become general practice in the semi-public and private sectors. Apart from the allowable salary increases, the third stage of the British Government's Counter-Inflation programme provides for the negotiation of threshold agreements within certain limits laid down in the Bill itself. Such index-bound systems are in fact welcome in inflationary times in so far as they allay the fears of workers that they will be the victims of accelerated price rises and that they will be able to concentrate on real increases in purchasing power. These systems make it also possible to avoid having inflationary trends incorporated in wage demands in advance. In this context it is worth noting that at the Community level, the Council has just asked the Commission to submit at its earliest opportunity a study on 'systems designed to relate salaries to the cost of living level'.

192. As regards equal wages for men and women, the efforts made in the three new Member States to implement Article 119 of the EEC Treaty must first of all be noted. In Denmark, a number of provisions for fixing uniform wage scales based on time and piece-work were made as part of the national collective agreement concluded on 28 March 1973. In Ireland, after the national agreement of 1972 providing for a reduction of the gap between wages paid to men and women had been concluded, the Government, on 3 July 1973, presented to Parliament a bill on equal wages. In the United Kingdom, where the Equal Pay Act of 1970 provides for equal pay by the end of 1975, a reduction of a third of the difference between wages for males and females was possible in 1973 in spite of the ceilings fixed by the Government's anti-inflationary programme. As regards the original Member States, the proposed Regulation drawn up by the Luxembourg Government to fill a number of gaps in the law, and the unanimous opinion of the Dutch Economic and Social Council asking the Government for legislative intervention should be particularly noted. This progress is along the lines of the new impulsion that the Commission has decided to give to the implementation of Article 119 of the EEC Treaty, as much in the three new Member States as in some of the original Member States where gaps and lack of parity have once again been noted. Among the priorities listed in the draft social action programme, the Commission has in fact adopted a proposal for a Council Directive tending to bring together all the laws in Member States concerning the application of the equal pay principle.

193. Finally, as regards the policy on capital formation, although further concrete progress has been made in Germany, France and the Netherlands, 1973 was marked as a whole by studies, research, important discussions and schemes to find more advanced methods for the formation and distribution of assets. The situation was the same in Germany as regards the preparation of a broader and more effective government policy in this field. In Denmark a draft Bill has been presented in Parliament with a view to introducing a particular type of 'economic democracy'. The present Government, however, intends to drop it. A scheme, very much along the same lines, has been the subject of a preliminary examination by the British Labour Party. The Commission is of course attentively following concrete achievements as well as discussions and projects in this field, as it intends to present to the Council, as provided for in the social action programme, not only a list of the different systems for the formation of workers' personal capital at present applied or planned in the Community countries, but also the conclusions emerging from the discussions to be initiated with experts from the Governments and both sides of industry.

Developments in the Member States

Belgium

Wages policies and problems involved

194. In order to cope with persistent inflationary pressures, the Belgian Government, in March 1973, adopted a programme to combat price increases. This had been submitted to both sides of industry at the end of February and they had agreed in principle. This programme included many measures involving monetary, credit and public finance policies and more rigorous application of the price control system without recourse to price freezes. A series of additional measures was adopted in July, again following consultation with both sides of industry sitting on the National Committee on Economic Expansion. The whole policy was aimed at maintaining the competitive position of the Belgian economy on international markets while fighting structural unemployment and encouraging private investments. At the same time, with the aim of setting taxation on a fairer basis, a law was published in June 1973 amending the income tax codes, particularly with regard to tax on profits, the basis of assessment and the calculation of corporation tax and action against certain types of fraud and tax evasion. Moreover, considerable increase in tax-free income allowance was provided for so that the tax effects of wage increases following adjustment of prices in 1973 and 1974 could be eliminated completely for annual incomes of less than Bfrs 150 000 and in part for incomes not exceeding Bfrs 350 000.

The national agreement for all occupations was concluded on 6 April 1973, providing in particular for a minimum legal wage to be fixed, by sectors, in various joint committees. This clause represents a compromise between management and unions¹ positions, the latter having demanded the introduction of a minimum guaranteed national wage for all occupations amounting to Bfrs 12 500 gross per month, index-bound with 1972 as base year, for all workers over twenty-one. Already, this provision in the agreement has been put into effect in a number of important sectors, particularly in metallurgy. But the problem of 'weak' sectors, such as retail trade, certain branches of the food industry, the ready-made clothing industry and leather goods, not to mention agriculture, has not yet been resolved. For this reason the parties to the agreement undertook to review the situation towards the beginning of 1974 in order to examine how far the procedure

¹ *Report on the Development of the Social Situation in the Community in 1972*, point 62.

for determining the amount has been followed by the joint committees and possibly to define ways of encouraging more widespread use of it. Such generalized application of the procedure will certainly take more than two years. Even as regards metallurgy, the agreement concluded at the beginning of 1973 specifies that the sum of Bfrs 12 500 will not be applicable until 3 September 1973. It is to be noted that the unions have begun to question the ability of the automatic sliding scale system for wages, in use in Belgium for many years, to completely keep up purchasing power, especially in periods of severe inflation. This is why, in many sectors, negotiations have brought about the payment of a 'high cost of living' bonus. Furthermore, the systems of index-binding are being studied afresh so that salaries might be more readily related to cost of living. Where the public authorities are concerned, a draft social agreement has been reached for 1974-75. The draft provides, among other things, for an increase, on 1 January 1974, of 6% of the minimum guaranteed wage of Bfrs 12 000 on the January index.

Development of wages and purchasing power

195. The index of manual workers' wages laid down by collective bargaining agreements rose by 15% between September 1972 and September 1973, as against 14.5% for the preceding period, while that for white-collar workers under these agreements went up considerably less, although a little more than in the preceding year: 13%, as against 12%.

As regards real earnings, the 'rapid' index of gross hourly earnings of male workers in industry in October 1973 rose by 15.3% above the October 1972 one as against a rise of 13.7% in the preceding period.

On the basis of this pointer, which is the only one available, and taking into account the movement of the consumer price index (+ 6.8% between October 1972 and October 1973, as against 5.7%), it would appear that the purchasing power of Belgian workers' hourly earnings has increased slightly more than during the preceding period: 8%, as against 7.6%.

Policy on capital formation

196. In connection with government policy for the encouragement of private savings, mention should be made of the system for regular and voluntary savings which is included in the anti-inflation measures. It is aimed at granting, in addition to the current rate of interest, a further 2% interest to be paid by the State to all persons over 14 years old who would agree to save, by monthly instalments over one year, in a credit institution a sum not exceeding Bfrs 24 000. Interest

will be exempt from tax. The disagreement between trade unions as to the means of administering the 'Social and Economic Construction Fund'¹ has not been solved and this Fund has still not been used. In June 1973 it totalled Bfrs 600 million.

Denmark

Wages policies and the problems involved

197. The 1st of March 1973 was the deadline fixed for the signing of a new 'outline agreement' aimed at improving wages and other working conditions, valid for two years, between the Confederation of Employers and the Federation of Danish Trade Unions. Due to the difficulties encountered during negotiations, the two parties took the matter to arbitration in accordance with the usual practice, but it was only after serious strikes and lock-outs, and on the basis of a compromise solution worked out by the arbitrator that the discussions were resumed and an agreement drawn up on 28 March. This agreement provides, in particular, for an increase in all wages in four stages spread over two years, and a reduction of the working week to 40 hours as from 2 December 1974, with compensation of 0.75 Dkr per hour for every adult worker and 0.35 Dkr for those below 18 years of age. Under the sliding scale mechanism, wage compensation based on the increase in the cost of living, rises for every 3 point increase in the index, to 0.40 Dkr per hour for adult workers and to 0.20 Dkr for workers under 18. The adjustments starting in September 1973, will be carried out twice a year. This compensation takes the form of a fixed sum, the groups of workers earning the lowest wages, in particular women, get proportionately larger increases than others. In this respect, as required by Article 119 of the EEC Treaty, the outline agreement also contains provisions for fixing uniform scales for the standard wage (fixed at 14.10 Dkr per hour) and for the minimum wage (fixed at 13.40 Dkr per hour). Moreover, for work carried out exclusively by women with no qualifications, the hourly wage was raised to 14.10 Dkr including a cost of living allowance. In addition, the agreement provides for the setting up of a joint committee to study the present sliding scale system, in order to determine the possibilities of replacing it by another method.

Development of wages and purchasing power

198. The average hourly earnings for the second quarter of 1973 have increased by 13.5% over the second quarter of 1972, as against 10.1% in the same preceding

¹ *Report on the Development of the Social Situation in the Community in 1972*, point 64.

period. Taking into account the movement of the price index, it would appear that the purchasing power of workers' wages rose by 5.5% between the second quarter of 1972 and the second quarter of 1973, as against 2.7% between the same quarters of 1971 and 1972.

Policy on capital formation

199. With the aim of creating a modern and efficient framework in which the Danish economy can develop, the Government, on 31 January 1973, submitted to Parliament two bills allowing workers a greater share in the management of the undertakings in which they are employed and in the growth of their capital. The first bill provides for workers in companies employing more than 50 persons to have two seats on the Board of Directors; the second aims at setting up a 'Central Investment Fund' to be the common property of all wage-earners and built up by progressive payments by employers starting at 0.50% of total wages paid and rising after 10 years to 5% of this sum. The 'Fund' would be managed by a Board of Directors, three fifths of whom would be appointed by the workers and two fifths by the Government. Limited companies employing more than 50 persons would pay two thirds of their contribution in the form of shares, while small undertakings would settle the amount in cash. The right to vote acquired by the payment of shares to the Fund would be exercised by the wage-earners of each undertaking and not by the Fund. After seven years, every worker would be able to request liquidation of his shares relating to the first year and so on. All wage-earners would receive an equal number of shares. This draft Bill, introduced by the previous Government, had not yet been approved by Parliament by the time the December 1973 elections were held. It will not be introduced anew by the present Government, at least not without substantial changes.

Germany

Wages policies and the problems involved

200. After discussion of the economic situation at the 28th session of 'Concerted Action' on 5 February 1973, the Government presented its annual economic report. It contains, among other things, the following macro-economic information for 1973: real increase in the GNP of between 4 and 5%, unemployment less than 1%, increase in the cost of living of between 5.5, and 6% and increase of 9% in wages and income from self-employed activities. This assessment revealed the urgent nature of the fight against inflation. In May the Government announced a 21-point stabilization

programme which was much more vigorous than had been foreseen in February. The most important measures were introduced as from 1 July. They included a 10% surtax to corporation tax and income tax for annual taxable incomes exceeding DM 24 000 for single persons and DM 48 000 for married persons. In September, at the 29th session of 'Concerted Action', the participants unanimously decided in favour of systematically continuing the Government's stabilization policy, possibly beyond 1973.

In the field of collective agreements, average wage increase of 8.5% were planned at the beginning of the year for about 8 million wage-earners in metallurgy and in the public administration sector among others. However, between March and June higher rises of the order of 12% were granted to 7 million wage-earners. The trend towards giving priority to increasing the lowest wages was to be seen in the collective agreement for the paper industry, where the lowest wage groups were raised to 70% or 80% of the wage for a qualified worker, and in the collective agreement for the metallurgical industry in Baden-Württemberg, where it was planned to grant a 'guaranteed salary' for piece-work.

Development of wages and purchasing power

201. The rise in the index of hourly wages laid down by collective bargaining for workers between July 1972 and July 1973 was 10.2%, as against 9.2% for the preceding period. The index of monthly salaries laid down by collective agreements for white-collar workers increased by 9.3%, as against 9.8%.

As regards average gross hourly earnings for workers in industry, the index rose by 11.5% between July 1972 and July 1973, as against 8.7% between July 1971 and July 1972, while weekly earnings increased by 11.1% (as against 7.7%) and monthly salaries by 13%, as against 9.5%.

Since the rise in the cost of living index was 7.3% between July 1972 and July 1973 compared with 5.6% between July 1971 and July 1972, the improvement in the purchasing power of German workers' hourly earnings was about 3.9% and that of weekly earnings 3.5%, as against 2.9% and 2% respectively between July 1971 and July 1972. In real terms, the purchasing power of salaried employees rose by 5.3% as against 3.7%.

Policy on capital formation

202. According to the information at present available, 12.7 million wage-earners availed themselves, in 1972, of the provisions of the 'DM 624 Law' evolved in collective agreements. In addition, 4.2 million wage-earners saved money in this

same framework, but exclusively out of their own wages and salaries. In all, 17 million workers i.e. about three quarters of all wage-earners make use of the opportunity presented by the laws on capital formation. The total amount invested is DM 510 per person.

In 1973, discussions on future capital formation policy continued within the DGB. There was a narrow majority in favour of a standard system for transferring that share of the profit intended for wage-earners to a central fund in which all workers, including officials, would participate provided they did not exceed a certain income ceiling. Those in the DGB who oppose this system, favour the redistribution of capital through taxation. The employers advocate greater participation by wage-earners within the undertaking. Management is especially in favour of more extensive use of the DM 624 Law. If all wage-earners received all the allowances from employers as provided for under this Bill, it would mean that the employers would contribute DM 12 000 million per year. This amount would however weigh only partly on companies as contributions to capital formation are regarded as 'exploitation charges' within the General Code of Taxes on Companies and Individuals and moreover small and average sized companies would possibly receive other benefits. Management favours schemes advocating the use of the 10% stabilization surtax of corporation tax and income tax for capital formation purposes.

An inter-company participation is being discussed within the Government, where a committee on capital formation has been set up with the aim of overcoming differences of opinion between the partners in the Government coalition as to the policy to be applied in this field. One of the main points under discussion relates to the groups of people who ought to participate in capital formation. While the SPD wishes to include only wage-earners, civil servants included, whose income does not exceed a fixed ceiling, the FDP favours participation by all citizens. According to rough calculations, DM 245 per person would be allocated under the SPD system (DM 5 000 million would be available) whereas, according to the FDP plan, DM 80 would be allocated yearly to every person. It looks as if a compromise is being worked out which will also cover the types of undertakings concerned, i.e. joint-stock companies whose annual profit is at least DM 400 000 and private companies with profits of DM 500 000. Altogether, these number about 28 000, or only 2% of all undertakings.

France

Wages policies and the problems involved

203. The anti-inflation plan adopted by the French Government in December 1972 included, in particular, restrictions on the expansion of credit, the issue of a

long-term loan and flexible reduction of VAT rates. Starting on 1 May 1973 new rules were applied as part of annual price control programming. However, in spite of these schemes which were over and above budgetary and monetary policies and supplemented in July by a new series of anti-inflation measures, consumer prices went on increasing very rapidly. The Government therefore decided at the beginning of November on 'selective freezing' of the price of a number of food items, thus affecting the retail price margin. It also stated that if price increases did not slow down, it would be forced to adopt more stringent measures directly affecting wages and other incomes.

Taking into account the effect of this persistent increase in prices on the purchasing power of lower-paid workers' wages, the Government, in the public and semi-public sectors, raised the pay scale for new employees and revised the index scale for the low grades. In the private sector, the State intervened with regard to the minimum growth salary (SMIC). The hourly rate, which was Ffrs 4.55 on 1 November 1972 in this sector, was four times increased in 1973 and reached Ffrs 5.43 on 1 December i.e. an overall rise of 19.3%. As regards collective agreements, the increase in wages laid down by collective bargaining agreements in those fields of activity for which negotiations are carried out at national level, was about the same as in 1972. Much higher increases were noted in those branches for which negotiations are carried out at regional or local level (construction, metallurgy). There is a growing tendency to direct negotiations towards fixing new minimum scales and making percentage increases in wages actually paid. Because of the persistent rapid increase in prices, clauses guaranteeing purchasing power are being extended, particularly by pegging prices or by reference to various price indexes. This is the case in a number of wage agreements applicable to national undertakings. It is also the case in agreements concluded at national level with regard to petrol, synthetic textiles, lime and cement, the milk and milk products industry, and the cardboard industry, and at a regional level with regard to metallurgy in the Paris area and the iron and steel industry in the North and in Lorraine. Finally, clauses of this kind are being adopted more and more frequently in undertakings. The interaction of these clauses with wage increases programmed at the beginning of the year leads to a growing number of increases throughout the year. If each increase is lower than when there were only two increases per year, the overall result is a larger increase over the year.

It should be noted, moreover, that a decree was adopted on 27 March 1973 laying down general rules for the application of the Law of 22 December 1972 relating to equal pay for men and women.¹ This decree determines the procedure to be

¹ *Report on the Development of the Social Situation in the Community in 1972*, point 60.

followed if objections are raised, particularly as regards the standards, criteria and basis of calculation referred to in the Law, and details the data which should be given to the Inspector of Factories as well as the investigation procedure he should follow. Finally, this Order specifies the nature of the sanctions to be applied in the case of breaches.

Developments of wages and of purchasing power

204. The general hourly wage index for manual workers increased by 15.1% between 1 October 1972 and 1 October 1973 as against 11.4% for the preceding 12 months.

Taking into account the increase in the cost of living as shown by the movement of the '295 Articles' index (8% between the September-October 1972 average and the September-October 1973 average, as against 6.5% for the preceding period), purchasing power for the period under consideration rose by 6.6% (as against 4.6%).

Policy on capital formation

205. The application of the order of 17 August 1967 on the participation of wage-earners in the fruits of the expansion of undertakings has had the following results: on 1 December 1973, 8 854 participation agreements had been concluded involving 9 931 undertakings and 4 063 469 workers, and thus it has been possible to transfer nearly Ffrs 7 000 million in five years to the workers.

Two Bills were adopted by Parliament on 27 December 1973. The aim of the first is the harmonization of the optional involvement system for workers (ordinance of 7 January 1959) and participation of wage-earners in the fruits of expansion (ordinance of 17 August 1967). In future, these two types of systems could be implemented by both sides of industry and in particular by the Works Council. The procedures for examining participation agreements and involvement contracts will be harmonized and the conclusion of joint agreements using simultaneously the provisions of the two ordinances of 1959 and 1967 will be made easier. Those undertakings which are bound to the 1967 order and do not sign any agreements will be refused permission to draw up investment provisions. The Bill reminds employers of their duty to supply information on the results of participation. Finally, as regards the savings plan, aid given by the undertaking to supplement individual savings could be as much as Ffrs 3 000 per year. The aim of the second Bill is to extend to the private sector the share-holding system implemented in the public sector by the laws of 2 January 1970 (Renault) and

4 January 1973 (banks and insurance). Companies quoted on the Stock Exchange will be able to carry out capital increases reserved for their employees and the latter may also be offered the right to acquire shares in the undertaking on the Exchange. Two million wage-earners working in about 1 500 undertakings will therefore be able to obtain shares at advantageous terms but the optional nature of this share-holding must be noted.

The wage-earner can become a share-holder if the following requirements are met:

- (1) Wage-earners subscribing will be allowed three years at the most to pay for their shares;
- (2) The sums spent by wage-earners on the acquisition of shares will be deducted from the basis of assessment for income tax up to a maximum of Ffrs 3 000 per year;
- (3) Deductions from workers' wages for the acquisition of shares can be supplemented up to a maximum of Ffrs 3 000 by payments from the company. These payments will not be subject to corporation tax or wage tax and will not be taken into consideration for the application of legislation on work and social security. They will also be exempt from income tax due by the wage-earner. In principle, shares acquired in this way are not transferable for 5 years. Wage-earners can take part in general meetings of share-holders and can ultimately be elected to the Boards of Directors and supervisory committees.

Ireland

Wages policies and the problems involved

206. As is the case in the majority of Community countries, the anti-inflation measures taken in Ireland are of a traditional nature and deal, for example, with bank interest rates and competition policy. But it must be noted that in June 1973 a decision was taken to strengthen price-control measures: fixing a maximum price for the most important foodstuffs and determining a ceiling for profit margins on a number of products at importer, wholesaler and retailer level. Moreover, although VAT on foodstuffs was abolished as from 1 September 1973, it was increased on most other articles.

The wages policy is almost entirely determined by collective agreements negotiated between employers and the 'Irish Congress of Trade Unions', which represents over 90% of trade unions. The agreement reached at the conference in July 1972 which is known as the 'Second National Agreement' and provides for an increase in wages in two stages was still in force in 1973.¹ The union of bank employees,

¹ *Report on the Development of the Social Situation in the Community in 1972*, pp. 189 and 190.

which is not affiliated to the 'Irish Congress', negotiated a special agreement with the banks under which the increase granted was higher than that obtained by unions affiliated to the 'Irish Congress'. However, the Irish Government intervened and on its initiative a Bill was adopted to prevent banks from contravening the 'Second National Agreement'. The minimum wage increases for agricultural workers, fixed by the 'Committee on Agricultural Wages', were lower than those negotiated by the 'Irish Congress'. It must also be remembered that the 'Irish Congress' authorized its Management Committee to begin negotiations with employers to draw up the 'Third National Agreement', and the various proposals were discussed at the conference of employers and trade unions in December 1973. On 3 July 1973, the Government submitted to Parliament a bill on equal pay for men and women. As required by the 'Second National Agreement' of July 1972¹ the differences between wages paid to men and those paid to women were reduced. Finally, as from 1 July 1973, employment of married women in the Civil Service has been generally accepted.

Development of wages and purchasing power

207. Between the second quarters of 1972 and 1973 the increases in basic hourly wages laid down by collective bargaining (20.1%) and real earnings (19.7%) were significantly higher than those registered for the preceding year (16% and 14.7% respectively).

Taking into account the increase in the cost of living as shown by the movement of the consumer price index during the above-mentioned quarters, the increase of the purchasing power of real earnings was 7.2% as against 6.1%.

Policy on capital formation

208. The principal means of asset formation by workers in Ireland continue to be through personal savings, life assurance and the purchase of private housing. State incentives in this context take the form of tax exemptions and housing subsidies. A small number of Irish companies operate schemes which allow for the purchase of shares by their employees: however the number of workers participating in these schemes is understood to be insignificant. The Government would be favourably disposed to the extension of schemes of this kind throughout Irish industry.

¹ *Report on the Development of the Social Situation in the Community in 1972*; pp. 189 and 190.

*Italy***Wages policy and the problems involved**

209. In 1973 wages policy in Italy was conditioned by the unfavourable level of employment and also by the evolution of prices and its repercussions on workers' real incomes.

Besides the traditional matters involving wage claims, the workers' organizations have, on numerous occasions, stressed the need for an anti-inflation programme to combat rising food prices and rents in particular.

In this respect, the Government adopted four decree-laws on 24 July 1973. One of them froze food prices at their 16 July level whilst providing for a review after 31 October subject to prior ministerial authority. Another decree froze at their 28 June level, and until 30 June 1974, the price lists of industrial and commercial undertakings whose turnovers exceed Lit 5 000 million during the first half of 1973, with provision here too for possible reviews subject to prior authorization. A third decree froze, until 31 January 1974, the rents of tenants whose annual taxable income does not exceed Lit 4 million. Finally, the fourth decree increased the powers of the central and regional price control bodies.

Inflation clearly has had repercussions on the level of the cost-of-living allowance, which increased by 19 points during the first nine months of 1973. This is due to price increases and also to the way in which the indexation system operates. As the basis of the special cost-of-living index, fixed in relation to 1956, is left behind, the index-bound increases corresponding to a rise of a 'point' in the high cost-of-living allowance become more frequent. For example, if in 1956 one 'point' corresponded to a 1% increase in the cost-of-living, it now represents not more than a 0.50% increase. In order to avoid the repercussions, in particular psychological, of the price-indexation mechanism, the Minister of Labour called upon the workers' trade unions in March to review the existing system. Doubts were also raised as regards the composition of the ad hoc cost-of-living index, which lays too much weight on food and not enough to other sectors, such as housing, which have increased significantly in cost.

As regards collective bargaining, one of the trends referred to in previous reports was still present in 1973, namely the preferential increase in the lowest wages by means of absolute pay increases (in general between Lit 12 000 and 20 000 per month) but also by a review of occupational classifications (eliminating the lowest groups). Numerous collective agreements may be mentioned in this respect: metal-producing industry in the public sector (single increase of Lit 16 000, single classification for workers and employees), textile industry (Lit 18 000, single

classification for workers and employees subdivided into six groups), power supply (Lit 16 000, reduction from 9 to 8 classification groups). However, these measures, which have already been in force for a number of years, do not seem to have had a very great effect on the overall pay structure.

On the other hand, the Chamber of Deputies has also passed a Bill to control workers in cottage industries. This is mentioned here because this form of labour is often used to evade implementing the principle of equal pay for men and women. The Bill provides for the application of collective bargaining rates for piece-work for cottage industries. If there is no collective agreement, an ad hoc agreement must be concluded by a joint regional committee. If an agreement proved unattainable, a schedule would be fixed by the director of the regional employment office. Any infringement of this law will result in a fine of between Lit 5 000 and 500 000 for each worker involved.

Trends in wages and purchasing power

210. The increase in the index of minimum contractual hourly wages for workers (excluding family allowances), as drawn up by the Central Statistical Institute, was considerably higher between November 1972 and November 1973 than during the preceding period as regards agriculture (25.5%, as against 21%), commerce (30%, as against 12.3%), industry (26.5%, as against 11.5%) and transport (18%, as against 8.7%). For employees, the increase in the index of contractual minimum earnings (excluding family allowances) was also, on the whole, more rapid than during the preceding period: 21.2% in industry, compared with 11.6%, 26.4% in the commercial sector, compared with 12.7%, 12.4% in transport, compared with 6.7%, and 21.9% in the public administration sector, compared with 1.8%.¹

Policy on capital formation

211. A Bill designed to promote worker participation has been laid before Parliament. It concerns limited companies which have a registered capital of more than Lit 10 000 million, have been quoted on the stock exchange for five years and, during that period, have distributed an annual dividend of at least 6%. If one of those companies decided to pay its workers and employees, whose total annual earnings did not exceed Lit 2 400 000, additional amounts of money to help them purchase its own shares, the amounts in question would be deductible from the

¹ At the time of drafting the present report, no statistical data on actual earnings in 1973 was available in Italy.

standard basis for income tax assessment. Shares purchased by workers and employees could not be sold for three years and dividends earned on them would be exempt from tax up to a ceiling of Lit 480 000.

Luxembourg

Wages policy and the problems involved

212. In Luxembourg, as part of the anti-inflation programme, a regulation of June 1973 increased from 30 to 60 days the compulsory period which must elapse between notification being given of any price increases and application of such increases; furthermore, in July, the VAT rate on a number of current consumer products was lowered from 10% to 5% and as a short-term economic measure corporation tax was statutorily increased by 5%.

In order to ensure that wage-earners with low incomes enjoy a fair share of the fruits of general economic growth, a law of 12 March 1973 amended the system for fixing the statutory minimum wage. Irrespective of the obligatory adaptations to the price index the Government will present every two years a report on general economic trends and on incomes to the Chamber of Deputies to be accompanied, where necessary, by a Bill raising the level of the statutory minimum wage. This law introduced a new guaranteed monthly wage of Lfrs 9 400 per month as from 1 March, an overall increase of 16%, of which 10.4% in purchasing power. As from 1 July, this guaranteed wage was increased to Lfrs 9 634 on the basis of the automatic indexing system.

The law of 12 March also lays down that clauses in collective agreements which contain indexations based on the statutory minimum wage or references to the latter for the purpose of fixing or reviewing wages and salaries provided for by such agreements will be declared null and void. In addition to these government measures to boost low wages, the introduction of a tax rebate for wage-earners is planned for 1 January 1974. A 'negative income tax' system will be introduced to assist low-income groups.

In the iron and steel industry the employees' collective agreement was renewed with effect from 1 January 1973 for a period of two years; it allows real salary increases of 4.2% in 1973 and 2.9% in 1974.

A Grand-ducal regulation dealing with equal pay for men and women has been drafted by the Government. It is designed to fill any legislative gaps which might still exist and to specify at national level the obligations resulting from Article 119 of the EEC-Treaty and ILO Convention No 100.

Trends in wages and purchasing power

213. Available statistics reveal that the average gross hourly earnings of workers in all manufacturing and extractive industries, in the building trade and in the civil engineering sector rose from Lfrs 99.75 in April 1972 to Lfrs 113.24 in April 1973, an increase of 12.5%, compared with 10.8% the previous year.

Taking into account the trend in the weighted index of consumer prices, the increase in the purchasing power of the average hourly earnings of workers in Luxemburg was 5.2%, as against 6.2% in the preceding 12 months.

Policy on capital formation

214. A ministerial decree of 25 May 1973 amended the system of a state premium for the purchase or construction of dwellings, in particular the premium itself, which was increased from Lfrs 28 000 to Lfrs 40 000, the additional allowances for dependant children and the conditions governing their award (the amount of personal wealth liable for tax may not exceed Lfrs 600 000).

Netherlands

Wages policy and the problems involved

215. Following the 'Central Agreement' of 6 December 1972¹ the workers' trade unions put forward the following claims during the 1973 collective bargaining negotiations: all workers and employees, including supervisory staff, should be covered by collective bargaining agreements; increases in wages should be, as far as possible expressed in cash terms and that the part of the salaries above Fl. 25 000, should receive no compensation for the price increases. Due to the diverging opinion of employers, on compensation for price increases in particular, the negotiations for collective agreements marked time in the early part of 1973 and in February the first wave of strikes broke out, with the Hoogovens enterprises being used as a testing ground. However, on 27 April an agreement of principle was concluded in the metal-producing industry, the so-called Hague Agreement concerning compensation for price increases: full compensation for price increases from 1 July 1973 for annual earnings below Fl. 28 000; 50% compensation for the next Fl. 6 000 earned, and 25% compensation for that part of earnings in excess of Fl. 34 000; minimum round sum compensation for the least favoured individuals.

¹ *Report on the Development of the Social Situation in the Community in 1972*, point 56.

Based on this agreement in principle, collective agreements were concluded in industry with the following results: 33% of wage and salary earners obtained a percentage-only increase, 24% obtained one in round sums and 43% a mixture of both. For 49% of wage and salary earners compensation for increased prices was expressed as a percentage, whilst for the remainder it was expressed in round sums with a ceiling or floor. The negotiations undertaken within the Labour Foundation which are being held with a view to reaching a new Central Agreement for 1974 have not yet proved successful on account of the considerable differences of opinion existing between labour and employers representatives, specially on the representation of management and on the method of price compensation.

Faced with the development of the international situation in the last part of 1973—oil crisis and rapid increase in price of raw materials—the Government has estimated that it should have the available possibilities to surmount the consequences. One of the aims of the Government is to obtain a better balanced distribution of the national income in order to protect the lower income groups as much as possible. A Bill, empowering Government to intervene in income distribution has been passed in the House on 20 December 1973 and adopted by the Senate on 8 January 1974.

In accordance with the law of 26 January 1972 the statutory minimum wage was adjusted on two occasions in 1973. It was increased from Fl 860.60 per month to Fl 939.50 on 1 January and then to Fl 985.40 on 1 July. In addition, the law of 26 January 1972 was amended on 13 July 1973 to enable the Minister for Social Affairs to consult the Economic and Social Council within the three-year period laid down hitherto for 'structural' amendments to the minimum wage, should the pay structure of the lowest-income groups suddenly be affected by clauses in collective agreements.

It is also to be noted that the trade union organizations once more included in their programme of claims a legal guarantee for the principle of equal pay for men and women. It looks as though this claim will shortly be met now that the Economic and Social Council have unanimously advised the Government to draw up a bill on equal pay for an equal work which should, *inter alia*, make it possible for legal action to be taken should all other means fail.

Trends in wages and purchasing power

216. The monthly index of the contractual hourly earnings of all categories of adult workers (private and public sectors, workers and employees of both sexes) rose by 12.5% between the end of October 1972 and the end of October 1973, compared with a rise of 11.8% during the preceding 12 months.

The 'rapid' index of the gross hourly earnings of adult male workers in industry, commerce, transport, banks and insurance, calculated on the basis of the results of a selective survey, reveals an increase of 12.8% for the period between July 1972 and July 1973, compared with 11.8% for July 1971 to July 1972 period.

Taking into account the movement in the index of household consumer prices (series for wage-earners' households) which, during the reference period, rose by 8.4%, compared with 7.3% between July 1971 and July 1972, the real increase in the hourly earnings of workers in the above-mentioned sectors was almost equal to that for the previous year (4.1%, compared with 4.2%).

Policy on capital formation

217. The campaign for the levelling of incomes has pushed the problems of capital formation in the background. However, a number of collective agreements, such as those in the printing and allied industries, the box-making industry, dredging, and the newspaper industry (dailies) contain clauses relating to capital formation. The trade unions' research office has also published a study paper on fairer capital formation in order to start the ball rolling again for discussions on this topic.

For its part, the Government has introduced some changes to stimulate voluntary savings. The period within which savings bonds are frozen has been shortened from eight to six years by an amendment to the Law on the Capital Formation Fund. Pending the repeal of the Law on premium savings schemes on 1 January 1974 the income ceiling determining the right to participate in these arrangements has been increased from Fl. 15 000 to Fl. 18 000.¹ On 1 January 1973 the Save-As-You-Earn Law came into force. Under this law, wage and salary earners who are party to company-operated savings schemes may receive a maximum of Fl. 662.50 per year, which is not liable to taxation or to social insurance premiums. It is the employer who has to pay a flat-rate tax of 15%. The money saved under these arrangements is frozen for seven years and can be released at an earlier date to the wage or salary earner concerned only when he wishes to purchase his own house or apartment. Compared with the savings schemes taking the form of profit-sharing, under these arrangements the wage or salary earner decides year by year whether he wishes to take part in the scheme and not once for a five year period as has been the case until now. The period within which money saved in this way remains frozen has, however, been extended from 4 to 7 years.

¹ *Report on the Development of the Social Situation in the Community in 1971*, point 218.

United Kingdom

Wages policy and the problems involved

218. Stage I of the Government's anti-inflation policy began on 6 November 1972 and was due to cover an initial period of ninety days, which could be extended for a further period of not more than sixty days. It involved a general freeze on wages, dividends, rents and prices but, as regards prices, numerous exceptions were made in respect of imported products and fresh foodstuffs amongst other things. The Government did, in fact, extend Stage I until 1 April 1973 and the legislation necessary for Stage II was tabled on 22 March.

This second stage of the counter-inflation programme, which ran until the end of October 1973, imposed an upper limit of £ 1 a week plus 4% up to a ceiling of £ 250 per year. This enabled the lowest wages to be increased by a proportionally greater amount. A Pay Board was established by the Government to implement a Pay Code laying down more detailed regulations. At the same time a Prices Commission was instituted to implement a Prices Code. It was to ensure *inter alia* that manufactured products would increase in price only if it proved impossible to keep down production costs such as higher import prices or increased wage costs.

The price of fresh foods and similar products, which are subject to fluctuations on world and United Kingdom markets because of seasonal factors or changes in the relationship between supply and demand (for example meat, fish, eggs, fruits and vegetables) were not controlled. It must be noted that whilst on the one hand total profits were also controlled, as were trading margins, a 5% ceiling was imposed in most cases on dividend increases, on the other hand.

Although there has been little slowing down in the rate of retail price increases, it has to be acknowledged that these increases have been mainly caused by the unprecedented increase in world commodity prices and that without these controls the rate of inflation would have been considerably higher. During the entire period of the standstill consumer prices continued to rise, mainly as a result of the rapid increase in food prices. The same situation persisted throughout Stage II despite the fact that price increases were strictly controlled by the Price Code. Although the retail price index rose by 9.3% between September 1972 and September 1973, the subsidiary index for foodstuffs showed an increase of 15.1%. Between November 1972 and February 1973 there were few wage increases because of the standstill, but over the year from September 1972 to September 1973 as a whole, the monthly index of average earnings for Great Britain increased by 13.1%.

Stage III of the Counter-Inflation programme was introduced at the end of October 1973. Whilst providing for the continued strict control of prices, dividends, profits and trade margins, important changes to the Pay Code were made. Pay increases would be limited to £ 2.25 per week or 7% of the pay bill with an individual limit of £ 350 per year. It made provision for the removal of anomalies which came to light during Stage II and provided greater flexibility. Furthermore, threshold agreements of up to 40 pence when the Retail Price Index reaches 7% above the October 1973 level, and a further increase of 40 pence for each 1%, can be negotiated. This system is designed to safeguard low-paid workers particularly against rising prices.

In addition, as regards equal pay for men and women, the 1970 Equal Pay Act, whilst providing that this principle would be implemented by the end of 1975, authorized the Minister of Employment to ensure that pay for women was increased to 90% of that for men by the end of 1973 if he considered this to be necessary in order to achieve pay equality progressively.¹ During Stage II of its anti-inflation programme the Government announced in January 1973 that it had no intention of taking such a step. It is to be noted, however, that during Stage II it was expected that the differences between pay for men and women could be reduced by a third in 1973 and that the amounts involved would not be set off against the total amount authorized for general pay increases.

Trends in pay and purchasing power

219. Between November 1972 and November 1973 the index of basic contractual weekly wage rates for manual workers rose by 11%, compared with 18.7% in the preceding 12 months. Average earnings (manual and non-manual) rose by 12.5% between October 1972 and October 1973, compared with 15.3% between October 1971 and October 1972. In view of the increases in the consumer price index, which, during those two periods, were 9.9% and 7.9% respectively, it would appear that the purchasing power of real earnings rose by 2.4% between October 1972 and October 1973, compared with 6.9% during the preceding year.

Policy on capital formation

220. In 1973 the British Government made a loan of £ 15 million to the Building Societies in order to keep the mortgage rate down to 10%. In addition, a scheme designed to give greater assistance to house buyers, in particular young

¹ *Report on the Development of the Social Situation in the Community in 1972*, p. 188.

couples, is being worked out, as is a report on the various current forms of savings, such as government bonds, deposits with savings banks, and Save-As-You-Earn. This report recommends that some form of protection against inflation be found and suggests that the Government should issue price-index-linked bonds in order to safeguard more effectively the interests of the small saver, who has the greatest difficulty in protecting his capital against the effects of inflation.

The 1972 and 1973 Finance Acts created a legal framework for the operation of share option and share incentive schemes. The way in which these schemes operate is by the acquisition on the part of an employee of the right to buy shares in the company in which he is employed at a future date, but at a price determined by that ruling at the time when this right has to be acquired. If the share price rises before the right has to be exercised, the participant will be able to realise a capital gain derived from the difference between the price at which he is entitled to buy and the market price ruling when he does so. Under the provisions of the Finance Act 1972 these gains would be subject to capital gains tax only, rather than income tax which would normally be at a higher rate. The Finance Act 1973 provided for a new type of share option and incentive scheme designed to appeal to employees below the management level at which existing types of scheme have tended to find their greatest application. These schemes are linked to a savings contract under which the employee saves over 5 to 7 years the funds needed to exercise his right to purchase shares. Under the Government's present counter-inflation controls on incomes new or improved share option or incentive schemes other than the savings-related type are prevented from operating.

In addition, the Labour Party has begun to examine a plan resembling fairly closely the Danish one¹ for an 'economic democracy' which is designed to distribute capital amongst wage and salary earners. This would involve annual payments by firms amounting to 1% of their registered capital to a central fund which would be run by the wage and salary earners themselves. However, this plan is still in its embryonic stage.

¹ See point 193.

Chapter VI

Housing

Trends within the Community

221. Housing policy in the Member States is being increasingly faced with the same problems, notably:

- the rapid increase in the price of building land and in construction costs which is only partially contained by downward trends in the business cycle, given the effect of accumulated delays in accelerating this increase;
- the paradox of a constant shortage of social housing at acceptable rents, whilst there exists at the same time unoccupied housing at excessively high rents, and which has been to a considerable extent subsidized by the State.

The problems involved in defining a rational policy of housing subsidies on the basis of the modest resources allocated by the State have thus become obvious. Member States are tending more and more to encourage the modernization of old property as opposed to the premature demolition of entire localities with the risk of destroying their characteristic social structures. This development can be attributed to a desire to restrain the increase in construction costs and property speculation, and also to a greater concern for the social and environmental implications.

The Member States are also increasingly obliged to deal with the particular housing problems of the economically weak or of socially underprivileged persons (foreign workers, physically handicapped, etc.).

222. The Social Action Programme presented by the Commission to the Council proposes a double-pronged attack on these problems at Community level, namely:

1. a study, at Community level, of the problems of housing policy in conjunction with the most rational deployment of financial means to achieve an optimal social effect;
2. to give direct assistance to experimental programmes to resolve the serious housing problems for the marginal categories mentioned above.

As far as a Community effort towards reducing construction costs is concerned, attention must be drawn to the fact that the Commission, together with governmental experts, are at present examining how to accelerate the implementation of a common market in the construction field, where the partial markets, local and regional, are traditionally cut off from one another because of differences in construction norms. It is expected that the elimination of these obstacles and the strengthening of cooperation in the matter of research into industrialized methods of construction will slow down the rate of increase in construction costs.

In almost all countries, there has been a considerable increase in the number of dwellings completed in 1972 and, on the basis of present information, one can expect an almost equal number for 1973. At the same time, as already noted, it should be emphasized that, in several countries, a considerable number of dwellings, even though subsidized, are unoccupied.

This is due, on the one hand, to the fact that a large number of units of older, cheap social housing occupied by tenants whose incomes have increased to the extent that they would not today be entitled to occupy a subsidized dwelling. On the other hand, this situation is due equally to regional disequilibria, that is to say, to the fact that in a large number of cases, construction is undertaken without regard to the demand and supply situation.

It is therefore necessary to examine the problem within the framework of a study to determine the most effective form of national subsidy policy, whilst also emphasizing the need to establish reliable forecasts.

Developments in the Member States

223. In *Belgium*, the new Government, which came to office in January 1973, is faced with the major problem of the ageing of the housing stock. A survey carried out in 1972 by the National Institute of Housing has shown that 13% of dwellings are insanitary and unsuitable for improvement, 26% are insanitary but capable of improvement and 17% have functional deficiencies.

The Government has announced that it intends to encourage the modernization of old dwellings and the demolition of slums by applying increased financial aid. It intends also to place more emphasis on rationalization and industrialization in the construction sector. The Government intends to enhance the efficiency of house-building by encouraging the construction of houses in groups and promoting the setting up of local bodies responsible for subsidized housing.

In *Denmark* the present housing law of 1966/67, aiming at establishing a better balance between rents for old and new dwellings, covers an eight year period which expires in 1974. As a result of this, housing policy was the subject of serious political negotiations in the first 6 months of 1973 and these led to a compromise in June of that year. The action envisaged is roughly the following:

1. Decrease in tax concessions for the private owner-occupied sector;
2. Modified forms of subsidies for low-cost housing, i.e. the direct subsidy in the form of interest compensation is replaced from 1 October 1974 by index-linked loans;
3. Change in the rent assessment for private rented houses. According to the new system the rent is calculated on the basis of the capital invested and the necessary administrative costs.
4. Introduction of a new rent subsidy rule which involves a lesser reduction than at present in the subsidy if income rises.
5. An end to government refund of value-added tax on new housing.

In *Germany* the general economic and monetary situation has led the Federal Government to take stabilizing measures. Although the number of dwellings completed in 1972 was a new record and an equally large number is expected for 1973, the increase in the price of building loans and the temporary lifting of tax deductibility will be reflected in the figures for 1974 and 1975. It is feared that this development will have an intensified effect on the construction of social housing. In 1973 it is expected that 140 000 units of social housing will be completed.

Moreover, it is to be noted that many families still live in subsidized housing although they have no right to do so because of the general rise in income. To solve this problem, an increase has been effected in the upper income limit below which people may claim social housing. On the other hand, it is planned to introduce an additional rent contribution, which will become due as soon as the tenant's income exceeds a certain level.

In order to improve dwelling conditions in general, something that is possible only in the long term if efforts are concentrated on new building, ever increasing importance is being attached to the modernization of the stock of old houses. To encourage this modernization the Ministry has increased the funds which are pegged to the rise in rent of the dwellings in question.

In 1973 *France* defined the broad outlines of a policy for older housing. Various measures have been taken to facilitate the intervention of H.L.M. institutions in this sector.

Specific measures have been decided upon in favour of the physically handicapped, notably measures which make it possible for H.L.M. institutions to apply additional financial resources to the adaptation of housing for this category.

In the field of improvement of the quality of housing an 'acoustic standard programme' has been refined and additional resources have recently been made available to building organizations to enable them to finance better thermal and acoustic insulation.

Model improvement schemes, and construction standards which would make it possible to aim at improvement and also to take fuller account of the particular needs and wishes of those seeking housing, have been drawn up and housing schemes, financed from contingency provisions for this purpose, have been started.

In *Ireland* the new Government formed in March 1973 has introduced changes, in particular with relation to:

1. The transfer of responsibility for subsidies accorded by the local authorities to the central administration;
2. A considerable rise in the dwellings provided by the local authorities (10 000 over 5 years);
3. The application of a new differential table for rents of local authority housing and the establishment of new conditions for the purchase of local authority housing by tenants.

In *Italy*, it has been a year characterized by a slowing down in building activities, due among other factors, to financial difficulties linked with restrictions which affected the granting of long term loans by credit institutions and the increase in rates of interest. A considerable disparity between the increase of the cost of living and the more rapid increase in the cost of housing was evident. In fact, both the price of building land and construction costs—particularly materials which were subject to large price increases on the international market—began to rise to an extent which was considerably higher than both the rise in the cost of living index and increases in wages. To deal with this situation the government blocked rent increases, as mentioned in another part of this report, and started a study on the setting up of a financial mechanism intended to encourage the municipalities to undertake town-planning, to find sites for the construction of cheap accommodation and to carry out any necessary urban reconstruction.

In *Luxembourg* the focus was also on the modernization of old dwellings. As part of the health legislation the Government has firstly increased the maximum amount of the premium by 25% and secondly extended the list of modernization work recognized as 'improvements'.

At the end of 1972 a subsidized housing fund was set up to help the social sector. The provisions relating to the operation of this fund which is to encourage and give financial support to the collective construction of low price dwellings by public and private persons were published on 22 January 1973 but have not yet come into force.

In the *Netherlands* the new Minister for Housing and Town and Country Planning has taken up his predecessor's plan to introduce new rules on rents and subsidies.¹ The rise of 20% which was announced in 1972 as a transitional measure was, however, not put into effect. At the same time it was decided not to allow rents to move freely for a provisional period except in cases where the council of a municipality in which rents are still controlled specially requests this. Municipalities where rent controls have already been lifted may also request that one or more categories of dwellings be partially or completely recontrolled.

Emphasizing the importance of the qualitative improvement of housing, the Government intends in its building programme for the next three years to reduce new construction by 10 000 dwellings, and to increase the number of dwellings to be modernized by 18 000 during the same period.

In the *United Kingdom*, the Government in two White Papers² emphasized its policy of encouraging home ownership, on the one hand, and, on the other, concentrating public resources on areas of special housing need. Increased improvement grants were made available for a further year—until June 1974—in the development and intermediate areas.

The continuation of the fair rent system was accompanied by an extension of the associated system of means-tested rent allowances to furnished as well as unfurnished rented accommodation.

During 1973, urgent action was taken to stabilize land prices for private sector housing by way of new planning guidelines and other measures calculated to increase the available supply of building land.

Dwellings completed, housing requirements, building programmes

224. In 1972 in almost all countries the number of dwellings completed¹ rose considerably and in some cases even went beyond what had been planned. In 1973,

¹ Cf. *Report on the Development of the Social Situation in the Communities in 1972*, p. 139

² 'Widening the Choice: The Next Steps in Housing' (April 1973).
'Better Homes: The Next Priorities' (June 1973).

³ See Table 1.

according to the figures available for the first nine months, an equally large number can be expected.

True, the mild winter two years ago helped this result, but obviously the general rise in incomes and increasing inflation—phenomena which cannot be considered separately—have caused more and more people to invest their money in things of lasting value, above all in land and houses.

When at the same time one notes that the total percentage of subsidized dwellings has not kept pace with this rise in incomes, and also that in different countries subsidized dwellings are standing empty because the rents are too high, the question inevitably arises whether the policy followed up to now was the right one. The problem of a shortage of accommodation within the reach of the lower income bracket, and together with the fact that cheap, but nevertheless too expensive dwellings are standing empty suggests that many dwellings in the social sector are occupied by persons who, on the basis of their income, should not be allowed to live there any more. Perhaps this problem can be solved by granting subsidies for removal costs to induce these persons to live elsewhere. On the other hand there is perhaps an alternative, namely to subject these 'unrightful' occupants to an additional rent which could be included in a broader system of individual rent subsidies.

Building costs and prices of building land

225. 1972 and 1973 have again seen a considerable rise in building costs in most countries. This upward trend which has preoccupied Governments for years already is due in part to a development in the building industry which is in itself not disquieting, namely better equipment and quality and also larger dwellings. Instead of curbing this development it would seem more sensible to direct attention to increasing productivity, which depends, *inter alia*, on the craft character of the building industry) to encourage winter building, greater continuity in building and more use of standardized parts. ;

The price of building land is also a principal influence on building costs. In spite of the measures taken by various Member States in the last few years to control the price of land, it can hardly be said that speculations have been inhibited. Big profits are made when land is bought which has been used for a certain purpose (agriculture) and is sold just at the time when authorization is given for it to be used for another purpose (building). Consequently, the public authorities must intervene at this moment and buy up the land in time so that prices can be kept at a sensible level.

Rent

226. It is obvious that with sharply rising building costs and prices of building land, rents of new dwellings will keep pace with this upward trend. The authorities are having great difficulty in keeping the rents of new dwellings at a reasonable level for all income groups and thus preventing too large a gap appearing between the rents for new dwellings and those for older ones.

In *Belgium* in view of the necessary adjustment to socio-economic developments and in anticipation of a drastic reform of the rent system in the public sector, Belgian legislation was amended to provide relief for occupants of various dwellings constructed after 10 May 1940. Moreover, the wage limit up to which workers may be eligible to rent-subsidized dwellings was adjusted.

In *Denmark* rents are frozen in most large towns. According to the housing policy provisions in 1966 the rents in the older housing stock were raised step by step over a period of 8 years. For the future this system is to be replaced by a new system introducing a cost-related rent for older private rental housing based on the necessary running and administration cost plus a reasonable capital yield on the assessed value of the property.

In *Germany* in 1972 rents at first went up more slowly than the cost of living (5.7% or 5.8% compared with 1971). The index shows that rents rose between December 1972 and December 1973 by 5.5% (from 114.9 to 121.2 (Base 1970)).

The rent index in *France* shows 105.4 and 110.3 points for 1971 and 1972 respectively. By April it had already reached 116.2 points. Approximately 3.5 million people at present receive individual rent subsidies.

In the *Netherlands* there was a legal increase of rents of 6% for dwellings in the subsidized sector on 1 April 1973. At the yearly adjustment rents for other dwellings were generally raised by a little more than 6%.

Clearance of slum dwellings and urban reconstruction

227. Today, the housing shortage has practically been overcome in the Member States; on the other hand the problem of slum clearance and reconstruction of the older parts of towns as well as the modernization of older dwellings stands out in ever greater relief. Slum clearance and reconstruction, which during the recent years have already become part of town planning, represent a problem which cannot be solved on a short-term basis. Firstly, this is a process which, because of its legal, technical and economic aspects can only get under way slowly and, secondly, because a radical approach would raise many new problems from the social point

of view. In most cases, therefore, the solution adopted is to carry out partial clearance whilst at the same time preserving and modernizing dwellings which can be improved and maintaining the existing infrastructure.

In most Member States there has been increasing interest in the last few years in modernizing old dwellings. The Commission repeatedly pointed out the danger of more and more areas becoming slums as a result of older dwellings not being provided in time with the amenities required for new construction. It is therefore gratifying to see that most governments have made available more loans for modernization and that on all sides modernization programmes are being put forward, in some cases even to the detriment of new dwellings.

In *Belgium* the results of experimental projects which have been carried out in the field of urban removal, are actually in process of examination. It is hoped that this study will sufficiently identify legal, technical and financial factors for the formulation of *ad hoc* legislation on urban removal, including the improvement of urban localities; such legislation will indeed answer an urgent need. Studies are in progress to determine how legislation on urban reconstruction and slum clearance can be applied to the improvement of older houses both in the public and the private sectors.

In *Denmark* the Slum Clearance Act of 1969 (as amended) requires surveys and chronological plans from larger local authorities concerning demand for slum clearance.

The Ministry of Housing has now received the schedules and time tables prescribed in the Slum Clearance Act for local-government areas with more than 25 000 inhabitants.

Slum clearance activity can only be measured through the amount of state support granted. During fiscal year 1972-73 loans and subsidies were granted for slum clearance projects for a total amount of Dkr 34 million.

In *Germany*, modernization of old dwellings is to be pushed forward energetically in the coming years. In 1973 the Federal Government provided assistance of the order of DM 28 million for this purpose.

In *France* the number of dwellings to be modernized is estimated at approximately 9 million. In 1973 new measures were taken to speed this work up, to safeguard the rights of the occupants concerned and to maintain a social equilibrium in the city centres. It is necessary to distinguish in France between

- (a) action taken to improve older housing:
 - the emphasis is placed on rehabilitation of groups of houses benefiting from higher grants, particularly from the National Agency for House Improvement;

(b) making it possible for H.L.M. institutions to acquire older houses for rehabilitation (using the concessionary formula which results in bringing the properties into the ownership of the communes).

In *Ireland*, the government has continued its scheme of grants and loans for the modernization of dwellings. Furthermore the local authorities pay additional grants paid for by the state to a limit of £ 400, for the adaptation and extension of dwellings to cater for the needs of physically handicapped persons. In 1973, grants paid by the local authorities for this latter purpose amounted to £ 42 745 of which £ 20 455 was paid for by the state.

In *Italy*, within the context of law No 865 (of 22 October 1971), some regions and some municipalities came into the important sector of historical centres to be preserved by direct measures for the modernization of housing, subsidies and loans with aid towards the payment of interest. This was done particularly in Emilia Romagna, by using funds intended for the construction of economical social housing, for reconstruction and preservation work intended to preserve and improve the historical and artistic areas, and to preserve the social structure of historical centres by preventing inhabitants who had low incomes from being sent to ghettos in outlying districts.

In *Luxembourg*, as already indicated, the maximum amounts of the premium for the hygienic improvement of dwellings was raised quite considerably on 25 May 1973, namely from Lfrs 24 000 to Lfrs 35 000 per dwelling. The extra allowance for each dependent person was increased from 10% to 20%. Moreover the benefit of the premium has been extended to other improvement works: the installation of central heating, major roof repairs, the installation of new or bigger windows and the building of new or larger rooms.

In the *Netherlands*, apart from the revision of the building programmes mentioned above, no specific measures to modernize dwellings were taken during the year covered by this report. However, the responsible Minister in his report 'Housing in the years 1974 to 1977', listed a series of measures which in his opinion were to be welcomed; for example the obligation on tenants and landlords to put up with work on improvements, greater opportunities for receiving individual rent subsidies, the introduction of a regressive special individual rent subsidy as a 'rent-increase habituation subsidy' and an increase in subsidies for moving house.

In the *United Kingdom*, as mentioned above, Government policy statements emphasized the need to apply additional resources, financial and administrative, to areas of greatest need. Apart from encouraging housing authorities to declare further General Improvement Areas; a new concept—the 'Housing Action Area'—was suggested with particular reference to inner city areas suffering from acute

housing and social problems. It was envisaged that preferential rates of grant towards improvement and repair and a range of special administrative powers would be made available to housing authorities. The Government also anticipated a special rôle for the voluntary housing movement with a strengthened Housing Corporation, in acquiring property and preserving a range of choice of rented accommodation within these areas.

Town and country planning

228. In *Denmark*, the new Act on National and Regional Planning came into force in June 1973 by means of which planning by municipalities, regional and national authorities are to be coordinated, and whose most important aims are as follows:

1. The common interest is to be regarded as the guiding principle utilizing land and natural resources so that a balanced development of the country as a whole is encouraged;
2. The land is to be exploited in such a way that pollution of water, air or soil is avoided as well as noise nuisance;
3. Coordination of the various provisions as part of socio-economic planning.

In *Germany* an amendment to the Federal Building Law was presented to the members of the Council on urban development by the responsible Minister. This has led to an intense discussion on drastic alterations in the law on land utilization in which all the bodies concerned are taking part. The draft law gives the general public an important rôle in planning.

In *France* the Government submitted the basic points of a future town and country planning policy to the Parliament on 17 May 1973. Special emphasis was placed on the fact that this planning should become increasingly the responsibility of the municipalities, that social apartheid should be countered and that in the construction of dwellings, generous account should be taken of collective facilities. With regard to public facilities, the law laying down guidelines for shopping and trading (No 73-1193 of 27 December 1973) includes a number of provisions relevant, on the one hand, to shopping and trading facilities and to town planning as it relates to these facilities and, on the other, to the improvement of the conditions of competition.

In the *Netherlands* certain measures were envisaged with relation to town and country planning including the introduction of a selective investment levy so as to counter undesirable establishment or extension of industries in the Randstad area (the western part of the Netherlands).

Accommodation for migrant workers

229. The working programme on the application of Article 118 of the Treaty includes a study on the living conditions of migrant workers among the priorities. To obtain the necessary data, the Commission is at present preparing a sociological examination in collaboration with research institutions in the Member States. The Commission expects that the results of this examination will provide essential guidelines which governments and local authorities would hardly want to be without in elaborating a suitable policy.

In *Belgium* the nationality clause which was still applicable in a small section of legislation on subsidized housing was abolished; thus it has become possible for non-Belgian residents from countries outside the Community to benefit from existing provisions on an equal footing with nationals.

In *Denmark* the amendment to the Housing Law of June 1971 gave the Government the opportunity to grant loans up to an annual amount of Dkr 10 million for dwelling construction for workers who take up residence in a district for the purpose of finding work there. The regulation is not limited to foreign workers.

In *Germany*, up to 30 December 1972 a total of 2 647 hostels with 166 944 beds were subsidized by the Federal Labour Office. The cost of this has been DM 420 million.

In *France*, in February 1972 an agreement was made between the State and the Union Nationale Interprofessionnelle du Logement that FF 200 million should be used from the employers' 1% contributions for the accommodation of foreign workers. Joint action by the Ministers responsible for housing and immigration and, on the other hand, of the Social Action Fund has made it possible to finance, in 1973, a construction programme for foreign workers amounting to FF 1 000 000 000, which will result in the provision of 27-30 000 hostel beds, 2 500 units of temporary accommodation and 7 800 units of permanent accommodation.

TABLE 7

Completed housing and proportion of subsidized dwellings¹

Country	Dwellings completed	1967	1968	1969	1970	1971	1972 ²
Belgium ³	Total number of dwellings	47 000	47 400	57 030	44 900	43 000	51 921
	Number per 1 000 inhabitants	4.9	4.9	5.9	4.6	4.4	5.6
	Number of subsidized dwellings	21 000	25 600	29 240	24 700	26 300	33 763
	% of total	44.6	53.9	51.3	55.0	61.0	65.0
Denmark	Total number of dwellings	44 325	44 700	49 700	50 575	50 175	50 000
	Number per 1 000 inhabitants	9.2	9.2	10.2	10.3	10.1	10.0
	Number of subsidized dwellings	14 339	16 900	17 225	18 475	17 525	13 975
	% of total	32.3	37.8	34.7	36.5	34.9	27.9
Germany	Total number of dwellings	549 000	519 900	499 700	478 100	555 000	660 600
	Number per 1 000 inhabitants	9.2	8.6	8.3	7.9	9.1	10.7
	Number of subsidized dwellings	190 200	179 800	183 200	137 100	116 300	121 200
	% of total	34.7	34.5	36.7	28.7	21.0	18.3
France	Total number of dwellings	422 500	411 000	427 100	456 300	475 700	546 300
	Number per 1 000 inhabitants	8.5	8.2	8.6	8.9	9.3	10.8
	Number of subsidized dwellings	329 500	325 000	330 000	355 000	371 700	410 100
	% of total	78.0	79.0	77.3	78.0	78.1	75.1
Italy	Total number of dwellings	267 900	271 000	283 100	377 200	360 600	259 000
	Number per 1 000 inhabitants	5.0	5.0	5.3	7.0	6.7	4.4
	Number of subsidized dwellings	26 000	26 000	25 000	24 100	22 200	20 000
	% of total	9.7	9.6	8.8	6.2	6.2	7.7
Ireland	Total number of dwellings	12 335	11 908	13 983	13 567	14 990	20 827
	Number per 1 000 inhabitants	4.3	4.1	4.8	4.6	5.0	6.9
	Number of subsidized dwellings	12 017	11 580	13 448	13 110	14 515	20 314
	% of total	97.4	97.2	96.2	96.6	96.8	97.5

¹ Any dwelling, whose cost of construction, purchase or rental is kept at such a level, that it can be rented or purchased by financially less favoured population groups through financial means made available by public authorities (loans, bonuses, subsidies, low interest rates) is regarded as a subsidized dwelling.

² Contrary to the figures for previous years, those from 1968 to 1971 refer to dwellings, whose construction was started.

³ Provisional figures.

TABLE 7 (cont.)

Country	Dwellings completed	1967	1968	1969	1970	1971	1972*
Luxembourg	Total number of dwellings	1 800	1 900	1 870	1 700	1 917	2 254
	Number per 1 000 inhabitants	5.4	5.8	5.5	5.1	5.6	6.5
	Number of subsidized dwellings	700	600	500	700	537	703
	% of total	37.1	29.7	28.4	40.0	28.0	31.2
Netherlands	Total number of dwellings	127 400	122 800	123 100	117 300	136 600	152 272
	Number per 1 000 inhabitants	10.2	9.7	9.6	9.0	10.4	11.5
	Number of subsidized dwellings	96 000	101 600	104 500	97 100	114 300	125 766
	% of total	75.3	82.7	84.9	82.8	83.7	82.6
United Kingdom	Total number of dwellings	415 500	425 800	378 300	362 300	364 400	330 700
	Number per 1 000 inhabitants	7.6	7.7	6.8	6.5	6.6	5.9
	Number of subsidized dwellings	109 200	122 400	120 700	146 800	199 600	289 800
	% of total	26.3	28.7	31.9	40.5	54.8	87.6
Community	Total number of dwellings	1 887 760	1 856 408	1 833 883	1 901 882	2 002 382	2 073 874
	Number per 1 000 inhabitants	7.6	7.4	7.3	7.6	7.9	8.1
	Number of subsidized dwellings	798 956	809 480	823 813	817 025	882 977	1 035 621
	% of total	42.3	43.6	44.9	42.9	44.0	49.9

Chapter VII

Family affairs

Trends within the Community

230. Although the social policy of all the Member States of the Community includes measures to *offset the cost of family responsibilities*, the allowances granted for this purpose vary appreciably from one country to another. In some countries certain family allowances were raised in 1973; this was the case in Belgium, France, Ireland and Luxembourg, and the Italian Government has announced a similar measure. In Germany and the United Kingdom, plans for a complete recasting of the system for offsetting the cost of family responsibilities are under examination. An important problem in this field, and one that is particularly acute in times of inflation, is that of maintaining the purchasing power of family allowances. In Belgium, Denmark and Luxembourg family allowances are pegged to price trends, in the Netherlands to the average movement of wages. In France, although adjustment is not automatic, regular revaluations are made on the basis of the price index, but for a number of years the family organizations and trade unions have been seeking adjustment in line with wage trends; the French Government has recently accepted this principle and decided to negotiate the amount of increase with representatives of the family organizations each year.

231. Such action to improve living standards is a major part of family policy which is being marked more and more by the increasing numbers of married women who go out to work, thus altering radically family needs and ways of life. Although in all countries there is growing awareness of these new needs, adjustments which must be made by the public authorities do not keep pace with the rate of social change. The lag is particularly great in the case of *day nurseries for young children*. There has been a certain increase in crèches and other child-care centres (which has been quite rapid in Denmark over the past few years), but in all countries it is quite insufficient to meet demand. New means of financing are being sought. In Belgium and France, part of the reserves of the national family allowance fund has, for two years now, been allocated to set up crèches; in Italy, the five-year plan for the construction of crèches is financed in part

by the States and in part by the social security system. There is a general tendency in all Member States to see these establishments not so much as a service to assist families with working mothers, but rather as a form of training which, using appropriate methods, will develop the child's personality and encourage his adjustment to the group. It is also considered important to associate the parents in teaching activities, particularly in the German kindergarten and the British play-groups, which are attended by nearly 250 000 children under five.

In all countries the need has been recognized to promote the use of *home helps* who provide temporary assistance in cases of difficulty, as when the mother falls ill. Here again, however, a great effort must be made if needs are to be met. The Netherlands have developed these services furthest, subsidizing them up to 85% from the State Budget. In Germany, a Law adopted this year makes the health insurance funds responsible for bearing the cost of these services in certain cases; in the United Kingdom, Denmark and Ireland, it is intended that these services, closely linked to the health services, should be increased.

232. The women's and family organizations feel that action in this field should not only be seen as a way of enabling women to reconcile outside work with family responsibilities; there should, rather, be a wider scope for action, concerning both women and men and relating to such matters as adjusting hours of work, the possibility of leave to look after sick children, local community facilities, the opening hours of shops and public services, the distribution of tasks within the family, etc. It is, therefore, significant that the subject chosen for the next Conference of European ministers responsible for family matters is to be 'The equality of man and woman—its implications as regards family life and governmental action'. In line with this same general trend, *law relating to the family* has been reformed in all the Community countries.

In most countries there has also been an increase, encouraged by the public authorities, in *family and marriage guidance bureaux* and family planning centres, together with developments in the field of family and sex education. This trend has doubtless been accelerated in certain Member States by the fact that they have undertaken a revision of their legislation concerning abortion, since liberalization in this field necessarily implies that information and guidance be available.

233. The Social Action Programme presented by the Commission puts forward a number of points relating to family living conditions which meet the concerns of the Member States, e.g. provisions for the 'dynamisation' of social security benefits, the extension of social protection, the position of working women and the means to reconcile their family responsibilities with job aspirations, the problems of

families of migrant workers, the reintegration of handicapped persons into the community and the specific measures to combat poverty. Furthermore, the interests of families as consumers will be defended by the Consumers' Consultative Committee recently set up by the Commission,¹ on which several seats have been allocated to representatives of the COFACE (Committee of Family Organizations with the European Communities).

Developments within the member countries²

Belgium

234. Among the measures taken in 1973 to *offset the cost of family responsibilities*, in addition to automatic increases in pegged family allowances, mention should be made of the increase in the allowance for the second child of wage-earners and self-employed persons, and for severely handicapped children. Furthermore, the government has decided to establish on a permanent basis the granting of an additional month's family allowance at the beginning of the school year, which wage earners have been receiving since 1972.

A Law of 11 November 1973 fixes that for a married woman, who interrupts temporarily her activities in order to bring up her child aged up to 3 years, this period will be regarded, with respect to the calculation of the rent, as a working period, as far as she continues to pay contributions.

The number of registered *crèches and other day-care establishments* on 31 December 1973 was as follows:

- 143 crèches for 7 435 children under 3 years;
- 288 day nurseries for children from 18 months to 3 years (5 760 places);
- 534 child minders (not more than 5 children per minder);
- 659 private nurseries (which take more than five children).

It has not yet been possible to apply the Law of 20 July 1971, which permits part of the reserves of the Office for family allowances for wage earners to be used to develop crèches since the measures to implement the Law are still under consideration. In 1973, for the first time, a system of visiting child minders organized by a nursery school was established, the nursery staff being responsible for recruiting

¹ Decision of 25.9.1973 published in the OJ of 10.10.1973.

² See also the Chapter IX 'Social Security'.

and counselling the child minders and for keeping check on the children's health, a system similar to the one which has become widespread in France.

A Royal Decree of 15 May 1973 improved the operation of the system of *home helps for families and old people* by raising the financial contribution of the State and enabling assistance to be given in additional circumstances: where the mother works and the father is sick or deceased, or where a person is overburdened with work on account of the presence of an elderly invalid. On 1 January 1973, there were 3 625 family helps and 1 712 helps for old people, employed by 120 services which, in 1972, received nearly Bfrs 543 million in subsidies.

Subsidies to approved associations organizing *classes* and *lectures* on family education amounted to nearly Bfrs 24 million. Furthermore, since the 1970 provisions for registering *pre-marital, marriage and family guidance centres*, 60 centres have been approved and subsidized. Those regulations are now being reviewed in order to define more precisely the specific rôle of the centres and to lay down qualification requirements for 'marriage guidance counsellors'. A Law of 9 July 1973 altered the penal code so that the sale and distribution of contraceptives are no longer penal offences. The Government entrusted the State Secretary for Family Affairs with the task of making information on family planning more readily available to the public and has allocated Bfrs 25 million to this purpose.

Denmark

235. The 1973 reform of the social security system, which makes the entire resident population eligible for sickness benefits for medical treatment, improves the position of non-working wives who had previously been obliged to make their own insurance arrangements. The austerity measures introduced include the withdrawal of the birth grant and a regulation laying down that the increased additional family allowance from 1 October 1973 can only be paid to children of single parents and only after application, and to orphans and children, whose parents are both pensioners, but in this case without application. Since 1 October 1973, a special grant has been available for children adopted by a single person. Moreover, a Law of 22 May 1973 provides for the development, by local authorities, of the services of visiting nurses, who are particularly involved in the health protection of children under school age.

In Denmark, as in various other Community countries, general policy on the redistribution of incomes is now being reassessed, since it has been found that the lack of coordination between taxation policy and the system of income-related

welfare benefits is often a cause of injustice; in 1973 the Parliament set up a committee which is to make proposals for the necessary reforms.

On 1 January 1973 there were the following *day-care establishments*:

- 429 crèches with 15 199 places for children under 2;
- 180 private crèches—subsidized and inspected by the municipal authorities—with 17 416 places for children under 2;
- 1 913 nursery schools, including playrooms for 83 123 children from 2 (or 3) to 5.

The number of public crèches has increased threefold since 1966. However they are attended by only 7% of the children of the corresponding age range, 25% in the case of nursery schools. These establishments are expected to develop greatly over the next few years.

There are at present 3 550 *home helps*. In 266 municipalities, there are *family guidance centres* with 600 counsellors who have provided services for 16 000 families with some 40 000 children. Furthermore, in the larger towns there are 20 guidance centres to assist children and young people in difficulty.

On 25 May 1973 a Law on *abortion* was adopted making it legal for any woman resident in Denmark to obtain an abortion up to the 12th week of pregnancy. The Law requires that, before taking a decision, the woman be fully informed of all the assistance for which she would be eligible if she kept her child and of the risks which abortion would involve. Termination of pregnancy after the 12th week is also possible in certain cases, particularly on medical grounds.

Germany

236. As the rates of family allowances have not been raised since some years, and as, on the other side, living costs have considerably increased, there has been a strong loss in purchasing power of family allowances. According to the opinion of the Federal government and the Parliament, this can be offset only by the family allowances reform proposed for 1 January 1975.

A Law to improve the system of sickness benefits provides that those insured are to receive compensation when obliged to stay at home to care for a sick child and thereby incurring a loss of income. An insured person can request unpaid leave of absence on such occasions. The same Law establishes the right to a home help, to be paid for by the health service, where the parents are in hospital or undergoing treatment, provided the household includes a child under 8 or a handicapped child requiring special care.

As regards *pre-school education*, the Federal Ministry for Youth, Family Affairs and Education has begun a scientific pilot experiment on 'Tagesmütter' (day mothers), that could contribute to solve the problems of about 700 000 working mothers having 800 000 children under 3 years. This consists in entrusting a limited number of children of working mothers, during the day, to mothers particularly well qualified as teachers, who are paid for their services.

A priority aim of education and youth policy is the adequate development of 'Kindergarten' for the pre-school of children from 3 to 6 years and the qualitative improvement of teaching methods in these establishments. In the global education plan approved by the governments of the Federal Republic and the Länder provision has been made for the phased achievement of this aim.

Community amenities are being increasingly required by law. Various Länder have adopted Laws on recreation grounds for children which not only make the provision of such grounds compulsory, but also determine their location, size, nature and educational function.

The Federal Government is continuing to assist *family planning and marriage and family guidance* and has allocated in 1973 DM 2 232 000 for the payment and for the basic and further training of staff. Also, in close relation with the draft reforms of provisions governing abortion, it is developing consultation services on birth control and sexual matters through a pilot programme offering financial incentives.

As for law *relating to the family*, a measure, which entered into force in 1973, facilitates the adoption of young children by reducing the minimum age for adoptive parents from 35 to 25. A reform of the whole body of law on adoption is being prepared: it will be finished in 1976.

France

237. The means of offsetting the cost of family responsibilities have been improved in various ways during 1973. The means testing for entitlement to allowances for orphans and handicapped children has been withdrawn, thereby extending allowances to a further 270 000 orphans and 100 000 handicapped children. In September 1973, the Council of Ministers agreed in principle to a certain number of measures which are to come into force at the beginning of 1974: the creation of an untaxed 'beginning of the school year allowance' for families with limited means, the increase in the number of persons eligible for allowances for child-minding costs, the raising of the birth grant and improvement of the conditions governing eligibility for the birth grant, which, in particular, will no longer be restricted to families of French nationality.

The most important measure announced by the Government is the guaranteeing of a regular rise in the level of family allowances through annual negotiations on the rate of increase with representative family organizations. These organizations consider that before such negotiations are undertaken family allowances must first make up the leeway acquired as a result of not being pegged to wages. The CGT and the CFDT trade unions, for their part, are asking for a 30% increase in family allowances for that purpose and for the allowances to be pegged to wage movements.

Two hundred and ninety million Ffrs from the national family allowance fund have been allocated to loans for young couples of modest means under the scheme introduced at the end of 1972. One hundred million Ffrs from that fund had in 1971 been allocated to the development of *crèches*, enabling on average a 50% subsidy to be awarded; the allocation will have been almost entirely used up by the end of 1973.

As regards *family and sex education*, the latest texts implementing the 1967 law on birth control have now been issued. A law of 11 July 1973 set up a council for sex education, birth control and family education on which family organizations, among others, are represented. Furthermore, the Minister for Education has included 'sex information and education' in the school curriculum, subject to the following conditions: sex information will be included in the school curriculum while sex education will be optional and will be organized in close collaboration with the parents, respecting their various philosophical and moral convictions, and will take place outside school hours. A bill on abortion has been tabled by the Government.

As for *law relating to the family*, a law of 2 January 1973 facilitates the collection of maintenance payments; in cases of non-payment, the divorced wife will be able to obtain retention at source from the debtor's wages.

Ireland

238. The 1973 increase in rates of family allowances will affect 359 000 families with approximately one million children. As a result of the extension from 16 to 18 years of the age limit in respect of family allowances for children in full-time education, in apprenticeships or who are disabled, it has been estimated that a further 85 000 children will be covered.

New measures providing for the payment of allowances for the home treatment of severely handicapped children came into force on 1 October 1973. This allowance, which in most cases will amount to £25 a month, will be paid in respect of

children from 2 to 16 who live at home and require constant treatment or care. Three thousand children qualify for the allowance, which will usually be paid to the mother. Furthermore, the Social Welfare Act 1973 has introduced a new scheme of assistance for unmarried mothers who keep their children, on similar lines to the schemes of non-contributory widow's pension and deserted wife's allowances.

Substantial improvements have been made to the *home help services* for families and old people which are administered either by the health boards or by voluntary organizations. Increasing need for these services is being felt, as also for *day-care centres for children under school age*, since a growing number of mothers go out to work. The Commission on the Status of Women made recommendations on the matter in a report published in 1973. There has been a certain development of private crèches and playgroups. *Family and marriage guidance services*, almost all of which are linked to religious associations, are continuing to expand.

Finally, it should be noted that in July 1973 the provision requiring women employed in the Civil Service to resign on marriage was withdrawn. This development was subsequently applied to employment in the local authority and health services. Married women can now be recruited for permanent posts in these services.

Italy

239. The Government has announced that *family allowances* will be increased: the wife's allowance and the allowance for each child will rise from 4 160 and 5 720 lire a month respectively to 8 000 lire a month.

Almost all the regional authorities have adopted regional laws to implement the five-year (1972-76) plan for the establishment of local *crèches*. Examining these laws, it becomes apparent that in the southern regions of the country the old idea of a crèche as a place where children are looked after to relieve their parents generally prevails, while the northern and central regions are concerned that the crèche should assist the child's physical and psychological development and his social integration. Especially in the large industrial towns, needs greatly outstrip both present and future construction plans to be financed by appropriations under the five-year plan. In Umbria, the need for a link-up between the crèche and the nursery school, recognized by pre-school education specialists, resulted in a law instituting child centres which combine the two. The Government did not accept this law, on the grounds that the region was going beyond its jurisdiction by taking action which affected the educational system, which is responsible for nursery schools.

The law of 30 July 1973 provides for the establishment, throughout the country and for all types of schooling, of bodies in which parents and pupils from the senior classes participate to a considerable extent.

Luxembourg

240. Means to offset the cost of family responsibilities have been improved both by increasing the family allowances paid for the fourth and every subsequent child (raised to 1 000 Lfrs a month) and by the adoption of a tax scale weighted in favour of families with dependent children. The Government is considering the possibility of introducing a negative tax for families of modest means, of increasing the birth grant and of instituting a pre-natal allowance. The 'Association familiale et populaire' and some trade unions are calling for a substantial training allowance which substitutes for family allowances after the age of 16 and would be paid until the completion of formal education or vocational training.

In 1973 certain communes opened up new *creches* and established *family help services*, assisted by State subsidies. As regards *law relating to the family*, the law of 12 December 1972 established equal status for husband and wife. The adoption system is being reformed. The service for the social integration of children which has been set up recently to improve the position of children in institutions (orphans, foundlings, etc.) has begun the reorganization of children's homes, both public and private; medico-psycho-social committees have been set up to provide guidance for the children and advice for the staff of these institutions.

Netherlands

241. The Government has expressed the intention of rethinking the system of family allowances, primarily by examining the possibility of linking allowances to family incomes. Although it has been decided to freeze the amount granted in the case of the allowance for the first child, who will thus no longer benefit from a system of indexation, under a new law which came into force in 1973 by which maintenance payments are now pegged to wage movements. The revision of the income tax system has prompted the Dutch Family Council to draw attention to the situation of one-parent families. The original governmental draft provisions would have increased the burdens of single parents who are not gainfully employed, but the draft has now been altered to increase the non-taxable income allowance in such cases. The Council has also published a report on the socio-

economic position of widowers with dependent children, and is recommending, in particular, that they should come under the general legislation relating to widows and orphans.

As regards *crèches and day-centres*, it is worthwhile to mention that the number of centra for children under 4 years has increased tenfold since 1969. The national agency 'Working community for children's centra' coordinates the associations or bodies which, by the end of 1973, were running 1 000 centra, including 70 'kinderdagverblijven' (establishments to which children can be sent for the whole day) and 930 'peuterspeelzalen' (centra which take children on a casual basis for a few hours or half-days a week). Nursery schools are attended by 88% of the children at the age of four and by 96% of the children at the age of 5 years.

Family and domestic help service continue to develop remarkably. There are now some 6 000 family helps (qualified), 8 000 domestic helps for families and 45 000 domestic helps (part-time) for old people. The central administration responsible for these services possesses a computer, thus enabling it at any given moment to determine the supply and demand situation as regards home helps. Funds allocated for home help services under the 1974 Budget of the Ministry of Cultural Affairs, Recreation and Social Welfare amount to more than 430 million guilders, which is over 112 million guilders more than was allocated under the 1973 Budget. The Advisory Group for experimental work in the use of family helps, set up at the request of the Ministry, is exploring possibilities for extending the field of action of the services.

The increase in the aid to '*advisory bureaux for family problems*', including advisory bureaux for young people, is among the items for which the 1974 Budget has received supplementary funds to meet growing needs. Furthermore, the regulations concerning marriage bureaux which were adopted in 1972 have now been put into effect, so that such bureaux are now subject to approval by a Supervisory Board.

United Kingdom

242. In the United Kingdom, as in other Community countries such as the Netherlands and Denmark, there is no sharp distinction between general social service provisions and special benefits for the family. There are a few provisions which are particularly aimed at supporting the family as a unit, e.g. family allowances, family income supplements for low-wage earners, the priority given to the housing needs of families and the statutory obligations of local authorities to provide services for mothers and infants.

The family income supplement has been raised twice in 1973. However, many people who qualify for it do not claim it; it is estimated that in December 1972 only about 50% of the families who are entitled to it have claimed. A draft reform, at present under discussion, would radically alter the income tax and family benefit system, with a view to reducing the complexity of the present system, which is not always the best safeguard for the incomes of the most underprivileged families. Furthermore, the Government has announced legislation to replace family allowances and child tax allowances by child credits payable in respect of all children, including the first of the family.

In Britain (where two out of every five married women go out to work) *day nurseries* are run by local authorities, factories and voluntary organizations, but there are not enough, and places are often restricted to priority cases. Needs as regards *nursery education* for children from 3 to 4 years are also far from being met. In 1971 the proportion of 5-year olds receiving education in publicly financed nursery schools or classes was 35% and for 3-year olds only 5%. It is significant that ever since the Urban Aid programme started in 1968, the bulk of funds directed to education has been devoted to nursery education. The policy paper published in December 1972 by the Department of Education and Science provides fully for needs in this field by 1982. The paper encourages the involvement of parents in their children's education as does the Department of Health and Social Security in day care generally, drawing on the experience of voluntary playgroups for children under five, which may be subsidized by local authorities, are sometimes set up by them, and to whose development a number of voluntary bodies have given great impetus during recent years.

Currently a *family planning service* is provided through clinics, hospitals and family doctors. Local health authorities provide services, either directly or through agency of voluntary bodies (such as the Family Planning Association). Much emphasis is placed upon reaching families in the greatest need, e.g. through a domiciliary service.

As for *law relating to the family*, 1973 saw the adoption of an Act which provided for equal rights between father and mother in guardianship matters (previously the right of the father had generally prevailed) and also an Act amending the law relating to the domicile of married women and minors and to jurisdiction in matrimonial proceedings. This Act removes another of the inequalities affecting the legal status of women; it provides for a married woman's domicile to be ascertained on the same principle as that of any other individual. The Act also extends to Northern Ireland the Recognition of Divorces and Legal Separation Act 1971.

Chapter VIII

Social Services

Trends within the Community

243. The common trends of development in social work in the member countries as a whole are clear. The vertical and category based concept of social welfare is giving way to an integrated approach which ranges from prevention to rehabilitation and which leads to assistance being given not only to the individual in difficulty, but also to his family circle, and involves the community in which he lives. Such an approach has, in particular, been embodied in the recent reforms of the social services in the United Kingdom and Denmark, and in the regional laws on the reorganization of the social and health services adopted this year in Italy. In the same spirit, the emphasis has been placed in all the countries on the development of 'open' services, assistance and care in the home rather than on placing persons in institutions. Similarly, and this is particularly true of the United Kingdom and the Netherlands, the growing emphasis on community work alongside to case-work illustrates the concern of social workers to help individuals and groups become more independent and to encourage them to solve their difficulties on their own initiative. Social work is no longer considered as intended only for underprivileged categories of persons: it is now seen to have a leavening function exerting its influence on society, mainly by means of social centres set up in both urban and rural areas.

The change in the very role of social work is felt in all countries for the time has passed when mainly a curative function was attributed to it. Social workers cannot confine themselves to helping those who live in intolerable situations without trying to change those situations; their role is increasingly that of 'detectors of need' and 'agents of change'.

244. Mention should be made of the positive development in several countries due to the decentralization of social welfare. This is particularly true of Italy, where a real vitality has resulted from regional decentralization which has enabled the various forces in society (political parties, trade unions and social movements) to

participate in the legislative, administrative and programming activity of regions. Similarly, in France much is expected of the 'economic, social and cultural advisory committees' which are being set up in every region and which comprise representatives of employers' and workers' organizations, family organizations and other social and cultural associations.

Social work has also expanded in connection with the problems of regional development and living surroundings; cooperation is being strengthened between the various authorities concerned and the professional and social agents who work in the fields of town planning, housing and social amenities. Thus in France, a standing coordination panel known as 'Habitat et vie sociale' (Living and social conditions), consisting of representatives of the ministries concerned and social and cultural organizations, was set up in 1973. Such integrated cooperation exists in the Netherlands between the Ministry of Housing and the Ministry of Cultural Affairs, Recreation and Social Welfare, which is at present concentrating its efforts on urban renewal projects so that systematic information and assistance can be supplied to those affected by these projects.

A noteworthy and rapidly expanding feature is the focusing of interest on problems such as pollution, the improvement of the environment, housing and so on, leading to the creation of active groups which form a new type of social pressure group concerned with daily living outside the place of work.

245. Social welfare for the elderly and the handicapped was the subject of many measures in 1973, characterized by the common concern to avoid segregating these persons and to help them to stay in their normal environment. As for the serious problems in the situation of migrant workers and their families, in spite of distinct efforts by public and private bodies to expand the social services and improve educational opportunities for the children (such as the many recent initiatives in Germany), it must be admitted that the means available are in no way commensurate with the scale of need. The excellent system of the 'Municipal Advisory Councils of Migrant Workers', on which migrant workers sit and whose purpose is to encourage migrant workers in general to participate in the decisions which concern them, has grown to some extent. These councils, which were started in Belgium in 1968, now number 27 in that country; councils of this type were set up at Troisdorf in Germany in 1972 and at Utrecht in the Netherlands in 1973. The Commission, conscious of the urgent need for Community action to help solve the problems caused by migrations in the Community, has given them high priority in the Social Action Programme it has submitted to the Council, and its proposals bear both on migration policies and on the social and human aspects of migration.

Developments in the Member States

Belgium

246. Subsidies to the provincial immigration and reception services for *social welfare for migrant workers* amounted to Bfrs 2 million. Furthermore, new budget appropriations have been made available for the grant of subsidies to the associations set up by migrant workers (Bfrs 725 000), to the *commune* advisory councils (Bfrs 3 750 000) and to the communes which issue publications for migrant workers (Bfrs 500 000). Funds amounting to Bfrs 1 million have also been allocated for the organization of language classes for foreign workers. More commune advisory councils of migrant workers are being set up; there are now 27, of which 11 are in the Brussels conurbation.

A Royal Decree of 20 July 1973 has laid down the conditions for the approval and subsidizing of personal *distress-call centres*, a modern form of social service designed to provide help over the telephone by day or night, to persons who are in a state of severe mental distress. These centres work in cooperation with the mental health clinics and are run by qualified staff assisted by voluntary workers.

Denmark

247. Following the substantial work carried out by the Commission for social reform since 1964, a draft law on the *social services and social assistance* was tabled on 18 January 1973 and has been debated at length. After the change in government in December 1973, the new government announced that the bill will be re-introduced, so that it can be passed at the end of 1974 and have effect from 1 April 1975. The reform is aimed at simplifying the complex maze of current legislation built up around a group of bodies which process applications; these bodies are recipient-category-orientated, a state of affairs which has led to symptoms being confused with etiology and has been detrimental to an overall concept of the problems of the individual and the family. The new law states the principle that the determining factor in granting assistance must be the need of the person concerned and not the question as to whether a whole list of formal conditions has been complied with. This law is to supersede quite a number of existing laws, including those on social aid, the protection of children and young people, assistance for mothers and assistance in the home and rehabilitation, and certain provisions concerning widows' pensions, and so on. The law stresses preventive action. In order to rationalize the present scattered administration of social welfare, it will henceforth be centred on the cities and the larger districts.

Such a radical reform, which bases the grant of assistance not on formal criteria but on the assessment of the needs of the person concerned, requires a highly qualified staff. A commission set up in 1965 and instructed to make proposals regarding the *training of social workers* delivered its final report in 1973.

More is being done for the social welfare of *handicapped persons*, with the purpose of integrating them into society as much as possible. It has been suggested, for instance, that special training for the physically handicapped be given in the high schools. Welfare services for *foreign workers* are administered by the municipalities. The Ministry of Social Affairs employs two advisers in this field and has a crop of interpreters whose services can be called on by public departments and private firms.

Germany

248. The rates of *social assistance* benefits have been increased in all the Länder. In 1972 the total expenditure on social assistance was DM 4 800 million, applied for the benefit of approximately 1 500 000 persons of whom 73% were not in institutions. It is anticipated that the third law reforming the federal legislation on social assistance, which will make considerable improvements, will be passed shortly. The Government is continuing the drafting of the social code with the aim of simplifying and harmonizing the many existing laws, particularly with a view to making them generally comprehensible so that the public can understand what social benefits they are entitled to.

A draft law on *old people's* homes and homes for elderly invalids is being examined in the Bundestag; it lays down standards concerning health requirements, the provision of amenities and the level of qualification of the staff, and seeks to prevent the charging of exorbitant fees. Furthermore, the Government recommends an improved census of *handicapped persons* (by doctors, health services and social workers), so that efforts towards their social integration may be undertaken in good time and reliable estimates of the required number of vocational retraining institutions may be prepared. In 1973 a special effort was made to organize the recreation of handicapped persons; a holiday guide for the handicapped was issued with the aid of the Federal Ministry of Family and Youth Affairs and Health in order to help them find suitable holiday accommodation for themselves and their families.

Efforts continue towards the social, school and vocational integration of young *immigrants*, mainly from east and south-east Europe. The number of special advisory services and community centres for these young people was stepped up

in 1973. Individual aids granted by the Guarantee Fund for the integration of young immigrants will amount to over DM 26 million in 1973 (in 1972 the figure was 17 million). The Federal Labour Office carried out a sample survey on the employment and housing conditions of foreign workers and their families, and the preliminary findings have been published. For its part, the Deutsche Gewerkschaftsbund (German Federation of Trade Unions) has brought out a document containing its demands for the reform of the law relating to foreigners and an opinion concerning the education of the children of migrant workers.

With regard to the *training of social workers*, the 'upper secondary technical schools for social work and social pedagogics' have been formally converted into 'advanced technical schools' in all the Länder.

France

249. In the sphere of *social welfare* an important place has been given to preventive measures. It is of interest to note in this connection the study on the prevention of social maladjustment commissioned by the State Secretariat for Social Welfare and Readaptation, in the framework of plans to rationalize public expenditure, and which has demonstrated precisely that preventive action is much less costly for the community than curative action.

A decree of 28 August 1973 increased certain types of *social assistance*: the ordinary home allowance to elderly and disabled persons and the basic allowance to the severely disabled. Instructions have been given to ease the requirements relating to the participation of persons bound by maintenance orders. Expenditure on social assistance, including aid for children (maladjustment, abandoned children ...) was approximately FF 7 650 million in 1972.

In 1973 the Government set up a working party within the Commission for the Plan, instructed to prepare legislation for a framework for all the problems of *elderly* people, involving a proper statute for the retired population; this bill should be introduced in Parliament in 1974. It has been announced that in 1975 there will be an amalgamation of all the existing allowances for elderly people, with the object of ensuring a guaranteed social minimum. A 'finalized programme' (subject to a State priority) for encouraging elderly people to keep up their homes was included in the 6th Plan; as a consequence in 1973, 80 centres of geriatric action were set up combining a home-help and home nursing service, a restaurant, a club and, in certain cases, a day centre. Eighty-six new centres are planned for 1974, which will bring up the total number to 232.

A draft 'guideline' law for the benefit of the *handicapped* is being drawn up. It is intended in particular to recast entirely the system of financial assistance so as to ensure a minimum social standard and to reorganize the system of special education, rehabilitation and employment of handicapped people.

Specific action on behalf of *migrant workers and their families* in the fields of reception facilities, lodging, language tuition and social adaptation is financed by the Welfare Fund for Migrant Workers (FAS), which, in 1973, had a budget of FF 170 million (compared with 150 million in 1972).

By a circular of 27 March 1973 from the Minister of Labour and Population, a number of 'departmental advisory committees on social work for the benefit of foreign workers' were set up to coordinate the work of the various departments and organizations involved in this type of social work and to collaborate in decision-making concerning foreign workers. The committees are made up of representatives of the administrative departments concerned, of social security and family allowances funds, of associations concerned with immigrants and of employers' associations and trade unions. It was also decided that a reception centre for migrant workers and their families will be set up systematically in each 'departement', in which there is a need for it. As from this year, moreover, the children of foreign workers will be eligible for scholarships in the second-degree education on the same footing as French children. The government also proposes to extend the benefit of the 'priority card' and reduced fares for public transport to foreigners living in France. Finally, mention should be made of the law of 6 July 1973 to eradicate trafficking in labour, as well as the law of 27 June 1973 concerning collective lodging which provides with severe punishment the exploitation of unhealthy rooms, the victims of which are above all immigrant workers.

Ireland

250. The Social Welfare Act 1973 has markedly increased the total benefits paid under the various *Social Assistance Schemes*. Under these schemes, which are non-contributory, payments are made, subject to means test, in the form of pensions to elderly persons and widows and as allowances for the unemployed, deserted wives, etc. The means test has been very considerably revised enabling approximately 4 000 additional elderly people to be granted pensions and more than 100 000 people, compared with 20 000 previously, will benefit from the maximum pension rate. Approximately 15 000 widows will receive higher pensions and a further 3 000 widows will become eligible for pensions.

The age at which *elderly people* have title to pension and may be given the benefit of free public transport, free electricity and free television licences, has been

reduced from 70 to 69 years. A total of £ 300 000 was allotted in 1972/73 to the Health Offices in order to assist the services for elderly people organized by groups of volunteers. In the case of the adult mentally *handicapped*, alongside attempts to ensure there is the necessary number of places in institutions, there is a tendency to develop treatment services within the community, considered to be better therapy and to avoid the difficulties of readaptation after a long stay in an institution.

Italy

251. The reforms suggested in the conclusions of the parliamentary survey 'on the state and prospects of public and private social assistance' have been included in a certain number of new bills and have also inspired several regional laws passed in 1973. The principles involved are as follows: a widening of the criteria of social protection and public order, replacement of the present vertical and category-based concept of social welfare by a decentralized system of planning at regional level, the administration of social services by the municipalities, coordination with the other sectors, particularly with the health services, participation by local citizens in the supervision and administration of the services. The regional laws are to lead to a proper planning of social and health services on a new basis; This legislation favours 'open' services and assistance at home for the handicapped and elderly, thereby putting the emphasis on prevention. Thus, in the 'Emilia e Romagna' region, a new law has set up a 'Fund for Preventive Action in the Fields of Health and Assistance' and provided for the creation of 'local units of social and health services'.

Social pensions and allowances for disabled and infirm civilians have been increased. The problem of adapting pensions to wage trends is now under discussion.

Regarding *migrant workers and their families*, in addition to the immense amount of research being carried out by various official bodies, including the Advisory Committee of Italians abroad, and the creation of a specialized senate committee, mention should be made of the Decree of 30 December 1972 which enables workers abroad to apply for subsidized housing on the same terms as those who reside in Italy. Furthermore, the implementing decree of a law of 1971 has been promulgated, thereby fixing the programme of the Italian language and culture examination intended for migrant workers and their wives who apply for the equivalence between certificates obtained at foreign schools and those awarded by Italian primary and secondary schools. This measure will be of advantage, both to adults and to their children, whose number is assessed at more than 230 000 in the 3 to 14 year age group.

Luxembourg

252. With governmental encouragement, a new public body has been set up, comprising representatives of the Chamber of Labour and the Chamber of Trades, with the aim of promoting the creation of reception and lodging centres for *migrant workers*. In 1973 six new centres were equipped making it possible to receive about 350 workers.

With regard to *elderly people*, the public authorities are giving greater support for the work of foundations and other private associations and for the construction of specially adapted dwellings dispersed throughout the community rather than the development of old people's homes.

Netherlands

253. Emphasis should be given to the importance of the creation in 1973 of a Bureau of social and cultural planning alongside the Bureau of economic planning.

The policy of social and cultural welfare is based on 'community-organization', which aims to maximise the participation of the population in the determination of this policy. There are approximately 180 'cooperation and advice bodies' for this purpose at the level of provinces, regions, municipalities, local districts and neighbourhood units. They are subsidized by the Ministry of Cultural Affairs, Recreation and Social Welfare as well as by public authorities and comprise representatives of the public authorities, of private organizations and of the local population. At present, special attention is being given to the social aspects of the operations of urban renewal; measures are being taken by social workers and community workers to inform and assist the citizens concerned by operations of this kind and draft legislation is being prepared with a view to making this process of social consultation compulsory and to protecting the interests of the population while plans are still on the drawing board.

The regional welfare policy for the period 1973-76 emphasizes more than before the importance of the urban problems. A comparison on the quantitative provision of the communities in the Netherlands with social, cultural and sports equipments has been carried out in order to be able to determine the communities to which this policy has to be applied.

The credits earmarked in the 1973 budget of the Ministry for Cultural Affairs for social works exceeded 521 million guilders and for *social assistance* 1 500 million guilders; by mid-1974 the social assistance allowance will reach the level of the net minimum wage. For the benefit of *elderly persons*, a committee has been set up to

prepare a revision of the legislation governing old people's homes, especially with regard to the criteria for admission and the control of charges for treatment in these establishments. With a view to encouraging elderly people to remain in their familiar local community, there has been a development of the special centres and 'programmes of coordinated actions' which now number about 300.

The first Communal Advisory Council of *migrant workers* (Migrantenraad) was set up in Utrecht on 5 June 1973; its members are elected by the immigrants themselves. Financial aid is granted to this Council by the Ministry of Cultural Affairs, Recreation and Social Welfare.

The growing number of dependents joining migrant workers in the Netherlands means that more social facilities are required, in the field of reception centres, housing, education, etc. In order to assist the financing of such activities a draft law has been drawn up for the purpose of levying a tax on undertakings employing foreign workers. This draft has been submitted for an opinion to the employment commission of the Economic and Social Council. Furthermore, an inter-ministerial working party has submitted an opinion on the problem of the education of the children of foreign workers to the Ministry of Education and Science.

United Kingdom

254. The local authorities are responsible for the provision of personal social services. Prior to the implementation of the Local Authority Social Services Act of 1970, the local authorities' social services consisted of separate departments for children, the handicapped and welfare (the latter being intended mainly for elderly people). Now these various specializations have been regrouped into social service departments meeting a cross section of need. This reform has important implications for the training and status of social workers. The funds allocated to these services, have increased from £ 101 million in 1966/67 to £ 344 million in 1972/73. At the beginning of 1973 the Department of Health and Social Security requested the local authorities to prepare plans forecasting their needs for the next 10 years; it is the first attempt at national programming for the social services.

A new advisory body, the Personal Social Services Council, was set up in 1973. It will advise Ministers on policy issues and provide a service of information and advice to all concerned with the personal social services. Collaboration with the Central Council for Education and Training in Social Work will assist that body to implement changes in the *training of social workers* in relation to new methods in group and community work training.

Social assistance, consisting of supplementary benefits, has been substantially increased by the National Insurance and Supplementary Benefit Act 1973. However, private organizations are critical of some aspects of the supplementary benefits system, such as the means test requirements which may inhibit some people from claiming.

Special programmes of *aid for deprived areas and groups* such as the Community Development Project set up by the Home Office, and the Urban Aid Programme whose budget for 1968-76 amounts to about £ 65 million. These schemes, carried out with the voluntary organizations, include activities such as language classes for immigrants, pre-school education and aid for the homeless, the handicapped, elderly persons, etc. As a result of the growth in unemployment among young people, an experiment has been started with financial aid from central government and under the sponsorship of the National Association of Youth Clubs; it consists in providing jobs for about 1 200 young people for one-year periods, with local authorities or private organizations, in community service activities in areas of high social need. The principal aim of this scheme is to give young people a work experience which continues their training and equips them for permanent employment.

The *home-help services* employ persons who are mainly domestic helps, not receiving any special training; they numbered 77 000 at the end of 1972. Of the 524 000 persons assisted in one year, over 85% were elderly people and 7.5% were handicapped or chronically sick.

Chapter IX

Social security

Trends within the Community

255. For the new Member States, the year of entry in the Community was also a year of important reforms in their social security systems: establishment of a public health service and a daily incapacity benefits scheme covering the whole active working population in Denmark, more complete protection and the introduction of pay-related benefits in Ireland, legislation involving reorganization of the national health service and improved cover and reform of the pension system in the United Kingdom. In the other Member States, with new governments in nearly all of them, this year has seen the adoption of social security programmes which will take several years to become fully operative but which, in some cases, have already had certain practical effects. This Chapter describes for each country the main lines of a trend in which variations in emphasis, to match different national situations, finally combine to throw into relief the inherent similarity of problems and progress.

256. These plans, reforms and alterations, this continuous change in the system are indeed the expression of a number of major common trends. Among these *the trend to broader social welfare coverage* stands out. It is revealed in the measures taken during the past year in all the countries, most particularly in Denmark (incapacity benefits for self-employed persons) and in Ireland (abolition of the remuneration limit of £ 1 600 per annum for social insurance of non-manual workers) and in the governments' concern for categories of persons not adequately covered. From one country to another the needs of the same social groups, such as the elderly or the congenitally handicapped or, in certain cases, the self-employed and migrant workers are being given attention. Reference is also made to the position of women, whose social security situation, whether or not they are economically active, whether they are single, married or widowed, still raises serious problems or is even downright discriminatory. For its part, the Commission has drawn attention to gaps in social welfare coverage in a document placed before

the Council last year.¹ This shows that the social categories for which no provision yet exists are a mixed range of persons not economically active, some groups of self-employed and marginal groups of wage-earners and that provision is lacking not only as regards old age pensions but even more for health care and disability benefits. This is enough to show in what areas action is needed.

257. A second common trend is *the rise in the level of protection*, which is most apparent in measures taken this year to increase benefits. These efforts to bring protection up to a more 'satisfactory' level more effectively geared to an ever-moving target which must one day be defined, have taken either the blanket form of increasing all benefits, as in Ireland (from July) and the United Kingdom (on 1 October), or the form of specific measures for certain social categories (elderly or pensioned people, families, handicapped persons), as in Denmark, Belgium and France. But this trend is significant for what is in most countries a new departure, namely the move towards establishing some connection between benefits and wage trends. This idea, first applied to pensions in Germany under the term 'Dynamisierung', is gaining ground in other countries and being extended to other benefits under a variety of names, such as adjustment to economic progress, 'liaison à la dynamique des salaires', earnings-tied benefit, or improved purchasing power. This principle is now accepted in Belgium, and has been for some years in Luxembourg for pensions, in France for family allowances and in the Netherlands for all benefits, in a diluted form. There is a movement towards introducing it in Italy for pensions, and in Germany it is planned to extend it to unemployment benefits. The Commission is following with the keenest interest these efforts to remedy the continuous erosion in the incomes of various categories of recipients in relation to the incomes of the working population, just as it welcomes the improvements which have been made in the material situation of old people—in particular—whose problems have been ignored for too long. It regrets that it must note, however, that in some countries there are still benefits for which even present purchasing power is not guaranteed.

258. Another common trend is towards *the achievement of a similar level of protection* for all sectors of society. This aim has been broadly achieved in systems which cover the whole population, as is generally the case in Denmark, the Netherlands and the United Kingdom and, as regards family allowances, in other countries (Germany, France and Luxembourg). In countries where, on the contrary, special schemes for specific social categories exist alongside the general system, the problem of the 'parity' of social protection remains. However, progress has been noted as regards self-employed persons in Belgium and France

¹ Study on the range of persons covered by social security.

and seamen in Italy. This problem of the equivalence of protection as between occupational categories also occurs at Community level as regards the coordination of systems. In this connection, the Commission would point out that despite its efforts the current regulations, which, from 1 April this year, have been extended to cover the three new Member States, still concern only the systems covering wage-earners. This is undeniably a gap in Community law.

259. A further trend is towards the rationalizing and *making more* coherent systems which are not fully effective because they are fragmented, inadequate or over-complex. This is the purpose of the reorganization of the health services in Denmark and the United Kingdom, the health reform plan in Italy, measures to simplify the administration of certain specific family benefits in France and legal codification work in Germany and the Netherlands. This also is the meaning of the growing attention given to the development of supplementary occupational pension schemes. There is a general movement, and not only in Europe, towards the genuine integration into overall social policy of such schemes set up by the two sides of industry or by individual companies. At national level a number of problems must be solved, once it is decided, if these schemes are not to be included in the general system, to preserve their legal autonomy. These problems are mainly those of extending such schemes to cover all wage-earners, guaranteeing the entitlement of insured persons, minimum benefit levels and the coordination of the occupational schemes. They have been largely solved in France and Denmark, and to a lesser extent in the Netherlands. With the new Pensions Act, they should be largely resolved in the United Kingdom, and they are being studied in Germany. At *Community level*, these schemes basically present the problem of international coordination, as migrant workers are adversely affected if the problem is not solved. Here too Community coordination would seem to be required alongside national efforts.

260. Finally, as the outcome of these various trends and their real meaning, new progress has been achieved in *the direction of greater solidarity* among the various groups in society. It is true that this is shown in a series of technical options which will not be examined in detail here, but which may be illustrated by examples taken this year from various countries where certain questions have arisen. What are the economic limits to the growth in the cost of social provision (Netherlands)? How should social protection be financed: by contributions, either flat-rate or earnings-related, or by government subsidies (France, United Kingdom)? Should income redistribution be achieved totally or in part by means of social benefits or taxation (Germany, the United Kingdom)? These questions are important, but must not be allowed to distort the perspective by eclipsing the main target which, as been said, is to 'give all levels of society and the family

a fair share in increased prosperity' in order to build 'a homogeneous society in which everyone receives his due'.¹ The question then arises as to whether in turn a 'homogeneous Community' implies, at some time and within certain limits, a broader solidarity going beyond the national framework. The Commission considers that the time may have come for reflection on this controversial theme of Community solidarity, its present advisability and the forms it might take.

261. On each of these points, the Commission has put forward suggestions in its Social Action Programme which, far from being improvised, dovetail smoothly, as shown, into the continuing momentum of current trends. This programme may therefore be consulted for further details; it also provides for further work in social budgeting and social indicators.

Developments in the Member States²

Belgium

262. The Government has plotted three main social security policy lines: benefits for retired workers are to be upgraded to reflect general economic progress; the extension of social security for self-employed persons is to be speeded up; particular attention is to be given to marginal groups.

Two measures were taken regarding old-age and survivors' *pensions*, by the Law of 28 March 1973: increase of 7.96% in pensions eligible before 1 January 1973 and introduction of the principle of tying pensions to trends in general prosperity. The aim is to eliminate the continuous erosion of pensions as compared with average wage trends. The law provides a pension upgrading mechanism for 1973 and 1974; its details for 1975 are to be defined by Royal Decree. The extra cost will be met by raising the contribution ceiling for non-manual workers and for budgetary subsidies.

As regards *self-employed workers*, the Law of 15 June 1973 provides that pensions will be increased six months earlier than the date laid down in the social plan (1 January instead of 1 July). The alignment of the family allowances scheme for self-employed workers on that for wage-earners has also been speeded up: under a Royal Decree of 6 July the basic family allowance for the second child has been increased from Bfrs 1 724 to Bfrs 2 227.

¹ Statement by the Government to the Belgian Parliament on 30 January 1973.

² Excluding mere cost-of-living increases in social benefits or contributions.

Measures for *marginal groups* are of two kinds:

- (i) On 1 June 1973, a 10% increase in the guaranteed income for elderly persons;
- (ii) on the same date, 10 to 20% increases according to individual cases in allowances to handicapped persons and improved cover under the Law of 6 July 1973 for elderly handicapped persons and for those who require attendance.

Other important measures are:

- (i) from 1 July 1973, increase in the disability benefit (awarded when inability to work lasts longer than a year); for instance, for an insured person with dependents the rate is increased from 60 to 65%;
- (ii) on the same date, general adoption of the system of calculating the employment benefit as a percentage of the last wage received, with fixed guaranteed minimum rates and abolition of any discrimination between the sexes.
- (iii) additions to the list of occupational diseases and new provisions based on the Commission's recommendation of 23 July 1962 on the notification and prevention of these diseases;
- (iv) increase in monthly allowances for orphans (Bfrs 500) and handicapped persons (Bfrs 1 000), and in family allowances for the second child (Bfrs 155);
- (v) the award of an extra month's family allowances to wage-earners in September for the beginning of the school year. The extension of this family allowance scheme to certain groups (e.g. professional cyclists). The family allowance reserves (wage-earners scheme) have been drawn on to subsidize nurseries and to increase the numbers of family helps.

Finally, a national collective bargaining agreement was signed on 28 June 1973; it entitles manual workers and certain non-manual workers not already receiving this coverage to continue to receive their net wage for one month in the event of sickness, industrial or other accident or occupational disease.

Denmark

263. The Danish social security system has been radically changed in 1973, upon the entry into force of a number of laws adopted earlier.

First, the *Law on health insurance* of 9 June 1971 replaces sickness funds from 1 April 1973 by a public health service administered by the local or regional authorities and financed from taxation raised by these authorities, with partial reimbursement of expenditure (generally 35%) from the central budget. Under this system the entire resident population is entitled to free care. However, medical care is free only to persons whose income does not exceed a given ceiling (class 1). Above

this ceiling, which in fact affects less than 20% of the population, costs are partially reimbursed to the insured persons (class 2). It should be noted that the relationship between the doctors and the insurance system is not affected by the new system, which is based on the principle of agreements negotiated for a fixed period of time.

The Law on daily allowances of 7 June 1972 also entered into force on 1 April 1973. A unified system of sickness, maternity and accident insurance is now established for the whole active working population. For an initial five-week period of inability to work, the employer continues to pay his wage-earners 90% of the average weekly wage received during the four weeks immediately preceding the disability. The second period starts with the sixth week when the allowances are paid by the local social services. These allowances, at the rate of 90% of the average income of the previous year, are paid not only to wage-earners but also to other categories of the working population, including self-employed persons (either at the full rate or at a reduced rate depending on their own contributions). Compared with the situation in the past, this constitutes both an extension of social protection (to cover self-employed persons) and the abolition of the system of flat-rate allowances (sickness). Persons not 'economically active' (women at home) may join the scheme to obtain the same benefits. Non-wage-earners may become insured on a voluntary basis to gain coverage for the first five weeks of disability.

It should be pointed out, however, that in no case may the benefits exceed a ceiling of 90% of the general average wage, i.e., Dkr 698 per week in 1973.

After the period during which the employer is responsible for payment, costs are met from personal contributions equal to 1% of taxable income and by budgetary subsidies.

Reference should also be made to entry into force on 1 January 1973 of laws adopted in 1972 to bring pensions legislation into line with European Regulations on social security for migrants. The main changes are the prolongation of the period of residence in Denmark as a criterion for entitlement to a full pension at 67 years and the division into two parts, both for calculation and for payment, of the pension payable to married persons. Rates are substantially increased; for a single person the pension rises from Dkr 9 660 in 1972 to Dkr 11 160 in 1973.

Germany

264. The new Government has announced its intention of continuing its drive towards a greater degree of social justice, which in the social security field means

progress towards a set of practical targets in its present term of office; extension of sickness insurance to social categories not yet covered, social security measures for women, and improved coverage for disabled and handicapped persons.

The following changes have already been made to current legislation:

- (a) Restriction on gainful employment for pension-holders between 63 and 65 years (maximum earnings may not exceed 30% of the old-age pension contribution ceiling (i.e. DM 690 per month in 1973) (Law of 30 March 1973);
- (b) the maximum income for receipt of family allowances in respect of the second child has been raised from DM 15 000 to 16 800 on 1 January 1973 and to DM 18 360 with effect from 1 January 1974;
- (c) conditions have been laid down for providing compensation for the total or partial unemployment of workers laid off as a result of an industrial dispute in which they were not directly concerned (regulation of the Federal Labour Office of 22 March 1973).

Certain modifications to the sickness insurance scheme are planned to come into force on 1 January 1974.

Other plans are now under consideration:

- (a) application of the principle of 'Dynamisierung' (automatic increases) to current pensions and unemployment benefits;
- (b) extending the social security scheme as it applies to the handicapped.

The Government has also stated that it intends during its present term of office to settle the problems raised by company pension schemes, such as uncertainty regarding the entitlement of insured persons, and the lack of coordination among schemes. It has also announced the establishment of a supplementary pension fund for agricultural wage-earners.

France

265. In France also the new Government has laid down the main lines of its social security policy: guaranteed income for elderly persons, law on measures for handicapped persons, simplification and upgrading of family allowances. In particular, it has undertaken to reform the pension system so that anyone may draw his pension at any age from 60 onwards, the pensions being paid at 60, after a transitional period for which the details have not yet been fixed at the rates hitherto applicable only at 65. A reform in the financing system is also planned.

Last year, several provisions were promulgated to make the award of specific family allowances conditional upon certain income levels, and this gave rise to many administrative complications. These provisions are simplified under two decrees of 8 March, which abolish the income requirement (in the case of orphans' allowances) or establish legal presumption. A Law of 10 July also abolishes the income requirement for the award of the handicapped children allowance and the requirement of inability to work for the allowance to handicapped adults.

The minimum old age benefits were increased on 1 July, and also the income ceilings for persons in receipt of these allowances (decrees of 18 July 1973), while the lowering to 55 years of the age of entitlement to a reversionary pension has been extended to the schemes covering agricultural wage-earners (decree of 27 March 1973) and non-wage-earners outside agriculture (decree of 23 July 1973). Certain measures improving pensions for miners came into effect on 15 June 1973.

By a decree of 17 March 1973, the supplementary retirement pension schemes were extended to cover wage-earners not yet entitled to this coverage; these are workers employed by temporary-staff agencies and domestic employees, concierges and resident caretakers. These schemes are now of general application.

New lists of recognized occupational diseases have been published (decree of 23 February 1973).

However, the most important measures will enter into force on 1 January 1974. They include:

- (a) Guaranteed rise (and not only maintenance) in the purchasing power of family allowances;
- (b) the introduction, increase or extension of various family benefits (return-to-school allowance, maternity, attendance, orphans' allowances);
- (c) other measures for widows and handicapped persons.

Finally the general law on shop-keepers and craftsmen states that the insurance system covering these categories of self-employed workers is to be gradually harmonized with the general system, and provides for increases by stages in old-age benefits.

Ireland

266. Two acts have introduced substantial improvements and far-reaching changes in the Irish social security system.

The Social Welfare Act, 1973 instituted several measures:

- (a) A general increase from the beginning of July 1973 in social security cash benefits. The general increase was £ 1 per week for an unmarried person

and £ 1.50 for a married couple (thus, for example, the retirement pension for an unmarried person was increased from £ 6.20 to £ 7.20 per week). The increases also applied to benefits for occupational injuries. Social security contributions were increased as a result;

- (b) from the same date, family allowances were raised by £ 1.50 per month. A family now receives £ 2 per month for one child, £ 5 for two children, £ 8.75 for three and £ 3.75 for each subsequent child. Total expenditure on family allowances has more than doubled as a result of these increases. The upper limit was raised from 16 to 18 years for children in full-time education or apprenticeship or who are disabled;
- (c) from the same date, the age of eligibility for old age (contributory) pension was reduced from 70 to 69 years;
- (d) introduction of a system of contributory benefits (similar to the widow's contributory pension) for deserted wives;
- (e) taking into account of contributions paid before marriage for the purpose of granting benefit to married women. Consequently marriage benefit has ceased;
- (f) exemption for persons receiving allowances as widows, deserted wives or unmarried mothers from liability to pay their element of any social insurance employment contribution;
- (g) abolition at a date to be prescribed by Ministerial Order of the social insurance remuneration limit for non-manual workers of £ 1 600 per annum.

The Social Welfare (Pay-Related Benefit) Act 1973 introduces into the Irish social insurance system, hitherto mainly based on uniform benefits, the principle of relating benefits to earnings. This Act, which will enter into force in April, 1974, establishes a system of pay-related benefits added to the basic benefits for unemployment, incapacity for work and maternity. These benefits will be paid after a lapse of two weeks and for a maximum period of 24½ weeks. They will amount to 40% of the average weekly earning during the previous tax year between £ 14 and an upper limit not yet fixed. The cost of these benefits will be met by contributions, related to earning up to £ 2 500 per annum, collected from employers and wage-earners by the tax departments at the same time as income tax.

Italy

267. The most important problem facing the Italian political authorities is that of health reform, i.e. the transformation of the present social insurance system into a national health service. The new Government has not hidden the fact

that this is a technically complex problem affecting substantial financial interests, but which it is nonetheless determined to tackle.

This past year has seen the adoption of the Law of 22 February 1973, which improves the pension scheme for seamen on the lines of the general system: retirement pension fixed at 74% of the average wage received in the three highest-income years in the previous ten, increase for dependents, introduction of a seniority pension for 30 years of contributions, etc. Pensions first received after 1 January 1965 will be adjusted to the rise in the cost of living. This legislation also applies to thousands of fishermen.

Under the law of 14 June 1973 the special social security scheme for persons employed in the entertainment industries is extended to cover football players and trainers.

The decree of 18 April 1973 sets out, in accordance with the Commission's recommendation of 23 July 1962, the list of occupational diseases which are compulsorily notifiable.

The Italian Government is also faced with the question of benefit levels. It has announced measures concerning:

- (a) Higher minimum pensions and their adjustment to wage trends;
- (b) increases in family allowance and unemployment benefits, which are paid at a uniform rate and whose purchasing power, in the absence of any index-linking, has fallen considerably.

Luxembourg

268. Under the regulation of 24 July 1973 accident insurance has been extended to cover students attending technical or vocational-training establishments, members of examining boards conducting examinations taken by such students and delegates attending meetings of joint employers-trade union bodies.

Draft laws have been tabled in the Parliament concerning:

- (a) A general reform of sickness insurance schemes for wage-earners, covering the three areas of guaranteed benefits (improved coverage as regards periods of hospitalization and the payment of allowances for the first 26 weeks), financing and management;
- (b) reform of the agricultural pensions fund, including the institution of compulsory personal insurance for married women working in agriculture, the establishment of several contribution classes for farmers (to replace the present single class) and the adjustment of pensions to living standards;

- (c) adjustment of non-agricultural accidents annuities to 1970 wage levels and adoption of the principle of insurance against accidents occurring as a result of school or extracurricular activities.

Other measures are now under consideration, including the introduction of voluntary insurance, as assistants, for the wives of craftsmen, shopkeepers or industrialists.

In the longer term it is planned to reform invalidity and old-age pension insurance.

A common data centre has been set up to service all insurance institutions and a general inspectorate for social security established.

Netherlands

269. The new Government has stated its intention of incorporating the expansion of social welfare costs, which have risen rapidly in this country in the last few years, into a medium-term planning system which would imply the establishment of priorities, so that the increase in social welfare costs did not exceed 3% of the net national income during the period 1973-1977. Priority will be given to the establishment of national insurance to cover inability to work, which will provide basic guaranteed protection for self-employed and handicapped persons. The Government also intends progressively to generalize the supplementary pension schemes for employed persons. The family allowance system will be reorganized to ensure fairer distribution of income. Consideration has also been given to the possibility of setting up a national health-care insurance system.

Measures taken during the year include:

- (a) Extension of entitlement to family allowances to cover part-time students over 16;
- (b) institution of a fund to finance pension insurance, the cost to be met from the reserves accruing from the abolition of the cost-of-living weighting for family allowances for the first child, and under the Law of 13 July 1973, from the contribution of 0.4% of wages to be paid by employers in respect of the second half of 1973;
- (c) introduction, from 1 July 1973, of personal contributions to be paid by persons under 65 still receiving institutional care after six months, under the special sickness insurance scheme, subject to certain exemptions based on the financial situation of the insured persons.

It will be remembered that social benefits in the Netherlands are regularly adjusted to reflect average trends in wages. It has been proposed that, as regards the present income ceiling for registration, under the sickness insurance scheme for wage-

earners (health care), the increase on 1 January 1974 should also be based solely on wage trends (rising more sharply than prices). It is also planned to increase miners' pensions in the same way as national insurance pensions, financed from general taxation.

United Kingdom

270. Three Acts passed in July 1973 bring important changes in the British system, by reorganizing the national health service, increasing the basic benefits and extending to all employed persons the principle of earnings-related pensions while contributions will from now on be calculated as a percentage of wages. However, most of these changes will not come into force immediately.

Reorganization of the national health service (April 1974): The division of responsibility for administration of health services between these different sets of authorities has impeded operational integration of services and the proper assessment of priorities (for example, between hospital and community health services). In order to remedy this situation the new Act brings all the health services into a single administrative structure, at national level (the Department of Health and Social Security in England, the Scottish Home and Health Department in Scotland and the Welsh Office in Wales), at regional level (England divides into 14 health regions administered by regional health authorities) and at area level (England divides into health areas and Scotland and Wales are similarly divided). The English regional authorities will be responsible for regional planning and specialized functions such as major hospital building. The area authorities will plan and operate all health services within the area (most areas are sub-divided for management purposes into districts). Finally an 'Ombudsman' has been appointed in each country to examine, as from 1 October 1973, complaints where the responsible health authority has not investigated a matter to the satisfaction of the complainant.

Increase in basic benefits: Social security and social assistance benefits have been increased with effect from 1 October 1973. For instance, long-term benefits, such as old-age and invalidity pensions, go up by 14%, and short-term benefits by 9% (the standard rate of £ 6.75 a week for a single person increasing to £ 7.75 or £ 7.35 depending on circumstances. Contributions from employers, persons not working and the self-employed have been increased.

Reform of the pension system (April 1975): The Act lays down that all employed persons are eligible to receive an earnings-related supplement to the basic pension, which remains in force, and replaces the present contribution system (partly based

on flat-rate contributions) by an earnings-related contribution system. A very broad political consensus had been reached on these two proposals over the last few years, but contrary to the proposals of the previous Administration, the principal feature of the system adopted is to entrust basic pensions to the State and earnings-related pensions to private occupational pensions schemes. A public scheme (State Reserve Scheme) also being set up as a subsidiary measure. It is left to the employer to opt for one scheme or the other, although the Act logically if paradoxically, encourages preference for the private rather than the public scheme.

The company schemes must however comply with certain conditions in order to be approved:

- (i) They must guarantee a minimum retirement pension to the insured person at the age of 65 (60 for women); for example, according to one alternative, annual pension equal to 1% of total earnings over the insurance period covered by the scheme, (women's rates on an actuarial basis are lower);
- (ii) they must guarantee minimum widows' pensions (half the pension of the insured person);
- (iii) they must safeguard benefits against inflation;
- (iv) they must protect the pension rights of insured persons leaving the scheme before retirement age, provided that such persons have qualified by serving 5 years in pensionable employment and have reached age 26.

Altering existing company schemes (about 60 000) to comply with these conditions and changing the contribution system are considerable undertakings which will require a certain time, and this is why the Act is not coming into force at once.

The importance of these reforms means that little space remains to discuss measures of more limited scope, such as the extension of the attendance allowance for persons who require constant supervision either by day or by night. Mention should however be made of the tax credit scheme, still under consideration, which aims at merging family allowances system and tax allowances for dependents into a negative income tax.

Chapter X

Industrial safety, medicine and hygiene

Trends within the Community

271. Nothing has altered the trends described in 1972.¹ In addition to those trends, there are efforts under way in several countries to organize prevention more rationally and more effectively. In particular, the United Kingdom has:

- (a) organized the health protection of the working population by means of medical services established within the Department of Employment, with the collaboration of the companies' doctors;
- (b) new legislation being drafted which will provide for the industrial health and safety inspectorates of a number of departments to be grouped together under the control of a single body;
- (c) called on both sides of industry to share the responsibility for decisions having general application; prepared and implemented a unified body of legislation proposing simple provisions formulated in the light of professional practice.

The firms in the Community have a central rôle to play in the organization of preventive measures. No doubt, a certain degree of constraint will need to be applied, but a purely passive attitude on their part cannot be regarded as sufficient. The major problem is to bring the firms to seize this responsibility at every level, especially at the level at which decisions are taken.

The Commission considers that the question of improving industrial safety depends primarily on relations between workers and employers within individual firms and their common attitude towards the material working conditions, and only secondarily on the provision of soundly-based ways and means of evaluating and progressively reducing the risks. The presence within undertakings of persons with specific medical or technical knowledge regarding prevention, whose assistance and advice are accepted by everybody, is certainly very important, but can be effective only if those responsible for production feel directly involved in industrial safety and take the responsibility for it.

¹ *Report on the Development of the Social Situation in the Community in 1972*, points 96 to 99.

272. Moreover, the public authorities themselves have had great difficulties to cope with because preventive measures have frequently to be taken, sometimes very quickly on a temporary basis and sometimes after technical research and preparations that may last several years, and always in the sad knowledge that thousands have died and millions have been injured.

Is it not shocking to have to report that the result which everybody expected—in other words an appreciable and continuous reduction in the number of accidents to a level which corresponds to the real risks, remains a rather distant objective, despite all the efforts and a growing appreciation of the need for protection? The figures with which we are confronted for 1973 are comparable with those for 1972. They have stayed at the same level, although they may have varied as between one sector of activity or one company and another as a result of some major incidents. Moreover a reduction of the order of 1 to 3% is of little significance compared with the total number of accidents; it should not be forgotten that experience shows that such a downward trend may easily be cancelled out very quickly by an increase at least equivalent in size.

The courageous question put in the first chapter of the Robens report of the Committee on Safety and Health at Work concerning the situation in the United Kingdom in 1972 'What is wrong with the system?' is still relevant therefore,—and not just in the United Kingdom. All the industrialized countries are clearly looking for the answer.

273. The Commission has formulated its intentions regarding industrial safety in two of the action programmes which it prepared in 1973 as a result of the decisions taken at the Paris Summit in October 1972 concerning:

- (a) *the environment*; in this document the Commission defined the general principles for assessing the effect of environmental factors on health. The Commission has launched exploratory studies and undertaken to propose a programme in order to facilitate implementation of these principles as regards working conditions and in order to find the ways and means to fight pollution risks;
- (b) *social action*; this second document gives priority to industrial safety. It develops the idea of a specific safety programme to be drawn up with the assistance of workers and employers and the authorities in the Member States before the end of 1974. It proposes additional schemes concerning accident statistics and job enrichment. It also proposes Community structures which will facilitate guidance and coordination of these activities: a General Safety Committee will supplement the permanent Mines Safety and Health Commission; an extension of the competent Joint Committees for working conditions in the various industrial sectors.

These initiatives will take shape and assume significance in proportion to the support given to them by the bodies and persons concerned.

Developments in the Member States

*Belgium*¹

274. The Royal Decree of 30 October 1972 made it compulsory for workers of either sex to wear protective headgear if their hair is likely to become entangled in machine parts or moving mechanical devices.

The Royal Decree of 5 December 1972 improved safety conditions for grinders by means of provisions concerning assembly, adjustment, r.p.m. control, testing and maintenance—and providing for protection against bursting up of the grinding tool or the projection of splinters.

The Royal Decree of 18 May 1973 dispensed with operating licences (or instructed the communal authorities to grant licences) for certain factories classified as dangerous, insanitary or incommodious which have been improved in whole or in part as a result of technical progress or for which the conditions to be imposed are absolute standard in form; this affects the electrical industry and the wood-working, varnishing and painting trades in particular.

The Royal Decree of 18 July 1973 introduced into the list of classified factories a new column concerning certain categories of waste.

The following are being prepared:

- (a) new provisions concerning hand-tools and the coordination of provisions concerning ladders;
- (b) new provisions concerning the use of mobile stackers; approval of the uniform Benelux law concerning dangerous machines;
- (c) amendments to provisions concerning boilers and steam-driven equipment in the light of technical progress;
- (d) modifications to the contents of the monthly report by the heads of company safety departments.

The Royal Decree of 22 January 1973 extended the compulsory medical supervision carried out by industrial medical services to workers who are in direct contact with foodstuffs.

This measure gives industrial doctors the task of carrying out health checks on workers in the food industry, the hotel industry, agriculture and horticulture in order to protect consumers against certain infections and to prevent occupational diseases attributable to contact with these products.

¹ The Ministerial Committee of the Benelux States has been working out draft recommendations concerning the safety of certain machines and equipment already mentioned in the 1971 and 1972 reports.

The most important new measure taken during the period under consideration is the publication of the Royal Decree of 5 October 1973 concerning protective measures against industrial nuisances caused by dangerous substances and preparations, which supplements Titles II and III of the General Regulation concerning industrial protection.

This Decree settles two important questions: the organization of the prevention of industrial nuisances and the labelling and use of substances and preparations which are dangerous to the workers' health.

The Royal Decree of 17 September 1973 set up a High Council for industrial medicine within the Ministry of Employment and Labour; this council is composed of industrial doctors and professors specialized in this field.

This council has a consultative role in several areas connected with the practice of industrial medicine and in particular is to make proposals concerning research and the training and further training of industrial doctors; it has no power as regards the organization of medical services and the Staff Regulations of employees of these services.

Denmark

275. The law of 31 March 1973 provides that the employer must bear the expenditure incurred by safety representatives in the course of their duties. These representatives are elected pursuant to the law of 19 May 1971, in industrial, agriculture and forestry undertakings; the same applies to expenditure incurred by them when attending further training and information courses. In addition the safety representatives are granted dismissal conditions which afford them similar protection to that provided for shop stewards. The law also includes new measures regarding accident statistics and fixes the State subsidy to the Labour Protection Fund for the next three years.

A Regulation from the Ministry of Labour, dated 15 June 1973, clarified the provisions of the above-mentioned law where they relate to the function and structure of internal safety departments and the election of safety representatives.

The Regulation of 2 May 1973 provides that each accident involving a day's absence (previously three days) must be reported to the Factories Inspectorate; the aim is to provide a better analysis of the causes of accidents.

The Administrative Regulation of 2 August 1973 prohibits the carrying out of dangerous forestry work by one person; in other cases provision is made for isolated workers to be contacted several times every day.

On the same day new measures were published concerning the lay-out and organization of staff quarters in butchers' shops and delicatessens.

The working party on 'working environment' created in 1972 by the Ministry of Labour has submitted a first report which is to serve as a basis for reforms to be carried out in the near future. A law is being drafted regarding the ambient conditions at working places, with a view to codifying and extending existing laws. Provisions are also being drafted concerning safety in the building trade and in public works, loading and unloading and a ban on the use of certain adhesives in the building trade. A reform of provisions regarding steam boilers is envisaged.

Germany

276. The most important reform in 1973 is certainly the law (in operation at the end of 1974) on industrial doctors, safety engineers and staff specialized in industrial safety. That law aims at improving health protection in industry by employing doctors and specialists (engineer-technicians) in accordance with the particular conditions affecting an undertaking (scale of accidents and health risks, number and composition of the work-force, organization of the undertaking); these doctors and engineers can give useful advice to the employer about these questions and help to improve collaboration with the works council. In this way it is expected that optimum use will be made of preventive provisions, knowledge in the field of industrial medicine and technical safety and existing protective and preventive methods.

The law of 23 July 1973 fixed the fundamental and minimum requirements regarding workers' dwellings; it mainly concerns space, ventilation and lighting, protection against damp, heat and noise, power and heating facilities and sanitary installations.

The Directive of 19 March 1973 amending the lists of explosives contains detailed provisions. The Administrative Provision of 31 July 1973 amended the model accident report in order to obtain more information about the accident.

Preparatory work was continued on the draft additional provisions for the Directive of 17 September 1971 on dangerous materials (these provisions are to implement Community Directives) and on a draft directive on the storage of dangerous materials. The same applies to the directive on pressure gas pipes.

The Federal Ministry of Labour has approved provisions for noise prevention. These provisions require in principle that machines and installations produce only such noise as cannot be avoided in the present state of the art; if the residual noise causes risks, special measures are required (in particular medical examinations and the wearing of personal protective devices to be provided by the employer).

France

277. The law of 27 December 1973 concerning the improvement of working conditions is seeking to render working conditions more human and to promote safety and hygiene of the workers by:

- (a) establishing an agency for the improvement of working conditions, setting up specialized committees within the works councils of firms counting more than 300 employees, obliging heads of firms to present every year to the works council an action programme and a report on the achievements of the preceding year;
- (b) widening the scope of the health and safety committees within firms with more than 300 employees; as regards the exercise of their functions, the committee members are to be given the same guarantees as the workers' representatives;
- (c) taking measures—in addition to those already existing in the field of accident prevention—relative to dangerous machines: it is prohibited to sell unguarded machines. If approved material exists, it has to be utilized.

Two decrees have been issued concerning mines safety representatives: the Decree of 14 March 1973 (No 73-351) fixed the election rules and conditions of eligibility for permanent surface representatives; the Decree of 29 August 1973 (No 73-871) lays down rules concerning the continued employment of representatives inflicted with permanent invalidity or a silicotic disease.

Three implementing circulars of 20 and 21 December 1972 and 22 May 1973 aimed at protecting against the risk of indirect earthing contact, the frequency of checks on electrical installations and the rules to be observed concerning the use of self-propelled handling gear with movable control cabins.

The Decree of 13 August 1973 fixed the general provisions for the prevention of crushing applicable to cylinder machines used in the leather industry; the measures provide for equipping these machines with dual controls and a device to prevent access to the dangerous zone, to ensure that the main cylinder re-opens automatically during closure and rotation of the cylinders if a hand should come into the dangerous zone.

The technical committees adopted seven recommendations dealing with the maintenance of travelling cranes, printing machines used in metal industries, risks due to decanting liquid ammonia, safety on loading and unloading quays, transport in tanker lorries of aqueous concentrated solutions of ammonium nitrate, rotary printing machines, the collection of urban waste.

Numerous legal instruments are about to be decided or are being prepared; they relate to:

- (a) the use of explosives in quarries and on building sites and public works sites;
- (b) the measures to be taken during extraction of fats by means of a flammable solvent;
- (c) the prevention of the risk of drowning during rock-clearing or dredging operations in rivers, or other waters;
- (d) cable cars which may be used for staff transport.

The technical committees have examined a number of recommendations concerning:

- (a) repair work on board oil tankers;
- (b) prefabrication of heavy building units;
- (c) safety in the maintenance of installations and machines in the chemical industry;
- (d) preventive measures in the gilding, book-stitching and binding trade.

Ireland

278. Several provisions have been made to implement the 1955 Factories Act in order to guarantee the safety and health of workers.

These provisions include protective devices for certain machines (mules, jennies, looms, winders) in cotton mills, the obligations of operators and a compulsory medical examination for the workers in cotton mills. They also include the precautions to take during the use of potassium or sodium bichromate in dyeing and during the manufacture and storage of celluloid. Provision is also made for measures concerning dust protection and compulsory medical examinations for staff in undertakings where refractory materials are used.

In several branches of industry measures have been taken regarding the provision and wearing of protective clothing, sanitary installations and first aid equipment; the main undertakings concerned are those involved in glass bevelling, galvanizing, fruit preserving, and in the tanning, washing and treatment of hides and skins.

In the following branches of industry new provisions are being prepared, mainly in order to adapt existing measures to the present state of science and technology: paints and varnishes, the degreasing of textile yarn, enamelling, tin-plating, lead alloys, rubber accumulators; lead paints for vehicles, wool and horsehair, cast lead, hoses, metal-polishing, sharpening and grinding the blades of cutting tools.

Italy

279. The reform of State departments and provisions applying to management responsibilities have resulted in a restructuring of departments in the Ministry of Labour.

Presidential decree No 1150, dated 12 December 1972 and issued 3 May 1973, governs registration procedures for the special lists of qualified experts and authorized doctors responsible for the physical and medical surveillance of protection against the dangers of ionizing radiation.

The ministerial decree of 21 November 1972, issued 2 January 1973, includes provisions governing calculations for the various parts, and the use of materials and welding in the construction and repair of pressure apparatus. These provisions are intended to introduce conformity with generally accepted international criteria.

New administrative provisions govern procedures for approval of fixed metal scaffolds from tubes and couplers. They govern conditions which must be observed to make the approval valid, standard plans for heights up to 20 metres, indicating maximum weights, number and positioning of anchorages, details of vehicle access, base platform, construction of anchorages and working platforms, and also instructions on calculations for scaffolding over 20 metres in height and other temporary structures of similar complexity and importance.

A circular from the Ministry of Labour requires agricultural tractors to be fitted with a safety cab: new tractors from 1 January 1974 and tractors already in use from 1979.

In September 1973, the ENPI (National Institute for the Prevention of Accidents) organized an exhibition with a competition on the theme of work safety in the use of agricultural machinery on sloping ground.

Luxembourg

280. No new legislative or administrative provisions were published in 1973 in the field of industrial safety and hygiene.

Work was continued on the preparation of the reform of laws governing dangerous, insanitary or incommodious factories. The same applies to the work of the committee set up in 1972 by the Ministry of Labour and the Department of Social Security to prepare legal measures concerning the protection of workers against ionizing radiation.

A draft law on the approval of the uniform Benelux law concerning dangerous machines was submitted to the legislative bodies.

The intensive information campaign regarding accident prevention in the building trade, which was stated to be in preparation in the 1972 report, was launched in the second half of 1973 by the Accident Prevention Association (Association d'assurance

contre les accidents) in conjunction with the Factories Inspectorate; the result of the campaign will be known next year.

Netherlands

281. On the basis of a Benelux Regulation and the Law on dangerous tools the Royal Decree of 22 January 1973 implemented safety measures relating to mobile transporters with effect from 1 September 1973.

Proposals concerning the uniform Benelux Law on dangerous machines have been submitted to Parliament.

A draft decree (implementing the Law on Safety) concerning the cleaning and repair of tankers has been submitted to the Economic and Social Council for opinion.

Work has been continued on the preparation of a decree on the handling and transport of dangerous materials, particularly concerning packaging and labelling which is to implement a Community Directive and on the revision of the Decrees concerning respectively inland navigation and stevedores.

A draft decree concerning groups which have not yet been dealt with, which is to implement the Law on safety, has been submitted to the parties concerned.

The Law of 21 March 1971 amending the 1934 Law on safety requires the renewal of several Decrees: this mainly concerns the compulsory creation of industrial medical services, the conditions imposed on those services and their method of treating accidents; the new drafts on those subjects are at a very advanced stage of preparation.

Mention should also be made of the Decree of 11 August 1973 concerning sand-blasting, based on the law concerning silicosis which was implemented on 1 October 1973; it replaces the previous provisions on the matter and implements a Benelux Regulation. On the basis of the same Law workers and employers were consulted on a draft decree concerning the treatment and processing of asbestos.

United Kingdom

282. Proposals for new legislation concerning safety and health protection were published in 1973. This legislation is to coordinate existing provisions on the matter and in principle is to extend the protection not merely to all the workers but also to the general public. A new Joint Health and Safety Commission would be responsible for carrying out the new provisions. These proposals are the result of

the Robens report of the Committee for Safety and Health at Work which was mentioned in the 1972 report.

In view of the growing need to control the environment and to back up the activities of the Factories Inspectorate, laboratories were opened in March 1973 in order to measure atmospheric pollution in industry.

The 1931 provisions concerning chromium-plating have been improved. Employers must henceforth ensure continuous monitoring of the atmosphere around chromium baths in order to detect the presence of any chromic acid vapour; consequently regular medical examinations for the staff are no longer required.

In August 1973, a Code of Practice concerning health protection in the lead industry were published; this Code of Practice was worked out in conjunction with workers and employers and, although not binding, give official indications as to environmental monitoring and personal hygiene measures in this branch of industry.

The 1972 Regulations concerning highly flammable liquids and liquid petroleum products were implemented in June 1973; they regulate the storage and use of these liquids and are set out in a manual.

The government has also published technical notices about safety measures to be taken concerning the use of oil-based adhesives in the building trade and in the industrial use of detectors for flammable gas, and also a report on research into the fire risks of polyurethane foam.

In implementation of the 1972 Employment Medical Advisory Service Act, the medical service provided for in the Department of Employment started operating on 1 February 1973. It is responsible for the preventive examination of persons who carry out dangerous jobs and to ensure a special health service for young people; it is to advise and examine persons undergoing re-training and training; in addition it has to advise any person or body interested in the medical aspects of employment problems. This service is contributing to the development of industrial medicine in Great Britain and enjoys the closest collaboration with school medical services, the National Health Service and doctors employed in industry.

The Power Press (Amendment) Regulations concerning specifically Northern Ireland came into operation on 1 October 1973. These regulations require the Chief Inspector of Factories to be notified by the competent person carrying out an examination and test of power presses, of any defects disclosed by such examination and test, which in the opinion of the competent person are, or may become, a cause of danger to employed persons.

Chapter XI

Protection of health and of the environment

Radiations protections

283. This is concerned principally with Community and national activities with regard to protection against the dangers arising from ionizing radiations. The Commission's activities in this field are based on Chapter III of the Euratom Treaty.

Regulations — New National Provisions and Studies

284. In the field of radiological protection, the application of the Directives laying down the basic standards of Euratom, adopted by the Council of Ministers in 1959 and revised in part in 1962 and 1966, can generally be considered as satisfactory. It is now quite evident that the activity carried on by the Commission over the last 15 years in the field of radiological protection in order to establish a common health policy is leading towards a gradual and steady harmonization of safety standards. This is an important factor for the realization, at the level of the nine Member States, of adequate protection against the dangers arising from ionizing radiations.

In this context, pursuant to Article 33 of the Euratom Treaty, the Italian Government sent a draft Decree to the Commission, which then gave its opinion. This draft takes into consideration the experience obtained up to now in the application of nuclear legislation in force in Italy and on the basis of this makes amendments and additions to the Law No 1860 of 31 December 1962 concerning the peaceful uses of atomic energy.

Moreover, several rules and regulations have come into force. In Germany, the Decree of 1 March 1973 on protection against the damage caused by X-rays has come into force (BGBI. I of 9 March 1973). In France, the Decree No 73-405 of 27 March 1973 amending Decree No 63-1228 of 11 December 1963 concerning nuclear facilities has also come into force (Journal Officiel de la France of 4 April 1973). In Italy the Decree of 12 December 1973 No 1150 has come into

force; this concerns the preparation of a list of names of qualified experts and authorized physicians in charge of the physical and medical monitoring for the protection against ionizing radiations (*Gazzetta Ufficiale*, No 113 of 3 May 1973).

285. The Commission has also examined the laws and regulations concerning radiological protection which have been communicated to it by the new Member States in compliance with Article 157 of the Accession Treaty. The analysis of this legislation shows that the regulations in force in these countries generally comply with the basic standards of Euratom.

In *Denmark*, an authorization system governs the production or the withholding of radioactive substances and the importation of nuclear substances, the list of which is determined by Decrees. Likewise, the law concerning nuclear facilities stipulates that the authorization to construct or operate such a facility may be refused for safety reasons or in the interest of the general public.

In the *United Kingdom*, the Radioactive Substances Act of 1960, the Factories Act of 1961 and the Nuclear Installations Acts of 1965 and 1969 form the legal basis of the regulations concerning radiology protection; the former Act lays down the obligatory declaration and authorization system and the exemption systems which cover all aspects concerning the detection and use of radioactive substances, as well as the wastes resulting from the use of radioactive substances; the Factories Act of 1961 covers the use of radioactive materials and other sources of ionizing radiations in factories and construction work; the latter Act lays down general rules for the protection of the general public and of workers against the dangers arising from ionizing radiations.

Furthermore, several additional regulations contained in the Statutory Instruments govern the use of sealed or unsealed sources of radiation, the transport of radioactive substances and the use of various facilities, other than the actual reactors, which fall within the Nuclear Installations Acts of 1965 and 1969 and the abovementioned Factories Act of 1961. The regulations include, in particular, the Statutory Instruments No 780 of 1968—The Ionizing Radiations (Unsealed Radioactive Substances Regulations) and No 808 of 1969—The Ionizing Radiations (Sealed Sources Regulations).

286. Taking into account the fact that the applications of non-ionizing radiation have increased considerably in recent years and that this trend will continue to develop in the future, the Commission has continued the studies started last year (thus satisfying the wishes expressed by the European Parliament)¹ on the possi-

¹ Resolution of the European Parliament on the Sixth General Report of the Commission of the European Communities on the activities of the Communities in 1972. (EP 32 955, p. 15).

bilities of applying the fundamental principles of the 'Basic standards' to other hazards similar to those arising from ionizing radiations. With the cooperation of national experts the Commission is preparing a draft recommendation defining the general principles for the protection of the health of the general public and of workers against the dangers arising from radiations emitted by microwaves and lasers.

287. Among the studies on the application of standards of radiological protection, the Commission has published the *Report EUR 4906* on the control system adopted by the national authorities for radioactive substances which are exempt from the declaration and prior authorization system. This report describes the work carried on at the Institut für Volkerrecht (the Institute of International Law) of Göttingen University and is also of practical value to competent national authorities, persons in charge of monitoring nuclear activities, bodies and institutes for legal studies and industries concerned. It completes the study published by the Commission in the Report EUR 4515 concerning the provisions laid down by regulation or administrative action in force in the Member States on the declaration and authorization system applicable to nuclear fuels and other radioactive substances.

A study started in 1972 on the effects of tritium has been published (Report EUR 5033) and a study on medical irradiations and the radiological protection of the sick has been extended to the new Member States. A study on medical information and training in radiological protection has been completed and will be put into practice.

Furthermore, because of the problems caused by the availability to the general public of current consumer products containing radioactive substances, the Commission intends to carry out a study, which will include a list of the various current consumer goods containing radioactive substances and the analysis of the irradiation hazards to man.

Another study will be carried out to make medium and long-term forecasts of the contribution which the sum of irradiations emitted by these current consumer goods can be expected to add to the genetic dose of the overall population; the objective of the study is to establish measures to be implemented to maintain this contribution at a very low level.

Technical Harmonization

288. Technical harmonization programmes concerning personal dosimetry are still in progress, particularly in the fields of thermoluminescence dosimetry.

In this context, it appeared necessary to draw up a recommendation on the particular type of dosimeter being analysed which would give a larger scope to the long-term intercomparison programme being carried out by the Commission with the cooperation of the laboratories and specialized institutes of all the Member States. This recommendation is aimed at consumers on the one hand and constructors on the other.

Work on the standardization of reference neutron sources used in radiological protection and the intercomparison tests of standardization methods has been completed. The results of these experiments are being analysed.

Within the scope of the research programme, the range of monochromatic X-rays has been enlarged in such a way as to open up the field concerning the calibrations of type dosimeters. Research work on neutron dosimetry is continuing and particular emphasis is being given to calibration methods. New techniques for personal dosimetry have been developed; work is still continuing in this field since a personal dosimeter capable of satisfying the demands of radiological protection is not yet available.

Prevention of radioactive contamination of the environment

289. In accordance with Article 37 of the Euratom Treaty, the Member States are obliged to provide the Commission with the general data relating to any project for the disposal of radioactive waste in order to make it possible to determine if the waste is likely to contaminate the territory of another Member State. This data is studied by a group of experts which the Commission consults before issuing an opinion on the possible consequences which the disposal of such waste could have in the territory of another Member State.

In a world which has become aware of the need to preserve the environment, the provisions of Article 37 deserve particular attention. They are among the few which provide for obligatory Community consultation on the dangers of pollution before carrying out any activity which is liable to contaminate the environment. The suggestion has been put forward on various occasions, particularly during meetings of the European Parliament or at international conferences, to keep these provisions in mind when organizing various kinds of pollution control.

290. The experience gained over 13 years from the application of Article 37 has been compiled in a report,¹ for the information of the new Member States and has

¹ Application of Article 37 of the Euratom Treaty—Survey of Activities—Experience gained 1959-1972 (Doc. 2748/1/72).

been distributed widely to interested circles. This report describes—other than the procedure for drawing up an opinion—the main points which are considered when examining a project and the prospects for the future.

These main points relate to the radiological hazards arising from normal waste on the one hand and those which could arise from uncontrolled, namely accidental, emissions of radioactive effluents on the other. With regard to normal waste, experience up to now has shown that liquid radioactive effluent deserves particular attention only when this waste effects surface waters. Because of the considerable contamination which uncontrolled emissions can cause, greater attention is generally given to them and more specifically to those from gaseous effluents which are usually more difficult to control than liquid effluents. In this case, however, it is difficult to assess the effects on health because of the dispersal of these effluents over great distances. The Commission has also begun studies with a view to increasing knowledge on this subject which could be applied later to radioactive air pollutants. Moreover, the report on the application of Article 37 emphasizes the very positive contribution made to the harmonization of concepts concerning the assessment of the radiological consequences from waste; this contribution is attributable to the procedure applied when examining projects and is dependent on an improved dissemination of information and of present trends in the Member States.

291. The prospect of a spectacular advance in the production of electricity by nuclear power which is expected in the coming years to result in an increase of the installed capacity of future power stations and the setting up of 'nuclear parks' (grouping several facilities on the same site) could lead to a more global concept of the method of examining radiological and ecological hazards associated with future nuclear sites. It would be desirable if the Commission and the competent authorities of the Member States could have an overall view of the problems arising from the development of nuclear power. A forecast analysis broken down into regions and areas should be made of the (anticipated) dangers of contamination and their effects on health.

The need for the competent authorities to have an overall survey of the problems arising from radioactive effluents is emphasized by the manner in which a relevant Commission report¹ was received; this report gives discharge data collected by the Community nuclear power stations during the preceding years. In order to best compare the effects of the waste discharged by these power stations, a rough assessment was made for each one by using similar calculation methods, of the maximum

¹ Radioactive effluents from nuclear power stations in the Community Discharge data. Radiological aspects (Doc. 380/73, November 1972).

exposure of the limited population living in the vicinity of these power stations. In nearly all cases the level of exposure was less than 1% of the permissible level. This corresponds approximately to the fluctuations of the natural background radiation to which these people are exposed. This means that the rule usually adopted in radiological protection to keep waste as low as possible is being adhered to in practice.

292. The exposure of the population to discharged effluents, despite the low level of exposure involved, should nonetheless be re-examined in the light of technical progress, with a view to determining the possibility of decreasing it even further. In an endeavour to minimize the exposure of the population, the Commission is giving particular consideration to iodine filters which are an important safety factor for most nuclear facilities. Thus, despite the fact that iodine is present in the gaseous effluents of a nuclear power station only if a nuclear accident or incident occurs, it is one of the most important nuclides from a radiological point of view because of its ability to concentrate in milk and to fix at a thyroid level.

For quite some time now the constructors and operators of nuclear power facilities have been placing iodine filters on all circuits from where iodine could escape, in an attempt to eliminate iodine from gaseous effluents. During technical discussions, however, and particularly during those held in compliance with Article 37, differences have often been found to exist in respect of concepts of iodine filtration facilities and methods of controlling their efficiency. Moreover, for the purpose of contributing towards coordinating ideas on this matter, the Commission organized a seminar in Karlsruhe from 4-6 December 1973 on iodine filter tests. Eighty experts from about 10 different countries participated in the seminar.

This was the first seminar on this subject to be held in Europe and it was possible to make a general survey of all the problems arising in this field. The reports concerning tests made with the devices now in use in nuclear facilities were quite revealing about the difficulties encountered. The main result of this seminar was that it gave the constructors of future iodine filtration facilities ideas concerning the harmonization of the efficiency of the filters; results would thus be obtained by means of which a comparison could be made from one facility to another.

General development of ambient radioactivity

293. The development of levels of radioactive contamination in the Community biosphere can be obtained from two annual reports published by the Commission, namely: Air-Fallout-Waters and The Radioactive Contamination of Foodstuffs. The data used in these reports is obtained from the network stations in charge

of the general monitoring of the ambient radioactivity in the Member States and covering all the Community territory. The data is taken from reports which are sent to the Commission in compliance with Article 36 of the Treaty of Rome. The present negligible level of radioactive contamination is almost entirely the result of nuclear arms tests of the last 20 years and is of only slight significance to health.

The Commission also publishes quarterly the bulletin, *The Ambient Radioactivity in the Community Countries*. The development in the Member States of the radioactivity of air, fallout, surface waters and milk can be followed up in these publications. They also contain the results of the radiological control of the environment carried out by some nuclear facilities.

294. In order to carry out the overall monitoring of the ambient radioactivity in 1973, the Member States reduced the network of measurement stations:

- (a) for the measurement of the *overall beta-activity in the air* there are approximately 107 stations (as opposed to 111 in 1972 and 119 in 1971);
- (b) for the measurement of the *overall beta-activity of fallout* there are 63 stations (as opposed to 65 in 1972 and 66 in 1971);
- (c) a large number of measurements are carried out for the purpose of monitoring the *overall beta-activity in waters* (drinking waters, surface waters, sea waters, etc.)

Furthermore, some stations measuring the overall beta-activity in the air and in fallout also carry out specific measurements for several artificial radionuclides, particularly for: Beryllium-7, Manganese-54, Zirconium-95 + Niobium-95, Ruthenium-105, Ruthenium-106 + Rhodium-106, Barium-140 + Lanthium-140, Cerium-144.

For the purpose of learning more about the development of beta-activity caused by artificial radio-elements the overall beta-activity is measured in water samples; as a general rule the contribution made by Potassium-40, a natural radio-element found in water, is also determined. In some of the samples, measurements are made also for certain artificial radionuclides.

The contamination of certain foodstuffs is monitored in the Community countries by regular sampling systems. Priority is given to measurements of Strontium-90 and to a lesser degree to those of Caesium-137. The contribution resulting from the drinking of milk is generally considerable and this foodstuff is therefore monitored very closely.

Because of the general decline, however, in the levels of contamination of foodstuffs, the measurement programmes are being gradually reduced.

Levels of radioactive contamination of the air and fallout in 1972 and 1973

295. According to results now available for 1973, the radioactive contamination of the air in the Community (overall beta-activity) has decreased in relation to 1972. In 1972 the overall beta activity for matter in suspension in the air averaged 0.08 pCi/m^3 with a maximum level of 0.014 pCi/m^3 for the month of June.

Present atmospheric concentrations for Strontium-90 and Caesium-137 constitute less than 1% of the maximum permissible concentrations to which, in accordance with the basic standards of Euratom, the population can be exposed.

The overall beta activity in the ground (fallout) was 21 mCi/km^2 in 1972 (as opposed to 45 mCi/km^2 in 1971). According to data now available for 1973 a decrease of this activity in the ground can be expected.

Radioactive contamination of milk in 1970 and 1971

296. Because of the particular nature of the measurements for the contamination of foodstuffs, results for the contamination of milk are only available at a late date. The average for $\text{pCi}^{90} \text{ Sr/gCa}$ in milk was 7.1 in 1971 as opposed to 7.5 in 1970. On the basis of data now available, the average value for 1972 is less than that for 1971. The data now available for 1973 is too fragmentary to make even a provisional estimate.

The annual average for the Caesium-137 contamination of milk was 19.5 pCi/l approximately in 1971, as opposed to 20.5 pCi/l in 1970. According to data now available, the annual average for 1972 is less than that for 1971. Hitherto the concentration of Caesium-137 in milk was very near the detection level during routine measurement.

For 1971 it was estimated according to a calculation made for all food that the average doses were 8.9 mrem/p.a. for mineral structure and 1.8 mrem/p.a. for the part of the marrow present in new trabeculae formed during the year. This constitutes approximately one-third of the 1963 doses.

Irradiation of foodstuffs

297. It should be noted that at the initiative of the Commission, a seminar on the irradiation of foodstuffs was held in Karlsruhe, 24-25 October 1973; the results of this seminar deserve particular attention. Twenty-two reports were made on the behaviour of irradiated foodstuffs in three important groups of organic compounds; proteins, lipids, carbohydrates, and on the overall changes of irradiated

foodstuffs. At this seminar, particular emphasis was given to comparing analytical methods of detecting the foodstuffs preserved by means of irradiation with a view to controlling the movement of these foodstuffs and thus ensuring the protection of the health of the general public. This seminar provided a forum for the results obtained by different laboratories in the Community countries during research projects ordered by the Commission. The information given at this seminar contributed towards improving analytical techniques in this field.

Health protection against pollution and nuisances in the environment

298. The approval of the Environmental Programme by the Council of Ministers on 19 July 1973 enabled this programme to pass from the exploratory to the operational phase during the second half of 1973.

The Commission is guided by the desire to protect the health of the general public and to conserve the environment by making an objective evaluation of the dangers arising from pollution and nuisances with a view to establishing, at a practical and Community level, criteria of harmfulness and health standards.

This mainly involve:

- (a) the evaluation of pollution and nuisance levels in the elements of the environment and in human tissues;
- (b) a description of the effects of these pollutions and nuisances on health and the environment;
- (c) the establishment of common references on which the programmes for the prevention and reduction of pollutions and nuisances can be based.

299. The pollutants given priority in the environmental programme were the subject of special studies and examination which took the above guidelines into consideration.

In these studies, which were carried out with the assistance of experts from the nine Member States, particular attention was given to drawing up:

- (a) *A list of available data on the content in environmental elements (air, water, earth, foodstuffs) of:*
 - (i) organo-halogen compounds (pesticides, PCB and other persistent halogen compounds);
 - (ii) inorganic micropollutants (heavy metals; lead, mercury, cadmium, chromium, arsenic, antimony, copper, cyanide);
 - (iii) short-lived organic compounds (organo-phosphorous compounds), carbonates, dithiocarbonates, herbicides, phenols, hydrocarbons, (carcinogen

and other hydrocarbons) phtalates, detergents, nitrosamines, aromatic amines.

- (b) *A list of available data on the content in the atmosphere of:*
- (i) mineral lead,
 - (ii) sulphuric anhydride,
 - (iii) dusts in suspension,
 - (iv) carbon monoxide,
 - (v) oxides of nitrogen.
- (c) *A list of available data concerning sound levels measured in the environment of the Member States.*
- (d) *A list of available data on the amount to be found in human tissues of:*
- (i) organo-halogen compounds (pesticides, PCB and persistent halogen compounds);
 - (ii) inorganic micropollutants (heavy metals: lead, mercury, cadmium, chromium, arsenic, antimony, copper, cyanide).

Particular attention was given to analytical methods so that the results obtained might be compared and that harmonization on a Community scale might be ensured. Analytical programmes for certain pollutants (organo-halogen compounds, heavy metals in biological fluids) and certain effects (ALAD in blood) are being organized or are in progress.

- (e) *Description of effects of pollutants and nuisances on health and the environment:*

These studies were on inorganic micropollutants, lead, cadmium, mercury, chromium, arsenic, antimony, copper and cyanide. Studies on persistent organo-halogen compounds are in progress.

With regard to atmospheric pollutants, studies were also made on sulphur compounds, particles in suspension, carbon monoxide and oxides of nitrogen.

300. A particularly interesting report has just been prepared concerning measurements of SO₂ and particles in suspension in the nine Member States of the Community for the period from 3 April 1971 to March 1973. This is the first report to contain the data, supplied by national experts, on atmospheric pollution caused by the two pollutants given priority in the Commission's environmental programme of action.

The results from 400 of the 2 000 existing stations were analyzed. The selection was based on the research of sites having high, average or low pollution levels in urban areas. Population density was also taken into consideration.

The six categories for urban areas range from 2 million to 100 thousand inhabitants. Another sub-division between residential and industrial areas was also taken into consideration.

The five methods used to measure sulphur compounds results have obtained a sufficient comparability degree to reach the aim of this report. The two methods used for the measurement of particles in suspension can give different results and must, therefore, be examined separately. The fact has been recognized that many factors, such as topography or meteorology can influence the results obtained for individual sites and that the pollution levels can vary from one year to the next, depending on climatic conditions.

With regard to the presentation of data, this was given in average monthly, seasonal and yearly values. The average annual concentrations of sulphur dioxide for residential areas ranges from 30 to 300 microgrammes/m³. The highest average annual levels were found in urban areas having over one million inhabitants; this does not necessarily imply that big cities are more polluted than smaller towns. Industrial sites do not always tend to have high values and, in certain cases, they were even lower than those for residential sites in the same urban areas.

The maximum daily values were only used as indicators of the distribution of pollution levels; they are generally 4 to 5 times higher than the average annual value for the period under review. There are considerable differences in the winter and summer levels: in residential areas values vary from 1.5 to 11.9 but for the main part are between 2 and 4.

An analysis was undertaken of developments from 1960 to 1971. An overall decrease of these levels was observed for this period; in certain regions, however, a levelling-off and even an increase were noted.

With regard to smoke, the average annual concentration in urban areas is usually 55 microgrammes/m³; the median value being 45 microgrammes/m³. There is a slight difference between residential and industrial sites. The extreme limits of the average annual rate range from 20 to 200 microgrammes/m³.

The maximum daily levels are five to six times higher than the average annual levels. In the majority of sites, the winter concentration is usually twice as high as the summer concentration. According to the analysis made of developments since 1960, there has been an overall decrease of these levels.

The average annual concentrations for particles in suspension range from 70 to 230 microgrammes/m³ in residential areas and tend to be slightly higher in streets. The maximum daily averages are usually two to three times higher than the annual averages. In the majority of sites, the winter concentrations are 1.5 times higher than the concentrations in summer.

Interesting information was provided by the measurements carried out in sites where the data available concerned both smoke or particles in suspension and sulphur compounds. The relation between these two pollutants ranged from 0.2 to 1. Areas with high concentrations of SO₂ (above 200 microgrammes/m³) were not identical with those having high levels of smoke (above 100 microgrammes/m³).

The examination of this data by a group of experts emphasized the importance of having, in the future, a sufficient number of measurements for these two important atmospheric pollutants for the purpose of improving the knowledge concerning the possible effects on health and the chemistry of the atmosphere.

The principal recommendations concern the application of cumulative frequency distributions for separate sets and individual places and the possibility of determining the exact position of the general public exposed to different levels.

Despite the fact that present measurements allow for a preliminary analysis of pollutants, a special effort will, none the less, have to be made to improve the harmonization of measuring methods and to come to an agreement on the parameters to be taken into consideration when locating measuring stations in the networks organized at different levels in the Member States.

301. The effects on health of *sound levels* measured in the environment of the Member States were examined, as well as the lessons which can be learnt from the industrial experience.

With regard to *waters to be used for human consumption*, proposals on standards, based on the European standards for drinking waters as recommended by the WHO, are being formulated with the assistance of national experts. The precise definition of analytical techniques (sampling and measurements) and their harmonization are indispensable factors for the normalization process.

A number of *symposia* were held with a view to defining and discussing the scientific knowledge available for particularly topical environmental fields:

— On 3-5 July 1973 the Commission organized a European Symposium on the problems posed by *environmental pollution due to mercury and cadmium*. During this symposium it became evident that the mercury problem is less acute than it would appear. Because of the considerable amounts of mercury used in different industries and in agriculture, it would be advisable to be on the alert and to continue to monitor the discharge (dumping) of this pollutant and the consequent contamination of the environment. Cadmium seems to pose more difficult problems. The sources of contamination of the environment are many and various and the toxic effects are as yet not very well known.

— On 17-19 December 1973 a symposium will be held on environmental pollution caused by *carbon monoxide and the consequent effects on health*. The objective of this symposium is to obtain data which could be of use in establishing criteria for this pollutant. The influence of this pollutant on human health is complex and diversified. Another point which must be emphasized is that the pollution levels measured in the Community countries are relatively confined since they depend on traffic density, size of roads, climatic and other meteorological factors and the type of work carried on in the area.

Other symposia are envisaged, particularly a European symposium on *the problems raised by the contamination of man and his environment by persistent pesticides and organo-halogenated compounds*. This symposium will be held in Luxembourg on 14-16 May 1974.

An international symposium on the recent progress in the assessment of the effects of pollution on the environment and on health is being organized with the cooperation of the World Health Organization and the Environmental Protection Agency of the USA. This symposium is to take place in Paris on 24-28 June 1974 and should be of considerable interest to scientific and medical circles which are concerned with the environment.

D. The Development of the Social Situation in figures

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302. The following statistical survey of the development of the social situation in the various fields corresponds to the survey published last year for the first time in the form of 'social indicators'. With the dual aim of enabling developments over past years to be traced and also of providing a comparison of the social situation and development in the Member States, most of the data is shown in the form of percentages (of the population, labour force, wage-earners, national product etc... or of the total) or as index values. Only a few characteristic overall figures are included, such as the overall population and the working population.

The data have not always been taken from statistical surveys: some of them have been taken from existing legislation and collective agreements concluded between both sides of industry, for example, those relating to working hours and paid leave.

It has been necessary, in certain cases, to convert national statistics to make them comparable; this applies particularly to data on unemployment and migrant workers.

As was already said in last years' social report, the Commission considers it less important for the system of 'social indicators' to show exact statistical accuracy than to provide information on the state and development of social trends which is in an easily comparable form and at the same time as comprehensive as possible.

The following table brings the statistical annex of last year's social report up to date. Because of the results of population census carried out in 1970/71 and revised results of national accounts for the last few years, a whole series of figures have had to be amended, even though trends as revealed by last year's figures have not noticeably changed.

	Year	Belgium	Germany	France
I. Population, employment				
1. Population				
(a) Inhabitants (millions) (Annual Average)	1958	9.1	54.3	44.8
	1969	9.6	60.1	50.3
	1970	9.7	60.7	50.8
	1971	9.7	61.3	51.3
	1972	9.7	61.7	51.7
(b) Annual increase (%)	1958-1972	0.5	0.9	1.0
(c) Inhabitants per km ²	1958	297	218	81
	1969	316	242	91
	1970	317	244	92
	1971	317	247	93
	1972	318	250	95
(d) Distribution by age groups				
0-14	1958	23.2	21.3	25.9
15-64		65.0	68.3	62.5
65 and over		11.8	10.4	11.6
0-14	1969	23.6	23.2	24.9
15-64		63.0	63.8	62.3
65 and over		13.4	13.0	12.8
0-14	1972	23.4	22.9	24.6
15-64		63.0	63.6	62.4
65 and over		13.6	13.5	13.0
2. Population trends				
(a) Live births per 1 000 inhabitants	1958	17.1	16.7	18.1
	1969	14.6	15.0	16.7
	1970	14.6	13.4	16.7
	1971	14.8	12.6	17.0
	1972	13.8	11.3	16.9
(b) Deaths per 1 000 inhabitants	1958	11.7	11.0	11.2
	1969	12.4	12.4	11.3
	1970	12.3	12.1	10.6
	1971	12.4	11.8	10.6
	1972	12.0	11.8	10.6
(c) Infant mortality	1958	31.3	36.2	31.5
	1969	21.6	23.2	19.7
	1970	20.5	23.4	15.2
	1971	19.8	23.2	14.4
	1972	18.2	22.8	13.3

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+8
49.5	0.31	11.2	169.1	51.9	2.9	4.5	228.3
53.2	0.34	12.9	186.4	55.4	2.9	4.9	249.6
53.6	0.34	13.0	188.0	55.5	2.9	4.9	251.4
53.9	0.34	13.2	189.7	55.7	3.0	4.9	253.3
54.3	0.35	13.3	190.8	55.8	3.0	5.0	254.6
0.7	0.7	1.3	0.9	0.5	0.4	0.7	0.8
164	119	290	145	213	41	105	150
177	130	314	160	227	42	114	164
178	130	319	161	227	42	115	165
179	132	322	162	228	43	115	166
181	133	326	163	229	43	116	167
24.6	.	30.1	24.2	23.2	30.4	26.1	24.4
66.4	.	61.1	65.5	65.3	58.8	63.3	65.1
9.0	.	8.8	10.3	11.5	10.8	10.3	10.5
25.3	22.1	27.4	24.6	23.9	31.1	23.5	24.5
65.0	65.4	62.5	63.6	63.4	57.8	64.4	63.5
9.7	12.5	10.1	11.8	12.7	11.1	12.1	12.0
24.3	21.7	26.9	24.1	24.1	31.3	23.1	24.1
64.8	65.5	62.8	63.5	62.7	57.7	64.3	63.3
10.9	12.8	10.3	12.4	13.2	11.0	12.6	12.6
17.7	16.0	21.2	17.7	16.8	20.9	16.5	17.5
17.5	13.6	19.2	16.4	16.6	21.5	14.6	16.5
16.6	13.0	18.3	15.7	16.2	21.8	14.4	15.8
17.4	13.0	17.2	15.6	16.3	22.8	15.2	15.9
16.3	11.8	16.1	14.7	14.9	22.6	15.1	14.9
9.3	11.3	7.6	10.4	11.6	12.0	9.2	10.6
10.1	12.4	8.4	11.1	11.9	11.5	9.8	11.3
9.7	12.2	8.4	10.8	11.8	11.5	9.8	11.0
9.6	12.8	8.4	10.7	11.6	10.6	9.9	10.9
9.6	11.8	8.5	10.6	12.1	11.3	10.1	10.9
48.2	34.7	17.2	36.7	23.4	35.4	22.4	33.5
30.3	17.5	13.2	23.4	18.6	20.6	14.8	22.1
29.2	17.9	12.8	21.6	18.5	19.2	14.2	20.7
28.3	17.7	12.1	21.1	17.8	18.0	.	.
22.1	16.7	11.7	20.1	17.6	.	.	.

	Year	Belgium	Germany	France
3. Employment and unemployment				
(a) Civilian labour force as % of total population	1958	39.9	48.1	42.4
	1969	39.1	43.4	40.6
	1970	39.6	43.4	40.9
	1971	39.9	43.0	41.0
	1972	39.9	42.4	41.1
(b) Unemployed as % of civilian labour force (unemployment rate)	1958	3.4	2.9	1.0
	1969	2.3	0.7	1.7
	1970	2.0	0.6	1.8
	1971	1.9	0.7	2.1
	1972	2.4	0.9	2.4
(c) Civilian employment				
(aa) Civilians employed (in thousands)	1958	3 464	25 357	18 823
	1969	3 683	25 871	20 093
	1970	3 747	26 169	20 392
	1971	3 786	26 150	20 518
	1972	3 782	25 932	20 750
(bb) Female employment as % ¹	1960	26.4	35.5	35.5
	1968	28.4	34.0	36.4
	1969	28.8	34.0	36.5
	1970	29.1	34.0	37.0
	1971	29.6	34.0	36.7
	1972			
(cc) Civilian employment by sectors as % (Annual estimates)				
Agriculture	1958	9.4	15.7	23.7
Industry		47.5	47.6	39.0
Transports, services public administration		43.1	36.7	37.3
Agriculture	1970	4.8	8.6	14.1
Industry		44.7	49.8	38.8
Services		50.5	41.6	47.2
Agriculture	1971	4.4	8.0	13.4
Industry		44.3	49.7	38.6
Services		51.3	42.3	48.0
Agriculture	1972	4.2	7.5	12.9
Industry		43.4	49.5	40.3
Services		52.5	43.0	46.8

¹ Former 6 member countries: data taken from the Community sample surveys; 3 new member countries: national data that are not comparable to those of the 6.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
44.0	41.5	35.7	43.9	46.8	39.8	(43.8)	44.3
35.8	41.4	35.7	39.7	(44.9)	38.1	47.2	41.0
35.7	42.5	35.6	39.8	(44.5)	37.6	47.3	41.0
35.4	43.3	35.5	39.6	44.4	37.3	47.7	40.3
34.7	43.5	35.2	39.3	44.7	36.8	47.7	40.6
(6.2)	0.0	2.5	(3.4)	1.7	6.4	.	(3.0)
3.4	0.0	1.4	1.4	2.0	5.2	1.1	1.9
3.2	0.0	1.2	1.7	2.2	5.9	0.7	1.8
3.2	0.0	1.5	1.8	2.9	5.9	1.1	2.1
3.7	0.0	2.5	2.2	3.3	6.4	1.0	2.5
(20 000)	133	3 899	71 680	23 656	1 060	1 891	98 290
18 419	140	4 525	72 730	(24 933)	1 058	2 282	101 000
18 514	144	4 585	73 550	(24 748)	1 045	2 315	101 660
18 455	148	4 619	73 680	23 988	1 047	2 338	101 050
18 140	151	4 581	73 340	23 985	1 037	2 355	100 710
27.7	25.2	22.8	31.9	34.4	(26.5)	31.8	.
26.1	25.4	23.3	31.6	36.3	.	.	.
26.5	25.8	.	31.9	36.6	.	39.0	.
26.3	25.8	.	31.9	36.8	.	39.4	.
26.5	26.6	.	31.9	36.5	26.6	40.0	.
.	.	.	.	37.0	.	41.0	.
34.9	(17.9)	12.7	22.7	4.5	38.4	20.1	18.4
35.4	(43.3)	41.8	41.6	48.9	22.9	37.5	43.1
29.7	(38.8)	45.5	35.7	46.6	38.7	42.4	38.5
19.5	10.8	7.2	12.6	(3.2)	27.1	11.5	10.3
43.8	46.7	38.7	44.3	(44.8)	29.9	37.8	44.5
36.6	42.5	54.2	43.1	(52.0)	43.1	50.7	45.1
19.4	10.2	7.0	12.1	3.1	26.1	11.0	10.1
44.2	47.4	37.8	44.2	43.9	30.9	37.2	43.8
36.4	42.5	55.0	43.7	53.0	43.1	51.9	46.1
18.2	9.6	6.9	11.5	3.1	25.8	9.8	9.6
44.3	48.0	36.8	44.5	42.7	30.3	34.2	43.7
37.5	42.5	56.3	44.0	54.2	44.0	56.0	46.7

	Year	Belgium	Germany	France
(dd) Civilian employment by professional status as % (Annual estimates)				
Self-employed and Family helpers	1958	24.1	24.1	31.6
Wage and salary earners		75.9	75.9	68.4
Self-employed and Family helpers	1970	20.7	16.9	22.2
Wage and salary earners		79.3	83.1	77.8
Self-employed and Family helpers	1971	20.0	16.3	21.4
Wage and salary earners		80.0	83.7	78.6
Self-employed and Family helpers	1972	19.5	15.9	20.8
Wage and salary earners		80.5	84.1	79.2
(d) Foreign workers				
Foreign workers employed as % of wage and salary earners employed	1958	.	0.7	.
	1969	6.6	6.4	7.6
	1970	6.7	8.3	7.5
	1971	6.9	9.7	7.4
	1972	7.2	10.5	7.3
II. Education, vocational training				
1. Number at school and university				
as % of population aged from 5 to 24	1960/61	59.0	45.4	61.1
	1970/71	61.7	57.0	60.4
	1971/72	63.6	57.3	61.1
2. Number of students at university and in higher education				
	1960/71	8	8	8
as % of population aged from 19 to 24	1969/70	14	13	14
	1970/71	15	14	14
	1971/72	15	15	15
III. Industrial relations				
1. Degree of organization of workers (as %)				
	1958	60	38	23
	1970	67	37	22
	1971	68	38	22
	1972	69	38	22
2. Industrial disputes				
Working days lost per 1 000 workers	1958	115	41	88
	1960/69	98	15	276
	1970	482	4	110
	1971	409	205	272
	1972	116	3	128

¹ Without United Kingdom and Commonwealth.

² Without the North Labour market.

³ Estimate.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
44.9	29.9	23.5	31.9	7.5	36.3	23.6	25.9
55.1	70.1	76.5	68.1	92.5	63.7	76.4	74.1
31.7	23.6	16.6	22.3	7.5	31.4	20.7	18.7
68.3	76.4	83.4	77.7	92.5	68.6	79.3	81.3
30.7	22.5	16.3	21.5	7.8	30.4	20.3	18.1
69.3	77.5	83.7	78.5	92.2	69.6	79.7	81.9
29.5	21.5	16.2	20.8	7.8	30.4	18.3	17.8
70.5	78.5	83.8	79.2	92.2	69.6	81.7	81.9
		1.0					
0.3	29	2.8	5.2	4.5	0.4 ¹	1.2 ²	4.7
0.3	30	2.9	5.8	5.0	0.3 ¹	1.3 ²	5.2
0.3	33	3.0	6.4	5.4	0.3 ¹	1.9 ²	5.8
0.4	34	3.0	6.7	5.5	0.3 ¹	.	6.0
43.0	49.5	57.4	50.4	56.4			
57.7	55.0	57.9	58.5	62.0	68.2	.	.
58.6	53.9	59.7	59.3	63.2 ³	.	.	.
6	4	9	7	4	.	.	.
14	6	12	14	9	9	.	.
15	6	12	14	9	9	.	.
16	6	14	15	10	.	.	.
50-55	60	43	41	43	39	~ 70	42
50-55	55	41	39	47	48	~ 70	42
50-55	55	41	39	48	48	~ 70	42
50-55	55	41	39	48	48	~ 70	42
379	.	13	132	158	187	7	138
1 145	.	20	346	153	610	175	330
1 445	.	69	381	480	1 425	56	410
1 012	.	25	403	613	376	11	450
1 315	.	35	365	1 081	287	11	547

	Year	Belgium	Germany	France
IV. Working conditions				
1. Hours of work per week				
(a) Hours of work fixed by legislation	1958	48	48	40 ¹
	1970	45	48	40 ¹
	1971	45	48	40 ¹
	1972	45	48	40 ²
	1973	45	48	40 ²
(b) Hours of work fixed for manual workers in industry by collective agreements in general	1958	45-47	44-45	—
	1969	43-44	40-41 1/2	—
	1970	42-44	40-41	—
	1971	42-44	40-41	—
	1972	41-42 ⁴	40	—
	1973	40-42 ⁴	40	—
(c) Hours of work offered to wage earners in industry (harmonized Community statistics)	1967	43.9	42.6	46.5
	1969	43.7	44.2	46.1
	1970	42.9	44.1	45.8
	1971	42.4	43.3	45.4
	1972	41.7	43.2	45.0
(d) Hours actually worked by wage earners in industry ⁵	1958	.	45.7	46.2
	1969	.	44.0	45.9
	1970	.	44.0	45.5
	1971	.	43.2	45.1
	1972	.	42.8	44.6
2. Annual paid holidays (days) (Predominant systems)				
(a) Basic holidays for adults fixed by legislation	1958	12	12	18
	1969	18	15-18	24
	1970	18	15-18	24
	1971	18	15-18	24
	1972	18	15-18	24
	1973	18	15-18	24

¹ The number of hours may be greater but may not exceed 60 per week.

² The number of hours may be greater but may not exceed 57 per week.

³ The number of working hours may be increased by 4, 3, 2, 1 hours per week in 1971, 72, 73, 74 respectively, without a special permission.

⁴ Construction: 43 3/4 hours in 1972, 43 hours in 1973.

⁵ Beginning 1 July 1973.

⁶ As the definitions of the national statistics are different, the data cannot be compared from one country to an other; nevertheless, given the fact that they permit to follow the evolution of the number of hours actually worked since 1958, they have been reproduced. Included under this heading are:

Germany: Hours paid for;

France: Hours actually worked by a worker present during the entire pay period;

United Kingdom/Ireland: Hours actually worked by a worker present during all or part of the pay period.

⁷ Manufacturing industries only.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+8
	Employees/ Workers						
48	44/48	48	40-48	—	48	—	40-48
48	44/48	48	40-48	—	48	—	40-48
48	44/44 ³	48	40-48	—	48	—	40-48
48	40/44 ³	48	40-48	—	48	—	40-48
48	40/44 ³	48	40-48	—	48	—	40-48
48	48	48	44-48	44-45	44	45-48	44-48
42-44	42-44	43 $\frac{1}{2}$	40-44	40-41	42	42 $\frac{1}{2}$	40-44
42-44	41-44	42 $\frac{1}{2}$ -43 $\frac{3}{4}$	40-44	40-41	41-42	42 $\frac{1}{2}$ -41 $\frac{3}{4}$	40-44
40-43	41-44	42 $\frac{1}{2}$ -43 $\frac{3}{4}$	40-44	40	40-42	41 $\frac{1}{2}$	40-44
40-42	40-44	41 $\frac{1}{2}$ -42 $\frac{1}{2}$	40-44	40	40-42	41 $\frac{1}{2}$	40-44
40	40-44	40-42 $\frac{1}{2}$	40-44	40	40 ⁵	41 $\frac{1}{2}$	40-44
44.3	45.9	45.3	44.2	.	.	.	.
43.6	45.2	45.1	44.6	.	.	.	.
42.5	45.1	44.3	44.2	.	.	.	.
42.1	44.5	43.9	43.6	.	.	.	.
41.9	43.8	43.4	43.3	.	.	.	.
.	.	.	.	46.2	44.6 ⁷	.	.
.	.	.	.	44.5	43.1 ⁷	.	.
.	.	.	.	43.9	42.5 ⁷	.	.
.	.	.	.	43.0	42.1 ⁷	.	.
.	.	.	.	43.3	42.3 ⁷	.	.
—	8-18	—	.	—	12	12	.
—	18-24	10-12	.	—	12	18	.
—	18-24	10-12	.	—	12	18	.
12	18-24	12 $\frac{1}{2}$ -15	12-24	—	12	18	.
12	18-24	15-18	12-24	—	12	21	.
12	18-24	15-18	12-24	—	12	24	.

	Year	Belgium	Germany	France	
(b) Basic holidays for adults laid down in collective agreements	1958	12	12-18	18	
	1969	18	16-24	24	
	1970	18	16-24	24	
	1971	18	16-24	24	
	1972	20	17-24	24	
	1973	20-22	18-24	24	
(c) Additional holidays allowances	1958	6		—	
		daily wages			
	1969	18	10-30% ¹	—	
	1970	18	15-30% ¹	—	
	1971	18	25-30% ¹	—	
	1972	18	25-30% ¹	—	
1973	18	25-40% ¹	25-50% ²		
3. Public holidays					
(a) Public holidays paid for and not worked fixed by legislation	1958	10	10-13	1	
	1970	10	10-13	1	
	1971	10	10-13	1	
	1972	10	10-13	1	
	1973	10	10-13	1	
(b) Public holidays paid for and not worked fixed by legislation and laid down in collective agreements	1958	10	10-13	4-7	
	1970	10	10-13	8-10	
	1971	10	10-13	8-10	
	1972	10	10-13	8-10	
	1973	10	10-13	8-10	
V. Incomes — Labour costs					
1. Gross national product per capita in \$	1958	1 154	1 096	1 196	
	1969	2 416	2 558	2 777	
	1970	2 692	3 089	2 870	
	1971	2 936	3 388	3 160	
	1972	3 351	3 840	3 489	
2. Average compensation of wage and salary earners (Annual average)					
	(a) as % of national income per person employed (wage-quota)	1958	77.9	80.2	81.9
		1969	77.1	78.6	80.3
		1970	76.9	79.8	80.0
		1971	79.3	81.5	79.8
		1972	79.9	81.9	79.5

¹ This average additional allowance was paid to less than half of the wage and salary earners in 1969 and 1970 and to 60 to more than 70% of them in 1971, 1972 and 1973.

² Some works agreements.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
12	8-18	12-15	8-18	12	12	18	8-18
12-14	18-24	15-16	12-24	12-18	12-18	18	12-24
12-15	18-24	15-18	12-24	12-18	18	18	12-24
13-18	18-24	15-19	13-24	12-18	18	18	12-24
13-18	18-24	16-20	13-24	12-18	18	21	12-24
14-20	18-24	17-20	14-24	15-18	18	24	14-24
—	—	6-12 daily wages	.	—	—	—	.
—	—	6% yearly wages	.	—	—	0.75%	.
—	—	6% "	.	—	—	0.75%	.
—	—	6½-8% "	.	—	—	2.00%	.
—	—	6½-8% "	.	—	—	2.00%	.
16	10	—	.	6	6	9½	.
16	10	—	.	6	6	9½	.
16	10	—	.	6	6	9½	.
16	10	—	.	6	6	9½	.
16	10	—	.	6	6	9½	.
17	10	7	4-17	6-7	6	9½	4-17
17	10	7	7-17	6-7	6	9½	6-17
17	10	7	7-17	6-7	6	9½	6-17
17-18	10	7	7-18	6-7	6	9½	6-18
17-18	10	7	7-18	6-7	6	9½	6-18
612	1 402	845	968	1 252	578	1 101	1 029
1 563	2 630	2 228	2 303	2 017	1 225	2 899	2 238
1 739	3 004	2 475	2 582	2 206	1 356	3 186	2 496
1 869	(3 027)	2 759	2 827	2 435	1 529	3 473	2 738
2 008	(3 255)	3 193	3 153	2 641	1 760	3 889	3 039
88.0	91.9	76.0	81.6	78.0	87.1	.	80.7
83.0	90.3	79.6	80.4	81.8	90.8	81.3	80.2
83.9	90.0	81.4	81.6	83.8	93.5	84.9	81.5
89.8	.	83.0	83.1	82.5	94.6	(84.1)	82.5
89.2	.	81.7	83.0	83.3	94.4	(83.4)	82.6

	Year	Belgium	Germany	France
(b) Increase in nominal terms 1958 = 100	1958	100	100	100
	1969	206	224	268
	1970	225	258	296
	1971	251	291	326
	1972	287	319	360
(c) Increase in real terms 1958 = 100	1958	100	100	100
	1969	157	174	173
	1970	165	193	181
	1971	176	206	189
	1972	191	215	197
3. Increase of average gross hourly earnings of workers in industry October/October (1958 = 100)				
— in nominal terms	1969	204	234	231
	1970	230	266	258
	1971	259	290	289
	1972	298	316	328
— in real terms	1969	153	181	147
	1970	166	198	156
	1971	177	204	165
	1972	193	209	179
4. Labour costs per hour worked				
(a) of manual workers in industry in \$	1958s	0.85	0.78	0.76
	1969	1.94	2.00	1.71
	1971a	2.55	2.82	2.00
	1972a	3.15	3.41	2.39
— country with the highest level = 100	1958s	76	70	68
	1969	91	94	80
	1971a	90	100	71
	1972a	92	100	70
(b) of manual and office workers in industry in \$ — country with the highest level = 100	1969	2.18	2.26	2.11
	1969	94	97	91
VI. Consumption/Standard of living				
1. Composition of private consumption in %				
— food and beverages, tobacco	1960			
		34.8	38.2	41.7
		9.0	12.8	10.9
— clothing and footwear		11.8	7.2	6.4
— rents and connected charges				

¹ Manufacturing industries: September.

² Manufacturing industries, construction, services; fourth quarter.

s: Estimates.

a: Actualization of the results 1969.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
100	100	100	100	100	100	100	.
277	181	269	250	192	255	273	.
312	202	304	285	217	296	303	.
365	(221)	344	320	243	339	.	.
(405)	(243)	389	360	289	406	.	.
100	100	100	100	100	100	100	.
194	145	176	177	135	173	159	.
208	155	191	193	143	185	166	.
232	(163)	201	206	147	195	.	.
(244)	(170)	211	219	163	215	.	.
235	189	264	.	199	238 ¹	286 ²	.
291	215	301	.	228	279 ¹	319 ²	.
334	230	347	.	257	324 ¹	364 ²	.
376	253	387	.	296	369 ¹	404	.
163	152	171	.	140	159 ¹	166 ²	.
192	165	187	.	149	172 ¹	174 ²	.
210	168	199	.	154	183 ¹	188 ²	.
221	175	206	.	164	192 ¹	194 ²	.
0.65	1.12	0.67	.	.	.	.	.
1.59	2.13	1.96	.	.	.	.	.
2.28	2.59	2.60	.	.	.	.	.
2.68	3.15	3.24	.	.	.	.	.
58	100	60	.	.	.	.	.
75	100	92	.	.	.	.	.
81	92	92	.	.	.	.	.
78	92	95	.	.	.	.	.
1.83	2.33	2.29	.	.	.	.	.
79	100	98	.	.	.	.	.
48.5	38.8	37.9	.	38.9	52.8	.	.
9.8	11.4	12.8	.	10.7	9.8	.	.
10.4	11.5	7.8	.	9.2	6.0	.	.

	Year	Belgium	Germany	France
— fuel and power		4.9	3.3	3.7
— furniture, furnishings a.s.o.		11.0	14.0	8.9
— personal care and health		6.0	4.0	6.8
— transportation and communication		9.0	8.8	8.6
— education, entertainment and recreation		4.7	7.0	6.6
— other goods and services		8.4	4.7	5.6
— expenditure abroad of residents		0.3	—	0.8
	1970			
— food and beverages, tobacco		31.6	30.3	32.9
— clothing and footwear		8.2	12.0	9.1
— rents and connected charges		9.5	11.2	10.2
— fuel and power		5.0	3.8	3.1
— furniture, furnishings a.s.o.		13.1	13.2	8.4
— personal care and health		8.0	4.2	11.2
— transportation and communication		10.3	12.0	9.8
— education, entertainment and recreation		4.3	7.0	7.4
— other goods and services		9.8	6.3	7.8
— expenditure abroad of residents		0.2	—	0.1
2. Amounts of some foodstuffs consumed annually in kg per unit of consumption	1957-1959	1		
— cereals, rice		93.3	90.5	108.0
— potatoes		147.0	149.0	114.0
— sugar		31.2	29.3	29.1
— meat		56.3	52.0	70.0
— eggs		14.9	11.8	10.3
— oils and fats		12.9	19.2	11.2
— butter		8.4	6.1	6.0
— fresh milk (litres)		94.2	119.1	94.0
	1970-1971	1		
— cereals, rice		80.1	67.9	79.3
— potatoes		115.0	101.8	96.0
— sugar		38.7	34.3	35.9
— meat		82.7	87.2	96.0
— eggs		12.8	16.3	12.6
— oils and fats		24.3	19.6	17.7
— butter		8.5	7.0	7.3
— fresh milk (litres)		78.0	77.4	71.3
3. (a) Private cars per 1 000 inhabitants	1.1.1958	71	56	89
	1.1.1970	199	119	238
	1.1.1971	213	222	251
	1.1.1972	219	253	256

¹ Figures for Belgium include Luxembourg.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 0+3
3.0	3.9	5.1	.	5.8	4.9	.	.
6.0	9.6	15.0	.	5.3	7.7	.	.
6.0	5.5	5.7	.	3.8	2.0	.	.
7.4	9.4	4.1	.	12.0	9.0	.	.
6.5	4.1	3.9	.	5.7	5.8	.	.
5.1	9.2	7.9	.	7.1	7.1	.	.
- 2.7	- 3.4	- 0.2	.	1.5	- 5.0	.	.
42.9	31.6	30.3	.	34.6	47.7	.	.
9.4	9.6	10.0	.	9.4	10.2	.	.
9.8	12.3	8.3	.	12.4	6.1	.	.
3.3	5.4	5.0	.	6.2	4.3	.	.
5.9	9.6	15.1	.	5.4	8.3	.	.
7.9	6.8	8.0	.	3.6	2.5	.	.
10.7	11.1	5.7	.	13.5	10.7	.	.
6.2	4.0	4.8	.	6.1	5.9	.	.
5.6	10.8	10.6	.	7.3	7.5	.	.
- 1.7	- 1.2	2.2	.	- 1.5	- 3.1	.	.
	1						
142.3	.	86.5	110.2	85.3	117	84.1	104.1
48.0	.	90.0	106.2	94.6	136	129.0	104.4
18.2	.	43.2	27.1	51.6	45	48.5	33.3
23.3	.	42.8	48.2	65.5	57	69.4	52.7
8.3	.	11.5	10.5	14.1	18	8.6	11.4
13.8	.	21.0	15.2	15.4	6	18.5	15.2
1.3	.	3.6	4.6	6.7	13	9.4	5.3
53.0	.	168.6	96.5	146.8	202	119.6	109.7
	1						
133.3	.	66.7	90.3	72.8	91.7	71.7	86.1
40.6	.	84.6	82.1	101.6	123.1	83.9	86.8
27.1	.	45.6	33.7	44.7	50.7	48.5	36.6
57.3	.	65.7	79.2	72.3	83.6	62.5	77.4
10.9	.	11.8	13.3	15.0	13.3	11.0	13.6
22.2	.	31.2	20.9	15.9	8.2	21.1	19.7
1.6	.	2.2	5.3	18.5	10.2	7.5	6.1
66.6	.	107.0	74.7	139.7	212.6	112.5	91.4
25	100	39	55	88	52	62	62
169	250	179	199	209	129	209	201
190	269	191	217	215	134	218	218
207	291	220	237	222	140	228	232

	Year	Belgium	Germany ¹	France
(b) Television sets per 1 000 inhabitants	1.1.1958	14	22	15
	1.1.1969	197	250	185
	1.1.1970	207	265	201
	1.1.1971	216	275	216
	1.1.1972	.	299	227
(c) Telephones per 1 000 inhabitants	1.1.1958	109	88	79
	1.1.1969	191	188	150
	1.1.1970	200	206	161
	1.1.1971	211	228	173
	1.1.1972	224	249	185
4. Housing				
(a) Completed dwellings per 1 000 inhabitants	1958	.	9.5	6.5
	1969	5.9	8.3	8.6
	1970	4.6	7.9	8.9
	1971	4.4	9.1	9.3
	1972	5.6	10.7	10.9
(b) Rent index (1958 = 100)	1969	163 ²	195	298
	1970	172 ²	203	320
	1971	.	215	339
	1972	.	226	358
(c) Index of building cost of dwellings (1958 = 100)	1969	191	159	157
	1970	216	182	163
	1971	240	202	173
5. Health				
(a) Doctors per 100 000 inhabitants	1.1.1958	119	130	100
	1.1.1969	155	156	133
	1.1.1970	154	163	133
	1.1.1971	161	178	134
	1.1.1972	.	.	.
(b) Pharmacists per 100 000 inhabitants	1.1.1969	68	36	63
	1.1.1970	70	33	62
	1.1.1971	71	37	63
	1.1.1972	.	.	.
(c) Hospital beds ¹ per 100 000 inhabitants	1.1.1969	800	1 149	885
	1.1.1970	820	1 123	.
	1.1.1971	835	1 120	.
	1.1.1972	.	.	.

¹ Including clinics, psychiatric hospitals, sanatoriums, nursing homes and old persons' homes.² The index refers only to dwellings built by intervention of the 'Société nationale du logement'.³ England and Wales.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
14	7	22	17	150	.	25	47
150	154	208	198	278	135	248	216
170	183	221	213	284	141	250	228
181	209	237	227	294	152	266	242
191	.	243	.	298	164	277	.
58	123	119	80	150	46	211	98
144	290	228	168	231	94	309	184
157	313	241	182	252	98	322	199
175	327	262	200	270	104	345	217
188	346	280	217	289	109	356	235
.	.	8.0	.	5.4	2.1	4.6	.
5.3	5.5	9.6	7.4	6.8	4.8	10.2	7.2
7.0	5.1	9.0	7.8	6.5	4.6	10.2	7.5
6.7	7.0	10.4	8.3	6.5	5.2	10.0	7.9
4.4	6.5	11.5	8.8	5.9	7.0	10.0	8.1
216	.	176	.	.	177	.	.
223	.	185	.	.	194	.	.
227	.	200	.	.	214	.	.
232	.	217	.	.	.	.	.
205	.	172	.	212 ³	155	.	.
237	.	190	.	229 ³	172	.	.
262	.	216	.	.	190	.	.
142	97	114	124	.	105	.	.
175	101	118	150	126	104	141	144
180	106	119	160	127	102	145	150
.	108	.	.	130	103	.	.
.	109	.	.	126	.	.	.
66	50	8	47	30	57	42	43
65	50	9	51	30	58	37	42
.	50	8	.	28	55	40	.
.	50	.	.	28	.	.	.
1 006	1 163	513	893	984	1 334	915	920
1 055	1 174	526	938	974	1 308	881	943
.	.	.	.	961	1 333	.	.
.	1 146	.	.	.	.	.	.

	Year	Belgium	Germany	France
VII. Social security				
1. Scope				
(a) Medical care				
Persons covered as % of total population	1958	71	84	64
	1960	73	85	66
	1965	91	87	88
	1970	99	90	98
(b) Invalidity, old-age and survivors' pensions scheme				
Persons insured as % of civilian labour force	1958	63	84	.
	1960	.	88	92
	1970	100	.	100
	1971	100	.	100
(c) Employment injuries scheme				
Persons insured as % of civilian labour force	1958	65	100	.
	1966	.	100	.
	1970	79	100	90
	1971	.	100	.
(d) Unemployment insurance				
Persons insured as % of wage and salary earners	1958	79	74	.
	1966	83	81	.
	1970	81	86	72
2. Recipients of benefits				
(a) Sickness				
Average number of days during which benefit was paid	1958	18.9	20.5	.
	1970	.	.	.
	1971	.	.	.
(b) Pensions				
— Old-age pensions per 1 000 inhabitants aged 65 (Italy: 60) and over	1958	231	481	.
	1969	.	594	.
	1970	.	602	.
	1971	.	610	.
— Invalidity pensions per 1 000 inhabitants	1958	8.7	28.0	.
	1969	.	27.0	.
	1970	.	27.0	.
	1971	.	27.3	.

¹ Free medical treatment.

² Free hospital care, treatment by surgeons and specialists and maternity and child care.

³ Widows aged over 60 years generally receive old age pensions; the division between old-age pensions and survivors' pensions therefore does not correspond to that applying in the other countries.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
74	84	75	75	100	} resp 30 ¹ and 90 ²	86 (1956)	.
78	83	76	77	100		90 (1961)	.
85	98	76	86	100		94	.
91	99	76	91	100		.	.
72	82	100	.	90	58	72	.
97	.	100	.	86	65	.	.
98	100	100	.	83	65	.	.
.	100	100	.	83	65	.	.
71	81	67	.	92	62	.	.
62	95	.	.	92	.	.	.
65	93	72	.	94	69	.	.
.	.	.	.	95	70	.	.
60	.	.	.	89	89	4.4	.
74	.	76	.	85	91	4.4	.
71	.	87	.	82	91	4.4	.
22.6	.	14.1	.	33.3	120.4	28.9	.
.	.	.	.	34.4	101.6	.	.
.	.	.	.	.	95.8	.	.
443	.	783	.	3	529	618	.
.	.	.	.	3	486	.	.
.	.	.	.	3	494	.	.
.	.	.	.	3	94	.	.
19.7	.	10.5	.	.	—	12.0	.
.	.	.	.	.	—	21.9	.
.	.	.	.	.	—	22.8	.
.	.	.	.	.	4.0	23.8	.

	Year	Belgium	Germany	France
— Survivors' pensions per 1 000 inhabitants	1958	24.2	63.3	.
	1969	.	67.1	.
	1970	.	67.7	.
	1971	.	68.2	.
(c) Employment injuries, occupational diseases				
— Invalidity pensions per 1 000 inhabitants	1958	15.5	12.9	.
	1969	.	13.2	.
	1970	.	13.2	.
	1971	.	12.9	.
— Survivors' pensions per 1 000 inhabitants	1958	2.8	3.6	.
	1969	.	3.6	.
	1970	.	3.6	.
	1971	.	3.6	.
(d) Unemployment insurance				
Average number of unemployed receiving benefits as % of wage and salary earners	1958	7.0	3.4	.
	1969	.	0.6	.
	1970	.	0.5	.
	1971	.	0.6	.
(e) Family allowances				
Number of children for whom allowances were paid as % of population aged from 0 to 19	1958	72 ³	10 ³	.
	1969	76 ³	28 ³	83
	1970	83 ³	29 ³	84
	1971	.	31 ³	.
VIII. <i>Social accounts</i> ⁴				
1. Expenditures				
(a) as % of gross national product	1970	18.0	20.3	18.3
	1971	18.4	21.2	18.5
	1972	19.2	22.1	18.7
(b) as % of national income	1970	22.9	26.4	23.9
	1971	23.3	27.6	24.1
	1972	24.1	28.9	24.4
(c) Benefits per function as % of national income				
— Sickness	1970	4.8	7.0	5.9
— Old-age, death, survivors		8.1	11.0	8.7

¹ Widows aged over 60 years generally receive old age pensions; the division between old-age pensions and survivors' pensions therefore does not correspond to that applying in the other countries.

² December.

³ Does not include family allowances paid to public employees.

⁴ They include: social security plus voluntary benefits from employers plus benefits for victims of political events and natural disasters plus other social measures.

⁵ Includes invalidity.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
17.9	.	12.2	.	1	22.8	6.7	.
.	.	.	.	1	31.4	.	.
.	.	.	.	1	31.5	.	.
.	.	.	.	1	33.2	.	.
8.3	.	2.5	.	3.1	.	.	.
.	.	.	.	3.8	.	.	.
.	.	.	.	3.8	.	.	.
.	.	.	.	3.8	.	.	.
1.9	.	1.1	.	0.6	.	.	.
.	.	.	.	0.8	0.0	.	.
.	.	.	.	0.8	0.0	.	.
.	.	.	.	0.8	0.0	.	.
3.0	0.0	1.7	.	1.4 ²	5.2	.	.
.	.	.	.	1.3 ²	4.0	.	.
.	.	.	.	1.4 ²	4.4	.	.
.	.	.	.	1.9 ²	4.1	.	.
40 ³	85	48	.	37	75	.	.
55 ³	100	89	58	42	83	.	.
57 ³	100	90	60	42	83	.	.
.	.	.	.	42	84	.	.
18.7	17.2	20.4	.	16.2	13.0	19.3	.
20.1	19.1	21.6	.	16.6	13.5	21.1	.
22.4	20.0	22.7	.	17.1	13.4	20.8	.
23.1	22.9	25.0	.	21.2	16.9	25.3	.
24.7	25.4	26.6	.	21.6	17.5	27.7	.
27.3	26.6	28.0	.	22.1	17.3	27.4	.
5.5	3.8	6.4	.	5.4	0.9	7.4	.
7.3	13.5 ^b	9.8	.	9.6	5.5	9.2	.

	Year	Belgium	Germany	France	
— Invalidity	1972	0.9	1.0	0.3	
— Employment injuries occupational diseases		0.9	1.3	1.0	
— Unemployment		0.9	0.3	0.2	
— Family charges		4.1	2.0	4.8	
— Other ¹		1.3	2.3	1.5	
Total		21.0	24.9	22.4	
— Sickness		1972	5.3	7.7	6.3
— Old-age, death, survivors			8.4	11.2	9.1
— Invalidity			1.0	1.3	0.3
— Employment injuries occupational diseases			1.2	1.3	1.0
— Unemployment	1.2		0.3	0.3	
— Family charges	3.9		2.4	4.6	
— Other ¹	1.8	2.9	1.4		
Total	22.8	27.1	23.0		
2. Receipts					
Nature of receipts - as %					
	1970				
— contributions from employers		47	49	61	
— contributions from insured persons		21	25	20	
— contributions from public authorities		27	23	17	
— income from capital		4	2	1	
— other receipts		1	1	1	
Total	100	100	100		
	1972				
— contributions from employers		46	50	62	
— contributions from insured persons		20	24	20	
— contributions from public authorities		30	23	16	
— income from capital		4	2	1	
— other receipts		0	1	1	
Total	100	100	100		

¹ They include: benefits for physical and psychological infirmity, political events, natural catastrophes a.o.

* Including physical and psychological infirmity.

Italy	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
2.5	.	2.0	.	0.7	0.4 ^a	2.2	
0.8	1.5	—	.	0.3	0.1	0.3	
0.3	0.0	0.7	.	0.9	0.9	0.6	
2.7	2.6	3.4	.	2.2	2.4	3.5	
1.9	0.8	1.8	.	1.3	0.1	1.5	
21.0	22.2	24.1	.	20.4	10.3	24.7	
6.3	4.6	7.3	.	5.6	0.8	7.4	
8.6	16.0	10.3	.	10.2	5.7	9.5	
3.1		2.5	.	0.7	0.5 ^b	2.7	
0.9	1.6	—	.	0.3	0.1	0.4	
0.4	0.0	1.1	.	1.1	0.1	0.9	
2.6	2.8	3.5	.	2.0	2.2	4.4	
1.9	0.6	2.4	.	1.4	0.1	1.3	
23.8	25.6	27.1	.	21.3	10.4	26.6	
55	36	44	.	34	19	11	
15	25	36	.	18	12	7	
24	31	12	.	39	68	82	
3	8	8	.	9	1	0	
3	0	0	.	0	0	—	
100	100	100	.	100	100	100	
54	36	43	.	34	20	10	
15	24	36	.	18	11	6	
24	31	13	.	40	68	81	
3	8	8	.	8	1	3	
4	1	0	.	0	0	—	
100	100	100	.	100	100	100	

CORRIGENDUM

Chapter VII

FAMILY AFFAIRS

point 231: The first sentence reads:

Such action to improve living standards is a major part of family policy. *This policy is being influenced* more and more by the increasing numbers of married women who go out to work, thus altering radically family needs and ways of life.

point 233: i The beginning of the first sentence reads:

The Social Action Programme presented by the Commission puts forward a number of points relating to family living conditions which meet *some of the preoccupations* of the Member States.

ii The end of the last sentence reads:

... (Committee of Family Organizations of the European Communities).

point 234: The third sentence reads:

A Law of 11.7.1973 lays down that for working mothers (wage-earners), who interrupt their career to bring up their children to the age of 3, the period in question will be considered as a period of employment insofar as the calculation of pension rights are concerned, if contributions continue to be paid.

point 236: The first sentence on page 156 reads:

As regards *pre-school education*, the Federal Ministry for Youth, Family Affairs and Health has begun a scientific pilot experiment on 'Tagesmütter' (day mothers), that could contribute to *solving* the problems of about 700 000 working mothers with 800 000 children under 3 years. This consists in entrusting a limited number of children of working mothers, during the day, to mothers *who have a sound training as educationalists* and who are paid for their services.

point 241: The second sentence on page 160 reads:

As regards *crèches and day-centres*, it is *worth mentioning* that the number of centres for children under 4 years has increased tenfold since 1969. The national agency 'Working community for children's centres' coordinates the associations or bodies which, by the end of 1973, were running 1 000 centres ...

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Index of Key Words

(giving reference to the numbers of Paragraphs in Sections A, B, C, and of Tables in Section D)

	A			
social accounts (in %, by countries)		D VIII 1 + 2	working conditions (see also: European Foundation)	A 6 B 17, 27, 28 C 156, 188 D IV 1 + 2 + 3
social activities (s. priorities) of the Community			consultations with the Social Partners (management and labour) at Community level	A 3, 4, 6, 9 (9), 14 B 16, 23, 27, 28, 32, 36 C 118, 120/123, 125, 273
agreements (collective)		B 28 C 119		
social aspects of Community policies		A 15 B 17	consumer (protection)	B 17
asset-formation (promotion of)		C 189/220 (passim)	consumption (private)	D VI 1 + 2 + 3 + 4
			coordination (s. participation of the Social Partners)	
	B		labour costs	D V 4
bargaining (collective)		B 27 C 119, 189		
European social budget		B 25 C 261		D
			diseases (occupational)	B 25
			dismissals collective	A 7 (6) B 16, 28 C 130
	C		individual (protection against)	B 28 C 158
capital formation (s. asset- formation)			disputes (industrial)	C 118/155 (passim) D III 2
European Vocational Training Centre		A 8 (2) B 16, 24		
collective agreements (s. agreements)				E
Standing Committee on Employment		B 23	gross hourly earnings of workers (s. also wages women)	D V 3
consultative committees joint committees mixed committees		B 27 C 126		

- M
- manpower*
(problems)
(s. also *employment*) B 18, 23
C 39
- industrial medicine*
(see also *health*) B 16, 32
C 271/282
- merger* of (national or
multi-national) firms A 8 (3)
B 16, 28
C 128, 130
- migrant workers*

(s. also *free movement* and
social security) A 1, 7 (1),
8 (1), 9 (2), 13
B 16, 19, 20,
24, 29, 30, 34
C 43, 48, 54,
59, 65, 69, 76,
77, 79, 88,
245, 256, 259
D I 3 d
- movement* of workers
(s. *free movement* of workers)
- P
- participation* of Social
Partners at Community level A 6, 9 (9)
(see also: *consultations with*)
- workers' participation* in the
life of firms
(s. *workers' involvement*)
- pay*
(s. also *women wages earnings*) A 7 (3), 9 (4)
D V 2
- social policy* at Community
level A 1, 10, 15
(s. also *Social Action*
Programme) B 16
- population* D I 1 + 2
- poverty*
(‘Fourth World’) A 1, 9 (7)
B 16, 30
C 243
- social priorities*
(at Community level) A 1, 7/9,
11/14
B 16, 23, 28,
29
C 118
- gross national product* D V 1
- Social Action Programme*
(at Community level) A 1, 3/11,
13, 14
(s. also *social policy*) B 16, 23/25,
27
- R
- radiation*
(protection against)
(Euratom)
(s. *health and safety policy*)
- industrial redevelopment* B 22
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(s. also: *retraining*
& *redevelopment*) B 21, 22
- regions* B 16/28, 22
C 43
- industrial relations*
(s. also *involvement* of workers
in the life of firms) A 9 (8)
B 27
C 118/155
D III 1 + 2
- representation* of workers
within firms
(s. *involvement*)
- Council's Resolution*
of 21 January 1974
(on the *Social Action*
Programme) A 1, 4/9
B 16
- own financial resources*
(at Community level) A 15
- workers' retraining* A 11
B 17, 20, 21
C 43
- right of initiative*
(Commission of the
European Communities) A 11, 12
- S
- safety* (common policy)
(s. *health and safety*)
- industrial safety* A 7 (7), 9 (6)
B 16, 17,
34/37
C 271/282

- | | | | |
|-----------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <i>social security</i> | A 9 (5)
B 16, 25
C 255/270
D VII 1 + 2 | <i>European Social Union</i> | A 1 |
| <i>id. of migrants</i> | B 26 | | |
| <i>social services</i>
(welfare)
(decentralizing the ...) | B 30
C 243/254
C 244 | W | |
| <i>stages of the Social
Action Programme</i> | A 7, 8, 9
B 16 | <i>wages</i>
(s. also <i>earnings pay women</i>) | A 2, 11, 12
B 28
C 189/220 |
| <i>standard of living</i> | B 17
D VI 1/5 | <i>guaranteed minimum wage</i> | C 190 |
| <i>Paris Summit of
19/21 October 1972
(Conference)</i> | A 6
B 16, 27
C 118, 125 | <i>pegged wage</i> | C 191 |
| | | <i>welfare</i> (s. <i>social services</i>) | |
| | T | <i>women</i> | A 1, 7 (3),
9 (4)
B 16, 23, 28
C 42, 192
D I 1 c |
| <i>temporary employment</i>
(agencies) | A 11
B 19 | <i>workers</i>
elderly - s. <i>elderly</i>
female - s. <i>women</i>
foreign - s. <i>migrant</i>
handicapped - s. <i>handicapped</i>
young - s. <i>young</i> | |
| <i>timetable</i>
(of the Social Action
Programme) | A 5, 7, 8, 9
B 16 | | |
| <i>vocational training</i> | A 8 (2), 9 (3)
B 16, 17, 18,
24
C 90/117
D II 1 + 2 | | |
| | U | Y | |
| <i>unemployment</i>
(s. also <i>employment</i>) | B 18
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