

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

COMMISSION

# Report on the Development of the Social Situation in the Communities in 1976

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## **A — General and political introduction**

1. The trend towards *economic recovery* which had started in the second half of 1975 and which continued in most Member States of the European Communities at the beginning of 1976, slowed down during the second half of the year and in some cases came to a halt, and whereas in its first phase, this development brought about a reduction in short-time working, which was largely reabsorbed, and also to a certain degree in the number of the wholly unemployed, the second phase was in contrast accompanied by an increase in the number of those wholly unemployed. At the end of December 1976, the number of *unemployed* reached the 5.5 million mark while it had been under 5 million during the summer months.

2. It is of particular concern to note that, more often than not, the victims of this unfavourable employment situation were young persons: not only those who have been in employment previously but also many school-leavers and graduates seeking their first job. In fact the 5 to 5.5 million unemployed and job-seekers mentioned above included approximately 2 million under 25, i.e., four out of ten unemployed were young persons. In several Member States, unemployment among *women* is also on the increase.

3. The *return of full employment* therefore becomes a main objective of the Community and the whole economic and social policy must be directed towards its achievement. Of course, the chief responsibility for fighting continued unemployment in each country lies with the Governments of the Member States; the Community for its part, however, has a major role to play in helping to solve this problem. This contribution should be effected particularly by increasing the co-ordination of the employment policies of the individual Member States; by better analyses and forecasts at Community level; by more effective use of the funds available to it, especially in the context of the European Social Fund and the Regional Development Fund; and, lastly, by promoting a 'social consensus' between all concerned.

This is why the Commission nowadays convenes regular meetings of Directors-General responsible for employment in the Member States with a view to co-ordinating employment policies. With the help of a group of independent experts, it issued two *reports* dealing with medium-term employment prospects and employment trends in the individual sectors of the economy.<sup>1</sup> Furthermore, in im-

<sup>1</sup> 'Outlook for Employment in the European Community to 1980', Brussels, July 1976;  
'Employment Trends to 1980 in the Member States of the Community', Brussels, 10 May 1976.

plementation of its communication 'Work in the field of employment', 16 April 1975, it set in motion the *research programme* on employment and forwarded to the Council of Ministers a programme for *labour market statistics*, the main guidelines of which the Council approved at its session on 19 and 20 July 1976.

4. The two meetings of the *Standing Committee on Employment* were of particular importance:

- (i) At its *ninth meeting* on 18 May 1976 in Brussels it discussed three main questions, namely, youth employment, illegal immigration and the work of the meetings of the Council devoted to social affairs. As regards youth employment, discussions dealt mainly with the Commission's interim report on measures to encourage the employment of young people and a draft recommendation concerning vocational training of young school leavers.<sup>1</sup>
- (ii) The *tenth meeting* took place in Brussels on 13 December 1976. The main topic was again the problem of youth unemployment; there was also an exchange of opinions on improving coordination of Community financial resources and on the follow-up to the Tripartite Conference of 24 June 1976, particularly employment prospects. Discussion of the first point led to general concurrence of the various parties concerned about the causes of unemployment among young people and the most effective courses of action for combating it.

5. The second 'Conference on the Economic and Social Situation' convened by the Community institutions was of decisive importance.

This '*Tripartite Conference*' on 24 June 1976, which was attended by representatives of both sides of industry, Community institutions and Governments of the Member States (represented by their Ministers of Labour and Social Affairs and Ministers of Economic and Financial Affairs), was devoted entirely to the problems of *re-establishing full employment and stability*. A comprehensive exchange of opinions was held on the basis of a Commission communication concerning measures which should be undertaken in order to return to full employment and absorb short-term unemployment, to achieve a sufficient rate of growth in the national product and to restore to stability in the Community.

At the end of the discussions, a general consensus was reached which led to the adoption of a 'Joint statement on the restoration of full employment and stability in the Community', the most important elements of which can be resumed as follows:

<sup>1</sup> Point 9 of this Report.

In order to ensure a return to full employment by 1980, the average annual growth rate should be approximately 5% over the period from 1976 to 1980. In addition, the rate of price increases should be reduced to about 4 to 5% by 1980 at the latest. All parties present agreed that these objectives can only be achieved through joint efforts by the governments, employers and workers' organizations and by the Community institutions, with each party acting within its own field of responsibility.

6. Despite the special attention that it has given to the employment problems, the Commission did not lose sight of the necessity to continue its efforts to promote *social progress*.

In this context and pursuing the implementation of the *Social Action Programme*, the Commission submitted to the Council a number of concrete proposals for actions, some of which have been adopted by the Council of Social Affairs at the two meetings during 1976.

7. At the *meeting on 30 April 1976* the Ministers of Labour and Social Affairs of the Member States agreed that the Commission should draw up the *second European Social Budget* on the basis of its guidelines, providing projections of the expenditure on social protection and its financing up to 1980.

With regard to the 'Tripartite Conference of June 1976', this Council had an exchange of views on the various measures which could be undertaken at national and at Community level in order to contribute towards solving employment difficulties. They also discussed which attitude the Community countries should take at the 'World Employment Conference' organized by the International Labour Organization in June 1976.

8. On 9 December 1976 the Ministers of Labour and Social Affairs approved a *Council Directive* on harmonization of the legislation of Member States on the *safeguarding of employees' rights and advantages in the event of transfers of undertakings, establishments and parts of establishments*. Another essential step was thereby taken towards establishing minimum standards of protection for workers in the Community. Important steps in this direction had been undertaken in the previous two years through the adoption of the Directives on the approximation of the laws of the Member States relating to mass dismissals, to the application of Article 119 of the EEC Treaty and to the implementation of the principle of equal treatment for men and women at work.

The Directive in question assures workers their rights from existing contracts of employment, in the event of transfer of undertakings, establishments or parts of establishments. Furthermore, it forbids dismissal in the event of transfers of

undertakings and it lays down the procedures for informing and consulting the representatives of the workers affected by the merger.

9. At the same meeting the Council took note of three Commission communications submitted in connection with the Social Action Programme :

(i) *Communication from the Commission to the Council on the humanization of living and working conditions*

The Council took note of this Communication and stressed the great importance which it attached to activities at Community level to promote the objective of humanization of working conditions; in its opinion, priority should be given to studying the problems of shift work, especially in the case of continuous and semi-continuous working.

(ii) *Communication of the Commission on measures for the vocational preparation of young persons who are unemployed or threatened with unemployment*

The Council noted that the Commission would ask the European Parliament and the Economic and Social Committee for their opinions and would then submit to it a recommendation for the Member States on this matter.

(iii) *Communication of the Commission on the granting of aid towards financing the costs of setting up the European Trade Union Institute*

At its meeting on 20 December 1976, and following on from the discussion of the communication on 9 December, the Council decided to allocate 30 000 u.a. to cover the costs of launching this Institute so that it can begin work in 1977.

Finally, on the basis of a communication drawn up under the aegis of the former Vice-President of the Commission with special responsibility for Social Affairs, this Council carried out a review of *Community social policy* for the years 1974 to 1976 in which it expressed its satisfaction with the way the Social Action Programme had been implemented.

10. It must not, however, be forgotten that the Commission, in addition to the actions mentioned in the foregoing paragraphs, has developed other actions in 1976 within the framework of the *Social Action Programme*, in particular:

- (a) a proposal for a directive concerning equality of treatment for men and women in matters of social security;
- (b) a number of draft directives concerning protection against pollution and environmental hazards to health;
- (c) a draft recommendation concerning the progressive extension of social protection to categories of persons not covered by existing schemes or inadequately protected;



- (d) a report on the European programme of pilot schemes to combat poverty;
- (e) a communication on dynamization of social security benefits.

In addition, the Commission *directly implemented various measures* set out in the programme, in particular the setting up of two concertation groups in the sphere of employment and social protection policies as well as of a group of experts on employment forecasts; contacts with employers' and workers' organizations with regard to create new joint committees; and the extension of the system of social indicators.

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11. *The new Commission* which began work in January 1977 intends to push on with the battle against inflation and complement this with an equal effort aimed at fighting unemployment. It considers that the re-establishment of equilibrium conditions depends on the *creation of additional jobs* in industry as well as in public and private services, in order to satisfy the needs as a first priority of certain groups particularly affected by the present crisis. This action must be undertaken with special attention as the restructuring of industrial sectors in great difficulties could lead to a net loss of jobs.

Job creation should be accompanied by action with regard to the *labour market* (vocational training and guidance, job finding, etc.) and to *working conditions*. At the same time, efforts should be maintained to reduce remaining inequalities, with priority action for the social groups most discriminated against (low-wage earners, social security claimants, immigrants, and others). The success of these efforts implies a reinforcement in the participation of both sides of industry in Community decision-making in the social and economic spheres, as well as of workers at the level of the firms.

12. When new *job opportunities* are created, a particularly important fact to bear in mind is that *certain groups of people* are very much affected by the existing employment difficulties (the young, certain categories of women, the handicapped and—at least in certain countries—older people; these groups together represent two third of all unemployed). In this context, efforts should be made for the promotion of investment which creates new jobs.

The complementary *actions* undertaken with regard to the *labour market* must contribute to improving the knowledge and understanding of the labour market by developing the instruments available (in the form of statistics, forecasts, etc.) and achieving more effective coordination of measures taken by the national employment services. This dual approach should be strengthened by grouping

the information at Community level and by appropriate action by the European Centre for the Development of Vocational Training.

13. In the recent past there has been a tendency to place greater emphasis on the qualitative rather than the quantitative aspects of *working conditions*, for instance on questions such as the improvement of the working environment, more human organization of work by avoiding as far as possible monotonous, repetitive, dangerous, strenuous and dirty tasks, and the application of more flexible working hours.

In these spheres the Commission, with assistance from the European Foundation for the Improvement of Living and Working Conditions, intends to make an even bigger contribution than in the past towards ensuring that experience acquired in the various countries is used for the benefit of all and that Governments and especially the two sides of industry in the Member States work together at Community level to coordinate their actions and develop newer, more humane types of working conditions.

It goes without saying that, when introducing new types of working conditions, requirements in other spheres of social policy must be taken into consideration, such as the creation of new jobs, redistribution of jobs within the firm, training, employees' participation in management, etc. This is particularly true as regards the various ways of reducing working time, whether by shortening the weekly working hours and reducing overtime, increasing paid annual leave or shortening the working life by increasing obligatory education and by lowering the retirement age.

14. At Community level even greater endeavours should be made to ensure that there is a reduction in the *disequilibria* in the social and incomes structure which have become increasingly manifest. For various reasons (great increase in the cost of medical care, greater life expectancy, long-term unemployment, budgetary constraints), the social security systems of the various Member States are facing a growing imbalance between expenditure and receipts, the effects of which could be harmful, especially for recipients of lower levels of social benefits. Similarly, limitation of wage increases so that there may be an improvement in working conditions threatens in particular the purchasing power of workers at the lower end of the wage scale.

It is, therefore, important to ensure a minimum guaranteed income and the maintenance of purchasing power for those entitled to social benefits, for low-wage earners, as well as for other less well-off groups of persons (who may be living in poverty) and to continue efforts to reduce other major differences in income and asset distribution.

15. One of the premises for determining and implementing future measures in the sphere of social policy, as in the spheres of economic, industrial and other policies, is the achievement of '*social consensus*', that is, coordination with both sides of industry on all important decisions which may have an effect on the well-being of our peoples.

With this in mind, the Commission intends to follow the same course as it has done in the last three years and to strive more than ever to achieve a dialogue between the Governments of the Member States, the Community institutions and representatives of the employers' and the workers' organizations.

The greatest emphasis should be placed, in this connection, on the holding of further:

- (i) tripartite conferences at Community level. These conferences provide the most appropriate occasion to examine developments in the situation and to take stock of the results achieved by the joint efforts of all parties. It should be stressed that the new Commission has decided that in future the Vice-President of the Commission with special responsibility for employment and social affairs will be in charge of organizing these conferences.

Furthermore, as regards the persisting problems on the labour market, the

- (ii) Standing Committee on Employment will play a major role in promoting the reconciliation of attitudes on the part of all the competent authorities, particularly concerning the most effective way of combating unemployment.

And lastly, in order to achieve '*social consensus*' at all levels, the Commission will continue along the line it has followed so far in its endeavours to

- (iii) increase the opportunities for employers' and workers' representatives from the various branches of industry to have common discussions at Community level,

and

- (iv) increase employee participation in the decisions of the firm.

The Commission is fully aware of the fact that the present and future major social problems can only be solved if all parties concerned are in agreement on the objectives which should be attained, on the courses of action which should be taken and on the means to be used, and should work together to implement these objectives.

**B — Outline of activities by the institutions  
of the European Communities  
in the social field in 1976**

## Main developments

16. *The economic recovery which the Member States experienced to varying degrees in 1976 was not accompanied by a similar movement on the labour market. The unemployment rate is still high, and the economic difficulties in the closing months of the year—especially the arrival on the labour market of young people seeking their first job—do not hold out much hope of improvement. The discrepancy which has emerged between economic and social objectives poses a serious threat to the cohesion of the Community. But nothing can be done to cope with this threat without the active participation of unions and employers. Hence the second Tripartite Conference in Luxembourg, at which a joint statement was adopted, dealt with the restoration of full employment and stability in the Community.*<sup>1</sup>

*The Commission took steps to implement the 1974-76 Social Action Programme.<sup>2</sup> This led to a large number of decisions and new activities, including the introduction of action programmes for migrant workers, proposals for measures to combat illegal immigration, regulations dealing with statistics on foreign workers and the extension of trade union rights enjoyed by migrant workers, a proposal for a recommendation on the vocational preparation of young people and a programme for the improvement of employment statistics, the Council's agreement to the drafting of a second European social budget,<sup>3</sup> a proposal for a recommendation on the extension of social security to categories not already covered, a proposal for a directive on the elimination of differences in treatment between men and women in social security matters, and the adoption of a directive on the retention of rights and privileges by workers in the event of transfers of undertakings.*

*As regards health protection the basic standards for protection against ionizing radiation were revised, and a directive was adopted on biological standards for lead. Research programmes for biology, health protection and safety and industrial medicine in mines were approved. The Commission also put forward proposals for directives on safety signs at work and the protection of workers exposed to vinyl chloride.*

<sup>1</sup> OJ C 173 of 28.7.1976; Bull. EC 6-1976, points 1101 to 1105.

<sup>2</sup> Ninth General Report, Annexed Memorandum, points 95 to 110.

<sup>3</sup> An overall survey of expected social expenditure in the Member States.

## Employment

### Analysis

17. The trend in the employment situation in 1976 has confirmed the fears expressed in last year's Report.<sup>1</sup> The Commission feels that action to cope with persistently high unemployment rates is primarily a matter for the Member States, which will find it all the more difficult to introduce policies because the present problems are the result of lines which have been followed for a number of years—production structures out of step with demand, distortions in the trend of income and expenditure, abuse of aggregate demand management in an attempt to attain full employment, and shortcomings in structural policies. Restoring full employment means revising accepted ideas and searching for new solutions, in accordance with the conclusions of the Tripartite Conference.

The Commission feels that the Community can make a substantial contribution by encouraging the Governments and both sides of industry to improve their diagnosis and jointly develop appropriate instruments:

- (i) Employment problems are too often perceived and dealt with—particularly at Community level—without any real knowledge of the underlying factors. It is essential to improve the analysis and forecasts at Community level in order to create a better basis for action.
- (ii) Today, the labour market is paying the price for amalgamating general expansion policies and social protection policies. A return to full employment means upgrading labour market policy and taking account of the employment factor in the economic policies of the Community and the individual Member States.
- (iii) Action to combat discrimination which primarily affects women, young people and migrant workers is of particular importance.
- (iv) The Commission's activities in the fields of vocational training and freedom of movement must also be seen in this context.
- (v) The Social Fund is the main instrument which the Community is using to try to further progress along the lines indicated above.

18. Apart from the routine analyses, 1976 was marked by four achievements:

- (i) completion of a general report on medium-term employment prospects by a group of independent experts;<sup>2</sup>

<sup>1</sup> Social Report 1975, point 17.

<sup>2</sup> Bull. EC 7/8-1976, point 2209.

- (ii) publication of a report on employment forecasts broken down by industry, based on national work and containing comparable figures (this is the first achievement of its kind at multinational level);
- (iii) launching of a research programme on the labour market, designed primarily to further contacts between Member States in this field by comparative work and to improve the Community's information on important aspects of the labour market;
- (iv) adoption by the Council on 19 July of a programme of employment statistics, which will help improve and speed up the flow of basic information.<sup>1</sup>

### **Labour market policy**

19. The work of the Standing Committee on Employment<sup>2</sup> and the regular meetings held by the heads of employment services formed the basis for a number of activities and discussions in 1976, covering mainly specific aid measures in the field of employment, problems regarding hours of work in the present crisis, and the specific problems of certain categories of workers. In addition, initial contact was made with a view to the resumption of joint activities by the national employment services, which had been suspended since 1973.

### **Employment aspect of other Community policies**

20. One of the Commission's priority tasks has been to ensure that the policies evolved at Community level in other fields (commercial policy, regional policy, economic policy, policies for individual industries) take proper account of the employment factor without simply preserving the *status quo*. This task is as difficult to carry out at Community level as in the individual Member States. The Commission has been tackling it throughout the year.

### **Employment of young people**

21. The high level of unemployment among young people is still a major problem. It was studied by the Standing Committee on Employment at its meetings in May and December. The main instrument used by the Commission to alleviate the effects has been the European Social Fund.<sup>3</sup> The Commission prepared a draft recommendation<sup>4</sup> on vocational training for young people, which

<sup>1</sup> Bull. EC 7/8-1976, point 2210.

<sup>2</sup> This Committee comprises Ministers of Labour, representatives of employers' and workers' organizations, and Commission representatives.

<sup>3</sup> Point 24 of this Report.

<sup>4</sup> Bull. EC 7/8-1976, point 2208.

it presented to Parliament and the Economic and Social Committee. This recommendation urges the Member States to organize a vocational preparation scheme for young people leaving school with a low level of education and inadequate training.

The Commission is convinced, however, that the employment difficulties facing young people are primarily symptomatic of a serious imbalance on the labour market and of a gap between the trend of living standards and the trend of working conditions. The general report presented by the Standing Committee on Employment in December tries to pinpoint these problems and outline possible solutions requiring sustained, coherent action in the coming years.

### **Employment of women**

22. With a view to implementing the guidelines set out in the Commission's communication to the Council on equal treatment for male and female workers, the Commission has set up a specialized department to promote Community action concerning the employment of women. This department is a Community think-tank on the problems of female workers and as such provides a basis for making choices, establishing priorities and preparing proposals for the responsible bodies. To this end, it will monitor the development of the situation of workers in the Member States, promote the exchange of information and stimulate discussions at Community level.

Of the practical activities initiated in this connection, it is sufficient to mention the many meetings with trade unions and women's organizations and the making of a film designed to inform the public of Community activities relating to the employment of women and to help eliminate stereotyped attitudes which slow down the integration of women in the working world.

### **Vocational training**

23. A working party of the Advisory Committee on Vocational Training has presented its report on guidelines for the introduction of a common vocational training policy. The Advisory Committee is also involved in the Community's work on the employment of young people and women.

The Berlin Centre<sup>1</sup> is in the process of being set up. The Council adopted its

<sup>1</sup> Social Report 1975, point 29.



Financial Regulation on 1 June,<sup>1</sup> its staff rules on 29 June<sup>2</sup> and the Rules of Procedure of the Administrative Board on 9 December.

Of the tasks carried out in 1976, particular mention must be made of a European Seminar on vocational training, which was held in London, and of the studies and meetings on the vocational training of handicapped persons and the use of radio broadcasts to inform migrant workers of employment opportunities.

For some time to come, the Commission departments will have to continue some of their operational activities and studies in this field, since the Berlin Centre can take them over only in stages.

The first joint programme for the exchange of young workers was used mainly to help workers in agriculture and those from country areas.

### *European Social Fund*

24. The Fund's budgetary allocation in 1976 was 441 million u.a., broken down as follows:

- (i) operations under Article 4 of Decision 71/66/EEC:<sup>3</sup> 170 million u.a., of which 66.1 million for persons leaving agriculture and for textile workers, 66.1 million for young people, 17 million for handicapped persons and 20.8 million for migrant workers;
- (ii) operations under Article 5 of Decision 71/66/EEC for regions, branches of the economy and groups of undertakings with serious employment problems: 241.1 million u.a., plus 28.9 million for retraining handicapped persons;
- (iii) preparatory studies and pilot schemes under Article 7 of Regulation (EEC) No 2396/71:<sup>4</sup> 1 million u.a.

The Fifth Report on the Activities of the European Social Fund (1976), which will be transmitted to the Council and the European Parliament on 1 July 1977, will provide information on the financial and budgetary aspects, the number and nature of applications presented and approved; and the preparatory studies and pilot schemes carried out.

The Fourth Report on the Activities of the Fund, covering 1975, was transmitted to the Council and Parliament in July pursuant to the rules governing the Fund.<sup>5</sup>

<sup>1</sup> OJ L 164 of 24.6.1976.

<sup>2</sup> OJ L 214 of 6.8.1976.

<sup>3</sup> OJ L 28 of 4.2.1971.

<sup>4</sup> OJ L 249 of 10.11.1971.

<sup>5</sup> Bull. EC 7/8-1976, point 2213.

On a proposal by the Commission, the Council on 9 February adopted a decision on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries (76/206/EEC).<sup>1</sup> This decision covers operations of which the draft is approved by the Commission between 2 January 1976 and eighteen months from the date of entry into force of the Decision.

Finally, the Commission began work on an Opinion, based on Article 126 of the EEC Treaty, designed to enable the Council to review the Decision of 1 February 1971 concerning the reform of the Fund. The Decision lays down that the review must be carried out by 1 May 1977. The Fund Committee held its first discussions on 2 December.

25. The settlement of expenditure relating to vocational retraining and resettlement under Article 125 of the EEC Treaty ('old Fund') was concluded at the end of the year. Assistance amounted to 10 044 163 u.a., as follows:

*TABLE I*  
Old Fund — assistance granted in 1976

(u.a.)

	For retraining	For resettlement	Total
Belgium	—	—	—
FR of Germany	9 360 773	267 277	9 628 750
France	—	—	—
Italy	—	415 413	415 413
Luxembourg	—	—	—
Netherlands	—	—	—

As regards Community assistance for redundant workers from the Italian sulphur mines (Council Decision 66/740/EEC of 22 December 1966<sup>2</sup>), since very few applications for assistance in 1976 were submitted, the relevant payments will be made together with those for 1977.

### Readaptation of workers in ECSC industries<sup>3</sup>

26. During 1976, in spite of the economic crisis, applications for appropriations to assist workers in the steel and iron-mining industries made redundant following

<sup>1</sup> OJ L 39 of 14.2.1976; Bull. EC 12-1975, point 2215; Bull. EC 2-1976, point 2208.

<sup>2</sup> OJ 246 of 31.12.1966; Social Report 1975, point 25.

<sup>3</sup> For conversion loans, see Tenth General Report, points 239 and 240.

the closure of firms amounted to about the same figure as in 1975 (3.65 million EUA against 3.4 million EUA).<sup>1</sup> Applications for assistance for coalminers, however, increased by almost 30% and reached 21.47 million EUA—probably as a result of widespread closures in the Federal Republic of Germany, which affected 7 942 workers in 1976 compared with 5 563 in 1975 (see Table 2).

**TABLE 2**  
**Readaptation of workers (ECSC credits)**

	Coal industry		Iron and steel industry and iron-ore mining		Total	
	Appropriations (EUA) <sup>1</sup>	Workers	Appropriations (EUA)	Workers	Appropriations (EUA)	Workers
Belgium	2 604 392.00	1 957	719 874.94	601	3 324 266.94	2 558
FR of Germany	8 268 010.97	7 942	726 876.81	2 286	8 994 887.78	10 228
France	2 175 250.00	820	361 215.54	—	2 536 465.54	820
United Kingdom	8 424 000.00	4 998	1 844 379.66	2 633	10 268 379.66	7 631
Total	21 471 652.97	15 717	3 652 346.95	5 520	25 123 999.92	21 237

<sup>1</sup> Tenth General Report, point 66, footnote 3.

### Free movement of workers

27. As part of the measures to implement and intensify the humanization of the free movement of workers, the Commission stepped up its efforts to introduce SEDOC (European international vacancy clearance system) by providing gradual training for national users of the system and carrying out local experiments to match the supply of and demand for jobs.

In conjunction with the Belgian, German and Italian employment services, the Commission has arranged for the exchange of employment officers<sup>2</sup> between Italy and the other two countries.

A close watch was kept on the application of Community standards for the free movement of workers within the Community, as interpreted in Court of Justice rulings.<sup>3</sup>

<sup>1</sup> Tenth General Report, point 66, footnote 3.

<sup>2</sup> Bull. EC 1-1976, point 2205 and Social Report 1975, point 28.

<sup>3</sup> Point 45 of this Report.

## Living and working conditions

### *Social security, the European social budget and the fight against poverty*

28. Discussion of the harmonization of social protection policies, with particular reference to social security policies, has continued at meetings of experts. Three subgroups have been set up to examine the question of the retirement age, the relation between demographic trends and social security, and invalidity. A recommendation concerning the progressive extension of social protection to categories of persons not covered by existing schemes or inadequately protected has been drafted and referred to Parliament and the Economic and Social Committee. The adjustment of social security benefits<sup>1</sup> will shortly be dealt with in a Commission communication to the Council. On 22 December the Commission also adopted a proposal for a directive on the progressive implementation of the principle of equal treatment of men and women in the field of social security.

May of this year saw the presentation to the Council by the Commission of the revised text of the first European social budget.<sup>2</sup> The Commission proposals for a second social budget covering the period 1976-80, submitted to the Council in December 1975, were adopted in April 1976 and the working-out of details started immediately. In July the Council also agreed the guidelines to be followed by the Commission for the establishment of a permanent system of legal and statistical information on social security in agriculture.

Within the context of the programme of pilot schemes and studies to combat poverty, the Commission convened the first meeting of those responsible for the schemes approved in November 1975.<sup>3</sup>

In order to ensure the continuation of the majority of these projects for a second year, contracts have been drawn up providing for Commission financing. A progress report on the programme as a whole has also been prepared.

### *Social security for migrant workers*

29. The Council has adopted a regulation adapting Community rules to take account of changes in national laws.<sup>4</sup>

<sup>1</sup> 'Dynamization', Social Report 1975, point 31.

<sup>2</sup> Point 16, footnote 3 of this Report.

<sup>3</sup> Social Report 1975, point 31. OJ L 199 of 30.7.1975.

<sup>4</sup> OJ L 138 of 26.5.1976; Social Report 1975, point 32.

The agreements signed in the course of the year with the Maghreb countries and with Portugal include provisions defining the principles and scope of action for the coordination of social security schemes applying to workers from these countries employed in the Community. These provisions are based primarily on those adopted for Turkish workers.<sup>1</sup>

The Court of Justice delivered judgment in eight cases<sup>2</sup> referred to it for preliminary rulings on the interpretation and application of certain provisions adopted under Article 51 of the EEC Treaty.

Matters dealt with by the *Administrative Commission on Social Security for Migrant Workers* included amendments and additions to Regulation No 1408/71<sup>3</sup> so that it can be applied to both wage earners and self-employed workers and, where appropriate, to persons covered in any capacity by a social security scheme, and amendments to the provisions for the calculation of pensions in the light of judgments on the subject by the Court of Justice. The Administrative Commission has also issued a series of guides providing information for migrant workers on their rights and the formalities to be complied with in order to obtain social security benefits.

### *Activities on behalf of migrant workers and their families*

30. With a view to implementing the Council Resolution of 9 February<sup>4</sup> on an action programme for migrant workers and members of their families,<sup>5</sup> the Commission transmitted to the Council on 4 November a proposal for a directive on the approximation of the laws of the Member States on measures to combat migration for the purpose of illegal employment;<sup>6</sup> furthermore, at a meeting held on 14 December 1976, the Advisory Committee on Free Movement of Workers adopted an Opinion for transmittal to the Commission on the aims, factors and procedures involved in coordinating immigration policies *vis-à-vis* non-member countries. The study carried out by the Commission into ways and means of ensuring the satisfactory integration of migrants into local community life will enable efforts in this field to be continued.

### *Housing*

31. The financing of the construction, the modernization and, on an exceptional basis, the purchase of existing low-cost housing for workers in the ECSC indus-

<sup>1</sup> Social Report 1974, point 30.

<sup>2</sup> Cases 103/75, 108/75, 112/75, 19/76, 32/76, 17/76, 40/76, 63/76; point 45 of this Report.

<sup>3</sup> OJ L 149 of 5.7.1971.

<sup>4</sup> OJ C 34 of 14.2.1976.

<sup>5</sup> Supplement 3/76 - Bull. EC.

<sup>6</sup> Social Report 1975, point 28; OJ C 277 of 23.11.1976.

tries continued with the completion of the first instalment of the eighth scheme. The total amount of this instalment (25 million u.a.) is now committed and loan contracts have been signed with the intermediary banks. Construction projects for some 5 563 dwellings have already been approved and the sum of 12 717 400 u.a. has been transferred.<sup>1</sup>

In accordance with a decision adopted in November 1974 and in the light of a survey carried out among potential users, the Commission decided to proceed with the second operational instalment of the scheme; this will cover the period 1977-78 and appropriations totalling 30 million u.a. will be allocated. Priorities will be more or less the same as for the previous instalment, except that for the first time the practice enabling miners and steelworkers to purchase rented accommodation will be extensively applied throughout the Community. In addition, as part of a programme to mobilize Community solidarity on behalf of the disaster area of Friuli, the Commission allocated 6 million u.a. in emergency aid for use in rebuilding or repairing steelworkers' dwellings damaged by the earthquake.

The Commission also took part in discussions with a group of government experts on minimum requirements for housing occupied by the handicapped,<sup>2</sup> with a view to drafting a recommendation on the subject. The Commission part-financed four construction projects and five studies in connection with this type of housing.

In due course the Commission will forward to the Council the findings of the survey of migrant workers' housing conditions carried out under Article 118 of the EEC Treaty. The problems highlighted by the survey will be investigated further within the context of the action programme on behalf of migrant workers.

### *Social services and family matters*

32. The Commission convened a meeting of the Liaison Committee for Community Welfare Workers, set up in 1975,<sup>3</sup> for the purpose of studying the problems currently affecting the social services and highlighting certain areas in which the Committee and the Community institutions could usefully cooperate. It also sponsored a number of seminars and symposia, initiated by independent organizations, on the subject of welfare for migrant workers and members of their families, including a symposium on the problem of migrant women organized by COFACE (Committee of Family Organizations in the European Communities).

<sup>1</sup> Tenth General Report, point 66, footnote 3.

<sup>2</sup> Social Report 1975, point 34.

<sup>3</sup> Bull. EC 3-1975, point 2220.

TABLE 3

Financing of the eight normal and the three experimental ECSC low-cost housing schemes  
(situation at 31 December 1976)

(million u.a.)

	Commission funds		Additional funds <sup>1</sup>	Total aid	Other sources	Total cost of construction and modernization
	Own resources	Borrowed funds				
Belgium	8.77	23.04	2.30	34.11	53.44	87.55
Denmark	1.50	—	0.76	2.26	6.91	9.17
FR of Germany	69.27	13.24	147.38	229.89	986.43	1 216.32
France	38.26	0.43	18.01	56.70	246.90	303.60
Ireland	0.79	—	0.82	1.61	1.21	2.82
Italy	20.21	11.97	11.18	43.36	48.44	91.80
Luxembourg	3.60	1.70	3.36	8.66	12.88	21.54
Netherlands	8.06	2.14	8.14	18.34	49.24	67.58
United Kingdom	8.00	—	—	8.00	21.94	29.94
Total	158.46	52.52	191.95	402.93	1 427.39	1 830.32

<sup>1</sup> Additional funds mobilized at the Commission's instigation.

TABLE 4

Work on the eight normal and the three experimental ECSC low-cost housing schemes  
(situation at 31 December 1976)

	Number of dwellings financed			
	In preparation	Under construction	Completed	Total
Belgium	344	155	7 344	7 843
Denmark	28	16	82	126
FR of Germany	1 475	2 646	86 013	90 134
France	3 211	1 236	25 311	29 758
Ireland	—	—	122	122
Italy	338	405	6 223	6 966
Luxembourg	28	22	1 014	1 064
Netherlands	81	37	5 327	5 445
United Kingdom	—	—	5 869	5 869
Total	5 055	4 517	137 305	147 327

### *Wages — Living and working conditions*

33. With a view to ensuring the implementation of the Council Directive relating to the application of the principle of equal pay for men and women<sup>1</sup> with effect from 12 February 1976, the Commission has requested each of the Member States to provide information on implementing provisions adopted at national level. Furthermore, on 14 April it refused an application from the Irish Government for permission not to apply the rules of equal pay under the system of protective measures provided for by Article 135 of the Act of Accession.

In the light of point 11 of the joint statement<sup>2</sup> adopted at the end of the Tripartite Conference on Employment and Stability held on 24 June, to the effect that 'both governments and employers and labour will take appropriate measures to promote workers' interests' and on the basis of the report on the mechanics of asset formation policy, the Commission organized a series of discussions with representatives of both sides of industry during the last quarter of 1976. The preparation of the report on methods of encouraging asset formation among workers has been slightly delayed as a result.<sup>3</sup>

34. At its meeting of 9 December, the Council formally acknowledged a Commission communication on the reform of the organization of work. This paper, which was drawn up under the social action programme, summarizes action already taken, presents a series of guidelines for future policy and action, and outlines the measures currently under consideration either by the Commission or by the European Foundation for the Improvement of Living and Working Conditions.

The study on the lowest wages in the Community has been completed, but for technical reasons it has not yet been possible to send it to the Council.<sup>3</sup>

### *Labour law — Industrial relations*

35. The European employers' and workers' organizations were consulted on the following issues: the stepping-up of coöperation between employment services; labour market studies as an aid to employment measures; vocational training for women and young people; illegal immigration; coordination of the immigration policies of the Member States; extension of social protection; social rehabilitation of the handicapped; humanization of work; hygiene, safety and health protection at work.

<sup>1</sup> OJ L 45 of 19.2.1975; Social Report 1975, point 36.

<sup>2</sup> OJ C 173 of 28.7.1976.

<sup>3</sup> Ninth General Report, Annexed Memorandum, point 102.



The proposal for a directive on the retention of rights and privileges by workers in the event of transfers of undertakings was adopted by the Council on 9 December.<sup>1</sup>

The Commission has sent to the Council the final version of its proposal for a regulation on the provisions concerning conflicts of law in Community industrial relations.<sup>1</sup>

The report on the problems of individual dismissal<sup>1</sup> has been submitted to government experts and representatives of the workers' and employers' organizations for an opinion, prior to transmission to the Council.

36. Acting on the basis of a study and an opinion issued by training and trade union research experts, the Commission has continued its efforts to assist the European trade union organizations in setting up a European Trade Union Institute; this should become operational under their authority some time in 1977.<sup>1</sup>

The economic situation has led employers and workers in a number of industries to maintain contact with one another and with the Commission through sectoral joint committees.<sup>2</sup> Substantial progress has been made in this direction in the ECSC industries. The proceedings of the Committee on Steel have been given a new lease of life, while the Committee on Coal has examined the application of the recommendation on the principle of the forty-hour week and four weeks' annual paid holiday<sup>3</sup> and started work on a comparative study of social security systems. The latter subject has also appeared on the agenda of meetings of the Joint Committee on Sea Fishing and was in fact included in an agreement on the harmonization of social legislation signed on 24 March, which also covers rest-time, guaranteed income and safety at work. The preoccupation with safety at work has also been evident in the proceedings of the Joint Committee on Social Problems of Agricultural Workers, which has also examined a new Community agreement on working hours. Discussions have continued in all branches of the transport industry, with attention being focused on legislation.

The proposal for a regulation on the harmonization of certain social legislation relating to road transport has been the subject of numerous discussions.<sup>4</sup> A similar regulation on the social aspects of rail transport is being drafted with the assistance of representatives from both sides of industry. A plan to set up a committee to represent employers and workers in the inland navigation sector with similar terms of reference to those of the other joint committees has been discussed. The Commission has also transmitted to the Council a proposal for a directive to

<sup>1</sup> Social Report 1975, point 37.

<sup>2</sup> Bull. EC 1-1976, points 2213 to 2216; 2-1976, point 2214; 3-1976, point 2229; 5-1976, points 2219-2221.

<sup>3</sup> OJ L 199 of 30.7.1975; Bull EC 7/8-1975, point 2232.

<sup>4</sup> OJ C 103 of 6.5.1976.

coordinate the laws of the Member States relating to (self-employed) commercial agents.

The Commission has continued its efforts to investigate the feasibility of developing relations in other sectors within the framework of joint committees. Reports are being drawn up on the social situation and industrial relations in civil aviation and sea transport. In the food industry, initial contacts established in the sugar sector have been developed and the first positive result is expected to be the drafting of comparative tables on working conditions and hours of work. The same applies to the footwear industry. Contacts have also been maintained in other sectors, including the textile industry, the medical and teaching professions, electricity, cinema and television, with a view to setting up further joint committees.

## **Health and safety**

### *Radiation protection*

37. The Council Directive of 1 June 1976<sup>1</sup> laying down the revised basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation represents a further step forward in the development of Community radiation protection policy. The revised version has reinforced and improved the practical organization of radiation protection and stresses the importance of giving particular attention to other peaceful uses of nuclear energy as well as electricity production. Several regulations—three from the Federal Republic of Germany and one from Denmark—have been submitted to the Commission under Article 33 of the Euratom Treaty and have formed the subject of opinions.

Following the seminar on consumer goods containing radioactive substances, a scientific seminar took place in Luxembourg in September 1976 on the preparation and use of pharmaceuticals containing radioactive substances.<sup>2</sup> Another seminar was organized in Berlin in June; it was attended by specialists in dosimetry who analysed results obtained to date from inter-comparison programmes at European level.<sup>3</sup>

Exchanges of experience with those responsible for radiation protection in the principal nuclear installations in the Member States have continued. A second training and information seminar for trade union representatives, on current radiation-protection topics, was held in Brussels in November.

<sup>1</sup> OJ L 187 of 12.7.1976; Bull. EC 6-1976, point 2222.

<sup>2</sup> Bull. EC 9-1976, point 2210.

<sup>3</sup> Bull. EC 6-1976, point 2223.

A number of studies were published, including one on the utilization of radioisotopes in industrial medicine and another on the assessment of fitness for jobs involving irradiation risks. Two studies still being carried out relate to building materials containing radioactive substances and to natural radioactivity levels in the Community.

Waste disposal plans of several nuclear reactors were, as required by Article 37 of the EAEC Treaty, submitted to the Commission, whose opinion was duly delivered. As new and bigger nuclear power stations are built, the prevention of environmental contamination by radioactive effluents, under both normal and accident conditions, is becoming increasingly important.

The radiological impact of nuclear programmes in the Rhine basin is being studied. The situation regarding radioactive effluent from nuclear power stations in the Community was published in 1976 and shows that the maximum doses are generally 1% lower than dose limits in European regulations. However, the Commission is keeping watch on developments in this field, to which public opinion and Parliament rightly attach great importance. The new revised safety standards will provide a more practical basis for cooperation between the Commission and national authorities.

Studies have been published on a number of topics—including the foreseeable exposure of the public in view of the growth of the nuclear industry. A seminar held at Aix-en-Provence in November dealt with the efficiency of filters, more particularly for use in the restriction of radioactivity in effluents.

### *Health aspects of the environment*

38. It seems clear that an overall policy on the protection of the environment must be based on the well-tried set of methods used for the last three years to assess objectively the risks to human health and the environment from airborne and water-borne pollutants. These methods are half way between the compiling of scientific data and the establishment of human health protection standards. Detailed information on dose/effect ratios is unavailable for many pollutants, and criteria and limit-values applicable to the environment can only be set for a few of the more important pollutants. The Council is regularly informed of progress in this work. Two communications have been transmitted—one on the danger to human health of pollution by certain persistent organochlorine compounds<sup>1</sup> and the other on noise pollution.<sup>2</sup>

<sup>1</sup> Bull. EC 6-1976, point 2225.

<sup>2</sup> Bull. EC 12-1976, point 2221.

The proposal for a directive on biological standards for lead and on screening of the population for lead was adopted. The proposal for a directive on the quality of water for human consumption and proposals on quality standards for lead in air and health protection standards for sulphur dioxide and suspended particulate matter are still being discussed by the Council. Studies linking up numerous laboratories have been carried out with the aim of harmonizing measurement techniques and making results comparable. They covered the measurement of lead, mercury and cadmium levels in the blood, lead in foodstuffs, sulphur dioxide in the air, biological monitoring of surface water, carboxyhaemoglobin in the blood and the lethal dose (LD<sub>50</sub>) of poisonous substances studied in toxicological experiments.

An international colloquium on the evaluation of toxicological data for the protection of public health, by providing the opportunity for a critical examination of the various toxicological tests currently employed and the methods used for toxicological evaluation of chemical pollutants, enabled procedures in this field to be reassessed.

### *Safety, hygiene and health protection at work*

39. The Advisory Committee on Safety, Hygiene and Health Protection at Work<sup>1</sup> held two full meetings and six meetings of working parties; it delivered opinions on the action programme, the directives and a number of studies initiated in 1976—dangerous and carcinogenic substances, occupational hazards in the building industry, flammable products, safety and subcontracting, farm installations and safety training.

Two directives were transmitted to the Council, one concerning the provision of safety information at the workplace and the other on protection of the health of workers occupationally exposed to vinyl chloride monomer.

Collective training periods dealing with industrial safety and industrial medicine were organized in 1976: seven for inspection officials and two for both sides of industry.

The new programme on safety, hygiene and protection of health at work complements the one on health risks associated with environmental pollutants. It will turn to account experience acquired in the coal and steel industries and meets the requests expressed by parliaments, employers' organizations and trade unions. It is particularly concerned with promoting the prevention of accidents at work and occupational diseases, and its general objective covers all Community industrial activities. An increase in specialized personnel and in resources will inevitably be required to put this programme into effect.

<sup>1</sup> Social Report 1975, point 46.

## *Handicapped persons*

40. New demonstration projects and new training activities have been undertaken under the action programme on the occupational rehabilitation of handicapped persons, with the aid of a Community contribution of 17 million u.a. The Commission has prepared a report to the Council on the implementation and initial results of this programme.

## *ECSC research policy*

41. In 1976 ECSC social research policy followed the programmes previously approved, appropriations for which during the year totalled 9 million EUA. Financial assistance was granted for forty-four projects included in the programmes on hygiene and safety in mines, pollution control in the steel industry and ergonomics.

With regard to safety at work in mines, the Commission decided to promote a new research programme to be carried out over five years from 1977<sup>1</sup> and costing 7.5 million u.a. It covers: explosions; fires and underground combustion; surveillance, telemetry, remote control, automation and communication; methods of working; rescue; electricity and metallurgy. Accidents to individuals, which statistics show occur more often than accidents to groups, will also be dealt with. In the field of industrial medicine, work has started on two new research programmes which fall within the guidelines for social research previously drawn up by the Commission and the two sides of industry: the four-year 9 million EUA programme<sup>1</sup> for the improvement of working conditions (ergonomics, industrial physiology and psychology) and hygiene at work is in the second year of its implementation; the four-year 5 million EUA programme of research on respiratory diseases related to specific forms of pollution in ECSC industries was initiated at the end of 1976.

## *Steel Industry Safety and Health Commission*

42. Three documents were prepared for publication in 1976: 'Help and rescue', 'Safety in tapping pig-iron blast furnaces' and 'Exhaustive examination of accidents'. The film 'Principles of accident prevention', finished last year, was presented to employers' and employees' organizations in the steel industry and then distributed to these bodies with the cooperation of the Directorate-General for Information. Two studies were completed on 'the use of hydrogen in the steel industry' and 'the production, storage and distribution of hydrogen'.

<sup>1</sup> Tenth General Report, point 66, footnote 3; Bull. EC 7/8-1976, point 2222.

### *Mines Safety and Health Commission*

43. This body held three full meetings: it approved a recommendation on the use of hygroscopic salts to prevent dust explosions and a first harmonization report on the construction of self rescuers with anti-carbon-monoxide filters. Following the explosion at Houghton Main, in the United Kingdom, it broadened the terms of the instructions which it issued last year after the Liévin disasters to its working parties on ventilation and flammable dusts. It approved its thirteenth progress report (for 1975), containing the decisions taken during the year and giving particulars of its eleven working parties' specialized papers, which are available from its secretariat. Since this Commission's terms of reference have been extended to all extractive industries, it has new duties and responsibilities. Some of these have been allocated to the various existing working parties, but a new working party was set up in 1976 to cover oil, gas and other mineral substances extracted by means of boreholes.

### *Paul Finet Foundation*

44. During the academic year 1975-76, the Executive Committee of the Paul Finet Foundation examined 1 407 applications for scholarships; it awarded 962 for a total of more than FB 8 668 907 to schoolchildren and students whose fathers were employed in ECSC industries and who lost their lives after 30 June 1965 (after 1 January 1973 for the new member countries) as a result of an industrial accident or occupational disease.

### **Interpretation and application of the social provisions by the Court of Justice**

45. The Court has again had the opportunity to state its views on the scope of the Community rules governing movement and residence.

In a leading case decided this year,<sup>1</sup> the Court laid down the principle that the right of nationals of one Member State to enter the territory of another Member State and reside there for the purposes intended by the Treaty is a right conferred directly by the Treaty or by provisions adopted for its implementation. Hence the right is acquired independently of any authorization by the competent authorities of a Member State or of the issue of a residence permit by them. The only possible function of a residence permit is to evidence the right to reside in the issuing country.

<sup>1</sup> CJEC 8.4.1976 (Royer), 48/75: [1976] ECR 497.

In addition, clarifying its earlier rulings on the limit to the exception for public policy and public security, the Court repeated that the exception may be invoked only where there is a serious offence. The omission of administrative formalities relating to immigration control cannot constitute a serious offence and so justify an expulsion order. The Court confirmed this point in a later judgment.<sup>1</sup> Dealing more specifically with immigration controls, it further held here that penalties for failure to comply with formalities must be in proportion to the 'offence' and must be comparable to the penalties to which nationals were exposed for similar offences. It also placed great emphasis on the procedural safeguards provided by Community law in the case of measures based on considerations of public policy or public security. Those concerned must be assured of having recourse to all available legal remedies: an expulsion order could not, therefore, be executed, save in cases of urgency which had been properly justified, against a person protected by Community law until he had been able to exhaust the available remedies.

As in previous years, the Court was required on a number of occasions to interpret the regulations relating to social security for migrant workers. It stated, for instance, that when a migrant worker has made a claim for invalidity benefit to the institution of the place of his permanent residence, as prescribed by Article 30(1) of Regulation No 4 or by Article 36(1) of Regulation No 574/72, there was no need to make a new claim in another Member State even if, at the time of his claim, he did not yet satisfy all the fundamental conditions required by the legislation of the second State for a grant of the benefit.<sup>2</sup> In another case it held that Article 27 of Regulation No 1408/71 referred only to sickness or maternity benefits granted after these risks materialized. It could not affect any right of the person to receive under the legislation of another State a benefit of the type of the allowance towards the contribution to a voluntary sickness insurance scheme.<sup>3</sup>

Taking account, as in previous decisions, of the objectives and spirit of Community regulations on social security for migrant workers and of Articles 48 to 51 of the Treaty, which form their basis, the Court decided that Article 1(a)(ii) of Regulation No 1408/71 was to be interpreted as including persons who are not employed persons within the meaning of the law of employment but who must be treated as such for the purposes of Regulation No 1408/71. It followed that the provision in paragraph 1 of point I (United Kingdom) of Annex V to Regulation No 1408/71, far from restricting the definition of the term 'worker' in Article 1(a) of the Regulation, was solely intended to clarify the scope of subparagraph (ii) of that paragraph *vis-à-vis* British legislation.<sup>4</sup>

<sup>1</sup> CJEC 7.7.1976 (Watson and Belmann), 118/75: [1976] ECR 1185.

<sup>2</sup> CJEC 9.3.1976 (Balsamo v INAMI), 108/75: [1976] ECR 375.

<sup>3</sup> CJEC 26.5.1976 (Aulich v Bundesversicherungsanstalt für Angestellte), 103/75: [1976] ECR 697.

<sup>4</sup> CJEC 29.9.1976 (Brack v Insurance Officer), 17/76: not yet reported.

The Court was again asked whether insurance periods completed by a Belgian worker in Algeria before its independence were to be taken into account for the calculation of retirement pension under French law. Following earlier judgments, the Court held that, since the worker concerned was in exactly the same circumstances as a French worker, the principle of equal treatment of workers laid down by Articles 48 to 51 of the EEC Treaty meant that provisions of national law could not be invoked against that worker where their effect was to reserve for French workers the benefit of reckoning insurance periods completed in Algeria when calculating the pension.<sup>1</sup>

In another case the Court again held that measures taken by the Council under Article 51 must not have the effect of depriving a migrant worker of a right acquired by virtue only of the legislation of the Member State in which he has worked. But it went on to hold that Articles 3, 48, 51 and 117 of the Treaty did not restrict the freedom conferred on the Council by Article 51, in taking the measures required by that Article, to choose any means which, viewed objectively, were justified, even if the provisions adopted did not succeed in eliminating all possibility of inequality between workers arising by reason of differences between the national schemes in question. It accordingly ruled that Article 42(2) of Regulation No 3 was indeed valid.<sup>2</sup>

The Court was also asked whether Article 94(5) of Regulation No 1408/71 empowered the competent authority in a Member State to act of its own motion in the review of rights acquired by an insured person under Regulation No 3. Like the other transitional provisions of Regulation No 1408/71, Article 94(5) is based on the principle that benefits given under Regulation No 3 are not to be reduced if they are more advantageous than those given by the new regulation. It would therefore be contrary to the spirit of Article 94(5) if the appropriate authority were out under the old regulation, to the detriment of the recipient.<sup>3</sup>

Finally, in a judgment given on 23 November,<sup>4</sup> the Court ruled on the question whether and to what extent the members of the family of a national of a Member State are to be treated in the same way as the national himself for the purposes of Regulation No 1408/71.

46. This year the Court gave judgment in a social case of the utmost importance.<sup>5</sup> It held that Article 119 has a twofold aim, economic and social, so that the principle of equal pay for men and women laid down in it is one of the very

<sup>1</sup> CJEC 8.4.1976 (*Directeur régional de la sécurité sociale de Nancy v Hirardin*), 112/75: [1976] ECR 553.

<sup>2</sup> CJEC 13.7.1976 (*Triches v Caisse de compensation pour allocations familiales de la région liégeoise*), 19/76: [1976] ECR 1243.

<sup>3</sup> CJEC 13.10.1976 (*Saieva*), 32/76: not yet reported.

<sup>4</sup> CJEC 23.11.1976 (*Kermaschek v Bundesanstalt für Arbeit*), 40/76: not yet reported.

<sup>5</sup> CJEC 8.4.1976 (*Defrenne v SABENA*), 43/75: [1976] ECR 455.



foundations of the Community. This highlights the Community's social objective—it is 'not merely an economic union, but is at the same time intended, by common action, to ensure social progress and seek the constant improvement of the living and working conditions of [the peoples of Europe], as is emphasized by the Preamble to the Treaty'. More specifically, the Court considered that the social objective of Article 119 was accentuated by the fact that Article 119 was included in a Chapter devoted to social policy whose preliminary provision, Article 117, showed 'the need to promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonization while the improvement is being maintained'. Hence, since Article 119 appeared in this context, it had to be construed as requiring the lowest wages to be raised. It was admitted that the full implementation of the aim of Article 119, through the elimination of all discrimination, direct or indirect, between men and women workers, as regards not only individual undertakings but also entire branches of industry and even the economic system as a whole, might in certain cases involve the elaboration of criteria whose implementation necessitated the taking of appropriate measures at Community and national level. But it was necessary to distinguish for the purposes of Article 119 between, first, direct and overt discrimination which may be identified solely by means of the criteria based on equal work and equal pay set out in the second and third paragraphs of the Article and, second, indirect and disguised discrimination which can only be identified by reference to more explicit implementing provisions of a Community or national character. As regards direct discrimination, the Court held that Article 119 was directly applicable and might give rise to individual rights which the courts must protect. It recognized that Article 119 was of a mandatory nature and considered that the prohibition on discrimination between men and women workers extended to all forms of discrimination, whether direct or indirect. It applied not only to the actions of public authorities but also to all collective agreements and to contracts between individuals. Although Article 119 was expressly addressed to the Member States, any duty assumed by them did not exclude competence in this matter on the Community. On the contrary, the existence of competence on the part of the Community was shown by the fact that Article 119 set out one of the 'social policy' objectives of the Treaty which formed the subject of Title III, which itself appeared in Part Three of the Treaty dealing with the 'policy of the Community'. Article 119 was silent on the action to be taken by the Community in the exercise of this competence. Hence it was appropriate to refer to 'the general scheme of the Treaty and to the courses of action for which it provided, [as] laid down in Articles 100, 155 and, where appropriate, 235', without prejudice to the partial direct effect which the Court held Article 119 to have.

**C — Development  
of the social situation in 1976**

## Chapter I

# Employment

(including migrant workers)

## Trends within the Community

47. The number of *unemployed* showed a tendency to decrease in most Community countries during the first half of the year 1976;<sup>1</sup> this tendency however came to a general stop at the beginning of summer. Out of a total labour force of about 107 million, the Community unemployment figure, at the end of October, stood at 5.2 million, i.e., an unemployment rate of 4.8%.

In the same month of October 1976, as compared to October 1975, unemployment was down only in the Federal Republic of Germany, by about 11%, while it increased in the other countries, by 18% in the United Kingdom and in Belgium, by 5% in Ireland, by 2% in Denmark and in the Netherlands, by 1% in Italy and France.

The number of *young persons* unemployed was estimated in autumn at about 2 million. Unemployment amongst *women* has also increased in all Member States with the exception of the Federal Republic of Germany, where it has held steady, and in Luxembourg. In October 1976, the unemployment figure for women reached 2 135 000, compared with 1 928 000 in October 1975. It would appear that people who had not been able to find employment on account of the recession, have, since the moderate recovery in the first half of the year, rejoined the labour market.

*Short time working* was to a large extent reabsorbed during 1976 in all Community countries.

Notwithstanding the fact that unemployment has continued at very high levels in almost all Member States, the economic recovery—though moderate—has made it possible to stem the deterioration in the employment situation. Nevertheless, more analyses, whether at national or Community level, indicate that there is very

<sup>1</sup> Social Report 1975, points 51 to 53.

little likelihood that the present recovery will bring back the employment levels enjoyed up to the eve of the recession, which began in 1974.

Some characteristics of the unemployment structure already noted in 1974 and 1975 became more evident in several countries in 1976, e.g., relative increase in so-called 'marginal' unemployment (young persons, women, migrants, the handicapped, the elderly), and a certain change in the psychological climate. This latter phenomenon, in particular, has been influenced by increases in redundancy payments and the stricter control of redundancy.

In spite of certain cyclical improvements in the situation, 1976 was a difficult year for the *ECSC industries*.

In the *coal industry*, overall employment levelled off in spite of a slight fall in production. This was a result of changes in demand for various fuels following the beginning of the energy crisis in 1973, which brought along increased stockpiling.

The *iron and steel industry* continued to suffer—though to a lesser extent than in 1975—from the recession and from a low propensity to invest on the part of certain large-scale steel users. There was relatively little unemployment in the sector; the number of workers allocated to maintenance and repair work, or to special tasks in the public interest, was reduced whilst short-time working fell off considerably.

48. In view of the still uncertain nature of the recovery and the high rate of unemployment, most Member States have had recourse to a broad range of *employment policy instruments* to compensate for the time lag between the start of the economic recovery and its delayed effects on the employment market. Generally, efforts continued to be concentrated on protecting the incomes of the unemployed such as the introduction of various employment or job-creation subsidies and—in several Member States—adopting measures aimed at making collective dismissals more difficult.

In the context of action at *Community level*, mention should be made of the proposal for a Commission Recommendation to the Member States on measures to be adopted to improve the situation of young persons who are unemployed or threatened with unemployment. This Community measure is designed to combat the problem of unemployment amongst young people under 25 with no other opportunity to receive vocational training by providing vocational preparation courses.<sup>1</sup>

The European Social Fund has already extended its aid to young persons under 25 who are unemployed or seeking a job.

<sup>1</sup> Bull. EC 7/8 1976, point 2208.

TABLE 5

Number of registered unemployed in the Member States of the Community  
(annual averages and monthly situations)

(in thousands)

Year/month	Belgium	Denmark	FR Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom
1970	82.8	23.9	148.8	262.1	64.9	887.6	0.0	44.5	618.0
1971	83.3	30.0	185.1	338.2	62.5	1 038.1	0.0	62.0	799.1
1972	101.3	29.9	246.4	383.5	72.0	1 047.8	0.0	107.9	875.6 <sup>1</sup>
1973	111.2	21.0	273.5	393.9	66.6	1 004.8	0.0	109.9	618.8
1974	124.1	51.1 <sup>1</sup>	582.5	497.7	70.3	997.2	0.1	134.9	614.9 <sup>2</sup>
1975	207.8	121.7	1 074.2	839.7	98.3	1 106.9	0.3	195.3	977.6
1976	266.6	122.0	1 060.3	933.5	110.5	1 181.2 <sup>p</sup>	0.5	210.9	1 360.0 <sup>3</sup>
1975									
December	254.3	143.0	1 223.4	1 009.7	107.1	1 158.1	0.6	228.6	1 200.8
1976									
January	252.0	147.1	1 351.0	1 017.4	112.9	1 230.2	0.5	237.0	1 303.2
February	247.8	137.0	1 346.7	978.9	114.1	1 211.3	0.4	238.1	1 304.4
March	241.7	123.9	1 190.2	938.2	113.3	1 211.7	0.5	215.9	1 284.9
April	239.8	113.5	1 093.7	896.9	112.3	1 161.2	0.4	199.8	1 281.1
May	235.7	105.7	953.5	848.3	109.7	1 150.5	0.4	189.0	1 271.8
June	238.0	101.7	921.0	813.0	107.1	1 141.2	0.3	194.1	1 331.8
July	288.8	114.3	944.6	808.5	109.2	1 148.8	0.3	207.2	1 463.5
August	293.1	108.0	939.5	841.5	109.8	1 128.9	0.4	213.3	1 502.0
September	291.3	115.0	898.7	955.4	106.8	1 198.7 <sup>p</sup>	0.4	206.9	1 455.7
October	289.2	121.8	943.7	1 025.3	107.1	1 173.7 <sup>p</sup>	0.5	205.2	1 377.1
November	291.7	130.9	984.7	1 041.3	109.4	1 199.3 <sup>p</sup>	0.6	206.3	1 373.0 <sup>3</sup>
December	289.7	144.6	1 089.9	1 036.9	114.4	1 218.4 <sup>p</sup>	0.7	217.6	1 371.1 <sup>3</sup>

<sup>1</sup> New series.<sup>2</sup> Yearly average calculated on 11 months.<sup>3</sup> Estimates.

p = provisional figure.

Source: National Employment Services.

Finally, the Community has made efforts via its specialized bodies (in particular the Standing Committee on Employment) to achieve greater coordination of the various employment measures introduced at national level.<sup>1</sup>

49. Data for 1976 confirmed the halt in *migration* noted in 1975, and there has been little change in the migrant population.

There is still some migration by Community nationals, but immigration from non-member countries has almost ceased.

The Member States have continued to show their concern about the continuing failure of the social infrastructure to meet current needs, and measures were taken in some countries to reinforce sanctions against illegal immigration and employment.

## Development of the situation in the member countries

### Belgium

50. For Belgium, 1976 was a year of serious *employment problems*. The upward trends in overall unemployment, and unemployment amongst women and young people, failed to reverse during the period, whilst the relative improvements in short-time working and job vacancies are still too recent to affect this general assessment.

The number of *unemployed* was distinctly higher than in the previous year. In October 1976 the figure was 289 200 compared with 245 500 in October 1975, an increase of about 18%.

As in the past, unemployment amongst young people and women, particularly in certain sectors, was very high. In October 1976, 170 300 women were unemployed (about 60% of the total) compared with 130 300 in October 1975 (an increase of about 31%).

In the regions the gap between the highest and lowest rates of unemployment continued to narrow, demonstrating that cyclical unemployment affects all regions to more or less the same extent. However, the weakest sectors continued to be hardest hit. The situation deteriorated sharply in the iron and steel sector, which is undergoing far-reaching changes.

<sup>1</sup> Points 17 to 19 of this Report.

Finally, the *short-time working* situation seems to have improved as compared with the same period last year: 47 000 were affected in October 1976 against 65 000 in October 1975 (a drop of 28%). Nonetheless, short-time working, which had fallen to encouraging levels during the summer, has been tending to return to the very high 1975 level in recent months.

In this context, the Government introduced a number of *measures*, aimed at promoting employment by a better distribution of work, lowering retirement age, applying a system of anticipated pensions for workers who so request on condition that they are replaced by young persons, speeding up the recruitment of young unemployed persons for jobs in the public sector and increasing vocational training facilities for young people.

Thus the economic recovery law of 30 March 1976 provides, *inter alia*, for:<sup>1</sup>

- (i) early retirement on request for male workers aged at least 62 and female workers aged at least 58, on condition they are replaced by an unemployed person under 30. In view of the small numbers affected, it was decided by Royal Decree on 8 August to lower the minimum age from 62 to 60 for men and from 58 to 55 years for women. At the same time, the period of application of the law was extended until 31 December 1977. The number of workers taking advantage of the possibilities offered in this sphere has increased quite rapidly in recent months, to reach 10 510 in October and 11 882 in November 1976;
- (ii) a system of remunerated in-service training in large undertakings and public services for young persons under 30 who have not yet had a job. The courses will last from six months to one year;
- (iii) an obligation for all undertakings and public bodies employing at least 100 workers to accept trainees in a proportion of 1% of their total work force. There were not more than 10 000 young people on in-service training courses at the end of 1976, whereas the number of places potentially available was estimated at 17 000. The number of applications for these courses received was about 27 000. To interpret these figures, it should be borne in mind that 'applicants for training' really number 70 000, since young unemployed persons are necessarily 'applicants';
- (iv) the law also encourages the public authorities to create jobs for unemployed persons. Among other things, the Royal Decree of 30 May 1976 improves the legal protection given to unemployed persons taken on by a public service, increases the National Labour Office's contribution to the salary of such persons, and rules on the possibility of giving unemployed persons work in certain non-profit making associations not considered hitherto (in Novem-

<sup>1</sup> Chapter II, point 72; Chapter V, point 147; Chapter IX, point 202 of this Report.

ber the number of unemployed persons for which the public authorities had created jobs was about 17 000).

Lastly, reference should be made to the new law of 24 December 1976<sup>1</sup> on the maintenance of employment, purchasing power and the competitiveness of the economy. In this law the Government applies or extends certain measures introduced by the economic recovery law in respect of the promotion of employment (compulsory in-service training periods for young persons, social assistance in the event of the restructuring of undertakings, etc.). At budgetary level, the persistent unemployment in 1976 forced the Government to step up its contribution to balance receipts and expenditure under the heading of employment benefits. Total subsidies of FB 30 500 million have been allocated for 1976.

51. The decision taken in 1974 to continue the ban on *immigration* from third countries was maintained in 1976, with the exclusion of highly-skilled workers. Consequently, the number of work permits for migrant workers decreased.

The fight against the illegal immigration and employment of foreign workers has been strengthened by the entry into force of the law of 22 July 1976, providing for stronger sanctions.

At the end of 1975, there were 230 000 migrant workers in the country, including 100 000 from Member States.

The unemployment rate amongst migrant workers is about 14%, compared with 8% for nationals (32 400 on 30 September 1976, of whom 16 000 were Italians).

### Denmark

52. The economic outlook in Denmark has improved slightly over 1975 as a result of the upswing in production, primarily in manufacturing industry and the building and construction sector. Though there was no concurrent improvement in the *employment* situation, this is due partly to the normal time lag and partly to the marked rise in productivity in certain major sectors. The principal objectives of the Government's policy are to halt inflation and reduce the balance of payments deficit as part of its drive to improve the employment situation in the long term.

*Unemployment* figures were not lower during the year and appear to be levelling off at about 5% of the wage-earning population.

A summary analysis of the unemployment figures shows that the worst hit are mainly young people under 25 and persons over 60; the intermediate age groups appear to experience little difficulty in finding new jobs.

<sup>1</sup> Moniteur Belge, 30.12.1976.



An agreement between political parties in the Danish Parliament at the beginning of August 1976 laid the basis for a *long-term policy* aimed at creating jobs by boosting exports; in the shorter term, however, this agreement could have adverse effects on the employment situation since it raises taxes on several products and thereby tends to reduce internal consumption.

53. As regards *migrant workers*, the decision to suspend immigration was maintained in 1976 with the exception of Scandinavia and the Community countries.

### *Federal Republic of Germany*

54. Economic recovery in Germany, which had been only a glimmer during the fourth quarter of 1975, was gradually consolidated and broadened in 1976. In the last months of the year, however, this encouraging development tailed off under the influence of negative seasonal trends.

Production recovered in major sectors of the economy, though repercussions on *employment* varied from one sector to another; increased productivity tends to curb the recruitment of new workers. Attention should be drawn to the continued stagnation in employment in the services sector.

The basic uncertainty about the medium- and long-term employment outlook was at the origin of analyses of the nature of the current crisis: results tend to indicate that structural elements play a less decisive part than in 1967/68.

Certain points, such as the higher-than-average rate of *unemployment amongst women*, seem to suggest the existence of certain quasi-permanent negative factors. The structural aspects of unemployment, which reflect basic disparities between labour supply and demand, will probably play a more important role in the long term.

Unemployment amongst *young persons* seems to be concentrated in areas where the economic structure is weak. The fall-off recorded since the beginning of the year suggests that a correlation exists between this phenomenon and the improvement in the general economic situation. These considerations have influenced the attitude of the public authorities towards basic vocational training, where they have aimed at encouraging fuller utilization of the existing system rather than increasing its intake capacity.

Similar criteria were the basis for the *Complementary Programme*<sup>1</sup> of 2 February 1976, aimed at young persons and other less-favoured groups, on which a decision

<sup>1</sup> Social Report 1975, point 58.

was taken in January 1976; overall expenditure on the programme will amount to DM 300 million.

Of this sum, DM 200 million have been earmarked for:

- (a) the creation of additional jobs for less-favoured groups (elderly workers, workers who are difficult to place);
- (b) the promotion of basic vocational training and re-training for young persons without a diploma or a trade (particularly young handicapped persons), and the introduction to working life of those lacking adequate education.

The balance of DM 100 million will be devoted to ensuring the full utilization of the basic training capacities of public institutions, increasing training opportunities within undertakings and improving the balance, at regional level, in the variety of in-service training courses offered. Finally, provision has been made to permit young people who, due to dismissal or the interruption of their career, were unable to finish their in-service training, to obtain a diploma.

On 10 November 1976 the Federal Government adopted a DM 430 million *anti-unemployment programme*. If the sums already earmarked for this purpose in the budget of the Federal Labour Office (Bundesanstalt für Arbeit) and those mobilized to provide work for the physically handicapped are included, a total of DM 1 600 million will have been allocated to combat unemployment in 1977.

The new programme is designed to encourage the geographical and occupational mobility of workers by giving specific assistance to those without a job for more than six months; the Minister of Labour reckons that in this way 200 000 unemployed persons would be able to find new jobs.

As part of the general background to the *employment forecasts*, it is worth indicating that the programme to improve regional economic structures, financed directly by the Federal Government and the Länder to the tune of DM 1 000 million (plus guarantee loans of 400 million), will, according to estimates, create 431 000 new jobs in the next few years, whilst 178 000 existing jobs will also be protected.

55. The general ban on *immigration* from non-member countries was maintained in 1976. The total number of migrants at the end of March 1976 was 1 938 000, or 153 000 less than a year earlier; it has, therefore, returned to the 1970 level (1.8 million). Migrant workers at present represent 9.8% of the total labour force; the highest percentage recorded, i.e. 11.6%, was reached in autumn 1973. Between March 1975 and March 1976 there was a significant fall in the number of Spaniards (— 14.8%) and Greeks (— 12.3%). Turks, representing 27% and the Yugoslavs, with 20%, were the two largest groups in March 1976.

At the end of September 1976, the unemployment rate for foreigners (3.8%) no longer differed significantly from the overall rate of 3.9%. Of the 79 000 migrant unemployed at that date, 20 000 were Turks, 16 000 Italians, and 10 000 Yugoslavs.

The policy of avoiding heavy concentration of migrant workers in certain regions has been continued by controlling access to certain regions by migrants from third countries; further areas have been added.

## France

56. In France, unemployment seems to be setting down at the high rate of 4.5 to 5% of the labour force (October 1975: 4.7%; October 1976: 4.8%). In October 1976, the number of unemployed was 1 025 000, compared with 1 016 000 in October 1975, representing an increase of about 1%. The *employment situation* shows only a sluggish and limited trend towards recovery. At the same time, there has been a significant change in the structure of unemployment, with higher rates for women (55% in October 1976) and young people under 25 (48% in October 1976)—especially those looking for their first job<sup>1</sup>—and an increase in semi-unemployment situations such as short-time work, part-time work, absenteeism, temporary work, early retirement, etc.

In spite of a relative improvement in economic activity during the first nine months of the year, the number of job applicants was higher than in 1975. The latest available figures for unsuccessful job seekers in September were slightly up on the same period in 1975. However, the number of unfilled vacancies has also increased in the same period: 142 900 in September, as against 114 700 last year.

Short-time working is rapidly being reabsorbed: 60 600 workers were on short time in July 1976 compared with 223 000 last year. This drop of about 73% may reflect the improvement in the economic situation, also confirmed by the increase in the labour force and the slightly longer working week.

The principle objective of the Government's *economic recovery plan* is to combat inflation more effectively without undermining industry's competitiveness or the still hesitant upturn in the economy. Thus, where economic and social measures are concerned, emphasis is no longer on improvements to the unemployment insurance system, but rather on fighting inflation and providing investment incentives to improve competitiveness at international level.

Measures to promote employment are also being taken at regional level. In addition, the Barre plan, made public in September 1976, provides for encouraging

<sup>1</sup> On average, young persons accounted for about 40% of the total (women: 55% of young persons; men: 39%).

the setting-up and operation of new undertakings through a FF 3 500 million loan guaranteed by the State, to finance new productive investments.

Where new jobs are concerned, it seems that the job-creation premiums have had results, particularly in the craft industries, where 20 000 premiums were paid out in the first half of 1976. The Government is trying to render existing *measures* (recruitment bonuses, employment-training contracts) more effective and to develop new ones. An effort is being made to decentralize the administrative side of decision-making by the creation of departmental committees to promote employment. These committees are composed of local representatives of the various ministries concerned with the particular aim of facilitating the examination of applications for regional industrial development premiums and installation allowances for craftsmen.

57. The French Government maintained the ban on *immigration* from non-member countries in 1976 (8 623 work permits were issued during the first six months, of which at least 90% regularized the position of workers already present).

Migrant workers represent 10.9% of the working population in paid employment in France (of 1.9 million migrants at the end of 1975, 300 000 were nationals of another Member State). Among immigrants from non-member countries, the nationalities most represented are: Portuguese (475 000), Algerians (440 000) and Spaniards (265 000).

A Decree of 29 April 1976 lays down the general conditions for the immigration of dependents. The aim of the policy is to recognize, organize and facilitate the immigration of dependents by implementing a series of measures, in particular: the application of a procedure lasting not more than two months, whereby a setting-in allowance of about FF 1 000 is paid, provision of family help, and pilot experiments in the teaching of French to immigrant wives.

To protect the national labour market, the French Government passed a law on 10 July 1976 'increasing the penalties for illicit traffic in and illegal employment of foreign workers'.

### *Ireland*

58. There was a definite improvement in the Irish economy in 1976 compared with the preceding 12 months, especially as regards industrial production, which exceeded the level reached before the economic crisis: this accounts for the drop in the number of registered *unemployed*, there was a fall in the latter during the early months of the year, and it then became stable at figures slightly higher than those of 1975 (about 10% of the working population in paid employment).

The continued deterioration in the *labour market* must be chiefly attributed to the general situation in industry. The creation of new jobs (mainly as a result of foreign investment), which may be judged satisfactory in absolute terms, is more than offset by the constant decline in employment in existing industries.

The high level of unemployment is considered to be largely due to structural causes. It is thought to be a result, above all, of demographic factors, or of changes in the socio-economic structure of the country which cyclical influences (economic recession and crisis in world trade) have accentuated in the sectors in which employment difficulties are concentrated (the food industry, the textile and clothing industry, the building and construction sector and the engineering industry).

The creation of new jobs by *Government intervention* is severely hampered by several factors: rampant inflation, a high level of public expenditure and a large budget deficit. Although the *Public Capital Programme* announced by the Government in January 1976 has been increased to £596 million, compared with £467 million last year, inflation and the implementation of existing projects make new job-creating initiatives problematical.

The *Premium Employment Programme* has been extended until the end of 1976<sup>1</sup> and the amount of the weekly premium increased for £12 to £15 per recruited worker, in the hope of making this programme more effective; more than 6 300 new jobs were provided under the scheme in its first year of application.

59. *Emigration* from Ireland has slowed down. The Irish policy has been to encourage skilled workers in particular to return from the United Kingdom, but 430 000 Irish citizens are still working there.

### *Italy*

60. The recovery of economic activity which began towards the end of 1975 went on and improved in 1976. There was a further overall decline in the *employment* level, due to a reduction in the numbers employed in agriculture and industry, which a modest expansion in the tertiary sector failed to offset. The decline was especially marked in industry, particularly in the north of the country.

However, in mid-year there was a clear upturn, which had a positive impact on employment in all sectors. In July 1976, the employment figures were up by 454 000 compared with the same month of the previous year (over 20 million altogether); the tertiary sector, which was the principal beneficiary of the recovery, accounted for 42%—the highest level ever. For the whole of the year, employ-

<sup>1</sup> Social Report 1975, point 63.

ment research done by ISTAT shows that the increase in the working force (208 000 units) was bigger than that in employed people (130 000 units); therefore, the number of unemployed increased by 78 000 units.

This situation is partly reflected in the available data on normal contribution (linked principally to the short-term situation) by the *Cassa Integrazione Guadagni*. A total of 108 million hours were eligible for compensation under the heading of short-time working in the second half of 1975, against only 90 million hours in the first half of 1976. By contrast, the volume of special contributions (24 million hours in the first quarter of 1975 compared with 42 million in the first quarter of 1976) illustrates the extent of current restructuring and conversion of undertakings. For the whole of the year 1976, the total number of compensated hours decreased by 18% in relation to 1975.

In the first nine months of the year, the number of registered *unemployed* continued to rise, amounting to 1 199 000 at the end of September 1976, or an increase of 6% over the previous year. Though both workers who had already worked and those seeking their first job are included in this figure, it should be noted that unemployment was three times higher amongst the latter category.

In an *emergency measure* taken at the beginning of the year, the Government set up the IPO (*Iniziativa Promozione Occupazione*); its task is to recruit, according to certain selection criteria, the staff of undertakings which have gone into liquidation or ceased productive activity, and also to act as promoter for schemes to permit their re-employment, by other firms. Employees recruited in this way, both workers and supervisory staff, received the 'integration' payment provided for under the special system of the *Cassa Integrazione* until 30 September 1976.

The *austerity measures* decided by the Government in the autumn were designed to stimulate exports and reduce internal expenditure, both public and private. It is difficult to assess their impact on employment because to a large extent they are dependent on an improvement in the world economy.

At the end of November, the Government approved a draft law promoting youth employment and providing for various *assistance* measures in the public and private sectors.

In the public sector, it is planned to assign young people to tasks as attendants, guardians etc. in museums, libraries and archives, or to road works or afforestation, tourism and the updating of the land register, under programmes lasting not more than two years.

In the private sector, industrial commercial, agricultural and craft undertakings will receive a public subsidy of Lit 32 000 per month in the North and Centre and Lit 64 000 in the South (or Lit 200 and 400 per hour respectively) for every

young person aged between 15 and 22 (26 for graduates) recruited under special one-year contracts.

A sum of Lit 400 000 million has been committed and should enable about 420 000 persons to find work, if only on a temporary basis.

61. Even though no precise figures are available, it appears that *emigration* from Italy has been reduced as a result of the recession. There has been some movement of workers from Italy to the Federal Republic of Germany, however.

The return flow of migrant workers to Italy has been larger than in previous years.

### Luxembourg

62. In Luxembourg a number of statistical problems are still making it very difficult to assess the overall *employment* situation. Developments in sectors for which details are available would seem to indicate a slight reduction in the total number of wage earners—and therefore in the total working population—in 1976 compared with 1975. There has been a 15% cut back in labour in the building industry and a cut of nearly 5% in the iron and steel sector.

Total *unemployment* (including short-time working) fell during the first half of the year. However, during the last months of the year, the trend changed again and the number of totally unemployed returned to the January level. Short-time working, on the other hand, held steady at a much lower level (406 in 1976 compared with 1 045 in 1975).

As regards the employment situation for *young people*, the most hit by the lack of new jobs are mainly those without full vocational training. The massive influx of young people with some form of further education onto the labour market should also be noted; it has been estimated that there are 4 000 - 5 000 university graduates in Luxembourg, or about 3% of the working population, and 2 500 students.

In view of the gravity of the situation, the Luxembourg Government in its *statement* on 19 January, declared that the first priority should be to maintain employment. To this end the statement stressed that private investment should be encouraged, the public investment programme continued and more attention paid to vocational training.

This move by the Luxembourg Government falls within the framework of the law of 26 July 1975,<sup>1</sup> which authorizes the Government to take steps to prevent

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dismissals for short-term economic reasons and maintain employment levels by introducing a loss of earnings allowance for workers on short time as a result of the economic situation.

A series of *measures* designed to improve job protection and income support should also be noted. Mention should be made in this context of:

- (i) the law of 21 February 1976, setting up the National Employment Service. This body, which replaces the National Labour Office, was created with the primary purpose of improving job placement—particularly as regards young people. The law also set up a National Employment Committee;
- (ii) the law of 30 June 1976 on the creation of an unemployment fund and the reform of the legislation on allowances for the totally unemployed.

63. In view of the situation described above, the Luxembourg authorities had to take restrictive action as regards the recruitment of workers from non-member countries.

In 1976, *one-third* of the total work force were *migrant* workers (47 000); this rate shows no significant change on 1975.

Over the first six months of 1976, however, there were fewer new entries (1 342 against 2 640), due also to the fall in activity in the building sector.

### Netherlands

64. Here even more than in the Federal Republic of Germany the recovery in production, which was particularly evident in capital-intensive industries, has had only a marginal impact on *employment*. Though short-time working fell during 1976, *total unemployment* continued to rise (though at a slower rate), to level off at about 200 000. There is increasing awareness in the Netherlands of the preponderance of structural rather than cyclical factors in the current employment crisis.<sup>1</sup>

The Government's medium- and long-term strategy is mainly directed at gradually reducing labour costs; it is estimated that the latter have increased more rapidly than productivity in recent years.<sup>2</sup>

While a series of *measures* involving considerable expenditure (Fl 1 800 million in 1977; 3 500 million for 1978 and following years) are being introduced to stimulate investment, other instruments—perhaps more effective in the medium term—such as wage control and reductions in public expenditure are also being

<sup>1</sup> Social Report 1975, points 68 to 70.

<sup>2</sup> Chapter V, point 158 of this Report.

mobilized. Wages are in future not to rise by more than 9% annually, under Government measures, whilst increases in social security costs will be limited to 1% annually.

As a result of these provisions, which should lead to the creation of about 200 000 new jobs by 1980 under normal economic circumstances, the Dutch authorities think that unemployment can be brought below 150 000 by that date.

In 1976, action to create jobs and protect employment was taken on a broad front. As part of the measures to stimulate the economy, an effort was made to create new jobs by undertaking public construction works, with State, regional and local assistance. A sum of Fl 650 million was committed to this scheme.

In addition, subsidies were granted by the Government to undertakings whose staff includes a substantial number of workers paid at the minimum statutory rate to offset the rise in costs resulting from the increase in the latter: these subsidies totalled about Fl 100 million.

The Dutch authorities are paying special attention, both for the near and medium term, to *youth unemployment*, which at present represents about one-third of the total (72 000 young persons under 25 were unemployed at the end of July). Some figures serve to illustrate the relative extent of this phenomenon: compared with 1975, unemployment in July had increased by 44% overall, whilst unemployment amongst young persons had risen by 62%—and by as much as 82% for those having just completed their studies.

*Measures* have been taken at both social and educational levels<sup>1</sup> to deal with the situation, which is deteriorating steadily.

In the social sphere, measures to promote the placement and education of young people have been extended.

The following are the principal initiatives in this respect, involving budget appropriations of up to Fl 210 million:

- (i) a recruitment premium granted to employers recruiting young persons under 23 who had been registered as unemployed for at least six months on 1 July. It is expected that this measure will help to find jobs for 7 000 persons;
- (ii) a subsidy of Fl 80 per week for each school-leaver taken on as an apprentice in a factory reduced to Fl 60 per week for young persons obliged to attend part-time education. This measure is expected to include 40 000 young persons;
- (iii) lastly, intermediate measures designed to permit the temporary recruitment of young unemployed persons in connection with non-commercial projects

<sup>1</sup> Chapter II, point 85 of this Report.

(work in local communities; e.g., health service assistance to handicapped persons). The subsidy has been fixed at Fl 545 per month (estimated number of beneficiaries: 5 500).

65. There is about to be an important change in the *immigration* restriction policy, the outstanding event in this sphere being the adoption of the new law on foreign labour by the Lower House on 9 September 1976. This law, which still has to be approved by the Upper House, abolishes the work permit issued in the worker's name; henceforth, only authorizations to employ foreign workers will be issued. The law also enables the authorities to refuse supplementary employment authorizations to any undertaking which already employs 20 non-community workers; on the other hand, the period after which the foreign worker may have access to any profession in any part of the country and reside there permanently was reduced from 5 to 3 years.

At the end of June 1976, the Netherlands had 121 000 foreign workers, of which almost 60 000 had permanent permits, i.e., had worked in the country for at least 5 years.

The position of 14 000 clandestine workers was regularized, but 2 500 residence permits were refused; on 1 June 1976 about 2 000 applications for regularization were still under examination.

There were 11 330 foreign workers unemployed on 30 June 1976 (8.6%, compared with the overall unemployment rate of 4.8%).

### *United Kingdom*

66. The *unemployment* figures continued to rise in 1976, though at a slower pace from February onwards; the average rate was about 10 000 per month (instead of 40 000 as in 1975). Nevertheless, it is possible that the slackening in the economy combined with the reduction in public expenditure may worsen the situation significantly.

The Government's immediate priorities are to combat inflation and create conditions for export-led growth. This policy does not exclude temporary intervention on the labour market—which may be extensive in scope where necessary.

A more detailed analysis of current unemployment shows that the prospects for *young people* are still quite hopeful. Efforts are being made to provide the maximum number of young persons with the opportunity of acquiring a skill through the vocational training institutes or, alternatively, with at least, some degree of practical job experience.

There has been a marked increase in *unemployment amongst women*, equivalent to more than half the increase in unemployment in general. More manual than clerical women workers are registered as unemployed.

Government *measures* have centred on the creation of new jobs, the granting of subsidies to safeguard threatened jobs and the promotion of vocational training, which is seen as the best way of preserving the national heritage of industrial know-how and experience.

As regards employment incentives, a *Youth Employment Subsidy* is to replace the *Recruitment Subsidy*, which expired on 30 September 1976. Firms which recruit young people who are under 20 years and have been registered as unemployed for at least six months receive a subsidy of £10 per week. This is a temporary measure lasting for six months (expiring on 31 March 1977).

In August 1976, the Government announced that the *Manpower Services Commission* would launch a *Work Experience Programme* for young unemployed persons aged under 19 with a view to introducing them to the working world and at the same time making them aware of their capabilities and their real chances on the labour market. The young persons in question receive an allowance of £16 per week from the *Manpower Services Commission* during their period of work experience. In principle, the programme is to run for one year, beginning at the end of September 1977; 30 000 young persons are expected to participate.

In addition, further funds have been allocated to the *Industrial Training Boards* (ITB) and the *Training Opportunity Scheme* (TOPS), whose activities are coordinated by the *Manpower Services Commission* and its executive arm, the *Training Services Agency*. Funds committed for 1976/77 amount to £242.2 million compared with £146.6 million last year.<sup>1</sup>

67. As regards the controlled *immigration* policy in 1976 for workers from non-member countries, the British authorities reduced:

- (i) the work permit quota for the hotel and catering industry from 8 500 to 6 000;
- (ii) the similar quota for domestic and hospital staff from 8 000 to 2 500.

This was largely in response to the increase in the number of unskilled unemployed people already in Britain.

<sup>1</sup> Chapter II, point 87 of this Report.

## Chapter II

# Vocational training

### Trends within the Community

68. Since the economic situation has continued to be difficult, throughout 1976, the public authorities and all concerned strengthened the *measures* adopted in 1975 or provided for new ones.

In order to promote the individual vocational preparation and the adaptation for employment of *young people* seeking jobs, suitable vocational training structures were established or planned in the short term in some member countries by public bodies and the private sector (in the latter case, in the form of intercompany centres). The system of paid on-the-job training periods, with a financial contribution from public funds, is on the increase, particularly where it is accompanied by realistic prospects of employment by the beneficiary firms.

Both public authorities and industry took action to encourage vocational *retraining* and *readaptation* of workers forced to change sector or branch of employment as a result of the aggravation of certain latent structural crisis factors.

69. In political circles and educational institutions, interest in 1976 centred upon general and specific problems concerning the *reform of secondary education* in order to make it better able to meet the cultural and occupational requirements of a developing society.

Several member countries devoted more attention to improving statistical data on vocational training.

70. At *Community* level, the Commission has increased the frequency of exchanges of opinions and experience between practitioners and experts in the member countries concerning vocational guidance and training both as regards general and specific problems.

The European Centre for the Development of Vocational Training started to carry out its tasks. The Centre's new working programme for 1977 was laid down by the Management Board in 1976.

## Development of the situation in the member countries

### Belgium

71. Not so much effort was put into vocational training as would have been justified by the increasing numbers of unemployed men and women. A comparison between 1975 and 1974 is significant here: there were 17 882 trainees in 1974 against 18 012 in the following year. The situation remained unchanged in 1976: 5 903 units in the first nine months and 5 948 units in the same period in 1975.

This decline appears to be due to the reduction in activity in the National Employment Office centres and in the centres set up with aid from industry. On the other hand, there is a considerable increase in training carried out in approved centres. But this latter category represents only a very small proportion of the total and relates only to one industry (coal mining).

The lack of effort in the tertiary sector is striking: the number of trainees in this sector is only between 15 and 20% of the total.

Training in the building industry continues to account for a considerable proportion: between 20 and 25%.

72. As regards *handicapped persons*, a Royal Decree of 5 January 1976 makes their employment in the public services compulsory.

As regards *young people*, the law on economic revival of 30 March 1976 provides for a system of paid training in public services and large firms. The young persons concerned must be aged less than 30 and not have had a job before; they receive 75 to 90% of the basic wage to which their qualifications entitle them. Firms and authorities employing at least 100 workers are bound to accept a number of trainees amounting to 1% of their total personnel.<sup>1</sup>

### Denmark

73. In 1976, by decision of Parliament, the State grant for the *Experimental apprenticeship system* (EFG) was suppressed.<sup>2</sup> No statistics are available as yet, but it is expected that the removal of the State grant to EFG trainees will result in a marked increase in the number of traditional apprentices.

<sup>1</sup> Chapter I, point 50 of this Report.

<sup>2</sup> Social Report 1975, point 79.

74. A large proportion of the unemployed are young people (under 25 years old) and many of them have had no vocational training. The government decided to spend in the next three years DKr 48 million for *measures* which will give the young unemployed better training and employment opportunities.

The increasing unemployment among university graduates led to the establishment, by the minister for education, of a number of committees with the duty of finding solutions to the problem.

### *Federal Republic of Germany*

75. The *law to promote the supply of training places* (Ausbildungsplatzförderungsgesetz) entered into force on 1 September 1976; it particularly concerns young people born in high birth-rate periods, who will be leaving school in the next few years.

The basic features of the new law are as follows:

- the introduction of a financing programme, where appropriate calling in the aid of the employers, which will enable the necessary funds to be made available to maintain existing jobs and create new ones and to guarantee a more equitable distribution of training costs (if the supply of training places exceeds the demand by less than 12.5%, all firms with a wage bill exceeding DM 400 000 will have to contribute);
- the establishment of vocational training statistics meeting present requirements and providing, *inter alia*, basic data essential to estimates of the supply and demand of training places. Data on the supply and demand situation are of primary importance in the implementing of the financing programme;
- establishment at Federal level, in cooperation with research bodies, of an effective organization comprising those responsible for vocational training and research (Federal authorities, Land authorities, employers and unions).

The law on the protection of *correspondence courses*, which entered into force on 1 January 1977, is intended to safeguard people who follow correspondence courses against misleading publicity, dishonest canvassing practices and improper contracts. In future, all correspondence courses will have to be approved by a single body set up in the Federal Republic.

76. The *special programme* to combat young people's unemployment adopted in January 1976 by the Federal Government offers skilled training in the short-term to young people who have been unable to find a training place or a job, or who have lost their training place because of the closure of the firm or cut-backs in the staff.

The financial aid provided by the Federal Government (DM 35 million) covers the whole of the training period or the period of vocational training still to be completed. Thanks to this measure, it has been possible to place about 3 000 young people in training establishments. In addition, DM 65 million were allocated to the creation of training places in the public sector.

Furthermore, the *Federal Labour Office* (Bundesanstalt für Arbeit), thanks primarily to funds made available to it in implementation of the law on the promotion of employment, has continued its efforts to organize courses to prepare young people for vocational training or for the exercise of an occupation.

In accordance with the *graduated plan* concerning the major problems of vocational training approved in 1975 by the Federal Government and the Länder,<sup>1</sup> the Federal Government devoted between 1974 and 1976 DM 260 million to the development of intercompany training centres; this figure will be equalled for the period 1977-1979. The aim of these centres is to supplement the training given by small and medium-sized firms, amongst others.

## France

77. Law No 75-1332 of 31 December 1975 instituted as of 1 January 1976 *control arrangements* applying basically to private vocational training bodies and supplementing certain points in the law of 20 July 1971.<sup>2</sup>

As part of the preparatory work on the seventh plan, the Educational and training committee published in April/May a report, based on the general guidelines of the preliminary guidance report, which proposes practical measures, particularly as regards *young people*, that will fulfil simultaneously the following conditions:

- (i) the need to reduce inequality of opportunity;
- (ii) the need to adapt people better to the society of tomorrow.

This Committee's report also contains a series of suggestions for implementation of the second stage of the programme on continuous training.

As regards *apprenticeships*, at the beginning of June the Government announced its intention of making a fresh start. For its purpose, three sets of measures were approved by the Cabinet on 9 June 1976:

- (i) a reduction in the taxes imposed on firms training apprentices;
- (ii) an improvement in the training system (in particular by the establishment of pre-apprenticeship classes);
- (iii) cooperation with trade organizations.

<sup>1</sup> Social Report 1975, point 82.

<sup>2</sup> Social Report 1975, point 83.



The first set of these measures will be the subject of a draft law which will enter into force on 1 January 1978.

78. One example of rehabilitation of the handicapped may be found in the iron and steel industry in the east of the country: 500 young people with vocational qualifications received 500 hours training in skilled trades in 1976. The Association for employment rehabilitation (ASSERPRO) received at Rombas 269 handicapped trainees capable of resuming their previous occupation or a similar occupation. The trainees were trained in manual dexterity and psychological preparation for factory work (fitting, electrical work, welding, sheet metal working, machine tool operating and joinery) and 213 of them were returned to employment. The employment rehabilitation centre at Rombas enabled 60 severely handicapped persons who were unsuitable for jobs in the iron and steel industry to be reintegrated into their original industrial background after vocational retraining (transfer from a manufacturing occupation to a maintenance occupation).

### *Ireland*

79. The new system of *apprenticeship*<sup>1</sup> was brought into operation by ANCO (Industrial National Training Authority) on 1 September 1976 and its implementation is phased in over a period of four years.

The main features of the new system are:

- (i) full-time training in a recognized training centre for all apprentices during their first year;
- (ii) a reduction in the apprenticeship period from five years to four;
- (iii) apprentices will be obliged to attend courses in trade theory and general education at vocational colleges during the first three years of their apprenticeship;
- (iv) compulsory testing leading to the award of a national craft certificate on completion of training.

The new system will have an annual intake of over 3 000 apprentices at full capacity.

Full-time training has also been provided by ANCO for about 2 500 first-year apprentices. A further 2 500 young persons have attended a careers development programme which was organized for the first time this summer. Specifically designed for school leavers, the two-month course is aimed at bridging the gap

<sup>1</sup> Social Report 1975, point 86.

between school and work, providing information on how work is organized and is followed by 'work projects'.

80. The Community Youth Training Programme was set up at the end of 1975 to give training to unemployed school leavers, redundant apprentices and other *young people* on work of community value is also organized by ANCO. In 1976, over 500 young people were involved in the programme.

Special efforts are being made in the training of *women* in ANCO training centres. During 1976, more than 1 500 women received training compared with only 800 in 1975 (128 in 1974).

A pilot programme for the training of *handicapped* persons for open employment, set up in 1975 following the report of the working party on training and employing the handicapped, has been extended to all ANCO training centres.

### Italy

81. The traditional vocational training system is undergoing profound changes. As far as the State *vocational training institutes* are concerned, in the context of the changing trends in post-primary education (massive increase in registrations, very high rates of university entry, etc.), certain characteristics of the entire educational process have become markedly accentuated with both positive and negative results (decline in the importance and role of vocational studies, increase in the number of persons wishing to continue their studies etc.).

As regards the vocational training centres recently set up (administratively and legally) under *regional* jurisdiction courses for apprentices have been tending to decline in number whilst basic training courses for young persons have been expanding, together with refresher or recycling courses for adults already in employment or young persons who reject the traditional school system. As a result, vocational training centres have come to be entrusted with the task of providing general cultural and civic education in addition to specific training and preparation for occupations.

The regional laws on vocational training are generally concerned with finding an 'alternative channel', opening up new possibilities (retraining, refresher courses, etc.) and setting up a new integrated permanent training system. Reference should be made to Sicilian Regional Law No 24 of 6 March 1976 on vocational training, since it provides, in Article 3, for 'social rehabilitation courses' for misfits, invalids and mentally handicapped persons.

82. There are other elements of great interest as regards the *future outlook* for vocational training, particularly the proposals for reform (both at national and

regional level). These proposals involve a reappraisal of the relationship between scholastic and vocational training, and—in general—an endeavour to 'rationalize' the present relationship, entrusting schools with the task of providing basic vocational preparation (thereby eliminating the IPS (State Vocational Training Institute) and giving the vocational training system the task of receiving school-leavers and enabling them, after a short training course, to enter the labour market.

From the purely 'scholastic' viewpoint, then, it would appear that vocational training is expected to become a sort of 'appendix' to compulsory schooling, before entry into an occupation. Proposals for the reform of vocational training, on the other hand, seem more concerned with maintaining the system as a second channel alongside the school system, whilst achieving a more rational distinction between the tasks and objectives of each.

### Luxembourg

83. During the next few years, the Government expects about 4 500 young people each year to enter the labour market for the first time.

The general prospects for young people are not bad. There might be problems of vocational guidance and training and as regards young people's psychological propensities and their vocational mobility. Indeed, there are sometimes here qualitative distortions between supplies and demands of jobs. The Government has therefore stepped up its contacts with firms in order to increase young people's opportunities of finding new employment.

In addition, it is improving cooperation between the responsible departments in the Ministries of Labour and Education for the purpose of setting up vocational training courses. In this connection, the Government has established a 'National vocational and school guidance and information office' and plans to introduce new crash training courses.

84. The Ministry of Education intends to introduce '*conversion scholarships*' for student teachers who 'have the courage to change direction *en route*'. The consequent retraining would apply to students studying the humanities and social sciences, whilst the occupations that could benefit could be concerned with law, economics and administration in the tertiary sector. In the opinion of the Ministry, it is generally recognized that even a relatively short period of supplementary specialized training—that is to say, training which is very distinctly vocationally oriented—when grafted on to an earlier, relatively long, general training, enables the individual to be more satisfactorily integrated into working life and is calculated, in addition, to bring him personal satisfaction.

## Netherlands

85. The longer duration of vocational education of first degree and the growing success of secondary vocational education explain the higher number of trainees.

The Government has established special courses for young people aged between 16 and 23 who are difficult to place because of inadequate training. These courses are intended to enable them to move on to full-time training courses.

86. At the request of the Ministry of Social Affairs a survey was carried out concerning the coordination of education with job practice, with particular reference to the occupation of *metal shipwright*. This survey should produce a manual which will make it possible to establish the required coordination between training and practice for a large number of occupations.

A proposal was made by the Dutch Government in 1976 on the restructuring of secondary industrial training and secondary socio-pedagogic training.

## United Kingdom

87. The Government published in July a statement on 'Unified Vocational Preparation: a Pilot Approach'. The programme, which is to last two to three years, is jointly controlled by the Education Departments and the Training Services Agency (TSA), one of the two executive arms of the Manpower Services Commission (MSC). It reflects the Government's intention to give priority to the vocational preparation of *young people* aged 16 to 19. A certain number of schemes, lasting an average of 12 weeks full-time (or the part-time equivalent) and providing for about 6 000 young people a year, have been launched.

In a document '*Training for Vital Skills*', the Government and the Manpower Services Commission have put forward for discussion proposals for the collective funding of initial training in transferable skills. The Government and industry would contribute to the fund.

Two-week 'Transfer of Employment' courses have been introduced for up to 1 200 redundant executives who have no readily available skills.

The TSA has established a '*National Training of Trainers Committee*' with members to be drawn from industry, trade unions, training boards, professional bodies and educational institutions, and with representatives from Government departments concerned. It will make recommendations on the provision and patterns of training required for staff with specific responsibilities for training.

The Manpower Service Commission and the Education and Science Department set up a consultative group on continuous training and education in December 1976.

88. Following the development during 1975 of a programme of financial support to help offset the impact of economic recession on the level of training in industry, further funds were provided by the Government during 1976 to continue this support.<sup>1</sup> In response to proposals put forward by the Manpower Services Commission, £55 million were made available to:

- (a) provide grants to employers prepared to take on extra trainees over and above their planned intake for apprentice and other training; grants are also being used to encourage the provision by employers of opportunities for college-based sandwich course students to gain industrial experience;
- (b) support schemes under which the Industrial Training Boards provide initial training for young people unable to secure apprenticeships from the outset; and also to assist redundant apprentices;
- (c) contribute to the cost of additional below-craft and other training schemes (e.g.; instructor, upgrading training).

<sup>1</sup> Chapter I, point 66 of this Report: Work Experience Programme.

## Chapter III

# Industrial relations

## Trends within the Community

92. *At Community level*, the Commission and the trade union and employers' organizations existing at European level devoted their meetings, as in previous years, to the preparation of measures demanded by the implementation of the Social Action Programme, taking into account the timetable adopted in the Council Resolution of 21 January 1974.<sup>1</sup>

These organizations expressed their opinions on:

- (i) increased cooperation between employment services;
- (ii) labour market studies to facilitate activities concerning employment;
- (iii) vocational training for young persons and women;
- (iv) illegal immigration;
- (v) harmonization of immigration policies;
- (vi) the report on individual dismissals;
- (vii) the extension of social protection;
- (viii) the humanization of work;
- (ix) the social rehabilitation of handicapped persons;
- (x) hygiene, safety and health protection at work.

93. *On the general level of relations* between Community institutions and workers' and employers' representative organizations, the conference on the re-establishment of full employment and stability in the Community, which had been advocated by the European Economic and Social Conference of 18 November 1975,<sup>2</sup> took place in Luxembourg on 24 June 1976. The joint declaration drawn up at the end of the discussions showed the desire of all sides to combine their

<sup>1</sup> OJ C 13 of 12.2.1974.

<sup>2</sup> Social Report 1975, point 93.

efforts to consolidate economic recovery, in order to achieve steady growth and create the conditions for full employment and further social progress. Moreover, the Conference provided for a periodic examination, in the context of the Community institutions, of specific measures to improve the employment situation, particularly that of young persons, and asked the Governments and the two sides of industry to adopt the necessary measures to promote asset formation by workers and employee participation in the life of undertakings. It was decided to call another meeting of the same type, at an opportune moment, in order to re-examine the situation and list the results obtained.

94. The *economic situation* and its effects on workers, particularly as regards employment, formed the main objects of attention of the governments and workers' and employers' representative organizations.

The Executive Committee of the European Trade Union Confederation (ETUC), which met on 27 February and 9 and 10 December 1976, demanded a return to full employment through planned economic expansion using all available production capacities, the adaptation of selective measures designed to promote and protect employment and the implementation at Community level of effective action to stimulate employment and check inflation.

At its second statutory congress, which was held in London from 22 to 24 April, 1976, the European Trade Union Confederation (ETUC) reaffirmed full employment as a priority objective and called for the adoption of measures necessary to achieve it (reduction in the number of hours worked, cut-back in overtime, lowering of the retirement age, raising of the school-leaving age, restructuring of education, etc.).

A White Paper published by the ETUC dealt with problems concerning the employment of women. The paper represents a contribution from the trade-union organizations to the search for ways to enable women to participate, on an equal footing with men, in social, political and economic life.

At the end of the European Conference on the motor vehicle industry, which was held in Munich from 10 to 13 May 1976, the International Metalworkers' Federation (IMF) stated that full employment was its prime objective and demanded that measures be adopted to guarantee maintenance of the incomes and acquired social advantages of dismissed workers and that arrangements be made for exchanges of views with employers, both at European and world level, concerning economic and social problems in the motor vehicle sector.

Furthermore, in October, the European Metalworkers' Federation (EMF), laid down the general outlines of a common policy of demands. This included three priority objectives: a return to full employment, guaranteed purchasing power, and the protection of trade union autonomy against any interference by the State.

95. The Commission's publication, in November 1975, of a 'green paper' on *employee participation and company structure in the countries of the Community* led the Union of the Industries of the European Community (UNICE) to put forward its first comments.

As regards employee participation in particular, which was defined generally as the various ways in which employed persons influence the decisions of the undertakings for which they work, UNICE recalled that in the past it had declared itself in favour of the development of forms of participation and that it had hoped to see constructive discussions instituted between employers and workers in order to promote the efficient operation of the undertakings and the improvement of labour relations and the social atmosphere within it. UNICE is against any legislation, aimed at worker participation in the management bodies of undertakings.

96. The problems raised by the growth of *multinational companies*, and particularly the effects of the terms of employment and working conditions of workers belonging to the undertakings in question, continued to be topics of discussion.

The European Trade Union Confederation (ETUC) regarded the need to democratize the economy and exercise control over multinational groups as imperative, and requested that the means of integrating the activity of these groups into a new economic international order be found. This organization reiterated, at its second statutory congress, (London, 22 to 24 April 1976) its demands concerning the harmonization of company law and workers' right of representation and participation in undertakings.

At the European Conference on the motor vehicle industry (Munich, 10 to 13 May 1976). The International Metalworkers' Federation (IMF) requested that international measures be adopted making large consortiums subject to rules concerning the provision of information, publicity and consultation which they will have to respect with regard to public authorities, public opinion and workers' organizations. The IMF demands that workers' representatives should have the right to participate on an equal footing in the drawing up of such rules by the European Communities and by other international institutions (ILO, UN, OECD, etc.).

## Development of the situation in the member countries

97. In *Belgium*, the main problems in 1976 concerned employment, the fight against inflation and economic recovery.

A tripartite meeting on *full employment*, bringing together representatives of the public authorities, employers, holding companies, trade unions, regional economic



councils, the middle classes and small- and medium-sized undertakings helped to define a number of short-term measures adopted by the Government to stimulate employment, such as, for example, extension of the 'anticipated pension',<sup>1</sup> restriction of permissible work by retired persons, a cut-back on overtime, the granting of premiums to encourage the creation of new jobs.

The budgetary restrictions announced or planned by the Government as regards health, education and transport also met with strong reactions from the trade unions and gave rise to strikes or threatened strikes which disturbed industrial relations in these sectors.

At the same time, a *new social contract* was called for by leading figures in the association of employers in the metal industries. This contract should firstly, redefine the general objectives (such as the level and stability of employment, quantitative and, above all, qualitative growth, income distribution, the quality of life in the undertakings ...) and then take into consideration, more especially, the institutional participation of employees in the undertaking, job satisfaction, further training, and the restoration of the concept of profitability and competitiveness. But the debate which followed showed that the present economic, social and political situation does not really allow such a social contract to be concluded in the near future.

Generally speaking, public opinion has increasingly been made aware of all the problems concerning undertakings—especially in connection with employment.

As far as *tripartite cooperation* at a general level is concerned, the National Committee for Economic Expansion examined the measures adopted by the Government in application of the options of the 1976-80 plan. This plan ties in with the Fourth Medium-Term Economic Policy Programme of the European Communities.

At sectoral level, tripartite cooperation has developed and has acquired new instruments. Firstly, a Royal Decree of 11 February 1976 created a Secretariat for sectoral cooperation in the Ministry of Economic Affairs with the task of organizing this cooperation as regards activities which had to be restructured because of technical progress and developments in external trade. In this context, mention should be made of the discussions on the revival of the Cooperation Committee on iron and steel policy set up in 1967. Secondly, a National Energy Committee attached to the Ministry of Economic Affairs was established by Royal Decree on 12 December 1976.

This Committee groups together the representatives of various ministerial departments, workers', employers' and consumers' organizations, and the secretaries of

<sup>1</sup> Chapter IV, point 131 of this Report.

the cooperation committees for the various energy sectors (electricity, gas oil, coal), and has to supervise coordination of the activities of the various energy sectors in line with the overall energy policy.

*Collective bargaining* was greatly influenced by the 'economic revival' law of 30 March 1976, which, by introducing innovations in social legislation as regards incomes policy,<sup>1</sup> has had a considerable impact on the renewal of collective bargaining agreements at sectoral level.

The most significant features of this development are as follows: collective agreements, containing clauses dealing with social peace, were concluded for a short term (from six months to one year) in most of the sectors concerned (engineering, department stores, textiles, etc.).

Quantitative provisions concerning social benefits in existing collective agreements were often renewed. The new, limited financial advantages were formulated, at least partly on a fixed-rate basis and postponed until the termination of the wage freeze at the end of 1976—beginning of 1977 (department stores, footwear industry, etc.). In several agreements provision was made for interim renegotiations with the two sides of industry undertaking to review the position, in the light of economic developments, while the agreement was still valid (metal industries, department stores, public sector, etc.). Qualitative advantages were achieved by the confirmation or extension of formulas covering job security and by the diversification of qualitative or up-grading measures (criteria governing qualifications, job reclassification, team work, hygiene and industrial safety, wage scale for young persons, etc.) usually involving certain categories of workers, (gas, electricity, oil industry). Further progress has been made towards putting workers on a monthly salary basis (metalworking, gas, electricity, etc.).

In the public sector an interim agreement concluded on 11 March 1976 provided for 'mobility' of wages and salaries<sup>1</sup> and an increase in holiday allowances.

At the general level of vocational relations, the end of 1976 was marked by two important occurrences. One was that negotiations on a new inter-occupational agreement on a social programme for 1977 failed owing to the desire of employers' organizations to limit wage increase in 1977 to 8% inclusive of the increase due to the higher price-index, and the trade unions refused. The second was that the law of 30 March 1976 on the revival of the economy was not extended and was replaced by a new law of 24 December 1976 on maintaining the levels of employment, purchasing power and competition. This law makes no provision for restrictions in respect of collective wage bargaining, but aims at preventing the impact on prices of a wage in addition to the effect of the consumption-linked price-index.

<sup>1</sup> Chapter V, point 147 of this Report.

*Industrial strike* originated in problems involving employment, pay and industrial relations. The latter particularly affected foreign undertakings, accused of misunderstanding the collective bargaining rules governing industrial relations in Belgium. Such conflicts also arose in connection with the measures taken by the Government for neutralizing the cost of living index.<sup>1</sup>

98. In *Denmark*, relations between employers and workers were influenced by the General Agreement Act used by the Government to resolve the collective bargaining impasse in 1975<sup>2</sup> and by anticipation of similar measures being devised in 1977.

In spite of the adverse labour market situation, it is estimated by the DA (employers) that most strikes had a duration of two days or less, and 80% of them arose in connection with wage claims.

Under the term 'general claims', which are subject to negotiation, the DA (employers) and the LO (workers) group together the problem relating to wages, methods of indexing wages, team work, special timetables for particularly difficult tasks, leave, protection against dismissal for administrators/workers, training-funds and duration of validity of agreements.

Relations between the Government and both sides of industry continued to be affected by the adverse economic situation and the intervention of the Government in the wage bargaining system.

There were several tripartite meetings in the spring to discuss the economic problems and their significance for the negotiations over the collective agreement for 1977. In the event, the General Agreement Act 1975 was followed by the August Agreement made between the minority Government and three smaller parties in August 1976. The LO strongly opposed this agreement as an instrument for regulating national wage determination, considering it a persistent and unwelcome intervention by Parliament in the collective bargaining system. The August Agreement provides for only 2% wage increases to be negotiated in the new collective agreement due to be concluded in March 1977.<sup>3</sup>

99. In accordance with the provisions of the law to promote economic growth and stability, in January the Government of the *Federal Republic of Germany* submitted its annual economic report,<sup>4</sup> which contained relatively optimistic forecasts of economic developments in 1976.

<sup>1</sup> Chapter V, Point 147 of this Report.

<sup>2</sup> Social Report 1975, point 99.

<sup>3</sup> Chapter V, point 149 of this Report.

<sup>4</sup> Chapter V, point 151 of this Report.

The employers' associations were restrained in their judgment of this report. They considered that the outcome of the collective bargaining negotiations would decide whether any widespread improvement took place in the economic situation. The trade unions endorsed the annual economic report in principle, but pointed out that major importance should continue to be attached to reflation by means of public expenditure, especially where the objective of full employment was concerned. This opinion, like many other observations made during the period under review, clearly showed the tendency of the trade unions to regard full employment as a top priority. The employers stressed repeatedly that it was important at this time to achieve higher profits in order to stimulate the propensity to invest, to protect employment in the longer term. In reply to this, the trade unions pointed out that an increase in investment does not automatically lead to greater job opportunities. As experience has shown, public short-term economic programmes have been used mainly to promote rationalization investments.

At the meeting held in February under the concerted action programme, the trade unions insisted that, in view of the problems ahead for the Labour market, it was high time to abandon overall economic management and change over to a forward-looking structural policy based on forecasts and programming and comprising aid measures specially suited to the peculiarities of the various economic sectors and regional subgroupings. They also made repeated demands for improved statistics on profits and a real control over the use and effectiveness of investment aid granted to undertakings by the State.

The trade unions were primarily concerned, in their policy on collective agreements followed in 1976, with guaranteeing jobs and real incomes to the greatest extent possible; the agreements signed involved pay rises of 5 to 6%.

Collective agreements, which have been concluded more and more frequently since 1974, have included special job security provisions, particularly for older workers; i.e., guaranteed maintenance of average earnings and/or a ban on ordinary dismissal. Generally speaking, in order to benefit from these arrangements, which were mostly adopted at the same time, it was necessary to be aged between 50 and 55 and to have been employed with the same firm for between 10 and 20 years. As at 1 September 1976, a total of about 10 million workers were benefiting from such provisions in collective agreements.

The only major industrial conflict occurred in the printing industry. After a first attempt at arbitration had failed, the union called a mass strike of its members. The aim of this militant measure was to obtain a wage increase of more than 6%. The strike of about 16 000 printers was answered by the employers' associations with a 4-day total lockout of about 90 000 workers. This was followed by a 9-day work stoppage, involving about 74 000 workers.

The conflict between the political parties and the trade organizations on the reform of the training system continued throughout the period in question. The Government and the trade unions advocated sharing out the costs between undertakings, whether or not they provided vocational training, by means of an equalization fund. The opposition and the employers, on the other hand, felt that the number of apprenticeship places available should be increased by granting undertakings subsidies figured from tax revenues.

On 3 October 1976 a new Bundestag was elected. Discussions on questions regarding social policy and political activities in the Federal Republic were influenced by this event during the period under review. The programmes of the four parties represented in Parliament for the elections and the coming period of legislative action covered numerous subjects concerning social policy.

100. In France, the persistent deterioration of the labour market, where the most sensitive point is still unemployment among young persons, particularly those looking for a first job; continued inflationary pressures; and the economic consequences of the exceptional drought this summer, were the factors which gave rise to the *economic recovery plan* formulated in the autumn by the new Government.

The aim of this plan was to moderate price and income increases, limit imports of energy products, sustain economic activity and employment, and guarantee exceptional aid to farmers hit by the drought.

The latest move in the anti-inflationary policy is the Government's recommendation that the average rise in incomes in 1977 should not exceed the rise in prices, in order to guarantee, purely and simply, maintenance of purchasing power by means, for wage and salary earners, of differentiated increases.<sup>1</sup> Whilst the employers' organizations defended the objectives of the plan, certain trade unions (CGT, CFDT, FEN) condemned it and called a one-day general strike on 7 October. Other trade unions adopted a more temperate attitude towards the plan (FO, CFTC, CGC).

In addition, the public authorities endeavoured to improve the position of *manual workers*. The 'Giraudet report', submitted to the Government at its request, proposed a gradual increase in the wages of manual workers in order to upgrade this type of work.

In his speech of 13 April 1976 the President of the Republic put forward the general outlines of the *reform of undertakings* adopted by the Government. But the proposal for reform, which had given rise to contrasting opinions on all sides, was generally received without much enthusiasm.

<sup>1</sup> Chapter V, point 153 of this Report.

In this connection the *contractual policy* continued to operate, and some major agreements were made. These included agreements involving several branches (insurance, the chemical industry, the building trade and public works, etc.), signed in application of the intra-trade agreement of 17 March 1975 on working conditions.<sup>1</sup> These agreements were not signed by the CGT or the CFDT, and the same applied to the national metal workers' agreement, which introduces a new classification with a view to ensuring a greater guarantee for workers in the event of redeployment.

The national inter-trade agreement of 9 July 1970 was supplemented on 9 July 1976 by a codicil improving certain provisions, an entitlement to training leave and provided for discussions on training by Works' Councils.

Relations between the two sides of industry were strained, although conflict was limited to individual undertakings, and did not extend to branch level. These conflicts, which involved job security, improvement of working conditions and the adoption of industrial safety measures did, however, involve a growing number of undertakings and workers in the private sector and showed an increased trend towards more extremist activities—to be more precise, widespread worker occupations of factories and detention of management staff.

In the iron and steel industry, the social climate was relatively calm and the disputes which broke out on questions concerning pay and job classifications were only of minor importance.

The contractual policy continued to operate in public undertakings. The agreements concluded or extended in 1976, which were not signed by the CGT and the CFDT, were mainly designed to maintain purchasing power and ensure some increase in the lowest wages and in manual workers' pay. Other agreements dealt with job protection, the improvement of working conditions and problems of safety at work.

101. In Ireland, wage negotiations between both sides of industry operated during the early part of 1976 under the National Wage Agreement 1975<sup>2</sup> and subsequently by negotiations for its renewal. Prolonged discussions were held by a working party of the Employer-Labour Conference and resulted in June in agreement on proposals for a new National Agreement which were however rejected by a special Irish Congress of Trade Unions Conference in July.<sup>3</sup> Interim pay proposals put forward by the Federated Union of Employers later in July were eventually ratified by the Employer-Labour Conference in September. The

<sup>1</sup> Social Report 1975, points 110, 128 and 136.

<sup>2</sup> Social Report 1975, points 102 and 111.

<sup>3</sup> Chapter V, point 155 of this Report.

Interim National Agreement made special provision for convening a tripartite conference between both sides of industry and the Government which took place in September and discussed an economic and social strategy for the next two years. The conference was a preliminary to negotiations on the Employer-Labour Conference on a further National Agreement for 1977; these negotiations were still in progress at the end of 1976.

The number of man-days lost through disputes in 1976 exceeded half a million compared to 296 000 for the whole of 1975. Major disputes occurred in the Post Office Telephone Service and in the banking sector, where an eight day strike took place over the failure of the banks to implement a productivity agreement, the Government insisting that the productivity elements required independent assessment. Subsequent to such an assessment taking place and following a ballot, bank employees resumed work on the basis of a settlement under the Interim National Agreement and an order by the Minister of Labour preventing wage increases in excess of the national norm was revoked.

102. In *Italy* the deterioration in the economic and political situation accentuated the lack of results from meetings between the public authorities and the two sides of industry on major factors in economic policy such as investments, employment and the conversion and restructuring of the machinery of production.

The *short-term economic situation* convinced both sides of industry of the need to adopt clear-cut, precise positions towards a number of problems, such as the relationship between wages and the cost of living, the reform of social security, and employment policy.

Concern about the economic crisis and its effects at the social level was reflected in the trade unions' independent undertakings to moderate their demands and speed up the conclusion of current negotiations, in view of the serious employment problems, inflation and balance-of-payments difficulties.

The difficulties encountered by the lira on financial markets led the Government, formed after the elections of 20 June, to draw up an *economic recovery plan* in the autumn. This plan involved an increase in some public service charges (post, railways, telephone, electricity, public urban transport, etc.), an increase in taxation on energy products and non-essential consumer goods, the temporary suspensions of the sliding wage scale for high and medium-level incomes.<sup>1</sup>

For the workers' organizations, the main objective is to protect and increase employment. They have, therefore, demanded that investment be restimulated

<sup>1</sup> Chapter V, point 156 of this Report.

to strengthen and diversify the productive system in the light of the qualitative and quantitative characteristics of the balance of trade, the relationship between private and public consumption and the need to redress regional imbalances. As regards productivity increases and rising labour costs, the trade union organizations proposed to forgo the 'cost of living' factor used in calculating basic allowances, modify or abolish the abnormal features of the sliding scale system, reduce the number of statutory public holidays falling mid-week, promote the more efficient use of productive installations and combat absenteeism.

Negotiations on *collective agreements* involving more than the million wage and salary earners showed the willingness of both sides of industry to seek new dimensions for working relations and to define solutions to promote a revival of production. These guidelines were implemented in agreements covering the building, chemical, metalworking and engineering industries, which are regarded as pilot sectors as far as developments in working relations and collective bargaining are concerned.

The following may be considered as the most important features of the collective agreements: the need to curb increases in the cost of labour in line with the twofold objective of promoting industrial revival and restoring competitiveness to the production machinery on the external markets was given particular consideration; the fight against absenteeism, for which the overall daily average in industries was about 15%, was taken up directly by the workers' unions; agreements concluded on the supervision of investments by workers' representatives undoubtedly constitute a step towards industrial democracy calculated to improve labour relations and reduce tension between the two sides of industry; job classification has been improved in the sectors in which there was already only one classification for manual workers and clerical staff (the metalworking and engineering industry, for example); elsewhere it was radically reformed by reducing the number of occupational categories or introducing the single classification for manual workers and clerical staff (building, chemical and cement industries, etc.); the check on the hours of work and overtime was tightened up and the working week for workers in the iron and steel industry was reduced to 39 hours as a result of the granting of compensatory rest periods; provisions concerning training leave were improved and harmonized; trade union rights were also extended to undertakings with fewer than 15 employees.

It is also important to mention that employers' organizations asked the workers' organizations to discuss problems of productivity, the revision of working schedules, absenteeism and wages policy.

For their part the workers' organizations showed their readiness to begin discussing these subjects and put before the employers' organizations questions concerning length of service and retirement benefits.



103. In *Luxembourg*, it was not found possible to implement on schedule the Government's programme, contained in its statement of 19 February 1976<sup>1</sup>. Although the principles of this programme were not questioned, its achievement is now subject to economic developments.

During a meeting held in the autumn, the Government and trade union organizations tackled the problems of the overall reform of social security, the gradual merger of sickness funds, accident insurance, family policy, the minimum guaranteed wage, the presence of trade union representatives in undertakings, leave of absence to carry out trade union business, the codification of labour law, rules governing dismissals, part-time temporary work, labour tribunals, joint representation in co-management bodies, education, financial and economic planning, electricity supplies and fiscal policy.

The *Economic Committee*,<sup>2</sup> which meets monthly under the chairmanship of the Minister of the Economy and the Minister of Labour, examined the situation in undertakings forced to reduce the number of hours worked and proposed that compensatory benefits be paid to firms employing people on short-time working.

The *Economic and Social Council* continued with its work of consultation and coordination and has been asked by the Government for its opinion on the system of statutory public holidays, the reform of the consumer price index, the setting-up of an unemployment fund, the country's economic, financial and social situation and problems involving education, as well as the question of energy supplies (nuclear power station).

*Relations between employers and workers* deteriorated considerably as a result of the economic situation; but there were no strikes. A joint demonstration was organized by the trade union organizations in December to mark workers' discontentment at the failure of the Government and the employers to take measures to ensure full employment.

*Collective agreements* concluded or renewed in 1976 numbered about fifty for wage earners and about ten for salary earners.<sup>3</sup> Two Grand-Ducal Regulations of 9 June 1976 made the agreements concluded for the building industry and for hotels, restaurants and bars generally binding.

The main features of collective agreements were as follows: no real increase in wages and salaries in the iron and steel industry because of the losses recorded in 1975, whereas in other branches there were small or even large increases; introduction, from July 1976, of monthly salaries for wage earners in the iron and steel industry and the tobacco industry; a few agreements provide for a holiday allowance which is not index-linked and may, if necessary, increase

<sup>1</sup> Point 62 of this Report.

<sup>2</sup> Social Report 1975, point 104.

<sup>3</sup> Chapter V, point 157 of this Report.

sharply from one year to the next; the agreements renewed provisions concerning indexation of wages and salaries (automatic adjustment to any price rise of more than 2.5%) and equal pay for the same job for men and women.

104. In the *Netherlands*, the economic recession of the last few years has clearly shown how interdependent government and trade and industry are. The attitude of trade and industry to terms of employment has repercussions on the Government's public spending policy; and Government policy affects the trend in wage costs.

Consultations between the Government and both sides of industry on wages in the second half of 1976 came to a standstill at the beginning of July with the demand for Fl 55 net increase per month for the average worker by the *Federation of Dutch Trade Unions (FNV)*. Thereupon the Government adopted a second wage measure based on a temporary amendment in June to the 1970 law in wage formation.<sup>1</sup>

The radical differences in social outlook between the employers and workers remained in the forefront this year, too.<sup>2</sup> However, the divergence within the trade-union movement between the FNV and the Christian National Federation of Trade Unions in the Netherlands (CNV) continued to widen.<sup>3</sup>

As a result of an expansion of the consultation structures, the Consultative Council of Middle-Grade and Senior Staff (RMHP) has, since April 1976, had one seat in the workers' section of the Economic and Social Council (SER). Of the remaining fourteen seats on the workers' side, twelve are occupied by the FNV and two by the CNV.

105. In the *United Kingdom*, relations between the two sides of industry have continued to be influenced by the adverse economic conditions and by the Government's temporary intervention in the collective bargaining system embodied in the national pay restraint policy contained in the Social Contract. The Trade Union Congress (TUC) has played a dominant role in the creation of the voluntary pay policy and in influencing the setting for the conduct of industrial relations. The guidelines for the phase of pay policy, commencing 1 August 1976, were ratified by a special Congress of the TUC in June. The TUC Annual Congress overwhelmingly endorsed the second stage policy in September. All current agreements are observing the terms of the policy.

<sup>1</sup> Chapter V, point 158 of this Report.

<sup>2</sup> Social Report 1975, point 114.

<sup>3</sup> Point 116 of this Report.

Employers, while welcoming the continuation of external wage restraint, have been critical of its form, the *Confederation of British Industries* (CBI) calling for the restoration of pay differentials and incentive payments. The pay policy has influenced industrial relations by reducing the level of settlements and cutting down the areas of dispute. Pay disputes were generally concerned more with securing full implementation of the pay limits than with trying to break the policy.<sup>1</sup>

The predominant characteristic of the industrial relations scene has been the continuation of close cooperation between the TUC and the Government, the focal point of the relationship being the Social Contract, which has set targets for pay prices and employment and identified social priorities. The renewal of the Contract as from 1 August 1976 made possible continuation of the national policy of voluntary pay restraint.

In addition to its function in the pay policy context, the Social Contract has been the aegis for certain legislative advances consistent with the objectives of the trade union movement.

The mounting pressure to reduce public expenditure in the light of the general economic situation has resulted in opposition from public sector unions to cuts in such expenditure, in operation or planned, and frictions in the relationship between some public sector unions and the Government have been apparent.

Strike activity as a whole has decreased, although there have been a number of serious disputes in the motor-vehicle industry. The number of stoppages recorded from January to June was 955, compared to 1391 for the same period of 1975; the 1976 figures are the lowest for any half-year since 1953. There have, however, been apparent strains in the collective bargaining context, not least because of the provisions of the Social Contract requiring a one-year gap between pay increases. Serious industrial action was threatened by the seamen's union, which was however persuaded to call off impending strike action after the TUC had intervened and concessions had been secured within the terms of the Social Contract.

### *Employee representation*

106. In *Belgium* a draft law on the organization of co-management in undertakings employing at least 500 workers was put before Parliament. The object of this proposal is to clearly define the respective powers of boards of management and supervisory bodies in the undertaking and to provide for a minority participation of employees on the Supervisory Board.

<sup>1</sup> Chapter V, point 160 of this Report.

The *National Labour Council* and the *Central Council for the Economy* issued, on 16 September 1976,<sup>1</sup> an opinion on the provisions of the draft statute for a European company. Although the Councils agreed on the distinction between managerial and supervisory functions, there were divergences of opinion between representatives of employers and representatives of workers and amongst the latter as regards the actual principle and detailed rules concerning representation of workers on the Supervisory Board of the company and the sphere of competence of the latter.

107. In *Denmark*, there are now about one thousand cooperation committees in existence.<sup>2</sup> These committees and the worker representation on company boards continue to be the two most important features of industrial democracy in this country.

108. In the *Federal Republic of Germany* the new law on co-management came into force on 1 July 1976.<sup>3</sup> It applies to companies with more than 2 000 employees, employees of affiliated undertakings within a group being regarded as employees of the controlling company. The law is directly applicable to 600 to 700 undertakings; the number of affiliated undertakings indirectly involved is many times this figure.

In the companies covered by this law, a Supervisory Board must be set up, consisting of equal numbers of employees' representatives and shareholders' representatives. The employees' representatives on the Supervisory Board must include wage earners, lower-level salaried staff and senior salaried staff of the undertaking, as well as trade union representatives. All employees' representatives on the Supervisory Board are elected by the employees as a whole, either directly or indirectly through electoral delegates.

If no majority decision is reached on the Supervisory Board when appointing the Board of Management or there is stalemate on another proposal for a decision, the Chairman of the Supervisory Board, who will often be a representative of the shareholders, is entitled to a second vote.

The Board of Management must also include a worker director, who will be appointed by the same process as the other members.

The law was passed almost unanimously by the Federal Parliament. Nevertheless, it encountered criticisms from the public. The employers fear that it will impede the decision-making processes of the undertaking and lay them open to extrinsic

<sup>1</sup> Social Report 1974, point 159.

<sup>2</sup> Social Report 1974, point 160.

<sup>3</sup> Social Report 1974, point 161 and Social Report 1975, point 118.

influences. The trade unions object to the fact that the shareholders retain a predominant position on the Supervisory Board, as also do the representatives of the senior staff because the latter exercise employers' functions.

The co-management arrangements in the iron and steel industry and in the coal industry are being maintained. Similarly, the one-third participation rule continues to apply to smaller undertakings, in accordance with the law on the Constitution of Enterprises (1952).

109. In *France*, one year after publication of the report by the committee responsible for studying ways and means of achieving company reform,<sup>1</sup> the Government made public the proposals adopted on 13 April 1976. These will be used as a basis for several legal instruments after consultation with employers' organizations and trade unions.

The various proposals include those aimed at taking stock of the social situation in the undertaking (already adopted by the Economic and Social Committee); ensuring employee representation at group level in groups of companies; guaranteeing to wage and salary earners the power to express their views concerning working conditions and job content; making co-supervision possible (the general meeting of companies with more than 2 000 workers will provide for such co-supervision and determine the way in which employee representatives are appointed to the Supervisory Board, bearing in mind that a senior executive will, in any case, have to be one of the workers' representatives).

110. In *Ireland*, the Worker Participation (State Enterprises) Bill, intended to give legal effect to the proposals made by the Minister for Labour in July 1975, was still before Parliament at the end of the year.<sup>2</sup> The Bill, proposing that workers should have one third of the seats on the single boards of seven State enterprises, incorporates a number of proposals made by the Irish Congress of Trade Unions. Under the scheme trade unions would have the right to nominate candidates, but the election of worker-directors would be optional. The ICTU, while welcoming the Bill as an important legislative step towards the development of industrial democracy, maintains the view that one half and not one third of board members should be elected.

111. In *Italy*, collective agreements renewed in 1976 included provisions for improving the participation of workers and their representatives and informing them more fully about investment decisions, project locations and impact assessment, not forgetting problems of work organization.

<sup>1</sup> Social Report 1975, point 119.

<sup>2</sup> Chapter IV, point 135 of this Report.

112. In *Luxembourg*, the co-management bodies (works councils in private undertakings and employee representation in sociétés anonymes), created by the law of 6 May 1974<sup>1</sup> and set up in 1975, operated normally during the year which has just ended. Despite a sometimes rather strained atmosphere, these bodies provided employees' representatives with the opportunity to call for a volume of investment sufficient to guarantee employment in certain undertakings.

113. In the *Netherlands*, the number of undertakings with a works council continues to increase. Of all the undertakings which had more than 100 workers and were therefore obliged by the law on works councils to set up such bodies, 85% had one within the meaning of this law in 1975. Of the remainder, 7% had some other form of consultative body, and 8% still had none at all.

The draft law amending the law on works councils, with additional provisions relating to group works councils, which was placed before the second Chamber of the States General on 11 September 1974, was adopted at the beginning of 1976 and entered into force on 28 April 1976.<sup>2</sup> This law enables group works councils to be set up at divisional level in large combines, to provide a liaison between the various works councils and the central committee.

On 9 June 1976 a new draft law revising the law on works councils was placed before the Second Chamber. The main point of this draft is the Government's proposal to change the composition of works councils and to extend their powers. It is planned to modify the composition of the works council in such a way that the management will no longer participate in it, so that it consists exclusively of elected employees. This new-style works council will itself elect one of its members as chairman.

The Social Affairs Committee of the Second Chamber, which has the task of studying the draft law, was strongly critical during the earlier phase (end October 1976) of the basic changes proposed. However, the Government does not seem prepared to change its attitude and hopes that the draft law will be approved by Parliament before the election to be held on 25 May 1977.

114. In the *United Kingdom*, the Government has accepted the principle of worker representation on the boards of private sector companies and believes that trade unions have an essential role in this. An independent committee of enquiry (Bullock Committee), investigating how this can best be achieved, reported to the Government at the end of 1976. A coordinated series of studies has also been undertaken in consultation with unions and management into the scope for extending industrial democracy in the nationalized industries and public

<sup>1</sup> Social Report 1974, points 164 and 165.

<sup>2</sup> Social Report 1975, point 122.

services. The Government has undertaken to introduce legislation as soon as practicable.

There have been some innovations in worker representation in the motor industry. A new three-tier system of participation committees has been established in British Leyland bringing together management and unions at plant, divisional and company levels. Chrysler have appointed a director of employee participation and communications and informal participation committees have been set up in two plants. Discussions have been held concerning managements' offer of two trade union seats on the Board of Directors and representation on the company's central policy-making operations committee.

In Northern Ireland, broad agreement was reached for one-third worker representation on the board of a major shipbuilding company, as well as a new participation structure below board level. The most advanced worker participation scheme in the United Kingdom is that operated by the British Steel Corporation, which is in practice proving successful.

The Aircraft and Shipbuilding Industries Bill on nationalization includes provisions to promote industrial democracy in a strong and organic form. In July 1976, the Government published a White Paper proposing 50% member participation in the management of occupational pension schemes organized through their trade unions.

### *Trade-Union unification*

115. In *Italy* the process of trade-union unification has not made any marked progress in the last year, mainly because of the economic and political situation.

116. In the *Netherlands*, collaboration at Federation level between the NVV and the NKV unions in the Federation of Dutch Trade Unions (FNV),<sup>1</sup> which began on 1 January 1976, is also being extended to individual union level. The food industry unions of the NVV and NKV, with a total of 60 000 members, formed a federation on 1 September. By 1979 at the latest, a decision will be taken on complete amalgamation. After the transport and building unions, this is the third largest federation at trade-union level.

The Federation of Dutch Trade Unions (FNV) has broken its ties with the Christian National Federation of Trade Unions in the Netherlands (CNV). Joint institutions, such as the consultative body and the Trade Union Research Foundation (Stichting Wetenschappelijk Onderzoek Vakcentrales) have been dissolved.

Jointly-formulated action programmes and attitudes are a thing of the past: the FNV and the CNV are now each following their own independent course.

<sup>1</sup> Social Report 1975, point 126.

## Chapter IV

# Working conditions and labour law

## Trends within the Community

### Working conditions

120. The present economic situation has focused immediate interest on crisis management, measures favouring the maintenance of employment, incomes and productivity taking precedence over the improvement of working conditions. There has, however, been widespread discussion on the objectives of *policy for the working environment* within international organizations, governments and bodies representing the interests of employers and trade unions, and a number of significant policy initiatives have emerged. A recurring theme in such discussion has been the need to 'humanize' work, by reducing boredom, isolation and job dissatisfaction, and restoring meaning and creativity to work, substituting an openness to individual and group responsibility and initiative for an acceptance of technocratic and bureaucratic styles of work organization.

121. In one sense, this widening of the basis of discussion of the question of working conditions represents a natural development, both in terms of extension of the field of collective bargaining and in terms of the evolution of new management approaches. There is, however, a general movement of public opinion in resistance to increasing fragmentation of tasks and bureaucratization, to be accepted as the inevitable and indisputable outcome of technological and scientific evolution. This movement of opinion is particularly marked among the younger generation, whose education has encouraged quite different expectations from work and a general insistence on 'doing one's own thing'. *Humanization* is therefore seen as a practical response to the problem of adapting work to a better-educated and better-informed work force, in a situation where it may no longer be possible to rely on migrant labour to fill the more unattractive jobs. In certain industries, one may also point to a renewed interest in more flexible work organization as a response both to rapidly changing market conditions and to new technological developments, which provide opportunities to move away from the established models of 'scientific management'.



122. The *Commission's communication* on the reform of work organization, transmitted to the Council in June 1976, is a first attempt to respond to these developments at European level. This communication, which followed the Council's Resolution of January 1974 on a social action programme, reflects the outcome of discussions with employers and trade unions at European level. It summarizes relevant Community activity, discusses humanization of work in the context of consultation and participation procedures, and suggests guidelines for future policy and action. In 1976, the Commission also published a summary of contributions made at the Conference on Work Organization, Technical Development and Motivation of the Individual, held in Brussels in November 1974.

123. The establishment of the *European Foundation* for the Improvement of Living and Working Conditions may be regarded as the Community's major contribution to date in this field. The Foundation's basic Regulation,<sup>1</sup> which gives this body a high degree of autonomy, while providing for an annual subsidy from the budget of the European Communities, includes among the issues to be dealt with 'man at work', the 'organization of work and particularly job design', and 'problems peculiar to certain categories of workers'. During the year 1976, the Administrative Board, the Committee of Experts and the Director of the Foundation were appointed, and considerable progress has been made both with the administrative arrangements and the establishment of a first working programme.

124. The initiatives taken by the Community complement but do not duplicate the *initiatives of other international organizations*, given the Community's general objective of ensuring a constant improvement of working conditions within a limited group of Member States and its more specific role in the field of harmonization. In the year 1976, three separate developments are of significance:

- (a) the commitment of the Manpower and Social Affairs Committee of the *Organization for Economic Cooperation and Development*, meeting at ministerial level in March 1976, to the objective of developing 'new ways to meet the needs of workers for increased satisfaction from work and a working environment in which they are more fully to develop and use their talents and, in a manner consistent with the tradition of each country, influence decisions which affect their working life';
- (b) the resolution of the second statutory congress of the *European Trade Union Confederation*, meeting in London in April 1976, calling for a united trade union approach on a European basis in support of the comprehensive objective of a working environment giving the worker 'the opportunity of doing

<sup>1</sup> Regulation (EEC) No 1365/75 of the Council of 26.5.1975.

- creative and meaningful work in the atmosphere of good social relations' and with a specific reference to better planning of new factories, establishment of job structures to ensure meaningful and creative work, and increased accessibility across national frontiers to research results in the field of work organization;
- (c) the resolution of the governing body of the *International Labour Organization*, at its meeting in May-June 1976, endorsing the comprehensive approach to action in the field of the working environment (including work organization), reflected in the 'International Programme for the Improvement of Working Conditions and Environment' (PIACT, from its name in French) and calling upon Member States to set up periodically for themselves a number of definite objectives, specifically, *inter alia*, as regards the most unpleasant and tedious jobs.

125. In assessing the developments at *national level*, it is important to recognize the variety of institutional arrangements. The Social Report for 1974 (points 173 and 174) noted the establishment of the specialized 'Agence Nationale pour l'amélioration des conditions de travail' in France and the launching of the German Ministry of Research and Technology's research programme in the Federal Republic of Germany, with a definite mandate in the field of work organization. In both cases, budgets have been substantially increased in 1976. To these initiatives, there needs to be added the appointment in January 1976 of a Deputy Minister for Manual Workers in France, with a specific mandate to implement a policy to improve the working conditions of manual workers and the setting up of a 'Fonds pour l'amélioration des conditions de travail', which may provide financial assistance to certain projects of an innovatory or systematic character, capable of generalization as models. In the United Kingdom, the Work Research Unit, set up with the Department of Employment, but subject to a tripartite steering committee on job satisfaction, has embarked on its first coordinated research programme.

These developments at governmental level have as a common feature an emphasis on the dissemination of information useful to enterprises and to trade unions trying to form a realistic estimate of what is possible. If one were to single out an example, simply in view of its scale and success in reaching a very wide audience, such activities as the Federal Government-sponsored Essen congress to exchange experience between research and management (including members of works councils) may turn out to be of the greatest significance.

In other member countries where the role of government in these matters is less marked, tripartite social and economic councils or similar bodies are the recognized forum for discussion and clarification of objectives and even, in at least one case, for the coordination of State aid. In all countries, whatever the

institutional arrangements, action taken within industry, quite independent of any legal or centralized approach, is of the greater importance, and it is therefore unfortunate that the economic crisis should have inhibited experiment, particularly where this would have involved substantial investment. There are however some indications of a promising revival in certain member countries of interest in experiment at the level of the enterprise.

### **Hours of work—Rationalization of working hours**

126. The objective of the Council's Recommendation of 22 July 1975 on the principle of the 40-hour week is largely achieved or within sight of achievement within the industrial sector, whether through legislation or collective agreements. The problem of shift work and in particular working in continuous shifts (interrupted only at week-ends), has however, become more acute and, in view of the social and economic implications, may well be one to be dealt with on a Community-wide basis.<sup>1</sup>

Certain member countries have registered improvements in working hours within specific sectors or in favour of specific groups, such as the young, working mothers and elderly workers coming up to retirement age.

During the exceptionally hot summer of 1976, there was widespread adoption of flexible hours. It remains to be seen, however, whether the effect will be to support a trend towards permanent change, given the administrative difficulties experienced and the stricter discipline required.

### **Holidays with pay**

127. The principle of the four-weeks' annual paid holiday, adopted in the Council Recommendation of 22 July 1975, is largely achieved or within sight of achievement in most member countries. The economic situation has not, however, favoured substantial improvements, given the emphasis on maintenance of incomes and productivity, and only marginal progress can be reported in 1976, mainly in relation to specific groups.

### **Labour law**

128. As was the case last year, the member countries' activities in this field were mainly concerned with improving the situation of certain groups of workers (the

<sup>1</sup> This question is also considered as a first priority in the work programme set up by the European Foundation for the Improvement of Living and Working Conditions.

handicapped, young people, elderly people, women, etc.) and improving the protection of workers' rights in the event of merger or closure.

In this respect, it should be pointed out that at European level, following approval by the Council of the Directive on the rights and advantages of workers in the event of the transfer of establishments, the Community achieved a major step forward in the improvement of living and working conditions provided by the Social Action Programme. With the protection of workers now a fact, the automatic transfer of workers' rights ensures the prohibition of dismissal solely by reason of a merger or transfer of an undertaking and the information and consultation of the representatives of the workers concerned.

## Development of the situation in the member countries

### Working conditions

#### Hours of work—rationalization of working hours

129. In *Belgium*, a collective agreement, envisaging an effective working week of 40 hours as from the beginning of 1976, has been decided upon in the National Labour Conference. Compliance with the agreement is mandatory on all enterprises under Belgian law.

In the *Federal Republic of Germany*, about 92% of employees have a 40-hour working week, the average working week being of 40.2 hours. Short-time has been decreasing. In one industrial sector, in Lower Saxony, trade unions and employers have agreed on a general recommendation which should have the effect of reducing overtime.

The law of 12 April 1976 on youth employment limits working hours to 40 hours in a 5-day week.<sup>1</sup>

In *France*, the average work week in the third quarter of 1976 was 41.7 hours for manual workers. The VIIth Plan forecasts a reduction of weekly hours of work to an average of 40 before 1980 and a further improvement beyond this threshold. The law of 27 December 1975 provides that hours of work may not exceed 52 within the same week and, save as otherwise provided, may not average more than 48 hours within any period of 12 consecutive weeks. A law of 16 July 1976, of which the detailed conditions of application were fixed by a decree of 10 August 1976, provided for paid compensatory rest periods related to hours worked overtime. The extent of rest periods is determined on the basis

<sup>1</sup> Point 133 of this Report.

of 20% of overtime worked beyond 44 hours, in the first phase of application. This threshold will be lowered to 43 hours on 1 July 1977 and to 42 hours on 1 July 1978.

In *Italy*, a 39-hour working week has been negotiated in the steel industry.

In *Luxembourg*, where there is a statutory 40-hour working week, special authorization is required for 3 or more additional hours in 1976, as compared with 4 or more in 1975. The problem of compensation for public holidays falling on non working-days has now been resolved by the law of 10 April 1976.

In the *Netherlands*, certain provisions have been made in collective agreements reducing working hours for elderly workers in certain industries (e.g., glass and chemicals) with earnings maintained at 85%.

In the *United Kingdom*, the pay policy agreed between the Government and the trade unions militates against further reduction in working hours, which would have to be costed and offset against the allowed pay limits. There has, however, been discussion of reduction of the working week as a means of avoiding dismissals, but, so far, without practical results. The introduction of flexible hours, while widely discussed following the Government's report on changing patterns of working hours, continues to take place primarily in the area of insurance, banking and public administration, about 150 000 civil servants being currently covered by schemes of this kind.

### **Public holidays, holidays with pay**

130. In the *Federal Republic of Germany*, 85% of workers have a minimum 4-week annual holiday, 79% have additional holiday pay and 73% a part or total thirteenth month wage or salary. An additional 6 working days annual leave is now provided for handicapped workers. The law of 12 April 1976 on youth employment prolongs annual holidays for 15-year-olds from 24 to 30 working days, for 16-year-olds from 25 to 27 working days and for 17-year-olds from 24 to 25 working days.

In *Italy*, annual holidays in the construction industry have been extended from 2 to 4 weeks.

In *Luxembourg*, the timetable for implementation of a uniform annual paid holiday of 25 working days, envisaged by the law of 26 July 1975, has been set back for one year by a Regulation of 30 December 1975.

### **Labour law**

131. In *Belgium*, the employment of the handicapped in public services was the subject of the 5 January 1976 Royal Decree.

The Royal Decrees were adopted to bring existing rules into line with the provisions of the Council Directive on the Council Directive on the approximation of the laws of the Member States concerning collective redundancies. The first Royal Decree, of 29 January 1976, made obligatory an inter-occupational collective agreement concluded by the National Labour Council on 2 October 1975 regarding redundancies, while the second, of 24 May 1976, covers notification by the employer to the competent public authorities of any proposed collective redundancies.

Furthermore, a law of 6 July 1976 prohibits clandestine employment and lays down considerable penalties (fines) for both the worker and the employer.

On 28 June 1976 the Parliament approved a law regulating temporary and interim work for an experimental period of four years. The law defines the conditions in which temporary work is permitted, together with the legal relationship between the temporary employment agency, the employer and the employee.

Lastly, a law of 19 July 1976 introduced leave to enable holders of political office in local government institutions, such as the communes and the provinces, to carry out their task.

As usual, the consultative activity of the National Labour Council was intense. For instance, it proposed a considerable revision of employment contracts, in particular the inclusion of non-competition clauses (clauses forbidding the worker to carry out certain activities after the end of the employment relationship). Furthermore, it gave an opinion on the question of stable employment and, more especially, on whether individual dismissals should be justified. Lastly, the Minister of Labour and Employment consulted it on methods of applying the Council Directive of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment vocational training and promotion, and working conditions.

132. In *Denmark*, a proposal intended to tighten existing laws related to physical blockading of companies in industrial disputes did not result in any changes of existing laws or any draft legislation. Instead emphasis was placed in the existing rules for dealing with such situations and there has been no further effective blockading since.

A bill was presented to Parliament by one of the political parties to prevent hospital workers from being able to take strike action. The unions involved and a majority of members of Parliament were opposed to the proposal and it was not carried.

Some non-socialist parties in Parliament submitted a bill prohibiting trade unions from financially supporting political parties or political newspapers; the bill did not gain a majority in Parliament.

A bill was carried in Parliament in June 1976 concerned with improved unemployment benefits and the establishment of an unemployment fund for the self employed.

133. In the *Federal Republic of Germany*, the new law of 12 April 1976 for the protection of young workers entered into force on 1 May 1976. The most important points in it are:

- (i) raising the minimum working age from 14 to 15;
- (ii) introduction of a five-day, forty-hour week;
- (iii) increased leave;
- (iv) improved conditions for release from work for day attendance at vocational training school and for periods of weeks under the block release system;
- (v) improved protection at work by restrictions on employment in dangerous or unhealthy work.

The law on protection against dismissal was amended by abolishing the minimum age limit of 18, so that young workers under eighteen are now also protected against dismissal.

In view of the threatening structural unemployment, the question of whether there can be such a thing as a right to work is being increasingly discussed.

In connection with the lockout in the printing industry,<sup>1</sup> the trade unions again demand a legal ban on lockouts. This demand was rejected by the employers, who feel that only the possibility of lockouts can restore equality between unions and employers. Besides, employers consider that such an intervention is contradictory to constitutional rights.

134. In *France*, the law of 9 July on certain measures for the social protection of families provided for adoption leave for families to which a social child welfare service or an authorized adoption body has entrusted a child with a view to its adoption. This measure enables a working woman to suspend her work contract for a period of eight weeks starting from the arrival of the child at her home. During this period, she receives a daily allowance paid by the social security (90% of her wage from which contributions have been levied up to the ceiling fixed).

In addition, a bill was read before Parliament on the reorganization of conciliation boards. The bill provides for the territorial and occupational generalization of these boards, specific representation of middle-management, greater flexibility in

<sup>1</sup> Chapter III, point 99 of this Report.

the conditions to be fulfilled by the electorate and the eligibility and creation of training facilities for conciliators.

135. In *Ireland*, the Industrial Relations Act 1976 was passed by Parliament in May and provided for the establishment under the aegis of the Labour Court of a Joint Labour Committee for agricultural workers to replace the Agricultural Wages Board<sup>2</sup> which was set up in 1936 but whose functions did not extend to conditions of employment, e.g., hours of work. The Committee consisting of an independent chairman, two independent members and an equal number of employers and workers representatives has authority to put forward, for ratification by the Labour Court, proposals for statutory minimum rates of pay and conditions of employment for an estimated 20 000 full-time and 14 000 part-time agricultural workers.

It is proposed to make regulations under the Holiday (Employees) Act 1973 to extend the Act's provisions to agricultural workers. The Agricultural Workers (Holiday) Act 1975 will then be repealed. These changes, together with those of the Industrial Relations Act 1976, will bring the statutory provisions relating to wages and conditions of employment for agricultural workers into line with industrial workers, and for the first time provide agricultural workers with full access to the machinery of the Labour Court.

In April 1976, the Minister of Labour announced that he was prepared to establish as part of the Anti-Discrimination (Employment) Bill presented to Parliament in October 1975,<sup>1</sup> an agency which would be concerned with eliminating discrimination in employment, promoting equality of opportunity between men and women, and advising on the working of anti-discrimination legislation. The agency would have enforcing powers to eliminate discriminatory practices. This bill was still before Parliament at the end of 1976.

Legislation giving effect to proposals for the election of worker directors on the boards of seven State enterprises was issued in August.<sup>2</sup>

In September 1976, the Anti-Discrimination (Unfair Dismissal) Bill was circulated by the Minister of Labour and was still being discussed by Parliament at the end of the year. The bill contains provisions for an effective system under which disputes over dismissals can be investigated, with a minimum of formality or expense; sets out criteria on which dismissals might be judged unfair; and provides that a worker found to be unfairly dismissed would either be reinstated or awarded compensation of up to two years pay. The onus will, in all cases, be on the

<sup>1</sup> Social Report 1975, point 151a.

<sup>2</sup> Chapter III, point 110 of this Report.



employer to prove justified dismissal. A worker may refer his case either to a Rights Commissioner or to newly established Employment Appeals Tribunals.

In December, a bill—the Protection of Employment Bill—was submitted to Parliament. This bill brings national legislation on collective dismissals into line with the EEC directive.

The Protection of Young persons (Employment) Bill has been under deliberation in the Senate, and provides for minimum conditions of employment for persons under 18 years.

136. In *Italy*, a Presidential Decree of 20 January 1976, pursuant to the law of 17 October 1967 on the protection of children and young people at work, defined dangerous, arduous and unhealthy work forbidden to boys under sixteen and women under eighteen.

Furthermore, the government submitted a bill to the legislative body on the abolition of seven official holidays falling on weekdays.

Lastly, the government approved a bill establishing equal treatment of men and women workers as regards access to employment and promotion, extending certain earlier measures on the protection of women workers and providing for the retirement of women workers at 60 years instead of 55, if they so wish.

137. In *Luxembourg*, the law of 21 February 1976 set up a 'National Employment Service', and attached to it a National Employment Commission which has a mainly consultative character.<sup>1</sup>

138. In *the Netherlands*, a few initiatives and developments may be mentioned. The most noteworthy is undoubtedly the revision of the law on works councils, but a number of others are also important.<sup>2</sup>

A draft law concerning the notification of collective redundancies<sup>3</sup> has become law with effect from 1 December 1976. The main provision of this law stipulates that an employer planning to dismiss, within the next three months, at least twenty workers, employed within the area of one regional employment office is obliged to give written notification of this to the trade union organizations and the regional employment office, together with his reasons for his action; the number of workers involved, according to job, age and sex; and the date on which he plans to carry out the dismissals. The regional employment office does not discuss such notifications until a month after they have been made.

<sup>1</sup> Chapter I, point 60 of this Report.

<sup>2</sup> Chapter III, point 113 of this Report.

<sup>3</sup> Social Report 1975, point 154.

139. In the *United Kingdom*, the provisions of the Employment Protection Act 1975<sup>1</sup> have been progressively introduced from 1 January 1976, and by mid-1976 most had been implemented, although a few remain to be introduced in 1977. The provisions of the Act include: consultation with trade unions and notification to the Department of Employment about redundancy protection against dismissal because of pregnancy; rights to maternity benefits and reinstatement; further protection for trade-union membership and activity; more detailed statements of the terms of employment; better arrangements for securing payments to workers in lieu of notice or on the employer becoming insolvent; minimum pay guarantees from employers in the event of short-time working or lay-offs, and new rights for workers suspended due to works closure due to hygiene or safety reasons.

Measures to reform the Wage Council System for determining minimum terms and conditions of employment in certain industries have been introduced. The change operative from 1 January 1976 are intended to improve the effectiveness and speed of the system and facilitate progress from State regulation to free collective bargaining.

Both the Sex Discrimination Act 1975 and the Equal Pay Act 1970 came into operation in Great Britain by January 1976. The former act makes discrimination unlawful in employment, education, and the provision of housing and goods and services to the public. An Equal Opportunities Commission is responsible for working towards the elimination of discrimination and promoting equality between men and women.

The Employment Agencies Act 1973 providing for the licensing and regulation of private employment agencies and employment businesses came into force on 1 July 1976. Such organizations now have to comply with regulations made under the Act for the conduct of protection of those using their services.

Regulations have been introduced protecting young persons coming to the United Kingdom or going abroad to work, as well as ensuring that they have vocational guidance from a public authority before being dealt with by employment agencies. From 1 November 1976, it has been an offence to operate an employment agency without a licence from the Secretary of State for Employment.

The enactment of the Trade Union and Labour Relations (Amendment) Act 1976 has removed certain potential obstacles to the operation of closed shop agreements, these being made lawful once again by the 1974 Trade Union and Labour Relations Act. TUC machinery has been established to consider appeals from individuals who have lost their jobs due to a closed shop. The 1976 Amendment Act has extended immunities given to workers involved in industrial disputes and covers sympathetic action related to overseas disputes.

<sup>1</sup> Social Report 1975, point 155.

A new appeals body, the Employment Appeals Tribunal was set up on 30 March 1976 and takes over the responsibility of hearing appeals from the High Court and (in Scotland) the Court of Sessions.

In Northern Ireland, the Industrial Relations (Northern Ireland) Order 1976 came into effect on 1 October 1976. The Order's provisions include the establishment of an independent Labour Relations Agency having mediation, research and advising functions; the legal enforceability of collective agreements where the parties so desire; protection for unions and their officials against liabilities arising from strikes; protection against dismissal and new worker rights in the event of employer redundancy; and new responsibilities for employers in regard to redundancies.

The Fair Employment (Northern Ireland) Act 1976 established a Fair Employment Agency in Northern Ireland; its function is the promotion of equality of opportunity and elimination of discrimination on grounds of religious belief. The provisions establishing the Agency came into force on 1 September 1976.

A Sex Discrimination (Northern Ireland) Order which came into force in 1976 prohibits sex discrimination and accords equal pay to men and women. The order also establishes an Equal Opportunities Commission for Northern Ireland.

## Chapter V

# Wages, incomes and asset formation

## Trends within the Community

141. A certain economic recovery in the countries of the Community—which began during the second half of 1975 following the most serious crisis since the war—continued in 1976; bringing about an average rise in gross domestic product of about 4.5%, as compared with a fall of 2.2% in 1975. Two problems were still particularly worrying, however: inflation and unemployment. The Member States endeavoured to strike a balance between economic recovery, which had to be sustained and consolidated, and the aim of returning to full employment and relative price stability. These major themes were embodied in many of the plans, varying in scope and degree of restrictiveness, drawn up and implemented at national level, e.g., the Belgian economic recovery law, the Danish 'political compromise', the British White Paper 'The Attack on Inflation', measures adopted by the Dutch Government, the French anti-inflation programme and the Italian economic recovery plan. The Federal Republic of Germany was able to continue with its anti-inflation and anti-unemployment policy with the consensus of the two sides of industry, obtained by the now customary formula of concerted action.<sup>1</sup> These major themes—economic recovery, full employment and stability—were discussed at Community level at the tripartite conference held in Luxembourg on 24 June 1976 and are also the key problems tackled in the draft fourth medium-term economic policy programme which the Commission has forwarded to the Council.

Nearly all the national plans mentioned above contain a section, in many cases a vital one, on austerity policy applicable to wages and other incomes. The authorities have attempted in this way to gain better control of income trends by laying down limits on their movements, with or without the tacit or explicit agreement of the two sides of industry. The main feature of most of these plans, however, is the desire for a relatively equal sharing of burdens, reflected in measures to narrow disparities in income distribution and taxation.

<sup>1</sup> Chapter III, points 97, 98, 99, 100, 102, 104, 105 of this Report.

142. Efforts have thus been made to apply austerity guidelines to incomes other than wages by price controls or freezes, the fixing of profit margins and professional fees, restrictions on rent increases, dividends, etc.

With regard to wages, the aim of the measures adopted has in nearly all cases been to reorganize the hierarchy in various ways. Some countries (the Netherlands, Italy as regards the joint negotiations early in 1976) granted flat-rate or partially flat-rate wage increases. In some Member States, e.g., Ireland and the United Kingdom, percentage rises were made subject to lower and upper limits in absolute terms; in the latter, incomes over £8 500 were completely frozen for the first six months of 1976, continuing the measure in force in the second half of 1975. This trend towards wage ceilings above which increases are curbed or simply prohibited is to be seen in a number of other Member States, in some cases even where a sliding-scale system already exists. For instance in Belgium, for the past nine months the portion of gross monthly incomes exceeding FB 42 700 (on 1 April 1976) has not been eligible for index rises. In Italy, the recovery plan introduced in October lays down that increases due under the sliding scale are to be compulsorily converted to treasury bonds, the entire sum in respect of workers earning more than Lit 8 million per year and half the amount for workers earning between Lit 6 and 8 million. In France, lastly, the Government anti-inflation plan guarantees to maintain full purchasing power of wages under FF 18 000 per month; the guarantee operates for only half the amount for salaries of FF 18 000-24 000 and not at all above that level. It should be noted that the concern for austerity has prompted some governments to try other methods or plans to adjust the traditional sliding-scale systems: in Belgium, the index was neutralized for two months in respect of fruit and vegetable price rises, whilst in Denmark the third instalment of the index-linked pay rise—if it occurs—will be replaced by an equivalent amount paid by the State to the workers' supplementary pension fund.

143. A number of fiscal measures also reflect the same concern or demands for greater social justice. The British example is the clearest: wage restraint accompanied by the granting of a number of tax relief measures, i.e., income tax allowances, raising of the minimum taxable income level, tax relief for large families, etc. In Belgium, a new law introduced separate taxation for married couples up to a certain limit, whilst the indexation of the tax scales will in future be determined on the basis of taxable income: full indexation for low incomes, becoming degressive and finally zero beyond a certain ceiling. In France the anti-inflation programme has provided for the taxation of certain outward signs of wealth and for a surcharge—based on tax bracket—on the special increase due in December 1976. A capital gains tax law has been adopted in July 1976. In Denmark the 'political compromise' also covers, as regards direct taxation, higher basic allowances and a broadening of the taxable income brackets which will

result on a substantial alleviation of the tax burden. In Italy, the tax on dividends will be increased and controls tightened.

144. Better statistical information about excessive income inequalities is needed if these inequalities are to be reduced, and considerable work has been done in this connection—at least in some countries. In the United Kingdom, the Royal Commission on the Distribution of Income and Wealth continued its series of reports with a document on earned incomes of over £10 000 p.a. It was also commissioned to study trends and factors in the levels and distribution of low incomes. In France, the Study Group set up in connection with the upgrading of manual work to examine manual workers' pay has submitted its report whilst the Government has reorganized the Centre for the study of incomes and costs, clarifying and expanding its task: to obtain information on non-wage incomes as reliable and comprehensive as that available on wages, paying particular attention to incomes at the extreme ends of the scale. The Danish Government has established a new committee which is to make a critical study of income distribution over the next three years, with special emphasis on the less well-off categories. In this connection it should be noted that the Community's draft fourth medium-term economic policy programme calls for better knowledge of actual incomes, stating that 'in a number of cases the lack of knowledge and the diversity of individual situations make it impossible to form a clear picture of the overall situation or to decide how action should be taken among the various social categories, or among individuals within a given category'. In this connection, the studies initiated at Community level on statistics of non-wage incomes and lower incomes should provide a stimulus.

145. As regards equal pay for men and women, it should be recalled that 12 February 1976 was the date on which Council Directive 75/117 of 10 February 1975 became applicable in the Member States. The British Equal Pay Act of 29 May 1970 became fully operative at the end of 1975. The same applies to the Irish Anti-Discrimination (Pay) Act of 25 June 1974, since the Commission rejected an application by the Irish Government for authorization to derogate from the rules on equal pay. In Denmark, the only Member State still without legislation in this field, a law was adopted on 4 February 1976 and entered into force on 9 February 1976.

It should be noted that an important judgment by the Court of Justice of the European Communities was delivered on 8 April 1976 in Case 43/75 (*Gabrielle Defrenne v SA Sabena*). The Court ruled that the principle of equal pay provided for in Article 119 of the EEC Treaty had legal force before national courts. In view of the economic consequences of this decision, however, it stated that the direct effects could only be held to obtain from the date of the Judgment. Moreover, it emerges from the substance and grounds of this Judgment that the self-

executing nature of Article 119 is confined to the field of direct and overt discrimination whose existence can be established on the basis solely of the criteria of identical work and equal remuneration embodied in that Article.<sup>1</sup>

146. In the climate of wage austerity which marked 1976, only three countries were involved in projects, studies and discussions on asset formation policy at the level of public bodies or the two sides of industry: the Netherlands, the Federal Republic of Germany and Denmark. The draft law drawn up by the Dutch Government on workers' participation in the capital growth of undertakings was submitted to Parliament in June 1976. Very close to the programme contained in the May 1975 document on incomes policy, this draft was the subject of heated discussions in Parliament and between the social partners. In the Federal Republic of Germany it has been envisaged to raise the DM 624 ceiling fixed by law,<sup>2</sup> if necessary, to DM 936 and it seems that the two sides of industry are at present tending towards jointly negotiated schemes, either within the framework of collective agreements in the various branches or through financial participation in the undertaking itself. In Denmark the 'political compromise' of August 1976 provided that the Government's 'economic democracy' programme of 1973 would be submitted to a committee on incomes and asset formation, whose task would be to find durable solutions to the problem of workers' right of joint ownership. It should be noted that certain indexed savings schemes have been implemented in Ireland and Luxembourg, following the UK's example and that they are under study in France.

Attention should be drawn to the importance of the 'joint statement' adopted by the tripartite conference of 24 June 1976 on employment and stability in the Community, which asserts that 'both governments and employers and labour will take appropriate measures to promote workers' interests'. Implementation of this principle should be facilitated by a number of concrete guidelines which the Commission intends to draw from the work it has been doing for some time in this field.

## Development of the situation in the member countries

### *Belgium*

147. The 'Economic recovery law' prepared by the Government in 1975<sup>3</sup> was adopted on 30 March 1976. Covering the period April-December 1976 (since

<sup>1</sup> Part B, point 46 of this Report.

<sup>2</sup> Social Report 1974, point 216; Social Report 1975, point 166.

<sup>3</sup> Social Report 1975, point 162.

November 1975 for collective agreements), it has had a distinctly moderating effect on trends in wage and non-wage incomes.

The Law provides for a freeze on professional fees and rents, whilst dividends and other income from capital paid in the 1975 financial year may not exceed specified amounts. Wage indexation now applies only to the first FB 42 700 (on 1 April 1976) of gross monthly remuneration. At the end of the nine-month period, wages will be adjusted to the 1 January 1977 index, but workers will not recover the unpaid sums. There are also special provisions governing the distribution of the financial advantages accruing from collective agreements concluded after 31 October 1975.<sup>1</sup> During the first nine months of application of the convention, only half of the pay award is received by the worker, the other half being paid by the employer into a solidarity fund, together with a further amount equal to the sum already paid. A number of joint committees have merely renewed existing agreements. In the public sector, the new social programme concluded on 11 May 1976 provides for a new 'mobility' formula for salaries and pensions. They will now be adjusted to price trends when the trigger index is reached in a single month, instead of in two consecutive months as previously. The national minimum guaranteed wage, introduced under the national inter-trade agreement of 10 February 1975, stood in December 1976 at FB 18 524 (gross monthly amount). As regards the price freeze, the Government established a system of advance declaration of price rises combined with a procedure for ministerial intervention, with effect from 1 January 1976. Within 3 months of notification of an intended price rise, the Minister for Economic Affairs may approve the increase, make a recommendation implying refusal or restriction of the rise, or reject it totally or partially for a maximum of six months. If the notification receives no response, it takes effect at the end of the three-month period.

The reform of the consumer price index entered into force on 1 June 1976. The number of products and services covered was considerably increased (from 149 to 364) and the new weightings give a true reflection of the share of these products and services in the average household budget. However, in July, on account of the exceptional weather conditions, the Government decided to neutralize the new index partially by excluding fruit and vegetable price rises for three months. Following strong protests from the trade unions, the normal rules for calculating the index were re-introduced in September—but only persons receiving social security benefits obtained compensation for loss of income.<sup>1</sup> The Government undertook not to change the method of calculation or the composition of the consumer price index in the coming months.

With regard to the indexation of tax scales, the Government, in the light of the inflation rate forecasts, decided that wage-earners and self-employed persons with

<sup>1</sup> Chapter III, point 97 of this Report.



a taxable monthly income of less than FB 25 000 would be eligible for full tax indexation, which would be degressive up to about FB 35 000; indexation will not apply to incomes over this figure. Lastly, a law of 5 January 1976 introduced separate taxation for married couples up to a certain ceiling.

148. As regards asset formation, an agreement entering into force on 1 October 1976 was reached on the management of the FB 3 000 million 'Building industry social and economic fund'.<sup>1</sup> The fund will be administered by the Caisse générale d'épargne et de retraite (General savings and pension fund). Building workers may choose between two schemes: the savings scheme under which the CGER pays the amount into an account with a public or private savings institution, or an alternative scheme under which the sum due to the worker is paid annually. The ending of this dispute enables building workers to enjoy their rights after a freeze lasting about 6 years.

### Denmark

149. As a result of Government intervention in March 1975, the collective agreements in force before 1 March were extended for two years. However, discussions continued and their scope was widened, particularly at the political level, with a view to finding solutions to the most serious economic problems, i.e., unemployment, inflation and the balance of payments deficit. In September 1975 the Government reached a 'compromise' with five political parties, containing a declaration on incomes policy: if the index-linking of salaries (using the new index—January 1975 = 100) led to more than one six-monthly adjustments in 1976, the Government would ensure that employers did not bear the cost alone before March 1977. Two adjustments were in fact made, on the basis of the January index (109.1), and as the situation was continuing to deteriorate Parliament was recalled for an emergency session and on 20 August adopted a resolution (new 'compromise' of August 1976) defining economic policy for 1977/78 and 1978/79. This resolution contains a section on incomes policy and thus anticipates the collective negotiations scheduled for March 1977 (on the expiry of the extended March 1975 agreements).<sup>2</sup>

Pay increases are not to exceed 6% per annum, to include those arising from the operation of the present indexation system. Since forecasts point to a 4% annual rise this 6% ceiling implies that wage negotiations should not bring about more than 2% in increased wages. The Government indicated, however, that if the payment of more than two six-monthly index-linked increases proved necessary,

<sup>1</sup> Social Report 1974, point 210.

<sup>2</sup> Chapter III, point 98 of this Report.

the cost would be borne by the State and the appropriate sums paid into the supplementary pension fund for distribution to workers on their retirement. The arrangements are similar to those for civil servants.

Under the August 1976 'compromise', the new, stricter incomes policy will in principle apply to the whole population. For this reason, earnings in the liberal professions will have to be aligned with those of the highest-paid categories of salaried workers and the Monopolies Commission has thus been entrusted with the task of regulating their charges and fees. The Law introducing price controls and restrictions on profit margins has also been reinforced and dividend limitations have been made stricter.

This incomes policy will be backed up by measures to curb the upswing in private consumption which began last year. Indirect taxes have been increased by DKr 5 000 million a year, applying in particular to petrol, motor vehicles, tobacco, spirits, tea, sugar and coffee. Moreover, the Government proposes to introduce a tax on energy products. It should be pointed out that indirect taxes are not taken into account in the 'wage regulator index' used for the sliding-scale system. As regards direct taxes, personal allowances have been increased and the income brackets broadened, thus lightening the overall tax burden by about DKr 1 500 million in 1976/77.

It should be stressed that in implementing the incomes policy guidelines contained in the resolution of 20 August 1976, special attention will be paid to the needs of the low-income categories; in their case, the 6% rule will be waived. The special problems of low-income groups will, moreover, be analysed over the next three years by a new commission whose task is to make a critical study of income distribution, with special reference to the worst-off categories. This commission will also examine the economic and social factors underlying income and wealth distribution.

150. The resolution of 20 August 1976 contains a clause on workers' participation in the profits of undertakings; it stipulates that the 'economic democracy' plan dating from 1973 will be submitted to a 'Committee on incomes and asset formation', whose task will be to find 'lasting solutions' to the problem of employees' co-ownership rights.

Lastly, with a view to the full implementation of the principle of equal pay for male and female workers, and in application of the Council Directive of 10 February 1975, the draft law<sup>1</sup> drawn up last year by the Danish Government was adopted by Parliament on 4 February 1976 and entered into force on 9 February 1976.

<sup>1</sup> Social Report 1975, point 163.

### *Federal Republic of Germany*

151. In its annual economic report, the Federal Government set forth its general aims and guidelines for the economy in 1976,<sup>1</sup> giving figures. According to this document, the rise in prices ought not to exceed 5% while non-wage incomes were likely to increase by 14% and gross wages by 7%. The unemployment rate, however, was still estimated at about 4% and it was this problem that dominated the collective bargaining early in the year. On both the Government and the management and labour side, the major concern voiced at the 'concerted action' meetings was that wage negotiations should facilitate economic recovery and a return to full employment. In this connection, the trade unions urged that wages should, at the very least, keep pace with the rise in consumer prices. This view implied that the unions were prepared to see company profits increase more than proportionately, to permit the investment vital for growth leading to full employment. The metal workers' agreements, concluded in March thus provided for a 5.4% wage increase, giving the lead for other wage increases in the private sector. The various new collective agreements entered into force between 1 January and 1 April. Some categories of workers were 'compensated' by flat-rate payments ranging from DM 60 to 110 per month, backdated to the beginning of the year. In the public services, the collective agreement concluded on 12 April confirmed this trend, with an increase of 5% for wage and salary earners (minimum DM 85 per month). Salaries of civil servants in the strict sense were increased by the same proportion, with effect from 1 February 1976. It should be noted, however, that difficulties arose in May in the printing industry where after a hard-fought strike and a lock-out, agreement was reached on a 6% pay rise. The overall average increase under the collective agreements was about 5.5%. Net aggregate wages per person in employment in 1976 may be estimated to be 5% up on 1975. Given the consumer price rise, however, wage and salary earners' purchasing power will increase very little in 1976.

152. Asset formation policy seems to be increasingly regarded as one of the elements of overall incomes policy to be negotiated by the two sides of industry. After a long lull due to the fact that the 1974 Government plan encountered legal, political and economic obstacles, discussions on this subject were resumed in 1976. The Minister for Economic Affairs recommended employers and unions to conclude collective agreements containing clauses on asset formation and to negotiate agreements with individual undertakings concerning employees' participation in productive assets. It was also suggested that the Government might raise the figure of DM 624, provided for by the law on asset formation, to DM 936 and grant tax incentives to stimulate participation at works level.

<sup>1</sup> Chapter III, point 99 of this Report.

Furthermore, in October the federal organization of employers (BDA) submitted the broad outlines of an asset formation policy for negotiation in the context of collective agreements. This policy advocates investment by employees of part of their income in their own undertaking—preferably in the form of shares, though bonds or other securities would also be suitable. An insurance scheme would cover the worker against loss of capital or employment in the event of the company's bankruptcy. The DGB, on account of conflicting views among its members, confined itself to recommending that the trade-union organizations make every possible effort to obtain contractual agreements in the field of asset policy. The building industry trade-union drew up a framework participation model, providing for a combination of forms of participation at both undertaking and industry levels. It should be noted that one of the objectives of the reform of company taxation, which enters into force on 1 January, is to abolish double taxation of shares to enhance their attractiveness as an instrument of investment.

In 1975, 15.9 million employees (three quarters of the total labour force) benefited from the DM 624 law, 14.7 million of them receiving asset formation allowances from their employers, which in 7% of cases were accompanied by personal savings. The average amount per employee was DM 580. On account of the income ceilings laid down by the law, moreover, the number of beneficiaries was lower than in 1973 when it reached 16.4 million. State aid, in regard to amounts accrued in 1975 under the DM 624 Law, totalled DM 5 200 million.

### *France*

153. At the end of 1975 the French Government adopted a number of economic support and recovery measures. The situation improved as a result, bringing about substantial rises in the various components of demand. This recovery in the first half of 1976 also led to inflationary strains, prompting the Government to embark on a campaign against price rises and establish an incomes policy suited to the economic situation.<sup>1</sup>

In the field of collective bargaining, a key factor was the agreement reached (5 March 1976) in the public sector; it was not signed by the CGT and the CFDT because the official price index was taken as the reference index. This agreement is very similar to the 1975 one and contains the same principal features: machinery for maintaining purchasing power by the application of a quarterly sliding scale; differentiated increase in purchasing power with special emphasis on the lower-paid categories. In the private sector, wage agreements use several types of reference index, whilst the sliding scale—although prohibited by law—remains in widespread use.

<sup>1</sup> Chapter III, point 100 of this Report.

As regards the upgrading of manual work, the study group set up to investigate manual worker's pay submitted its report (15 March 1976) in which it puts forward a number of concrete proposals. The Government expressed its desire to begin negotiations as soon as possible on making the monthly payment of wages standard practice, limiting the variable component of wages to productivity bonuses and seeking ways to ensure that older workers receive fair remuneration at the end of their working life. The two sides of industry should enter into negotiations on the upgrading of manual workers' pay during the second half of 1977, once the fight against inflation has shown results.

In 1976 the minimum growth salary (SMIC) was increased five times, to FF 7.89 an hour on 1 January then by steps to FF 8.94 on 1 December (FF 1 549.60 per month on the basis of the forty-hour working week). From December 1975 to December 1976 the SMIC rose by 16%. Moreover, workers' hourly rates were up 15.5% during the same period, thus showing—despite the continued rise of retail prices—a 5.5% increase in the purchasing power of the hourly wage.

On 22 September, the Government announced an anti-inflation programme aimed at curbing price rises, restoring the foreign trade balance, promoting economic activity and restoring the equilibrium of public finance. Among the numerous measures proposed, the most important are a general price freeze to last until 31 October 1976 (1 April 1977 for public services). The reference standard for the overall movement of prices from 1 January to 31 December 1977 is an increase of 6.5%.

As regards the provisions relating to wages and other incomes, the Government has confirmed the principles of collective bargaining on pay and the continuation of the contractual policy, particularly in the public sector. The agreements signed for 1976 will be applied as expected. For 1977, wage and non-wage incomes are not to rise faster than the cost of living. Wage and non-wage incomes in the FF 18 000-24 000 per month bracket may rise by only half the price index increase whilst those over FF 24 000 will be frozen. To protect the lowest incomes, the Government will apply the rules laid down in the Law of 2 January 1970, whilst the usual 1 July readjustment of the SMIC over and above the index-linked increase will be applied normally in 1977. Increases in incomes from the provision of services, professional fees and dividends will have to comply with the 6.5% reference standard laid down for price rises in 1977. It should be noted that to facilitate diagnosis as regards the levels and distribution of incomes (only non-wage incomes), the Government has reorganized the Centre for the study of incomes and costs and broadened its task to include the analysis of the factors determining the formation and distribution of incomes in all categories, with special attention to cases at the extreme ends of the scale.

Regarding indirect taxation, the normal VAT rate applicable to the majority of consumer goods other than food has been reduced as from 1 January 1977, whilst taxes on vehicles and petrol have been increased. In the field of direct taxation, in addition to the taxation of certain signs of wealth, there has been a special supplement, payable by 22 December, of 4 or 8% of rate of income tax chargeable, to compensate farmers hit by the drought. The lowest income groups have however been able to opt to buy Government bonds in discharge of this obligation (up to 50% for other taxpayers).

Furthermore, in July 1976, the definitive version of the capital gains tax law was published. It entered into force on 1 January 1977, although the provisions concerning securities will not apply until 1978. The purpose of this law is to include capital gains in general taxable income.

154. As regards policy on worker participation in the growth of undertakings, the law of 31 May 1976—the details of which will be laid down by decree—will enable workers to draw up their entitlement under participation and profit-sharing schemes before the expiry of the unavailability period, to constitute or supplement the capital sum needed for home ownership. In a more general context, the Government has taken the initiative on housing reform. The main aim of this project which has given rise to the 3 January 1977 Law, is to bring home ownership within the reach of those who cannot at present afford it, by offering aid towards the financial burdens involved. Furthermore the President has entrusted to the Government the task of defining a savings scheme for low income groups, whereby such savers would see their savings guaranteed against inflation, in return for a modest interest rate and for a certain stability in savings.

### *Ireland*

155. The National Agreement concluded in 1975 between the employers' organizations and the *Irish Congress of Trade Unions* remained in force during the early months of 1976.<sup>1</sup> Negotiations for a new agreement opened in March 1976 and at the Employer-Labour Conference, proposals were worked out whereby the new agreement would cover a period of 13 1/2 months, divided into three phases: a two month pause followed by two phases of 5 and 6 1/2 months during which workers would receive wage increases. In the second phase, there would be a 3% increase in basic wages plus £2 per week, subject to a lower limit of £3 and a ceiling of £5 per week. During the third phase a similar increase would be given, but the ceiling would be £5.15. The increases, accordingly, would range from a minimum of £6 to a maximum of £10.15 per week, representing about 13% of the average worker's basic pay.

<sup>1</sup> Chapter III, point 101 of this Report.

These proposals were rejected by the Irish Congress of Trade Unions in July 1976. The Irish Employers' Confederation put forward new proposals which were this time accepted by the trade unions as an Interim Agreement. This Interim Agreement, valid for 7 months including the 2 month pause and ending, on 31 October 1976 for some categories of workers and on 31 December 1976 for others, provides for the payment of the increase proposed for the second phase in the rejected proposals, i.e., in money terms roughly 7.5% of the average worker's wage, will be paid.

In February 1976, the Irish Government applied to the Commission for authorization to derogate, under Article 135 of the Treaty of Accession (protective measures), from the application of the principle of equal pay for men and women. The Anti-Discrimination (Pay) Act of 25 June 1974 was to enter into force on 31 December 1975, but a draft amendment to this law was tabled in Parliament with the aim of deferring implementation of equal pay in certain undertakings in the private sector in difficulty, for a maximum of two years. The Commission, although aware of the difficulties faced by the Irish economy and ready to seek measures to alleviate the situation, was unable for reasons of principle to accept the application and the draft amendment was therefore withdrawn.

As regards the public sector, the Irish Government decided on 21 January 1976 to eliminate wage discrimination on the ground of sex, with retroactive effect from 1 January 1976; however, pay scales differentiated on the basis of marital status were retained—at least temporarily. This decision was regarded by the ICTU as contrary to the principle of equal pay.

Two indexed savings systems have been introduced at the end of 1975. One of them is concerned with savers aged 65 or more, who can purchase bonds up to a maximum of £500 in value, indexed according to the retail price index. The other replaces the 1970 scheme of savings by instalments and allows for monthly investment within certain limits, the real value of the savings being guaranteed by the payment of specially calculated premiums.

## *Italy*

156. In Italy, pay policy and the associated problems were dominated in 1976 by two basic facts: the three-yearly renewal of the major collective agreements involving over 10 million workers in both the private and semi-public sectors, and the economic recovery plan proposed by the Government in October.<sup>1</sup>

As far as the joint negotiations are concerned, the Government had repeatedly stressed the need to contain wage costs within tolerable limits so as to promote

<sup>1</sup> Chapter III, point 102 of this Report.

an upturn in production and a return to a satisfactory competitive situation for the economy. The two sides of industry, aware that their discussions must be governed by this approach, succeeded in reaching an agreement covering three sectors during the first round of negotiations at the beginning of the year. These three sectors, as a result of their economic importance, traditionally serve as a model for the other branches: building workers received, as from April, a monthly increase of Lit 20 000 (and will receive an additional Lit 5 000 on 1 April 1977), workers in the chemical industry received Lit 20 000 as from April 1976 (plus Lit 5 000 on 1 January 1977) and metalworkers Lit 25 000 from 1 May 1976. In addition, a lump sum to cover the loss of earnings during the period between the expiry of the old contract and the introduction of the new one was granted: Lit 50 000 in the first sector, 70 000 in the second and 30 000 in the third. To contain wage costs, the rise granted is not regarded as forming part of wages in the strict sense, but as a 'separate component of remuneration' (EDR) and is not taken into account, for instance, in calculating overtime pay, bonuses and grades. Moreover, payment of the increase is in many cases conditional on the employee's presence at work. This is the case in the chemical sector (except in the event of absence following an accident) and the metal industry (except in the case of absence through sickness). Similar agreements have been concluded in other branches, such as banking and the semi-public sector, whilst agricultural workers have had a wage increase of Lit 600 per day (from Lit 6 800 to 7 420).

The rise in prices was reflected in the compensation for high living costs, which gave rise to a 7-point increase applicable to wages and salaries for the quarter August-October; the amounts ranged from Lit 14 000 to 16 000.

In October the Government announced an important series of measures designed to halt the fall of the lira, slow down inflation (then running at 16%) and restore the soundness of the economy, which was still suffering from a large balance of payments deficit—despite an improvement on the 1975 figures. These were severe measures; they included, in particular, a series of price rises (petrol, postal rates, rail fares, road tax on large cars—but lower rates for small and medium-sized cars—and electricity and telephone charges), higher taxation of dividends and a partial or total freeze on certain incomes for 18 months. For persons earning over Lit 6 million per annum, half the increase they would have obtained under the sliding scale system will be converted compulsorily into Government bonds which will be non negotiable during five years. In the case of incomes over Lit 8 million, this compulsory savings system will apply to all future increases.

### *Luxembourg*

157. Whereas in 1975 there had been a distinct increase in real incomes despite the sharp fall in production, income growth in 1976 was very limited as a result



of a deterioration in industry's competitive position. A number of collective agreements<sup>1</sup> were renewed; with a few exceptions they did not contain any appreciable increases in real terms, the latter ranging from 1.5 to 5% in most cases. Some major agreements, such as that involving building and civil engineering workers, were simply renewed without wage increases; the iron and steelworkers' agreement, which was renewed for the current year, contains no increase in real wage rates, but introduces a bonus scheme based on a 'normal' level of production. It should also be noted that some increases occurred on the strength of agreements concluded previously; e.g., 4% in real terms for bank and insurance employees.

For the first time an index of contractual basic wages was published for 1973-75 in the manufacturing industries, the building industry and the public sector. This index (base 1973 = 100) does not reflect trends in real wages but only the effect of pay policy. The situation is quite varied with actual earnings; whereas the level has gone on increasing in certain service branches, for example, real per capita income has decreased in some branches of industry due to lower production bonuses and gratuities.

Work on the reform of the consumer price index was continued,<sup>2</sup> and the opinion of the Economic and Social Council was sought. It is planned to increase the number of items in the index (from 173 to about 300) and carry out a survey of the family budgets of low income groups in 1977. This reform of the index is of particular importance on account of the general application of automatic indexation to wages. In this connection, in 1976, the employers' organizations particularly stressed that this generalized indexation constituted a major factor in cost rises, and was detrimental to competitiveness. In response to the anxiety expressed by the trade union organizations that the principle was being called into question, the Government stated that it had no intention of reviewing the sliding-scale system for wages, salaries and pensions. However consideration is being given to limiting the scope of indexation and to its review, so as to space out the triggering of the mechanism.

The minimum guaranteed wage was adjusted automatically three times following index rises of 2.5%, pursuant to the Law of 23 December 1974. On 1 January it stood at FLux 13 822, or FLux 79.90 per hour; it then rose progressively to FLux 14 885, or FLux 86 per hour, on 1 October. It has moreover been upraised by 4% in real terms on 1 January 1977 by virtue of the 23 December 1976 Law and at that date it stood at FLux 15 480 per month or FLux 89.50 per hour.

In December 1976, the Government, in collaboration with the Savings Bank, elaborated an indexed savings scheme. The rate of interest on these sums saved

<sup>1</sup> Chapter III, point 103 of this Report.

<sup>2</sup> Social Report 1975, point 171.

by monthly instalments and frozen during some years, will be equal to the average rate of inflation of the current period plus 0.5%, subject to a minimum of 7% and a maximum of 9%.

### Netherlands

158. In 1976 the main objective of the Government and the two sides of industry was a return to full employment. Consequently, the increase in labour costs, which—according to a study by the Planning Office—were rising more rapidly than productivity, had to be curbed in two ways: wage restraint and limits on increases in social charges. The Government twice took direct action on wage formation and restricted the increase in social charges to one point of national income growth. By its first intervention on 2 December 1975 the Government froze all wages for the first half of 1976, the only exception being the payment of the second instalment of the price-rise compensation for 1975. The aim was to limit the rise in labour costs to 8-9%, based on the assumption that prices would rise by 7.5-8% whilst the purchasing power of incomes not exceeding Fl 20 000 would be maintained.

The tripartite negotiations<sup>1</sup> regarding the evolution of wages in the second half of 1976 were dominated by the Government's austerity guidelines and were seen by the trade unions in the context of an overall policy covering satisfactory arrangements for worker participation in the growth of undertakings, the reform of works councils, a structural economic policy plan, an incomes policy applicable to the liberal professions, and tougher measures to combat unemployment. These negotiations were unsuccessful and on 8 July 1976 the Government, basing its position on the agreements in force on 2 December 1975, fixed the pay rise at Fl 30 gross per month to take effect six months after the last price compensation authorized—i.e., from 1 July for most wage earners. In addition, some social contributions were cut by 1.2% in total for wage earners and 1% for employers. This combination of measures had a levelling effect on wages.

The minimum monthly wage was adjusted twice in 1976. On 1 January it rose, in accordance with the procedure laid down by law, from Fl 1 344.20 to Fl 1 440.40. On the basis of the reference wage index, the normal half-yearly adjustment in July should have amounted to 5.4%; however, the adjustment was suspended by law and the minimum wage was raised to Fl 1 470.30, i.e., a 2.1% increase. The remaining 3.3% has been granted as a special increase on 1 January 1977 and together with the adjustment to the level of wages which was also done on that date, the minimum wage rose to Fl 1 537.90 per month.

<sup>1</sup> Chapter III, point 104 of this Report.

On the assumption that prices will increase by a maximum 8.25%, the Government hopes, with this set of measures, to limit the annual growth of labour costs to 9.3%. If prices were to increase further, additional measures would have to be taken in the pay field to maintain purchasing power. In view of the fact that prices rose between 8.75% and 9%, it was decided at the beginning of November to pay a flat Fl 60 supplement to every wage earner. As this payment was remitted from PAYE tax deducted that month, there did not ensue any increased wage costs for employers.

The Government, to gain better control of income trends, has expressed its intention to submit a number of important draft laws. First of all, the Minister for Social Affairs would like to bring certain amendments to the law on wage formation. In addition, a draft law on the public declaration of incomes has been prepared and the Economic and Social Council has already delivered its opinion. The Government has also announced a framework law on income formation, which would give it more power to take effective action in this area.

159. Early in May the Government forwarded to the Council of State its draft law on a system for worker participation in capital growth. On 22 June, the draft in its final form was submitted to Parliament; it is very close to the programme outlined in the document on incomes policy published in May 1975.<sup>1</sup> All undertakings constituted as companies and making annual profits of at least Fl 250 000 before tax would have to pay a certain percentage of their 'surplus' (defined as the net profit remaining after payment of taxes and deduction of interest on capital, calculated on the basis of the yield of a given group of Government securities, plus a risk premium) into a fund in the form of shares, share warrants or bonds. This percentage, fixed at 10% for 1975, would gradually rise to 18% in 1979, but different values could be adopted depending on the pattern of labour productivity as compared with labour costs. The percentage applicable in 1980 still remains to be determined. A portion of the sums under consideration (generally two thirds) would serve to supplement workers' retirement pensions. The remainder would go to the employees of the undertaking concerned; it would be distributed at a flat rate and would remain frozen for a period to be determined. At the end of this period, employees would receive negotiable certificates of entitlement. This draft law is at present the subject of lively discussion both in Parliament and among representatives of both sides of industry.

### *United Kingdom*

160. The pay policy applicable in the United Kingdom until 31 July 1976<sup>2</sup> was outlined in the Government White Paper 'The Attack on Inflation', published on

<sup>1</sup> Social Report 1975, point 173.

<sup>2</sup> Social Report 1975, point 174.

10 July 1975. Its main provision was a ceiling on wage increases, valid for twelve months, of £6 per week for all employees earning less than £8 500 per annum. Although this policy was one of 'voluntary moderation', the Government introduced a number of measures designed to secure compliance with the pay limits in both the public and private sectors. It was clear at the beginning of 1976 that this wage restraint had been effectively implemented, despite the fact that the £6 a week had been regarded as a general norm rather than a maximum, and the rates of increase of basic salaries, actual earnings and consumer prices dropped substantially. The corresponding index figures for the period July 1975 - July 1976 were halved as compared with the previous twelve months (18% as against 32% for basic hourly rates of wages; 14% as against 28% for average earnings and 13% as compared with 26% for the cost of living).

In the April 1976 budget, the Government put a proposition to the trade unions, making the granting of a number of tax reliefs (income tax deductions, raising of taxation thresholds, an increase in allowances for the elderly and families with dependent children) conditional on acceptance of wage moderation designed to reduce the rate of inflation substantially in the coming year.<sup>1</sup> This offer was the subject of lengthy discussions between the Government and the *Trades Union Congress*, which yielded a new agreement on wage policy for the twelve months ending 31 July 1977. This agreement, outlined in a White Paper 'The Attack on Inflation—The second year' published on 30 June 1976, provides for a 5% increase in total earnings subject to a minimum rise of £2.50 and a ceiling of £4. Furthermore, a new increase may not be paid until twelve months after the previous one, whilst the cut-off point at £8 500 will no longer apply and salary earners in that bracket may receive the £4 a week increase. There is an exception to the pay limit for any increases which may still be necessary to comply with the principle of equal pay. The sanctions incorporated in the Price Code have been renewed for the second year.

All in all, workers should therefore benefit from this policy in three ways: wage increases, tax reliefs applicable following the agreement, and lower prices.

Lastly, the Royal Commission on the Distribution of Income and Wealth has published its third report, on earned incomes of over £10 000 p.a. The report shows that from July 1969 to July 1975 real incomes fell by 17% for those earning £10 000 p.a. and by 25% for those earning £20 000 p.a. This trend is likely to become more marked at these levels as a result of the zero increase in 1975/76 and the £4 a week increase for 1976/77. Recently the Government entrusted this Royal Commission with the task of analysing present and past trends and factors influencing the levels and distribution of low incomes.

<sup>1</sup> Chapter III, point 105 of this Report.

## Chapter VI

# Housing

## Trends within the Community

163. The development of the housing situation in most Member States gives grounds for cautious optimism. With the exception of those countries where the economic situation is continuing to cause considerable concern, which is also reflected in the weakness of their currencies, a tendency towards stabilization is apparent in the Community, while in some countries there is even an upturn in housing production. The general measures to stimulate the economy and the specific measures to help the building industry which were taken in 1974 and 1975<sup>1</sup> are beginning to produce some effect, albeit slowly. It is not so much the number of dwellings completed, but rather the number started in the year under review, which leads to the conclusion that we are now over the worst.

In practically all Member States, modernization of the old housing stock is occupying an increasingly important place in general housing policy. One country has even begun to include the number of dwellings to be improved each year in the housing construction programme. Following the completion of an experimental scheme<sup>2</sup> implemented under the ECSC low-cost housing programme, an open-ended modernization policy has been introduced for housing built under this latter programme, which, up to the present, has partially financed the construction or modernization of some 150 000 dwellings.

164. An important question for most Governments is how they can most effectively use the budget funds available for social housing. The main problem is the difference in emphasis placed upon the various subsidy systems. This problem is all the more pressing since, at a time when economies are being made, the available appropriations do not offer much scope and on the other hand property

<sup>1</sup> Social Report 1975, point 177.

<sup>2</sup> Report on the ECSC experimental housing scheme—'Modernization of housing'—1975. Office for Official Publications of the European Communities, Catalogue No 8451.

for renting built with considerable government assistance is seen to be standing empty because rents have risen beyond people's ability to pay. The system of personal rent subsidies, which is applied in certain countries, has the advantage that in practice account can be taken of any change in the situation of the tenant concerned, whereas this is impossible in the case of rented dwellings which are subsidized as much. The Commission considered that it might contribute to the discussion of this problem by arranging for an analysis to be carried out of the effect of the various subsidy systems for low-cost housing. The report on this analysis will be available in the course of 1977.

## Development of the situation in the member countries

165. In *Belgium*, the number of unemployed in the building industry as a whole fell somewhat during the period January-November 1976 (from 9.9% to 9.2%). Nevertheless, small- and medium-sized firms building individual houses and small blocks of apartments maintained their activities.

In 1976, too, new opportunities for urban renewal were also opened up. For instance, the Government assumed responsibility for the total costs of work on infrastructures. However, as in other countries, there is no prospect at the moment of exploiting all the existing possibilities to the full.

In *Denmark*, a peculiar shift has been apparent during recent years in the distribution of the various types of dwellings, according to type and to sponsor, in that more and more private single-family dwellings are being built. This tendency was particularly pronounced in 1975 and the first half of 1976.

In February 1976 there was legislation on housing cooperatives (common ownership of apartment blocks by the occupiers) and amending legislation on apartment buildings. The first of these introduces a ban on the sale of separate apartments in a block of flats if, as a result of the sale, the purchaser obtains the right of exclusive use of the flat. In consequence of an amendment to the law on apartment buildings, permission to divide private accommodation into apartments is considerably extended.

In the *Federal Republic of Germany*, policy during the last two years has been primarily directed towards improving the employment situation and curbing the fall in demand in the building sector. For this purpose various measures were adopted which have been described in previous reports. Nevertheless, the economic upturn seen in other economic sectors was not yet been noticeable in the building industry. Here again it appears that the building industry is quicker to react to negative influences than to positive ones.

In *France*, the pace of construction slowed down in 1976 after the high level of building activity in the previous year; this mainly affected projects newly begun. Otherwise, work on the reform of the financing of housing subsidies continued throughout the year, culminating in December 1976 in the approval by Parliament of a law introducing individual housing subsidies.

In *Ireland*, the Government was faced by the formidable problem of maintaining housing activity at a high level in the light of the budget situation. Because income limits for the granting of subsidies and loans for the purchase of new accommodation were not increased Government aid to the private sector was reduced, a reduction which, however, was largely balanced by extensive financing by the building societies and the commercial banks.

In *Italy*, the financing of housing construction has always been a great problem, which has constantly forced the authorities to try out new possibilities. A Presidential Decree of 21 January 1976 introduces a method new to Italy for supplying the necessary funds for housing construction, i.e. by means of bonds. The new Government put three draft laws before Parliament; the first concerns a ten-year plan for low-cost housing, the second relates to a new renting system,<sup>1</sup> while the third deals with land policy.

In *Luxembourg* in 1976 a change emerged in the form the problem took: there was a greater tendency to buy existing dwellings and to convert and improve them than to have new dwellings built. Accordingly, the loans available for this purpose reached record levels, while the number of loans for new buildings stayed at the same level as in 1975.

In the *Netherlands*, the traditional major investors operating in the sector of subsidized rented accommodation have largely withdrawn. They consider that the new legislation on rents and subsidies is no longer to their financial advantage. For this reason, the Government intends to associate the building societies more closely with the construction of more expensive housing for renting or owner-occupation and, at the same time, to substantially increase the proportion of new construction for owner-occupation.

In the *United Kingdom* the Government, while committed to reducing expenditure on house-building in the public sector, attempted to maintain the level of dwelling construction activity in areas with the greatest housing needs. In the private sector policy was directed towards maintaining the high and stable level of lending for house purchase in accordance with the agreements made with the Building Societies Association. Subsidies granted to the public housing sector were adjusted under the Housing Rents and Subsidies Act of 1975 and at present amount to

<sup>1</sup> Social Report 1975, point 180.

TABLE 6  
Completed housing and proportion of subsidized dwellings<sup>1</sup>

Country	Dwellings completed	1971	1972	1973	1974	1975 <sup>a</sup>
Belgium <sup>3</sup>	Total number of dwellings	43 000	51 921	63 056	66 345	77 380
	Number per 1 000 inhabitants	4.4	5.6	6.5	6.8	7.9
	Number of subsidized dwellings	26 300	33 763	42 078	29 928	30 980
	% of total	61.0	65.0	66.7	45.1	40.0
Denmark	Total number of dwellings	50 170	50 010	55 566	48 595	35 510
	Number per 1 000 inhabitants	10.1	10.0	11.1	9.6	7.0
	Number of subsidized dwellings	13 600	12 090	12 671	11 250	8 520
	% of total	27.1	24.1	22.8	23.1	24.0
FR of Germany	Total number of dwellings	555 000	660 600	714 226	604 400	436 000
	Number per 1 000 inhabitants	9.1	10.7	11.5	9.7	7.1
	Number of subsidized dwellings	116 300	121 200	169 336	147 821	113 000
	% of total	21.0	18.3	16.7	24.5	25.9
France	Total number of dwellings	475 700	546 300	500 500	500 400	514 300
	Number per 1 000 inhabitants	9.3	10.8	9.6	9.6	9.8
	Number of subsidized dwellings	371 700	410 100	348 100	355 200	355 600
	% of total	78.1	75.1	70.0	71.0	69.1
Ireland	Total number of dwellings	14 990	20 827	23 870	25 420	26 890
	Number per 1 000 inhabitants	5.0	6.9	7.8	8.2	8.6
	Number of subsidized dwellings	14 515	20 314	23 133	24 745	25 840
	% of total	96.8	97.5	96.9	97.3	96.1
Italy	Total number of dwellings	360 600	259 000	196 640	180 700	219 650
	Number per 1 000 inhabitants	6.7	4.4	3.6	3.2	3.9
	Number of subsidized dwellings	22 200	20 000	14 000	19 000	24 000
	% of total	6.2	7.7	7.1	10.5	10.9
Luxembourg	Total number of dwellings	1 917	2 254	2 468	3 395	3 300
	Number per 1 000 inhabitants	5.6	6.5	7.0	9.5	9.2
	Number of subsidized dwellings	537	703	963	1 324	1 185
	% of total	28	31.2	39.0	39.0	35.9



Netherlands	Total number of dwellings	136 600	152 272	155 412	146 174	120 770
	Number per 1 000 inhabitants	10.4	11.5	11.6	10.8	8.9
	Number of subsidized dwellings	114 300	125 766	124 337	110 433	98 490
	% of total	83.7	82.6	80.1	75.5	81.5
United Kingdom	Total number of dwellings	364 400	330 700	304 000	278 000	313 200
	Number per 1 000 inhabitants	6.6	5.9	5.4	5.0	5.6
	Number of subsidized dwellings	199 600	289 800	114 000	134 000	162 300
	% of total	54.8	87.6	37.5	48.2	51.8
Community	Total number of dwellings	2 002 378	2 073 884	2 015 738	1 853 429	1 747 000
	Number per 1 000 inhabitants	7.9	8.1	7.9	7.1	6.8
	Number of subsidized dwellings	879 052	1 033 736	848 618	833 701	819 915
	% of total	43.9	49.8	42.1	44.98	46.93

<sup>1</sup> 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.

<sup>2</sup> Provisional figures.

<sup>3</sup> The figures refer to dwellings whose construction was started.

about 66% of the annual interest and amortization costs of loans for new housing. However, these arrangements are temporary, pending the outcome of a wide-ranging housing policy review.

### **Housing requirements, building programmes, dwellings completed<sup>1</sup>**

166. In most Member States estimates of housing requirements have been revised, generally on the basis of the results of the last housing census. In some countries these requirements are not known, and in those countries where they are, the figures are often challenged by independent experts. Of course, in calculating requirements account is taken of the number of dwellings which cannot be improved and must therefore be replaced. The question here, however, is the length of time over which the demolition and replacement of these dwellings is to be spread. It is not always possible to escape the impression that requirements in this respect are often adjusted to match the building programmes, which in their turn depend on building capacity.

### **Building costs**

167. In most of the Member States building costs rose less rapidly during the past year than in the three preceding years. It is impossible to give an average for the Community as a whole, but it can be cautiously estimated that in most of the countries the increase is about 10%, as against 16 to 20% in the previous years. An exception here is Italy, where the figures are rather the reverse.

Measures to keep building costs down often do not have the desired effect because of the increased demands which people are making on their accommodation: improved acoustic and thermal insulation, use of materials requiring less maintenance, etc.

### **Rents**

168. In *Belgium*, as part of the economic recovery measures, the rents of all dwellings were frozen at their November 1975 level until the end of 1976. These rents can be increased by 8.5% for 1977. As regards the low-cost housing sector, this situation causes problems for the associations responsible, since they are already obliged to calculate the rents of their dwellings within precise limits and are thus faced with escalating overheads and maintenance costs, while their income remains the same.

In *Denmark*, at the beginning of December 1976 legislation was approved freezing prices, rents and wage and salary increases for three months, i.e., from 1 December to 28 February 1977.

<sup>1</sup> As regards completed dwellings, see Table 6 on pp. 120 and 121.

In February 1976, a law was approved concerning fire insurance for old dwellings. A new subsidy law was approved in August 1976 with the aim of reducing energy consumption in existing housing, for example, by improving insulation, heating installations, etc.

In the *Federal Republic of Germany*, the average rents for existing public-sector, private-sector and older housing are respectively DM 3.94, DM 4.56 and DM 3.74 per month per m<sup>2</sup> of living area. In each of these categories rents have increased by DM 2 per m<sup>2</sup> since 1965, which is equivalent to more than 90% increase in the private sector and more than 125% in the other two.

In *France*, the policy of restricting rent increases followed in 1975 was continued in 1976 on very similar lines:

- for old housing coming under the 1948 law: an increase of 7-11% for the period from 1 July 1976 to 30 June 1977;
- in the HLM (low-cost) housing sector: 7.5% for the period from 1 July 1975 to 30 June 1976 and a maximum of 10% per six-month period from 1 July 1976;
- in the other sectors rent is adjusted in proportion to the change in one of the building cost indices.

These provisions were tightened up by the approval, as part of the plan to combat inflation, of a freeze on rents at their 15 September 1976 level for the last quarter of 1976, whilst any increase for 1977 was restricted to 6.5%.

In *Ireland*, average weekly rent for council housing is still low. The maximum rents for housing subject to rent control remain unchanged.

In *Italy*, the rent index figure rose from 133 to 149 between August 1975 and August 1976, representing an average increase of about 12%.

In *Luxembourg*, where rents are determined on the basis of the capital invested, increased building costs have resulted in rents for new housing being considerably higher than rents for housing built in previous years.

In the *Netherlands*, rents have increased by between 8 and 12% depending on the value of the housing concerned, in accordance with the new assessment system. With certain adaptations this system, which applies to housing built since 1945, will probably be extended to cover all housing built since 1930.

In the *United Kingdom*, the Government approved additional subsidies to the public housing sector to restrict average rent increases and keep them in line with general price increases. The Rent (Agriculture) Act, which became law on 22 November 1976, will improve the position of most serving and retired agricultural workers.

## Reconstruction and modernization

169. In *Belgium*, since housing policy is dealt with on a regional basis, grants towards the cost of improvement work on unsound dwellings capable of improvement were fixed at 1/3 of the cost in Wallonia, 1/4 of the cost in Brussels and 1/5 in Flanders.

In addition the grant towards the cost of slum clearance was brought into line with current price levels. During the first six months of 1976 such grants were made towards the demolition of a thousand dwellings.

As from 19 July 1976, the 'housing-code' for Wallonia provides for the full cost of improvement work on groups of unfit dwellings purchased by the national associations for low-cost housing to be met from public funds.

In *Denmark* the Law on slum clearance makes provision each year for DKr 77 million which is earmarked for public subsidies and loans; DKr 20 million of this sum is granted in the form of subsidies. Last year the full amount was allocated.

In the *Federal Republic of Germany*, it is estimated that about half of the housing stock does not meet current standards. The Bundestag has approved a law on the modernization of housing, which provides specifically for a subsidy scheme in which the main emphasis will be on the social and urban aspects of building. A landlord who has received a grant is obliged to pass on the full benefit thereof to his tenants.

In *France*, it is estimated that about 6 million old dwellings do not correspond to the minimum current standards of comfort. During the next few years considerable efforts will have to be made in this sector; the VIIth Plan provides for 250 000 dwellings to be improved and brought up to modern standards of comfort each year, the aim being to bring the percentage of sub-standard dwellings down to 20% of the total before the close of the Plan as against 40% in 1973.

In *Ireland*, large-scale improvement of old housing has continued; in the first six months of 1976 the Department of Local Government and other national bodies subsidized the improvement of more than 14 000 dwellings.

In *Italy*, the absence of adequate legislation means that housing improvement does not get off the ground to any great extent. Activities are restricted to the restoration of historically interesting buildings, and even then local authorities have to take the initiative in many cases.

In *Luxembourg* in 1976, once again no special measures were taken to improve housing. The building industry has proposed that a premium should be introduced for the improvement of old housing, which would be linked to economic trends.

In the *Netherlands*, slum clearance operations are being stepped up. In various places, thanks to additional subsidies, dwellings have been built to replace the slums and provide accommodation at advantageous rents. In general the Government has also concerned itself with the problem of improving housing. Under the following heading details can be found concerning the draft law on urban renewal, which provides for additional subsidies.

In the *United Kingdom*, there is a growing shift of emphasis away from wholesale demolition of slum areas and from reliance on individual grants for house improvement. In the middle of 1976 there were 122 housing action areas (areas of acute housing distress); in these and other areas the purchase of dwellings by local authorities is encouraged in order to ensure that the housing is improved and made available to those most in need of it. Perhaps the most important event is the launching of a widespread investigation into housing (House Condition Survey), which is intended to produce data not only on the physical condition of the housing stock but also on the distribution of types of household, their ideas concerning house maintenance and improvement, and the opportunities open to them of improving their housing situation themselves.

### **Town and country planning**

170. In *Belgium*, urban renewal is receiving more and more attention. The Ministers and State Secretaries responsible for housing in the various regions make every effort to use the available budget funds effectively. The necessary financial measures have already been taken to permit the creation of green belts, the protection of monuments, the maintenance of buildings and the replastering of house façades in the Brussels region.

In *Denmark* the law on town and country planning of 1974 obliges the administrative districts to draw up plans for their districts. In June 1976 the Minister of the Environment submitted the second memorandum on town and country planning, in which, among other things, was pointed out the need to coordinate all town and country and sectoral planning as regards the provision of energy and raw materials.

In the *Federal Republic of Germany*, a total of DM 720 million was devoted to the improvement and urban development programme, made up of DM 240 million from the Federal Government and DM 480 million from the Länder and the local authorities.

In *France*, following up the law of 31 December 1975 on land policy, two implementing decrees were published in March 1976, dealing with building density and compulsory purchase rights in the areas concerned. An urban renewal fund was set up in order to coordinate the various forms of aid by establishing

specific priorities within the action programmes. It is hoped to launch a programme for city centres this year which will affect some 40'000 dwellings.

In *Ireland*, the Local Government (Planning and Development) Act 1976 entered into force. Under this legislation, an independent planning commission is to be set up which will have the task of deciding on the objections lodged in connection with town and country planning.

In *Italy*, draft legislation on land policy was submitted to Parliament in 1976, but its discussion was delayed by the 1976 Parliamentary elections. As already mentioned in earlier reports, the introduction of such legislation is necessary in order to compensate for the absence of a national outline law and of any statutory points of reference or coordination.

In *Luxembourg*, the Government has submitted a draft planning law for the opinion of the Social and Economic Council.

In the *Netherlands*, a draft law on urban renewal has been put before Parliament. According to the statement of intent, this law is intended to supplement the present law on town and country planning, which cannot be disassociated from urban renewal. It provides for State financial support beginning at an early stage and extending over several years. Since these commitments can involve several ministries, a coordinating committee will be set up to give a general opinion on requests for financial aid.

In the *United Kingdom*, local authorities have submitted proposals for acquiring building land for private building. Taxation measures were introduced to ensure that owners selling land pay tax broadly speaking on the difference between the market value of the land and its value in its existing use, or whatever the landowner originally paid for it, whichever is the greater. Authorities will be able to buy land at market value but net of any tax that would otherwise have been payable.

## Chapter VII

# Family affairs

## Trends within the Community

171. Economic pressures have had quite different effects in Member States. In Denmark, they have led to the introduction of a system linking the amount of family allowances to parents' income—thus excluding some households from such benefit—and in the Netherlands, a draft law designed to reduce expenditure in this sector has, for the same reasons, been introduced. However no such trend is apparent in the other Member States, and in Luxembourg, where family allowances are index-linked to retail prices, the Government is even examining the possibility of adjusting them along with wages so as to ensure better evolution. Furthermore, the awareness of certain pressing social needs has given rise to new aids, such as the 'one parent allowance' in France. This is part of the family benefit scheme and is granted to widows, widowers, divorced, deserted or unmarried persons who are solely responsible for at least one child and whose income is below a specific level.

In the Federal Republic of Germany and in France the Governments have expressed their concept of family policy which would not be limited to financial aid to incomes but would comprise a wide range of measures to improve the economic, social and cultural situation of the family and promote the personal development of each member of the family. The important report on the family submitted to Parliament last year by the German Government is an essential contribution to the future development of family policy; drawn up by independent experts, the report has the merit of including, apart from a list of measures taken, a critical section which includes the observation that family allowances could be 'dynamized' by indexing them in the same way as social assistance benefits. This is in line with certain demands of the German Trade Union Federation and of family associations. The report and the opinion of the Federal Government have been widely distributed. In France, one of the twenty-five 'priority action programmes' established under the VIIth Plan for economic and social development (1976-80) is entitled: 'The new family policy'. It comprises

measures which are rather fragmentary and it fell below the expectations of some people, but these programmes have the advantage of being obligatory and of involving budget appropriations for the measures proposed.

172. The scope of measures taken in order to better accommodate active occupation with family responsibilities is still limited. Day nurseries and other modes of looking after small children are developing slowly, but where the number of places are concerned, demand, in the Member States as a whole, is well above availability. A measure similar to the one adopted in Belgium last year has been introduced in France. Its aim is to give women civil servants the option of taking unpaid post-natal leave not exceeding two years with a guarantee of re-employment; at the same time, the Government has recommended that social partners negotiating collective agreements should insert a clause granting this same right to mothers working in the private sector. It will be remembered that in Luxembourg the possibility of one year's post-natal leave was introduced in 1975 as part of legislation on the protection of mothers.

173. The reform of family law is a clear common trend in all Member States. Following the legislation introduced last year in Italy and Luxembourg, important laws introduced in 1976 in the Federal Republic of Germany and Belgium are guided by the equality of the rights and duties of marriage partners and are designed to stabilize the relationships between the members of the family group on both the psychological and the economic level.

There is a growing awareness of the fact that social security legislation, enacted during a period when considerably fewer married women were working than at present, is no longer adequate in certain respects to meet the present situation. Such legislation has lagged behind the evolution of the rights of the family and is still based on the concept of the married woman being dependent on her husband. Consequently the granting of 'derived rights' to women, and the concept of the head of the family, seem in need of revising. Furthermore, in some Member States there is a call for the granting of personal rights as regards sickness and old-age pension insurance to women who devote themselves to the home and the education of their children.

174. The problems of immigrant women seem to be receiving more attention from the public authorities in the host countries. Certain measures, stemming from the work of a special committee set up by the Government, have been taken in France. At Community level, a seminar on these problems was organized by COFACE (Committee of Family Organizations in the European Communities), with Commission support, in October 1976 in Luxembourg. It was attended by many immigrant women and *inter alia* it examined the practical difficulties experienced and looked into ways and means of dealing with those difficulties.



## Development of the situation in the member countries<sup>1</sup>

### Belgium

175. Since all family benefits are index-linked, increases were triggered off four times during the year. As regards putting into effect the decision taken in 1974 to link social benefits to the general welfare trend, the Programme Law of 5 January 1976 provided for flat-rate increases to all benefits with the exception of family allowances, the exclusion of which aroused protests from trade unions and family associations.

Following the measures taken in 1975 to better accommodate active occupation with family responsibilities, a Royal Decree of 12 July 1976 included the days of authorized unpaid absence for urgent family reasons in the total number of working days which reckon towards applying social security legislation under collective wage agreements within sectors or within undertakings or under individual agreements; however, these days, which apply to both male and female workers, are restricted to a maximum of 10 a year.

The improvement in the provision of day nurseries continues from year to year. In mid-1976 there were 195 approved day nurseries providing 9 418 places, and 314 'sections pré-gardiennes' (for children aged between 18 months and 3 years) with 6 280 places. A Ministerial Decree of 12 March raised the maximum amount to be taken into account for granting subsidies for the establishment of day nurseries to FB 450 000 per bed, and provided for a system of indexing this amount along with the wage trend and the cost of building materials. A new scale was fixed for the parents' contribution towards the cost of placing children in the day nurseries, whereby contributions varied from FB 22 to FB 280 a day, according to the parents' income.

The home help services for families and for elderly persons received State subsidies in 1975 amounting to almost FB 1 223 million; the number of qualified helpers for families and pensioners was 8 661. In addition, FB 13 500 000 were allocated to 87 approved marriage and family guidance centres, and FB 20 500 000 for courses and conferences on family education.

A law on the respective rights and duties of spouses and on marriage settlements, which has been under discussion for several years, was passed on 14 July 1976. This law embodies the principle of the equality of the spouses, particularly as regards property rights, the choice of the conjugal residence and protection of

<sup>1</sup> See also Chapters VI, VIII and IX of this Report.

the family home. The statutory marriage settlement is based on the separation of the husband's and the wife's personal property and the common ownership of goods acquired during married life; in future, the spouses can modify their marriage settlement in the course of the marriage. It has been further decided that in the 1977 financial year the income of married couples, below FB 350 000 per year, will not be aggregated for income tax purposes and will thus be taxed separately.

### *Denmark*

176. As elsewhere in social policy, the trend of measures to help families is marked by a reassessment of aims defined previously and a reallocation of funds. The law of 25 August 1976 amended legislation on family allowances, which in future will vary according to the parents' income; family allowances, whether normal, augmented or supplementary, are reduced by a sum equal to 6% of the proportion of taxable income which exceeds DKr 110 000 per year; special family allowances, however, remain at their previous level.

The Decree of 26 March 1976 gave statutory force to the principle that child day nurseries are free: the centres are completely free for those children whose parents' annual income is less than DKr 20 000 and partially free for those whose parents' income varies between DKr 20 000 and 60 000. The new law on social assistance extends the obligation on 'communes' to ensure that these centres have the necessary number of places. The development of home help for elderly persons entails increased recruitment of family helpers who have received training recognized by the public authorities.

As a result of the reform of social assistance legislation, a law of 24 March 1976 placed responsibility for dealing with applications for adoption on the new body which constitutes the focal point of social action, the 'social centre', which exists at district or large 'commune' level. In future, appeals against decisions taken by these bodies will be lodged with a special adoption committee and no longer with the Ministry of Justice.

### *Federal Republic of Germany*

177. According to the Finance Law of 18 December 1975, family allowances will, as from 1 July 1976, no longer be paid in respect of young persons over 18 who receive vocational training if they are in receipt of a gross income of at least DM 750 per month from that training; the payments made under many training contracts have been increased gradually to such an extent that those receiving

training are able to cater for themselves and consequently are no longer dependent on their parents. However the 18 August 1976 law provides for continuation of family allowance in respect of young persons aged between 18 and 23 who are unable to find employment, do not receive unemployment benefit, and are not undergoing training.

Side by side with the liberalization of the penal provisions concerning the interruption of pregnancy, introduced in June 1976, benefits and social assistance for women and families were supplemented and extended. The Ministry for Youth, Family Affairs and Health encouraged a pilot scheme, of a scientific nature, designed to promote the development of qualified advisory services on family planning, sexual problems and problems linked with pregnancy. In this connection 53 services receive State aid. In particular, the scheme helps to develop methods of disseminating information, particularly to less-favoured groups and provides information on quantitative and qualitative staff requirements. Appropriations amounting to DM 6.2 million are available in 1976 for this advisory work and for information in the form of brochures, films, television spots, etc. In addition, a committee of experts has been set up in the Ministry to study the effects of the new law and the medical and psychological consequences of the interruption of pregnancy, and to propose additional measures where appropriate.

After several years of preparatory work and debate, a law was adopted reforming matrimonial and family law (published 15 June 1976). It will enter into force on 1 July 1977, with the exception of the provisions concerning choice of name, which will apply immediately; these allow the marriage partners to choose either the husband's name, or the wife's name, or both names. The law guarantees equality of marriage partners as regards the responsibilities and duties connected with the family and the decisions to be taken. It institutes a new divorce procedure, based on the notion of breakdown of the marriage, which is presumed to have occurred if the marriage partners have been living apart for a year by mutual consent and three years in other cases. It provides that, in the event of divorce, the rights acquired by the spouses in the course of the marriage as regards old-age or invalidity pension should be divided equally. In some quarters this measure is considered to represent the first step towards granting autonomous social security rights to women.

A law of 29 July 1976 simplifies the maintenance scheme and provides that the maintenance granted to minors whose parents are divorced or separated shall be brought into line with economic trends by a Federal Government regulation. Finally, it should be noted that two laws have been passed relating to adoption, which are based on the prime consideration of the child's well-being and will shorten the adoption procedure and improve the mediation system.

## France

178. The Government announcement of a 'general family support policy' was reflected in some specific measures in 1976. While recognizing the importance of these measures, many voices were raised both in Parliament and in the trade union and family organizations demanding an overall programme. The measures, consolidated in the law of 9 July 1976, are as follows:

- the granting of 8 weeks leave on the same conditions as maternity leave to working women adopting a child;
- the creation of a 'single parent allowance' to widowed, divorced, abandoned or unmarried persons who are alone responsible for one or several children and do not have a 'minimum family income', the amount of which is laid down in regulation and varies according to the numbers of dependent children. The allowance, calculated to provide this minimum income, is paid for one year. This period may be extended until the youngest child has reached the age of 3;
- the granting to female civil servants, local authority employees and employees in public hospitals of the option of taking unpaid post-natal leave for a maximum period of two years while maintaining half of their rights to increment.

In addition, a draft law has been submitted which is intended to improve the professional status of child-minders and wet nurses, granting them the status of wage earners with all the associated rights and instituting a basic training for them. These measures were provided for in the priority action programme devoted to family policy in the Seventh Plan for economic and social development (1976-80). This programme, for which FF 1 005 million will be earmarked in the budget, provides among other things for a State contribution to the establishment, during that period, of 25 000 day-nursery places and 25 000 places in 'crèches in private homes' (in order to reach the figure of 100 000 nursery places in 1980) and the recruitment of 6 000 home helps (qualified), bringing their number to 12 000. Budget appropriations will also be allocated for the development of social centres and family holiday homes.

The proposals submitted to the Government in May 1976 by the Secretary of State for Women's Affairs, have been published under the title 'A hundred measures on behalf of women'. They were drawn up after two years of work and discussions and cover the active occupation of women, family law, child-minding and also those gaps in the social security system which still need to be filled. The Government approved most of the measures proposed and entrusted their progressive implementation to the Ministries concerned.

A new set of rules on immigration of dependents was drawn up in 1976. These rules recognize the absolute right of immigration of the spouse and children under age of a foreign worker from outside the Community, provided the worker has been residing in France for at least a year and has adequate funds and accommodation to receive his family. The scheme simplifies the procedure for reuniting dependents for migrant workers as a whole—a procedure which should not entail more than 2 months. Finally under the new scheme social measures follow the legal immigration of dependants: payment of settling-in allowance; establishment of systematic contact with families on arrival by the social services; the opportunity for the mother, if she so wishes, to have a free homehelp for an average period of 60 hours, who would help her with the formalities and everyday tasks connected with setting-up house.

### *Ireland*

179. Supplements for dependent children under the various social welfare schemes were increased but there were no increases in payments under the general family allowances schemes.

The Family Law (Maintenance of Spouses and Children)<sup>1</sup> came into operation in May 1976. Some of the provisions of the Act are based on recommendations made by the Commission on the Status of Women in its report published in December 1972. The Family Home Protection Act became law in July 1976. Its primary purpose is to protect the members of the family against the decision of one of the spouses to sell the family home or otherwise dispose of it over their heads; furthermore the Act, by abolishing stamp duty and fees on the transfer of the home from one spouse to both spouses jointly, encourages spouses to place the family home in joint ownership. In August 1976, the Government published a working document concerning a reform of the law on annulment of marriage. The proposals would give much greater discretion to the courts to grant decrees of nullity on such grounds as mental disorder, duress, or lack of true consent. A law on adoption adopted in 1976 amends and extends previous laws in this field.

### *Italy*

180. There is no doubt that the most obvious trend in family policy is the gradual implementation, in legislation, and the acceptance in attitudes, of the principle of equality between men and women. The far-reaching reform of family law which took place in 1975, and was based on equality of rights and duties of the

<sup>1</sup> Social Report 1975, point 192.

spouses, has played an important role in this development and its effects are still being felt in various spheres. Thus, with the ultimate goal of granting married women autonomous social security rights, a plan for the reform of legislation on family allowances is being prepared by the Ministry of Labour and the INPS (National Institute for Social Security). Furthermore, the revision of certain existing rules based on the principle of a single head of family has been submitted to the Constitutional Court for examination.

Also characteristic of this trend is the new legislation on the legal status of the family agricultural holding under which the traditional patriarchal situation has given way to the recognition of the role of all active members of the family as joint operators with the rights arising therefrom as regards the management of the undertaking. The national law abolishing aggregation of the incomes of a married couple for taxation purposes can be regarded as part of the same trend.

Following on from the outline law of 1975 instituting family guidance services the regions, which are competent in this matter, have undertaken to enact the appropriate legislation. These services have been given a wide field of activity since their aim, as set out in the outline law, is to guarantee 'psychological and social assistance to prepare for responsible parenthood, and for solving the problems encountered by married couples, families and minors'.

In accordance with the general trend since regionalization, it is to be expected that users will be involved in the management of these services, as is already the case with other services (nurseries, day centres, etc.), which are managed by committees made up of social workers together with representatives of those using the services and the political and social bodies in the area concerned. One field where parents' associations are particularly active is that of schools, where the elected representatives of the associations have seats in the controlling body of the school establishments.

Finally, mention should be made of the activities of the handicapped persons families' associations, who are endeavouring to make political circles and public opinion aware of their problems.

## *Luxembourg*

181. The purchasing power of family allowances is maintained as a result of their adaptation to the cost of living index and of the increase in the basic allowance, which has been effected by the Government on several occasions during the last few years. In order to prevent the gap between the standard of living of families with children and that of households without children from widening the Government considers it necessary at the present time to examine the prospects for linking these allowances to the wage level, as is already the case for pensions.

The law of 23 December 1976 introduced a new scale for increasing allowances according to the age of the child; this increase is granted from the age of 6, and the second increase, approved in 1975, at the age of 12. The 1977 draft budget provides for FLux 125 million to finance the new measure.

The Ministry for Family Affairs and the Ministry of Education have taken steps to train teachers in order to provide sex education in schools; it is intended that this instruction will be given in close cooperation with parents. As regards family law, a draft law introduces a new ground for divorce: the irreparable breakdown of the marriage, as shown by a *de facto* separation of at least three years.

### Netherlands

182. The reform of the family allowance system and the tax relief system for dependent children, has been embodied in a draft law.

The Commission on 'Emancipation' set up in December 1974 to advise the Government on the introduction of a coordinated policy for advancing women's interests published an opinion setting out the aims to be pursued and making practical recommendations for the 1977 budget, and a report on the place of women in the labour market. In addition, the Government asked for the opinion of this Commission and of the Economic and Social Committee on the situation of women at work, referring among others to the aim of seeking the best way of achieving a balance between work and family responsibilities.

A set of rules concerning the financing of day nurseries and child-minding centres entered into force on 1 January 1977, replacing the temporary provisions enacted in 1975. The parents' contribution varies according to their income. There are 152 day nurseries which are open the whole day. An institution which is peculiar to the Netherlands and which has expanded considerably in recent years is that of the 'peuterspeelzalen', playgroups which cater for children aged from 2 to 3 years on an occasional basis for several hours at a time. There are about 2 800 of these, and it is estimated that more than 150 000 children attend them. Almost half of these child-minding centres receive a flat-rate grant of Fl 2 500 per establishment. In 1976 appropriations amounting to Fl 778 322 000 were earmarked for home help services. These services employ 7 300 family helps (or 1 500 more than in 1975), 8 600 household helps for families and 66 800 part-time household helps for elderly people.

### United Kingdom

183. As provided for in the Child Benefit Act passed in 1975 to replace family allowances, one-parent families have been receiving a benefit for their first child

since April 1976 amounting to £1.50 a week (in respect of 250 000 children). From April 1977, child benefit will be payable for all first children at £1 per week and £1.50 for each other child. One-parent families will continue to receive £1.50 for their first child. Between 1977 and 1979 tax relief for dependent children will be phased out and the money transferred to tax-free child benefit.

In England and Wales the special programme to extend the provision of nursery education which began in 1974 continued, although the resources available for it were reduced (£8 million for 1976/77 as against £17.2 million for 1975/76). Nonetheless, a considerable amount of building has taken place, so that nursery education is becoming available for an increasing proportion of 3 and 4 year-old children. In January 1975 (the latest date for which figures are available) the number of children under 5 attending nursery schools and nursery classes in maintained primary schools was 138 828. In Scotland the development of nursery education was inhibited by the decision of some education authorities to give priority to the needs of the compulsory education sector. The number of places available rose to some 20 000 in September 1976.

Fifty new refuges making 100 altogether for women, and their children, who have left home because of violence encountered there, have been set up by voluntary bodies. In addition to financial assistance from voluntary and public services, over £430 000 was made available for refuges in the years 1976/77 under the Urban Programme. A number of recommendations made by a select committee of the House of Commons on Violence in Marriage have been implemented. Further guidance on dealing with cases of ill-treatment of children has been issued by the Government to the local and health authorities, based on the first year's experience of the multi-disciplinary Area Review Committee set up to formulate and coordinate local policy in this field.

Some sections of the Children Act 1975 on adoption were implemented, in particular the provisions giving local authorities more powers to plan more effectively for children who are in their care for longer than 6 months. In Scotland, the Divorce (Scotland) Act was passed in 1976, setting up a similar system to that applying in England since 1969. Irretrievable breakdown of the marriage is the sole ground on which the divorce may be granted, the Act laying down the following causes for establishing breakdown: adultery, unreasonable behaviour, desertion and separation (two years in-consenting cases and five years otherwise); the Act includes provisions to facilitate reconciliation; provisions relating to financial arrangements, and abolishes the right of the husband to claim damages in a divorce action based on adultery.



## Chapter VIII

# Social welfare services

## Trends within the Community

184. The social welfare services—being in direct contact with social reality—inspire initiatives, widen their own field of activities and constantly adapt their methods; but in most Member States their activities are curbed by their lack of means. Their financing—already too often a precarious matter in periods of economic expansion—is now particularly delicate. Notwithstanding the yawning gap between resources devoted to it and the demands made upon it, the welfare side of social policy still seems to be regarded as a ‘poor relation’. Individuals and groups engaged in social work lament the fact that an awareness of the importance of the preventive measures which the social services can provide has come so late and has been followed up so ineffectively; as such measures can avoid hospitalization or maintenance costs which place a much greater burden on society as whole.

In certain Member States the need to make better use of available resources has brought about a re-examination of social services programmes to ensure that they correspond to the most urgent needs. The approach adopted in the United Kingdom has led to intensified consultation and participation, and the Government has published a document setting out priorities for the social and health services for the period up to 1979/80; this will serve as a basis for wide-ranging consultations, and the public has been asked for its opinion. The method used in Denmark is somewhat different, since the trade unions have demanded that discussions of budget economies should not be restricted to politicians when they directly concern living conditions (housing aid, facilities and services for children, etc.).

185. There is a striking similarity in the moves towards decentralization of social welfare policy at present taking place in several Member States; in Belgium and Italy, it has taken the form of progressive regional decentralization; in Denmark, the important reform of social assistance, coming into force in 1976, which transfers powers and funds to the districts and the communes; in the Netherlands, the testing out of decentralization systems with a view to preparing a framework

law on the matter. Among the aims of these reforms is that of stimulating participation by users in the planning and administration of the services; in Italy, all the regional laws provide for such participation structures, which have already been set up in some communes.

*186.* Policies on behalf of the most needy population groups differ significantly from one country to another; whereas in the Netherlands the social assistance allowance is equal to the statutory minimum net wage (and is adjusted in line with the latter), in other countries this benefit is less than half the latter. With a view to reducing discrepancies, the Commission has drawn up a draft recommendation to the Member States (at present before the European Parliament and the Economic and Social Committee for their opinion) concerning the progressive extension of social protection to categories of persons not covered or inadequately provided for under existing schemes. It is in fact apparent in most Member States that since social security systems are based on productive activity, those persons who cannot, or can no longer, exercise such activity (handicapped persons, persons devoting themselves to household tasks, young people who have not yet worked, etc.) are inadequately protected. The Commission has pinpointed certain gaps in the existing systems and proposes that they should be bridged, progressively, by 1980.

*187.* In 1976 the Commission convened the 'Liaison Committee for Social Workers in the European Community' set up the previous year. At the meeting the present situation of social work was examined and certain problems of common interest identified. Elsewhere in this chapter the present number of social workers is indicated for most countries; the figures refer to those who have received specialized training (varying in duration according to country from 2 to 4 years) and obtained a diploma. It is obvious that if the expression 'social worker' were to be taken in its wider sense, it would be necessary to include other categories of professional workers in this field, such as teachers of mal-adjusted children, socio-cultural organizers, family home helps, family guidance counsellors, etc.

Some unemployment was felt among qualified social workers in Denmark and the Netherlands, where 350 and 1 235 such workers respectively were seeking jobs in mid 1976; in France and the United Kingdom, on the other hand, there is a shortage of qualified workers which the Government plans to rectify by providing suitable courses. In the other Member States supply and demand are practically in balance. There can be no doubt that social needs in all Member States will call for a considerable increase in the number of social workers; given the present economic situation, however, job openings are limited.

## Development of the situation in the member countries

### *Belgium*

188. Under the law of 8 July 1976, the former public assistance committees were transformed into public social welfare centres, marking a final break with the concept of poor relief and establishing a universal right to social assistance, going beyond financial aid to include socio-medical and psychological aid, both curative and preventive. Each centre will employ at least one social worker. Independently of social assistance, a law adopted in 1974<sup>1</sup> introduced the 'right to minimum means of subsistence'; the allowances granted under this heading were increased substantially in 1976, whilst the Royal Decree of 8 January extended the application of the law to new categories of beneficiaries—in particular, nationals of other Community countries.

In the two years following the adoption of the rules governing the approval and financial support of private social welfare centres, 97 such centres were approved; they received more than FB 130 million in grants in 1975.

### *Denmark*

189. The law on social assistance,<sup>2</sup> which covers a very wide field, entered into force on 1 April 1976. The law involves the delegation of responsibilities and tasks to the municipalities and districts and simplifies the financing rules; henceforth, as a general rule, the State reimburses 50% of the municipalities' expenditure. Following the wide publicity given to this measure, the number of persons asserting their rights increased greatly.

The Decree of 12 April 1976 by the Ministry of Social Affairs standardized the training given to socio-pedagogic workers for childrens' centres and institutions for the elderly; in future, there will be a single three-year training course, of adequate scope, to prepare trainees for work in day nurseries, children's and young people's homes, welfare institutions, etc. Since forecasts show a trend towards a surplus of socio-pedagogic personnel, plans are being made to limit access to these courses. There are about 3 000 (qualified) social workers (including 1 800 in the public sector); at the present time about 350 are unemployed.

<sup>1</sup> Social Report 1974, point 261.

<sup>2</sup> Social Report 1974, point 262.

## *Federal Republic of Germany*

190. The rates of the subsistence allowances paid under the Federal Law on social assistance were increased in all the Länder, by virtue of the latter's powers in the matter. For a single person, the average allowance is DM 271 per month. Beneficiaries also receive aid for housing and lump sum benefits for major household purchases. The allowance granted to the more severely handicapped (including children) for assistance of a third person was increased to DM 599 per month. The Regulation of 9 June 1976 laid down detailed rules governing 'aid to overcome particular social difficulties'. This measure is specially aimed at marginal social groups: the homeless, vagrants, former convicts, etc., and consists of providing information, personal guidance, help in obtaining and maintaining a home and in obtaining and keeping a job, in addition to guidance as regards training and the organization of leisure time. To determine the causes of the social isolation of these groups and their opportunities for integration, studies have been made, a pilot scheme set up and a report prepared by the Ministry for Youth, Family Affairs and Health.

The general section of the Social Code, which came into effect in January 1976, introduces basic measures concerning the social services. It lays down an obligation to establish the services and institutions needed by the population and to provide them with information and advice on their social rights. These provisions have already had certain effects, in particular a considerable growth in home help services and social centres ('Sozialstationen').

A Regulation in application of the 1974 law on old people's homes and adult hostels<sup>1</sup> has been introduced, according to which compulsory consultative committees are set up by the residents to ensure their participation in the running of these establishments in a greater measure than in the past. Homes providing transient and temporary accommodation for elderly persons are being expanded, on the basis of experience obtained from Government-backed pilot projects in this field.

Under the recent agreement concluded with the Polish Government, 120 000 persons of German origin from that country are expected to enter the Federal Republic of Germany between 1976 and 1979, they will include a large proportion of young people. In addition to individual aid from the 'guarantee fund', a supplementary aid programme has been established to facilitate their integration and provide them with training. In addition, social action for migrant workers and their families has been stepped up (DM 16 million was granted for this purpose to welfare organizations) and a big drive has been undertaken to integrate young aliens professionally and to intensify language teaching.

<sup>1</sup> Social Report 1974, point 263.

There are about 25 000 (qualified) social workers, to which should be added 5 000 'socio-pedagogic workers'; of these latter, about 400 are at present unemployed.

## France

191. Several decrees were introduced in application of the two outline laws approved in 1975, one concerning handicapped persons and the other welfare and socio-medical institutions. A great deal of careful study and programming has gone into the preparation of the Seventh Economic and Social Development Plan (1976-80), approved by Parliament in July 1976. Several of the 25 'priority action programmes' which the Government has undertaken to implement concern social welfare. These include, first of all, a programme devoted to the elderly, which is orientated towards keeping them at home and involving them as far as possible in the planning and organization of the services to be set up; budget appropriations of FF 480 million will be set aside for this purpose. Another programme is aimed at developing preventive measures (both medical and social) and voluntary social action. Substantial efforts will be devoted to health education, both in schools and by modern mass-media publicity (the appropriations under this heading in the 1977 budget amount to FF 7.1 million, against FF 3.1 million in 1976) and to avoiding non-adaptation in society, particularly among young people. Voluntary social work is regarded as an innovative and enriching factor in social life, and a supplementary aid in enabling social needs to be met; the Government will increase its financial aid to voluntary organizations and help to train their workers. Finally, a programme on the organization of urban life is concerned with restoring the quality of social life in town centres and suburbs, mainly through improvements to old housing and the development of local public services; State-aided operations are planned in 50 urban areas showing signs of deterioration and social and cultural poverty.

The circular of 23 August 1976 defined the role of specialized social services for migrant workers, in particular the principal one, the 'Social Welfare Service for Emigrants', which received a subsidy of FF 16 million in 1976. The Immigration Study and Documentation Centre, established in 1975, also trains social workers concerned with migrants; in this connection it provided training courses for 200 officials of the reception and guidance offices for foreign workers and their families, whose work complements that performed by the social services.

An important change was introduced in January 1976 in the rules governing the award of the State diploma for social workers; in future holders of foreign social service qualifications recognized by the Ministry of Health as being equivalent to the French diploma will be able to obtain the French State diploma

after a one-year adaptation course provided they pass the tests at the end of this course. In 1976 there were 22 000 social workers (State-qualified) and the Seventh Plan provides for greater effort in training so that the number of annual graduates be increased from the present 2 000 to over 3 000.

### *Ireland*

192. All social assistance payments were increased by 10% from April. Special residence conditions applying to non-nationals claiming non-contributory old age and blind pensions were amended so that all applicants are now subject to the same conditions.

The work of Social Services Councils, of which there are about 100, is being reviewed as well as the policy of statutory and voluntary cooperation in the provision of community services. A policy document is being prepared by the Department of Health on the scope and structure of personal and community welfare services under the Regional Health Boards and the roles and relationships of the statutory agencies and voluntary organizations in the planning and provision of these services. Work continues on setting up the network of Community Information Centres. The number of these Centres, approved by the National Social Services Council, increased from 25 in 1975 to 45 in mid-1976.

### *Italy*

193. The law of 8 April 1976 on the 'Rules concerning decentralization and citizens' participation in the administration of communes' illustrates the ideas underlying the regional decentralization at present in progress. This approach has already been put into practice in many communes, which have divided their territory into wards and districts to encourage democratic participation.

Whilst jurisdiction over the social services has been delegated to the Regions, the law on the reform of social assistance has not yet been approved, since Parliamentary proceedings were delayed this year by the early elections. This law should deepen and clarify the non-technocratic concept of the 'local unity of integrated social and health services' which is at the root of the reform. However, there has been intense regional legislative activity in this field and the process of establishing local units has begun.<sup>1</sup> All the legislation gives emphasis to the need for social information services.

<sup>1</sup> It should be noted that in connection with the Council Decision of 22 July 1975 on a programme of pilot schemes to combat poverty, the Community is supporting a project at Padua aimed at conducting research into the most suitable methods of setting up and operating these local units.

A number of regional laws introduced aim at keeping elderly and handicapped persons in their accustomed surroundings by means of home help services, social centres and 'family homes'. A striking number of spontaneous local initiatives concerning social services has been noted; district committees have sprung up with the aim of persuading the local authorities to create new services or improve existing ones.

Almost all the regions have adopted laws relating to aid measures for migrant workers returning home, whilst the southern regions have set up 'Emigration Councils' on which public bodies, workers' associations and migrants' families are represented.

Finally, attention should be drawn to the new national law on drug addiction, which covers prevention, care and rehabilitation; apart from a wide-ranging information campaign, the law provides for the establishment in each region of medical and social assistance centres for drug addicts, with the task of reintegrating them into society.

### *Luxembourg*

194. The Immigration Service, which is the body responsible for promoting social welfare on behalf of migrant workers and their families, and gives assistance with housing problems, has seen an increase in the demand for its services (administrative action, material, psychological and social aid, etc.).

The National Conference on Immigration, set up last year, held a second meeting in the course of which the immigrants' delegations submitted a joint resolution proposing short- and medium-term measures. As a first step, the State Secretary for Immigration accepted four of these proposals, which concerned job security, housing, the development of reception services and the institutionalization of the dialogue initiated by the Conference. A study, carried out at the request of the Government by a French University, on the economic, historical and sociological aspects of immigration in the Grand Duchy was presented at this conference.

### *Netherlands*

195. A framework law is at present being prepared which heralds the delegation of social welfare policy to the Communes, with the aim of encouraging participation by the population in the definition and implementation of this policy. As an experiment, an agreement was concluded between the Ministry of Cultural Affairs, Recreation and Social Welfare and the municipality of Rotterdam; the

municipality receives Government grants and decides, together with neighbourhood representatives, on action to be taken particularly as regards investment in social facilities. The municipal authorities are at present working to set up a system of neighbourhood representation independent of the political parties.

Social aid legislation plays an important role in the Government's efforts to redistribute income more equitably; considerable sums are in fact being transferred to the less-favoured population groups since the social assistance allowance is equal to the minimum net wage. Appropriations under this heading in the 1976 budget amounted to Fl 3 960 million. A scheme is being prepared to supplement the incomes of elderly self-employed workers, bringing them up to social assistance level.

The second report by the Social and Cultural Planning Office was published; among other things, social welfare indicators, both quantitative and qualitative, were introduced to facilitate the identification of the less-favoured population groups.

One major objective of the 'senior citizen' policy is to reduce the proportion of elderly persons living in old people's homes to 7% of the total number against 9.5% at present by developing home help in wards and villages. A 'Passport 65' has just been introduced; this card, issued to those aged over sixty-five, entitles the holder to reduced fares, special rates for cultural and leisure activities, etc.

A report on housing for handicapped persons was published in 1976 by the inter-ministerial group responsible for rehabilitation policy. In addition, five pilot projects are in progress, aimed at determining the most effective means of cooperation between the medical and social services for the rehabilitation of handicapped persons.

From the beginning of 1975 to mid-1976, problems arose in connection with the arrival of some 7 500 people from Surinam and the Netherlands Antilles (there are at present 150 000 of them in the Netherlands); after a short stay in a reception centre, they took up residence permanently in the country with the help of the central office responsible for aiding their resettlement in every way possible.

There are about 25 000 qualified social workers in the Netherlands, of whom 10 000 are trained to the highest level (at least four years' study). In May 1976 there were 1 235 unemployed social workers (with higher and middle training).

### *United Kingdom*

196. The Government published a document entitled 'Priorities for Health and Personal Social Services in England' which provided a basis for consultation



within local authorities, organizations and the population itself with the aim of establishing clear priorities for these services in a period of tightly constrained expenditure. The document emphasizes the need to make the most effective use of resources and enlist the widest range of Community support. A similar document was published for Wales.

Services used mainly by old people continued to be the subject of critical examination throughout Britain. Three new, non-contributory benefits for invalids were introduced,<sup>1</sup> and the Government set up a Committee of Enquiry into the nursing and care of the mentally handicapped; the Department of Health and Social Services of Northern Ireland is reassessing policy on services for the mentally handicapped. The Government slogan 'People before buildings' indicates a growing emphasis on non-institutional care for old people, physically and mentally handicapped persons and the mentally ill. Typical of this trend is the campaign organized by the National Association for Mental Health, and supported by the Government, which aims to give increased support to the patients discharged from mental hospitals.

A difficulty which has affected many of the 'needy' is the increasing cost of home heating; fuel debts have caused a considerable amount of suffering, particularly among the elderly. The Government and voluntary agencies have sought solutions and a code of practice has been introduced by the fuel authorities which, among other things, will protect genuine hardship cases from disconnection of gas or electricity. Moreover a sum of £25 million has been allocated to give those receiving supplementary benefit or family income supplement a reduction of 25% in their electricity bills for one quarter's consumption in the winter of 1976/77.

The plight of homeless young people is causing increasing concern, particularly in view of the growing number leaving home and going to live in London; the Government examined this situation and published a report in 1976, but ways of implementing the proposals it contains remain to be found. The special programmes launched in 1968 and 1969 to combat poverty in urban areas (the 'Urban Aid Programme', which has received and distributed between £60 and £65 million and the 'Community Development Projects' are coming to an end; the Government, which is concerned about inner city decay, is studying the possibility of setting up a new programme.

There are about 24 000 social workers in the United Kingdom, about 40% of them professionally qualified. In view of the substantial requirements for qualified staff, an official working party report published in 1976 recommended that a substantial and continuing development in training for this area should be a major national priority.

<sup>1</sup> Chapter IX, point 210 of this Report.

## Chapter IX

# Social security

### Trends within the Community

197. Throughout the diversity of national measures, some of which are innovations,<sup>1</sup> some common trends emerge out of legislation passed in 1976; such legislation in fact stresses certain *major problems*, with which social security has to contend. The solutions applied or proposed often appear fragmentary when considered by themselves; but when comparing them with one another it is possible to see how these problems present themselves today and to measure their new dimensions better. It is from this point of view that the Commission submits the following observations.

198. One of these problems is rising *unemployment* (and unemployment benefits). Unemployment is now affecting social groups which hitherto did not appear to require cover against what was regarded as applying only to wage and salary earners. The question arises as to whether it will be necessary henceforth to extend general protection to the whole working population. This is precisely what two countries (Denmark and Luxembourg) have just done by legislation which extends or introduces insurance to cover the self-employed. Going beyond the working population, several laws already in existence, or introduced this year, contain measures on behalf of young people looking for employment after finishing school or vocational training; under these measures they are entitled not only to benefits but also to associated rights (*health care, family allowances, etc.*). The need to find jobs for them has influenced action taken on behalf of older workers. Some experiments in *early retirement* are no doubt based on social considerations (the need to render an excessively rigid retirement system more flexible) but in some cases also on economic considerations (the need to create jobs). In addition, it is apparent that unemployment affects elderly workers more directly; for those who are barred by their age from any chance of further employment, early retirement can represent an alternative to drawing unemployment benefits until they reach pensionable age.

<sup>1</sup> One example: the extension to the whole population of the Netherlands in the case of incapacity for work, whatever its origin.

Furthermore, even for those groups traditionally covered, the increasing duration of unemployment is posing new problems for social security. In some countries legislation has had to be revised in order to extend the period of benefit. The question has arisen as to whether, in the case of long-term unemployed persons, a 'vacation' period might not be envisaged. On the other hand, widespread long-term unemployment increasingly reveals certain deficiencies in a system which tolerates discrimination (in particular against women) and permits abuses by putting compensation for unemployment before the promotion of employment, thus contributing to the perpetuation of certain illusions among some members of the population or encouraging long-term social exclusion, especially among young people who are entering adult life. Finally, the present situation constitutes a problem in so far as the unemployment protection schemes were planned with a view to providing temporary aid in the form of short-term economic trends and not to deal with long-term structural unemployment.

199. The *cost of health care* is a financial burden in most countries which is still too heavy to balance. Admittedly, we can continue to increase receipts by raising contributions or reducing expenditure by transferring part of the cost to the insured. But these solutions, which are dictated by budgetary or accounting considerations, are only relatively effective and in any case temporary. Furthermore, the national authorities are showing increasing interest in an in-depth approach—for example, directed towards cutting back consumption. However, there are various reasons for supposing that such an action would not produce any spectacular results because the increase in expenditure arises in part from unavoidable factors such as improved medical treatment and also increased use of facilities as a result of the ageing of the population. In any case, the 'consumer' of health care, the sick person, generally does not decide on his own account to follow a particular advanced treatment or to purchase a particular expensive medicine. Finally, the individual has an inalienable right to health which advanced societies endeavour to guarantee. Consequently, action is primarily planned in the area of the care provided and might take various forms: controlling the increasing numbers and the remuneration of those providing care, supervision of prescriptions, a more rigorous scrutiny of the products and prices of the pharmaceutical industry, programming and rationalizing hospital building, etc. Several Community countries are already active in this field and others appear to have decided to follow their example, even if the effects of this policy will only be apparent in the long term.

200. The *variation in growth between social benefits and national income* is another subject of concern. Social security benefits cannot but increase considerably for the reasons already stated and because of the increasing number of persons receiving pensions. The recession, on the other hand, by reducing the

growth in national incomes, increases the proportion of this national income accounted for by social expenditure as a whole (up to 30% or more in certain countries).<sup>1</sup> Since, however, these benefits are primarily financed by a working population whose numbers have been reduced by unemployment, the result is that the social charges increase accordingly, and this, beyond a certain level, brings with it a series of economic consequences (for prices, wages and salaries, exports and even for employment).

Thus, solutions are being sought in two directions. On the one hand, there is a desire to control the increase in social expenditure by keeping its overall volume within fixed limits. This means that a general social security policy must be established, and agreement reached on priorities and the programming of planned reforms. But it also very probably means restrictive measures in certain areas in order to direct maximum resources to those sectors regarded as priority. On the other hand, the deterioration in the ratio of contributors to recipients means that consideration must be given to redistributing the financial burdens. This question is all the more important since demographic trends indicate a long-term tendency towards ageing in certain European populations.

201. The Commission has always proposed that common problems should be dealt with at Community level. The first step was taken in this direction when expert groups composed of senior officials and social security specialists were set up with a view to the harmonization of social protection policies. Certain aspects of the problems dealt with here are at present being examined in depth by this group. The Commission is convinced that this exchange of experience and joint reflection will not only give a European dimension to the search for solutions but also make a fundamental contribution to the establishment of a Community social protection policy.

## Development of the situation in the member countries<sup>2</sup>

### *Belgium*

202. The suppression of the wages and salaries ceiling for the calculation of contributions for family allowances was decided on last year.<sup>3</sup> The measure was implemented by the law of 5 January 1976 and enabled the rate of contributions to be reduced from 10.25% to 7.75%. This law, known as the Programme Law,

<sup>1</sup> Section 'D' Statistical Survey—Table X 'European Social Budget'.

<sup>2</sup> Excluding the measures to update social security benefits and contributions concerning various persons including those in the ECSC industries.

<sup>3</sup> Social Report 1975, point 213.

also regulates other aspects of social legislation. In future no social security benefits will be free from tax, with the exception of family allowances, the guaranteed minimum income, and handicapped persons' allowances. On the other hand, social security benefits are linked to the level of prosperity by means of a flat-rate grant. In addition the law introduces the principle of what is called a 'socio-pedagogic' benefit for low-income families and intended for the education of very young children.

Another important law was that of 30 March on economic recovery measures which, in addition to imposing a partial freeze on the indexing of fees, salaries and wages, etc., provided, for a limited period, the opportunity of obtaining 'anticipated pensions' for elderly workers replaced within firms by young persons under thirty. The age for obtaining this pension, which was originally fixed at 62 (58 for women), has since been lowered to 60 (55 for women). The amount of this anticipated pension corresponds to the unemployment benefit plus half the difference between it and the net wage subject to a ceiling. The same law, which reduces slightly the joint contribution to the occupational diseases fund and removes the ceiling, paves the way for a redistribution of social charges in favour of small- and medium-sized families (an annual remission of 5% up to a maximum of FB 36 000 of contributions compensated for by a contribution from other undertakings).

As regards pensions, the law of 27 February should be mentioned, which allows a worker to obtain the full pension from the age of 64 years provided he can prove that he has spent 45 years in paid employment. The law which comes into force on 1 January 1977 also includes measures to make the system of proving one's employment record more flexible. A further law of 2 July gives civilian war invalids the opportunity of obtaining the pension at 64 years of age (59 for women) without any reduction.

Measures have been introduced concerning unemployment among young graduates and qualified school leavers (aged between 18 and 25 years). Those concerned receive unemployment benefits after 75 working days (3 months) have elapsed provided they register as seeking employment and are candidates for a trainee post in a firm. During this period they continue to receive family allowances.

Other measures concerning sickness insurance include a price freeze on certain pharmaceutical products, increase in the supplement added to car insurance premiums, intensification of medical supervision, possibility of obtaining loans to compensate for inadequate resources. However, these measures are not sufficient to guarantee the scheme's financial equilibrium. The authorities have received several reports containing many suggestions in this connection, namely that from the Royal Commissioner on the reform of sickness insurance which recommends

a reorganization of health policy under a single Minister, the establishment of an annual overall budget, which would specify priorities, a different organization of health care stressing the role of the family doctor, strict planning of the medical infrastructure, improved collaboration between the sectors concerned, a new system of administration of the insurance system and the financial participation of each person according to his income. Decisions should be taken in the near future.

### *Denmark*

203. The law of 30 May 1975 came into force on 1 April: in future, everybody may choose between a free health care system (conditional upon choosing a doctor for a specified period) and a system of partial reimbursement for medical expenses (in this case with complete freedom of choice of the doctor).<sup>1</sup> Under the second system only the net charge would be paid by the patient.

A further innovation: the introduction from 1 July of the mixed system advocated by the Commission Recommendation of 20 July 1966 as regards occupational diseases. Under the new arrangement, proof of the occupational origin of a disease may be given if the disease is not included on the list of recognized diseases.

However, the most important reform concerns unemployment insurance. On 4 June 1976 Parliament adopted a draft law which entered into force on 1 July and includes the following provisions:

- the insurance scheme is extended to cover the self-employed on the same conditions applying to wage and salary earners, except that they do not have a right to benefit until they have been members for 1 year (instead of 6 months);
- the duration of benefit is temporarily extended to 3 1/2 years (instead of 2 1/2 years);
- the restrictions as regards duration of unemployment benefit for young persons seeking their first employment are abolished;
- unemployed persons are given the right to take holidays while continuing to receive their daily allowances and without any obligation to remain in contact with the employment services.

Several other measures should be noted as regards pensions. For example, the pension for a couple was increased to one and a half times the pension for a single person, with effect from 1 January 1977. On the other hand, the date for

<sup>1</sup> Social Report 1975, point 214.

first receiving a pension is now the first day of the month following the month in which the person concerned reaches pensionable age. Moreover, it has been decided that pensioners who are on waiting lists for places in a home will be placed on the same footing as those already in one, i.e., their pension will be considerably reduced (in view of the fact that residence in the homes is free). This decision obviously presupposes very short waiting periods.

Last year the working group on pension reform submitted a report on the possibility of early retirement and a flexible retirement age. Under a general agreement on incomes policy the Government is now studying the suggestions of the working group on one particular point aimed at lowering the age fixed for receiving an early pension from 60 to 55. In addition, this agreement provides that, from 1 April 1977, family allowances will be reduced by an amount equal to 6% of that part of the total taxable income of a family which exceeds DKr 110 000.

### *Federal Republic of Germany*

204. Social security was extended to cover:

- prisoners, who from 1 January 1977, will be compulsorily insured against unemployment if they receive a wage, training aid or compensatory allowances (law of 16 March); they will also be insured against sickness and for pension insurance;
- young people over 18 who will continue to receive health care and family allowances until the age of 23 if they have not completed their studies or if they do not find employment (law of 18 August 1976).

It is also proposed to extend compulsory sickness and pension insurance to self-employed artists and journalists. Half the contribution would be paid by those covered and half by the undertakings using their work in return for remuneration. An 'Artists' social fund' would be responsible for listing those liable for contribution, collecting contributions and allocating them between the insurance bodies.

The social protection of civil servants and judges (Bund and Länder) was standardized and improved by a law of 24 August 1974. Victims of acts of violence and their survivors in future will have the right to compensation in respect of the physical and economic consequences in the same manner as protection for war victims (law of 11 May 1976).

The first part of the Social Code—the general section—came into force on 1 January.<sup>1</sup> It will be followed, on 1 July 1977, by the section concerning com-

<sup>1</sup> Social Report 1975, point 215.

mon rules for social insurance (the fields of personal and territorial application, income taken into consideration for application, the organization of insurance organizations, the provisions relating to the safeguarding and management of their funds).

Four new occupational diseases were recognized (Regulation of 8 December 1976). Elsewhere rights acquired during marriage relating to old age and invalidity, and in particular those relating to the statutory insurance pension will be shared by the spouses in divorce cases after 1 July 1977 as a result of the law of 14 June 1976. This is a major step towards recognizing autonomous social security rights for women.

The published social budget shows a considerable increase in expenditure. Taking into account the true state of the economy, social expenditure reached 32% of the GNP in 1975 as against 28% in 1974. The deficit of the unemployment insurance scheme had to be covered by budgetary subsidies. In this connection, it appears that, besides the equilibrium problems of the pension system, the increase in health expenditure gives rise to particular concern. Here, mention may be made of a law of 24 August which is designed to bring about a reduction in the price levels of pharmaceutical products. In addition, a law of 28 December 1976 is designed to improve the dispensing of medical care by planning for needs.

### *France*

205. Measures were taken to implement a law of 30 December 1975 which allows certain categories of manual workers to retire on full pension as from 60.

These are manual workers who have performed particularly arduous work (assembly line work, furnace work, exposure to bad weather on building sites, etc.) for 5 years during the preceding 15 years of work and who have been insured for 42 years. The measure also relates to mothers who have brought up a family of 3 children, provided they have been engaged in manual labour for 5 years during the preceding 15 years of work and have been insured for 30 years.

Old-age insurance has also been extended to cover mothers with a seriously handicapped child in the home and to convicts doing hard labour.

As regards the social protection of the family, a law of 9 July 1976 should be mentioned which provides for 8 weeks' leave for female paid workers who adopt a child and the introduction of a 'single parent allowance' for single persons who are solely responsible for a child. This allowance gives access to the benefits in kind available under the sickness-maternity scheme.

In the face of the continuing disturbing unemployment situation, new measures were introduced in order to increase public assistance benefits under the employment insurance scheme.



Furthermore, economic circumstances have rendered the problem of the financial balance of social security particularly acute. At the beginning of the year contributions were increased by 1% (of the total wage or salary) for sickness insurance and by 0.5% (of the maximum wage liable for contribution) for old age insurance. Further increases were introduced on 1 October, amounting to an additional 1% on sickness insurance and 0.4% on old-age insurance, both rates applying to the maximum wage for contribution purposes. These new increases form part of the plan to combat inflation, which also includes restrictions on the granting of certain sickness insurance benefits (abolition of reimbursement in respect of certain proprietary medicinal products, increase in the proportion of the cost of paramedical treatment payable by the patient, reduction in the reimbursement of transport costs)—all measures intended to cut down expenditure. The same consideration had already led the government to reduce VAT on pharmaceutical products, involving a reduction of more than 10% on certain proprietary medicines.

Besides these immediate measures to rectify the financial position of the general social security scheme, the Government decided to ask the Minister of Health to introduce procedures which would progressively bring the expenditure on the scheme under control. On this basis, measures of fundamental importance should be decided next year.

### *Ireland*

206. The rates of weekly social security benefits were increased by an average of 10% in April 1976. In addition, following a review later in the year, the rates of long-term benefits were further increased by 5% in October 1976.<sup>1</sup>

The duration of unemployment benefit was extended from 1 April by 78 days to a total of 390 days. Pay-related benefit which is payable as a supplement to flat-rate unemployment, disability, maternity and occupational injury benefits was extended by the same period. In addition, in the case of unemployment benefit measures were taken to ensure that the income of a person receiving unemployment benefit would not exceed 85% of the average weekly earnings after deduction of income tax and employment contributions in the tax year in which the unemployment occurs. In the case of agricultural small-holder recipients of unemployment assistance residing in specified areas whose means are calculated on a notional basis by reference to land valuation, the notional income attributable to each £1 of valuation in the case of those with valuations exceeding £15 was increased.

<sup>1</sup> It should be remembered that the Irish system contains no statutory provision for regular adaptation of benefits.

More generally, a 1976 law strengthens penal sanctions against employers who do not fulfil their obligations as regards contributions and against recipients who are found guilty of abuses in connection with benefits.

The right to partial health cover was extended to persons who are not wage or salary earners and whose annual income is less than £3 000. This ceiling was previously fixed at £1 600.

In this same area of health care, increased costs led the Government to increase contributions from £12 per year to £15.

Furthermore, the Government published a green paper on economic and social developments from 1976 to 1980 which laid down guidelines for the development of social measures within the limits of available resources. In October 1976, the Department of Social Welfare issued a discussion paper on a national income-related pensions scheme.

### *Italy*

207. On 1 January 1976 a series of statutory provisions which had been established previously entered into force.<sup>1</sup> The invalidity old-age pension rose from 74% to 80% of the average reference earnings for 40 years insurance.<sup>2</sup> The new system for adapting pensions was applied for the first time and takes into account not only the increase in the cost of living index but also the minimum contractual wage index in the industrial sector. The *per diem* benefits for tuberculosis were increased by the same proportion as the minimum pensions had been in the previous year. The rule requiring hospital doctors to choose between full-time work in public hospitals and work in private clinics entered into force.

Furthermore, a law of 27 December 1975 modified the rules governing benefit for victims of silicosis and asbestosis. In future, all cases will receive benefit on condition that the diseases are declared to have been incurred in the course of work specified in a list to be revised every two years. Benefit is extended to cover silicosis and asbestosis associated with other diseases of the respiratory system, depending on the evaluation of overall damage. Other arrangements concern pension rights for survivors of workers who have died as a result of silicosis contracted in Belgian mines and an increase in the amount of benefits paid in a capital sum.

Mention should also be made of the extension to 31 December 1977 of the measures providing for the right to early pension of elderly workers who are

<sup>1</sup> Social Report 1975, point 218.

<sup>2</sup> It should be noted that in this country invalidity pensions increased more than old-age pensions in 1976.

dismissed, the improvement of the pension scheme in the public sector and the introduction, also as part of this scheme, of the principle of adapting pensions to the earnings trend. Finally, unemployment insurance and family allowances were extended to cover prisoners.

### *Luxembourg*

208. The law of 30 June 1976 effected a complete reform of the unemployment benefit scheme, which up to then had been an assistance scheme.

To begin with, the new law applies to all wage and salary earners without distinction, including part-time workers. In addition, it applies on the one hand to young people seeking their first job and on the other to self-employed persons who have had to cease activity as a result of economic difficulties and are seeking paid employment.

Eligibility is dependent on certain conditions (26 weeks employment during the 12 months preceding registration as an unemployed person seeking employment), but young people and the self-employed are exempt.

Unemployment benefit is paid for a year during a reference period of 24 months. It is due from the first day of unemployment and amounts to 80% of the previous gross wage (subject to ceiling). For the self-employed, however, it represents 80% of the statutory minimum wage of a skilled worker; for young people, 70% of the statutory wage of an unskilled worker.

Benefit is subject to social security payments and to tax. It is financed from an 'unemployment fund' which is funded by means of a contribution from employers (0.25% of the wage bill), by joint taxes (income tax supplement) and by a charge on 'commune' resources. This fund is also used to finance training courses and other services organized to promote reintegration into working life.

Amongst other measures, the following should be mentioned:

- a law of 6 July which brings several improvements to sickness insurance legislation;
- a law of 23 December 1976 whose main aim is the amalgamation of the craftsmen's pension fund with that of shopkeepers and industrialists and which at the same time enables certain benefits, namely for invalidity, to be improved;
- a law of 23 December 1976 further modifying the previously modified law of 29 April 1964 relating to family benefits which introduces a second age step beginning at 6 years.

## Netherlands

209. On 1 October 1976 the law of 11 December 1975 came into force. It introduces a work incapacity insurance scheme applying to all residents of the Netherlands aged under 65. Thus, the compensation for loss of income due to incapacity for work, which was already received by wage and salary earners, has now been extended to the self-employed and to handicapped persons from the age of 17 years, provided they have been incapacitated for a year. The only persons excluded are married women and widows receiving a survivors' pension. The amount of benefit depends upon the degree of incapacity for work: it varies from 20% (for a 25 to 35% incapacity) to 80% (80% incapacity or more) of a basic amount corresponding to the old age pension. There are also plans for functional, vocational and other rehabilitation measures, the benefits of which will be available to all, including disabled housewives.

The scheme is financed by contributions (which will range progressively during a 20 year period from between 1.1% and 8.8% of the income used for the purpose of calculating other national insurance schemes) whilst the State covers the cost of benefits granted to those who are aged less than 17 years and unable to work.

A law of 16 June 1976 provides for special measures for unemployed persons who reach the age of 60 and have used up their rights to unemployment benefit: in future the period of benefit will be extended to the age of 65. The law is retrospective from 1 January 1975. Also in connection with unemployment, a plan is under discussion in Parliament which should make it possible to grant financial aid to employers who guarantee dock workers a wage for hours not worked.

The following should also be mentioned:

- the assumption of responsibility, under the General Special Sickness Insurance Law, for the reception and residence in homes of handicapped persons (Royal Decree of 5 January 1976);
- two laws of 24 March and 23 June 1976 which, on the one hand, maintain a proportional link between the minimum wage and the old-age pension for a married couple and, on the other hand, provide exceptionally, should the economy require it, for a lower rate of indexation of social benefits than would normally result from wage increases;
- a plan to grant budget subsidies to the Miners' Fund in order to improve the situation of pensioned miners who have not completed their career.

In the present economic situation, the growth of social expenditure is a matter of major concern for the Dutch authorities, who have accordingly decided to limit the rate of growth to 1% of the national income per year. With this in mind, a

memorandum has been submitted to Parliament containing proposals for controlling this increase during the years from 1977 to 1980. Practical plans have already been drawn up, while more important reforms, notably as regards family allowances, are being prepared.

### *United Kingdom*

210. A new system of child benefits, which will replace family allowances and gradually tax relief for children under the age of 11, will come into force in April 1977.

Three new non-contributory and non-means-tested benefits for disabled people were introduced. These were: a mobility allowance for people unable or virtually unable to walk; an invalid care allowance for people unable to work because of the need to stay at home and look after a severely disabled relative; and a non-contributory invalidity pension for people not qualifying for the contributory benefit. In November 1977, the non-contributory invalidity pension will be extended to married women unable to work and to do their housework.

During the year the Government announced proposals for legislation on occupational pension schemes. Two important aspects were considered: the participation and information of members in the running of the schemes and equality of status for men and women in such schemes. These proposals would not abolish all differences of treatment between men and women: different pension ages would be permitted so long as there are different pension ages in the State scheme, with which occupational schemes are closely linked.

Two important developments also took place in the National Health Service in England. The system of financial allocations to Regional Health Authorities was improved in order to align resources more closely with local needs and allow greater flexibility in their use and a comprehensive planning system was introduced which will enable the various authorities to improve management of services and use resources more efficiently. Within guidelines issued annually, regional and area health authorities will prepare strategic plans, revised every four years for the period 10 years ahead, while the health districts will prepare annually operational plans for the period 1-3 years ahead. The Department's guidelines emphasize the need to make the most effective use of resources.

From April 1976 contributions based on earnings will increase from 14% to 14.5% (8.75% paid by the employer and 5.75% by the employee) and the ceiling is raised to £95 per week. A corresponding increase was made in the upper limit of the range of profits (£1 600 to £4 900) on which the self-employed pay a contribution of 8%. Further increases have been announced for next year.

As regards pensions, the Government has announced its intention to encourage elderly workers to retire at 64 (59 for women) in order to make jobs available for young people. Initially, this will be a six-month experiment. Furthermore, some improvements have been made to the miners' scheme (minimum retirement pension, widows' and orphans' pension, etc.).

## Chapter X

# Safety, hygiene and health protection at work

## Trends within the Community

211. The year under review was distinguished by a notable reform and improvement of fundamental provisions of French legislation on accident prevention. France is therefore also pursuing a trend the first signs of which have been noticeable for some time and which has already led recently in several Member States to significant reforms affecting general safety policy, safety planning as an integral aspect of plant and equipment design and also the question of responsibility and supervision. In other respects it was a year of detailed technical activity, a year in which those responsible in the Member States were concerned with bringing numerous legal and administrative regulations, safety rules and technical explanations in the sphere of industrial safety into line with the present state of scientific and technical knowledge. New outline programmes introduced in some Member States, such as the almost universally adopted overall approach known as the 'Humanization of the working environment', were the subject of detailed work and research. This has a very varied content, one feature, amongst many, being the great significance attached to the safety of machinery; this factor is becoming increasingly important at the European level and having favourable repercussions on both operational machine and the private user, as the result is that only safe and adequately protected machines and equipment come onto the market. Likewise of considerable importance are measures taken to improve the working environment in the classic sense by improving the design and structure of workplaces. Mention should also be made of special areas which have only recently achieved prominence: in particular, regulations governing the safety of oil-drilling operations in inshore waters. Finally, dangerous substances, their classification and marking, their use and storage and research into their effects on health are repeatedly the subject of work at the national level.

212. In previous years, the point has often been stressed here that the adoption in the national law of the ever-growing body of European regulations on this subject generates a great deal of legislative and administrative work.<sup>1</sup>

It was, however, also a year in which it was once again demonstrated what devastating consequences can result from dangerous industrial installations getting out of control. The disaster at Seveso once again reminded those responsible—not only in Italy—of the importance, particularly in the chemical industry, of a carefully planned and operated monitoring system and of the great responsibility borne by all concerned for the safety of employees and the public at large. Priorities undergo rapid changes as a result of this kind of occurrence; it can be taken as read that the introduction and handling of dangerous substances will now figure much more prominently in research and legislation than was hitherto the case. The Commission will endeavour to give effective support to the Member States in this field.

## Development of the situation in the member countries

### *Belgium*

213. Safety provisions for machinery are contained in a number of royal decrees which require that certain kinds of machinery and equipment must be of an approved type or must meet certain conditions before they can be imported or sold, in any way change hands or be hired out or re-used following repair. These regulations cover machinery for the working and treating of leather (30 May 1975), for sheet steel cutters (15 October 1975), for woodworking machines (9 January 1976) and for elevating platforms, winding machines, track jacks and similar apparatus (2 February 1976).

The Royal Decree of 9 October 1975 contains safety regulations against falls on the hatches of inland waterway vessels of 500 gross registered tonnes and over. Other Royal Decrees cover the importation, exportation and handling of toxic wastes (9 February 1976) and the storage, handling, purchase and sale of pesticides and insecticides (5 June 1975 and 1 April 1976).

Safety regulations on movable belt conveyors, boilers, grinding machines and hoists are currently being drafted. The Safe Machinery Act will also be amended to bring it into line with the Benelux draft, and the regulations on hoists, construction work and the classification of certain harmful substances are to be revised.

<sup>1</sup> Social Report 1975, point 223.



## Denmark

214. The law on the working environment, promulgated in 1976 comes into force on 1 July 1977, replacing the previous work safety laws.

Various legal and administrative provisions relate to the manufacture and use of stud driving tools (decree of 11 November 1975), the non-destructive testing procedure used for welded pressurized gas cylinders, steam boilers and pipes, protective devices on woodworking machinery, the maintenance of steam boilers, including the qualifications required of boilermen, the equipment and operation of abattoirs, and personal protective equipment (eye protection). Other technical regulations, intended to take into account not only progress in science and technology but also the new law on the working environment, are currently being drafted. It should also be mentioned that several regulations have been promulgated relating to the work of the factories inspectorate.

In this context it should be emphasized that in the future—partially as a consequence of the new law—greater prominence will be given to overall protection of the working environment (setting up of a working environment institute at the factories inspectorate, drawing up of a five-year plan on priorities in this field and the tasks of the supervisory body, significant extension of research to improve the protection of the working environment).

It should be mentioned in conclusion that efforts to improve occupational medical examinations have been intensified, and the safety training programmes, in particular those of the 'employee protection' foundation, are also worthy of note.

## Federal Republic of Germany

215. The principles embodied in the regulation of 20 March 1975<sup>1</sup> concerning workplaces have now been expanded and supplemented by directives concerning such workplaces. So far, the following subject areas have been covered: room temperatures, corridors and other means of access, doors and gates, glass doors, windows, washrooms and toilets, changing rooms, first-aid facilities and equipment, rest rooms, fire-fighting equipment, safety lighting and seating accommodation. Further measures are being drawn up concerning in particular floors, glass walls and roofs.

Special rules further to the regulation on dangerous substances have been published (latest edition of 8 September 1975);<sup>2</sup> these are particularly concerned with

<sup>1</sup> Social Report 1975, point 227.

labelling and the provision of safety recommendations on delivery of the product, and with the handling of arsenic, benzene, carbon tetrachloride, radioactive substances, lead, fluorine, dust, magnesium, lubricators, ammonium nitrate, and with the technical guide levels for vinyl chloride and benzene.

A regulation on the safe storage of explosive materials is being prepared and is to include provisions for the design and organization of such stores and the distances which must separate them.

Research studies have been pursued within the framework of the Action Programme on the Humanization of Work. A series of projects is being devoted to improve the organization of work entailing mass production of industrial goods. Other research work is concentrating on the effects of multiple stress factors, shift work, and other factors affecting work, such as stress, monotony, noise and air pollution.

## *France*

216. The law of 6 December 1976 is designed to bring about a considerable improvement in the prevention of industrial accidents. The main provisions of this law cover the following fields: the development of safety training—safety as an integral part of the work process—increased powers for the Factories Inspectorate—a change in the rules of responsibility—reform of certain provisions of the Code de la sécurité sociale—the involvement of the social partners in health and safety matters—extension of these provisions to agriculture.

It is planned that each employee should receive specific training designed to inform him of the risks involved in his duties and of suitable means of protection.

The law is designed to facilitate the inclusion of safety at the design stage of buildings and materials and at the manufacturing stage of products. It stresses the obligations of manufacturers, sellers and importers of machines and dangerous substances and protection equipment by providing for general rules of safety and hygiene. An emergency procedure allows the Minister of Labour to prohibit or suspend the sale, importation or use of materials and products which prove dangerous.

As regards the building industry, the foreman has increased responsibilities as regards the implementation of prevention methods (e.g., inter-company hygiene and safety committees—establishment of a detailed plan for hygiene and safety). In addition, the law allows professional bodies for hygiene and safety with extensive powers to be set up in high-risk industrial sectors.

Factory inspectors will now be able to draw up a report without prior formal notice when disregard for regulations might seriously jeopardize workers' health. They will also be able to intervene by way of formal notice on risks not covered explicitly by the regulations.

The law clarifies the issue of liability and in particular allows a company to be held criminally liable when the head of the company cannot be held to be personally liable; the judge will be in a position to compel the employer to eliminate any faults ascertained in accordance with a plan drawn up by the company. The Court may temporarily suspend the perpetrator of certain offences from certain functions in the company.

The law lays down the conditions under which companies have to pay additional contributions.

Henceforth the industrial medical officer will have to declare not only pathological conditions that arise but also all work-related biological syndromes.

There are plans to set up a Conseil supérieur de la prévention des risques professionnels (Higher Council for the Prevention of Occupational Risks) with far-reaching responsibilities. It will consist of an equal number of representatives from employer and worker organizations.

A regulation issued on 15 June 1976 has increased protection against fire in high-rise buildings. The safety rules for the licensing of machines (grinding machines, circular wood saws and multi-purpose chain saws, standard planing machines with rotating tool holders) have been changed.

Several draft regulations are being prepared which concern amendments to the provisions of the Code du travail on industrial hygiene, the obligation of industrial medical officers to devote a third of their time to health surveillance and the reshaping of safety measures in establishments which manufacture and load explosives and which fill cartridges.

Special hygiene measures in companies where workers are exposed to asbestos dust and lead poisoning as well as a draft order stipulating special medical surveillance of shift workers are being studied.

There are two recommendations dealing with bitumen (use of blow-hoses to empty liquid bitumen from road tankers; hazards of oxidation). These were issued by the National Technical Committees for the chemical, transport and materials handling, and building and public contracting industries, which are bilateral bodies attached to the management of the National Employees' Health Insurance Fund. In addition, a general declaration has extended the scope of protective measures applicable in various areas.

## Ireland

217. Construction Regulations came into operation on 1 January 1976 and apply to building and maintenance and civil engineering and construction works. These regulations prescribe measures for protecting workers in excavations, shafts, tunnels, demolitions, cofferdams and caissons and in the handling and use of explosives; they control the proper use and maintenance of transport, scaffolding, lifting appliances, chains, ropes and require the appointment of lighting and safety officers. Notice of commencement and completion of the operation must be sent to the Ministry of Labour.

Shipbuilding and ship-repairing regulations came into operation on 12 January 1976. Some of these regulations will only come into force in 1977 or 1978. They prescribe measures for the examination of lifting appliances and lifting tackle; precautions to be taken against asphyxiation, explosions or the inhalation of fumes are listed.

Several regulations were drawn up or entered into force on 1 March 1976; they concern: electricity accumulators, indiarubber, lead (paints, colours, compounds, paintings, smelting, pottery), tinning of metal hollow-ware, iron drums and harness equipment, vitreous enamelling.

In factories in which the manufacture, assembly or repair of electric accumulators or parts thereof is carried out workrooms must be provided with air inlets and outlets; each person must be allowed fourteen cubic metres of air space and the floors and workbenches should be clean and smooth and impervious to water.

In factories manufacturing indiarubber or articles made from it the use of carbon bisulphide ( $CS_2$ ) is prohibited in the cold-cure vulcanizing process used to proof cloth with rubber.

Protective measures are required against vapour or spray given off in lead processes, involving the use of lead.

The 'tinning-regulations' apply to the dipping and wiping of any material in the process of coating it with a mixture of tin and lead or with lead alone, being a process in which hydrochloric acid or any salt of that acid is used.

The vitreous enamelling regulations apply to processes where crushing, grinding, sieving, dusting or laying on, brushing or woolling off, spraying or any other process for the purpose of vitreous covering and decoration of metal or glass is carried on.

Several of the abovementioned regulations stipulate the installation of canteens, cloakrooms, washing facilities, medical examinations, health registers and protec-

tive clothing; some regulations prohibit the employment of young persons or women.

Legislation is being prepared to provide for the safety and health of persons employed on off-shore installations engaged in the exploration or exploitation of petroleum and mineral resources.

### *Italy*

218. It is understandable, and should be made clear right from the start, that a catastrophe such as that which occurred in September 1976 in Seveso resulted in a large number of measures aimed at largely eliminating the risk of future damage of this type to health or environment by the chemical industry. Circulars from the Ministry of Labour triggered off a special surveillance programme, under which special checks on plant in the chemical industry are carried out by the factories inspectorate, the national accident prevention body (ENPI) and the national combustion supervisory body (ANCC). Furthermore, a joint committee was set up by ministerial decree of 12 October 1976 to examine the relevant legal provisions as rapidly as possible and to prepare proposals for improvements.

Protective regulations on the operation of hot-water plant have since been promulgated. Work has also been continued in the areas listed in the previous year.<sup>1</sup> In the interests of greater clarity, work has begun on the compilation in a single text of the current multitude of occupational safety regulations.

There has been a continuing extension of the scope of provisions on occupational safety and health contained in joint agreements.

### *Luxembourg*

219. By a Grand Ducal regulation of 27 August 1976, the provisions laid down by Council Directive of 19 February 1973 on the harmonization of laws of Member States relating to electrical equipment designed for use within certain voltage limits have been included in national law.

The inclusion in national law of the Directive on common measures for pressure vessels and methods of inspecting such vessels as well as the Directive on the harmonization of laws, regulations and administrative provisions for the classification, packaging and marking of dangerous substances is under way.

<sup>1</sup> Social Report 1975, point 230.

## Netherlands

220. The Royal decree of 12 January 1976 makes provision for the prohibition *inter alia* of the use, treatment, processing and possession of propane sultone, which must be assumed on the basis of animal experiments to have carcinogenic effects on human beings.

A large number of laws and decrees is under consideration or in preparation. They relate to the following: new legislation on the safety and health of workers; provisions governing the position of young persons; safety aspects of inland navigation; dangerous substances; loading and discharging gear; extension of the industrial medical service to include establishments providing employment for physically or mentally handicapped persons; the requirement that certain undertakings still to be designated must draw up safety reports and emergency plans which must be submitted to the factory inspectorate; lifting tackle; noise nuisance resulting from the use of machinery and appliances; harmful radiation from laser and radar apparatus; seating and rest facilities; work in high-pressure atmospheres and diving; implementation of the UNO/IMCO convention on safe containers; prevention of mesotheliomata; harmonization of regulations on loading and discharging operations; introduction of a certificate of competence for drivers of mobile cranes in the building sector; establishment of an MAC Commission.

As part of the process of adapting the job to the worker, action is being taken to implement a scheme of subsidies for job improvement with particular reference to noise, moisture, high or low temperature, dirty work, monotonous work and restricted movement.

In the same connection a start is being made on a project intended to make expert advice available to small- or medium-sized undertakings which are faced with, for example, organizational problems.

Since the end of 1976 the use of asbestos has in principle been forbidden.

## United Kingdom

221. In March 1976 the responsibility for health and safety previously borne by the Ministry of Agriculture was transferred to the Safety and Health Commission. In addition, the regulations governing the use of dangerous substances in the agricultural sector were applied to self-employed persons. Tractors sold for use from June 1976 are required to be fitted with safety cabs in which the maximum noise level may not exceed 90 dB at the driver's ear.

Diving regulations were issued in July governing work on underwater pipelines; regulations dealing with off-shore installations (November) are intended to increase

control on the day-to-day safety of operations on and from these installations. Other work being undertaken on legal provisions concerns the administrative arrangements dealing with fire prevention at places of work and the incorporation in national law of the EEC Directive on dangerous substances.

Mention should be made of the following work. In June the Advisory Committee on Asbestos commenced a review of the health risk to workers and to the general public from exposure to asbestos. The Advisory Committee on Major Hazards dealing with public safety published its First Report.

The Joint Standing Committee on Health, Safety and Welfare in Foundries published reports dealing with the continuous casting and high-speed melting of aluminium and copper alloys. Advice was also published on fumigation (methyl bromide) and on the protection of workers exposed to lead.

Research is continuing on a wide range of occupational and safety topics.

## *Chapter XI*

# Health protection

## Member States' legislation on radiological protection

222. Various legal and administrative provisions relating to radiological protection were prepared or promulgated by the Member States in 1976. In the Federal Republic of Germany they covered a revision of the radiological protection rules, while in the other States they dealt principally with rules on the licensing procedure, concerning safety and environmental protection measures when nuclear installations are built, and on disposal of radioactive wastes.

The updating of the Member States' laws on radiological protection took a major step forward with the promulgation of the Directive on the revised basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation by the Council of Ministers on 1 June 1976 (OJ L 187 of 12 July 1976). The basic safety standards which have been in force since 1959 were revised and brought into line with the new scientific findings of the ICRP (International Commission on Radiological Protection) (in particular ICRP 7, 9, 13, 15 and 22). Under Article 40 of this Directive the Member States are obliged to take the necessary measures within a two-year period to make it effective in their respective countries.

### *Denmark*

To cover future energy developments and use of atomic energy in Denmark, energy policy provisions were laid down by a law of 28 April 1976 (Lovtidende A, No 194) and the administration of energy fixed by a regulation of 10 May 1976 (Lovtidende A, No 236).

In addition, with specific reference to safety and environmental protection measures in relation to nuclear installations a new law was published on 12 May 1976 (Lovtidende A, No 244), intended in particular to regulate the details of the licensing procedure for nuclear installations. Article 18 specifies that this law



will not enter into force until a general parliamentary decision on the use of nuclear energy in Denmark has been taken.

### *Federal Republic of Germany*

In the Federal Republic of Germany, the fourth law of 30 August 1976 amending the Atomic Energy Law (Bundesgesetzblatt I, p. 2573) revised procedures and responsibilities with reference to the safekeeping and final storage of radioactive materials.

On 13 October 1976 the regulation on protection against damage caused by ionizing radiation (Radiological Protection Regulation) was published (Bundesgesetzblatt I, p. 2905). This regulation is far-reaching in its control of radiological protection and takes account of the new revised Euratom Basic Safety Standards of 1 June 1976. This regulation, which will supersede the first and second Radiological Protection Regulations with effect from 1 April 1977, covers all installations in which ionizing radiations are emitted, with the exception of X-rays which are dealt with by the X-ray Regulation of 1 March 1973 (Bundesgesetzblatt I, p. 173).

Furthermore, a procedural regulation on nuclear law is currently in preparation, intended to regulate procedures for the licensing of nuclear installations (in particular those for production or fission of nuclear fuels or for the recycling of irradiated nuclear fuels) and to supersede the current Nuclear Plant Regulation. The draft of this regulation, like the draft fourth amendment of the Atomic Energy Law was previously submitted to the Commission for opinion, in pursuance of Article 33 of the Euratom Treaty.

Furthermore, a new legal liability regulation on nuclear law is currently in preparation, intended to bring the legal liabilities of nuclear installation owners and other licensees into line with the Paris and Brussels Nuclear Liability Conventions ratified in 1975 and with the 1975 increase in the maximum liability sums laid down in the Atomic Energy Law. This will supersede the current regulation.

On 24 March 1976 directives on information required for examination in licensing procedures for nuclear power stations (Gemeinsames Ministerialblatt, p. 166), and on 27 April 1976 directives on safety specifications for nuclear power stations (Gemeinsames Ministerialblatt, p. 199) were published, grouping together the information required for the licensing of nuclear installations.

### *France*

In application of Regulation No 74-845 of 6 November 1974 relating to discharges of gaseous radioactive effluents from basic nuclear installations and from

nuclear installations located on the same site, and of Regulation No 74-1181 of 31 December 1974 relating to discharges of liquid radioactive effluents from nuclear installations, seven Ministerial Orders were promulgated in France on 10 August 1976.

As well as containing waste disposal plans, these also regulate the form of the hearing procedure for the population affected, specify the threshold values and procedural details for waste discharge as well as national surveillance measures and stipulate the equipment required of individual nuclear installations to limit the discharge level. The following specific provisions are involved (Official Journal of the French Republic, 1976, p. 496 *et seq.*):

- conditions for the carrying out of the preliminary study subsequent to a request for permission to discharge gaseous radioactive effluents from nuclear installations;
- discharges of gaseous and liquid radioactive effluents from nuclear installations and conditions for the public hearing;
- general rules on the limits and procedural details of discharges of gaseous and liquid radioactive effluents from nuclear installations, selection of environmental surveillance measures and procedural details of the monitoring by the centralized body for protection against ionizing radiation;
- specific rules for nuclear power stations with light water reactors, covering maximum levels and procedural details of the discharge of their gaseous and liquid radioactive effluents, environmental surveillance measures and monitoring by the centralized body for protection against ionizing radiation.

Mention should also be made in this context to a circular of 24 August 1976 (Official Journal of the French Republic of 24.9.1976) concerning the requisite notification procedure prior to the declaration of conventional or nuclear power stations as establishments in the public interest, intended to coordinate the procedure for the establishment of installations producing energy with regard to administrative interests and comprehensive information for the general public.

### Netherlands

In the Netherlands, the Regulation on accidents in nuclear installations of 13 February 1976 (Staatsblad No 138) which provides for interministerial coordination on measures to be taken in the event of accidents and for the preparation of an emergency plan, had by 1 July 1976 resulted in concrete regulations for the nuclear installations at Borssele and Dodewaard (cf. Staatscourant No 143, p. 8 *et seq.*).

223. The *radiological protection of medical patients* is a problem facing all the Member States, because the contributions to the genetic dose resulting from

medical practice are approximately half those from natural background radiation and more than 50 times as high as those from irradiation resulting from the use of nuclear energy for peaceful industrial purposes. Under Article 12 of the Basic Safety Standards (Council Directive of 1 June 1976 laying down the revised basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation—OJ L 187 of 12.7.1976) all contributions to the genetic dose must be kept under review and estimated. In fact the radiological protection of patients is relatively satisfactory in Denmark, the Federal Republic of Germany, the Netherlands and the United Kingdom. The situation in these countries is quite favourable in comparison with the other countries of the Community, in which an improvement should be achieved if the laws and regulations soon to be recommended by the Commission are incorporated into their national legislations.

The health authorities of the four abovementioned countries are aware that misuse of fluoroscopy on the one hand and the prescription or repetition of radiological operations which are not strictly necessary on the other are the causes of this situation.

It is to be hoped that the forthcoming Community recommendation, which will request Member States to take a certain number of measures to remedy these shortcomings, will give these Member States a formal instrument for the introduction of strict legislation.

*224. Consumer goods containing radioactive substances*, being constantly on the increase, are likely to make an ever more significant contribution to the genetic dose of the population.

At the present time, such contributions are negligible in all countries but it can be feared that arrival on the market of a number of useless gadgets, with due assistance from publicity, will create a situation in the future which will give rise to concern over the health protection of individuals and the population's genetic heritage.

In all Member States the general rule is as follows: prior authorization is required before introducing and marketing consumer goods containing radioactive substances. However, in accordance with the provisions of Articles 4 and 5 of the Basic Safety Standards, radioactive substances may not be used in toys, foodstuffs or cosmetic products, nor may such objects or products be imported or exported. Outside these authorizations and prohibitions a number of national provisions authorize—without excessive liberalism—the introduction of radioactive substances, below certain levels, in luminous watches and dials. However, more or less everywhere there are certain gaps in the legislation as regards the discarding or stocking of the products in question.

To help Member States to resolve the problem arising in this connection, the Commission was requested:

- (i) to keep a permanent and up-to-date catalogue of consumer goods containing radioactive substances;
- (ii) to encourage studies in order to increase the precision of the permissible activity limits in luminous paints;
- (iii) to recommend that radioactive gadgets be prohibited (fishing floats, carbon 14 cheque books, etc.);
- (iv) to study the question of permissible levels from the point of view of radiological protection, in the use of certain construction materials (plasters) enriched with natural radioelements at the manufacturing stage.

### **Radiopharmaceuticals**

225. Medicines containing radioactive substances (radiopharmaceuticals) are in increasing use in all Member States. This utilization raises a number of problems of radiological protection, with regard both to patients and to medical and paramedical staff.

- (1) At the *manufacturing* stage the regulations currently in force are in conformity with the principles laid down by the Euratom Basic Safety Standards. The quality of the medicines at this stage is partially guaranteed by the provisions of Community Directives 318 and 319, which make reference to the European pharmacopoeia. There are, however, a number of loopholes in the Member States at both industrial and administrative levels with regard to standards and records and to employment authorizations or checks on the qualifications of personnel.
- (2) At the *utilization* stage the same principles hold true, but in practice a number of difficulties of application are encountered. It appears in particular that the better, medically speaking, the therapeutic measures offered to the patients, the lower the doses received by them. As such measures generally involve short-lived radioelements, the techniques used are such that it is the doctors and the paramedical staff who risk the severest radiation doses.

The problems may be reformulated as follows:

- (i) it is desirable that installations for medical applications of radiation should not proliferate;
- (ii) it must be considered that the cost of nuclear medicine, as compared with the cost of advanced medicine in hospitals, is such as to fully justify the application of rigorous planning principles to installations, which is not currently the case either in Luxembourg or in Belgium.

## Environmental monitoring of radioactivity

226. Environmental monitoring of radioactive contamination has been the subject of a general report produced by the Commission. This monitoring comes under the provisions laid down in Article 36 of the Euratom Treaty. The report<sup>1</sup> mentions all available data relating to the measurement of environmental radioactivity (air, deposition, water) for the years 1973 and 1974 and the measurement of the radioactive contamination of milk for the years 1972, 1973 and 1974.

As regards this report it should be said that:

- (a) values for the nine countries of the Community are available for the first time;
- (b) the methods of monitoring radiocontamination in the food chain have been streamlined to the extent that milk has been taken as the most representative foodstuff and that it was not 'normally' necessary to continue monitoring cereals, meat and fish as in the past.

Chinese explosions in 1973 and 1974 have brought about a significant increase in surface activity although this change has had no effects on the contamination of surface waters. On the other hand, a rise in the total  $\beta$ -activity, Pu<sup>238</sup> and Pu<sup>239</sup> in air has been observed.

Data available regarding the quantities of Sr<sup>90</sup> and Cs<sup>137</sup> measured in milk show that the decreasing trend observed over the period 1962-1963 accelerated between 1972 and 1974.

The abovementioned explosions have not produced significant increases in new deposition (especially Sr<sup>89</sup> and I<sup>131</sup>).

Summing up, the contribution of this irradiation to the population dose represents only 3% of the permissible genetic dose for the population as a whole, and estimated annual activity does not exceed 1% of values laid down for maximum permissible concentrations for individuals.

227. The Member States have taken positive action in response to the EEC recommendations (23.7.1962 and 20.7.1966) on the curing of *occupational diseases*, to the extent that the national lists are broadly comparable to the European list and suitable for use with it, and that the mixed system recommended by the Commission is currently in force in the Federal Republic of Germany, Luxembourg and Denmark; it is planned to put it into operation in the other Member States.<sup>2</sup>

<sup>1</sup> Results of environmental radioactivity measurements in the Member States of the European Community for Air-Deposition-Water (1973-1974) Milk (1972-1973-1974) (EUR 5630).

<sup>2</sup> The Netherlands situation constitutes a separate case following the adoption of the Disability Insurance Act of 1 July 1967, which easily meets the proposals contained in the recommendations in question.

In fact, more work has yet to be done on occupational diseases from the points of view of identification and statistics. It is to be hoped that the health authorities of the Member States will regularly every year transmit to the Commission the epidemiological information available, using a questionnaire which will be sent to them in accordance with a recommendation currently being prepared. The data available should make it possible to follow epidemiological developments more closely and to obtain an improved perception of the prevalent character of certain illnesses, in particular silicosis, cutaneous infections of an occupational origin, viral hepatitis, deafness and hypoacusia resulting from noise.

228. Following a request to the Commission from the European Parliament<sup>1</sup> on whether a common health policy would be appropriate to *swine influenza*, the virology experts of the Member States have put forward a number of initiatives to enable a reasonable and coherent European attitude to be adopted and have defined an operational strategy. Unjustified public anxiety had to be prevented and public opinion was still making much of the virus from the 1917-1921 epidemic, especially when President Ford took the step in May 1976 of having very large numbers of the population of the United States vaccinated, after a number of cases had been diagnosed within certain groups. The following proposals were formulated and adopted by the health authorities of the Member States:

- (1) definition of risk groups and priority groups;
- (2) immediate provision of a stock of monovalent vaccine to vaccinate the groups above if necessary;
- (3) the setting up of a European network to disseminate the epidemiological information available in close cooperation with the Central Reference and Research Centre in London;
- (4) pursuance of research to define a sophisticated system of surveillance and to make available to the public vaccines of an equivalent effectiveness and composition.

229. Although the chronic illnesses such as cancer and cardiovascular disease are the principal causes of death in Europe, the Member States find themselves increasingly confronted by other '*diseases of civilization*' induced by man's difficulties in adapting himself to life in modern society.

This inadequacy finds particular expression in increased drinking and smoking, increased consumption of pharmaceutical products and the increase in various forms of delinquency.

<sup>1</sup> Parliamentary Questions 93 and 94 of 22 April 1976 from Mr Glinne.

(a) *Consumption of alcohol*

Consumption of alcoholic drinks is increasing in all Member States except in France where it has levelled off, ahead of all the others, at a current consumption of 24 to 25 litres of pure alcohol per adult per year. Elsewhere, it is at present half this figure or less.

The characteristics<sup>1</sup> of this consumption are as follows:

- (i) the production of alcoholic drinks is increasing;
- (ii) consumption in France and Italy, previously essentially based on wine, is tending towards increased consumption of beer and whisky. On the other hand, consumption in the Anglo-Saxon countries comprises a significant percentage of wine;
- (iii) women have started to drink (this is evident virtually only from the clinical observations available);
- (iv) consumption of alcoholic drinks is increasing not in cafés, bars, etc. but in private homes;
- (v) there is a gap between individuals' knowledge of the risks and their behaviour.

To date, the efforts of the Member States have been essentially in the information field. There are still inadequacies in the organization of measures to prevent alcohol abuse, in particular at school level and in connection with the coordination of research.

(b) *Consumption of tobacco*

During the last 15 years, the consumption of cigarettes, above all, has increased strongly.<sup>2</sup> In 1975 it was around 400 thousand million cigarettes for all the countries of the Community. This consumption, which is increasing, particularly among young people, represents an individual, family and social scourge. The French law of July 1976, although imperfect and insufficient, should nevertheless permit the healthy elements of the population to protect young generations against a mortal danger. In the other Member States the measures taken so far (financial and prohibitive) are clearly inadequate and should be reinforced.

Information campaigns in the Federal Republic of Germany, the United Kingdom and recently in Luxembourg have given positive preliminary results. The same applies to France where the campaign will be relaunched in 1977 and intensified in the following years.

<sup>1</sup> These characteristics represent a ten-year trend which has become more noticeable as time goes by.

<sup>2</sup> Statistical Survey, Table VI, points 2(b) and (c) of this Report.

- (c) As to the *battle against drug addiction*, all the governments have intensified their efforts. Nevertheless the renewed outbreak of drug dependencies means that this battle must be further intensified and must be waged on all fronts, in particular:
- (i) in developing research;
  - (ii) in applying the Vienna Convention on psychotropic drugs from 1977 onwards;
  - (iii) in making maximum use of the *ad hoc* fund to be set up by the United Nations;
  - (iv) in attacking the production of opium.

Any slowing down in the intensity of the effort required would run the risk of aggravating current situations and, finally of involving yet more onerous expenditure.



## D — The development of the social situation in figures

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## Introductory comments

240. As in previous Social Reports, the *main developments* in the various social spheres are presented in the form of index figures, percentages, etc. in the following 10 tables. As a rule, 1960 was taken as the base year.

Even though the contents of the various tables are essentially the same as last year, in two cases *innovations* or *extensions* have been introduced:

- For the first time—apart from the earlier up-dating of the results of the labour costs enquiries in industry—forecasts and estimates have been included as pointers to trends; this applies firstly to the forecasts of population development and the age structure of the population up to 1980 and secondly to the probable increase in expenditure on social protection, as calculated for the first European Social Budget;
- Secondly, more data have been extracted from the legislation of the Member States, concerning for example, the age for beginning and leaving school, the conditions for entitlement to certain social benefits and the level of such benefits. Information of this kind can throw more light on the development of certain indicators—for example, in the cases just referred to, the school attendance rate or the percentage of persons with entitlement to social benefits or the latter's rate of change.

241. To maximize *comparability* between the individual Member States, the various index figures and percentages have been based as far as possible on harmonized statistics or surveys carried out at Community level. It should be pointed out that these Community surveys and statistics do not always produce the same results as those carried out in accordance with national criteria and procedures: this applies for example to the number and age structure of those registered as unemployed or seeking employment in the Member States, hours actually worked, the definition of social security expenditure, etc. Where required, explanations are given in the footnotes to the tables.

The following remarks may be made on the trends which emerge from the tables.

### *Population* (Table I)

242. After falling off appreciably in the second half of the last decade and the period 1970-75, the increase in population will probably come to an almost

complete standstill in the second half of this decade (estimated annual rate of increase: +0.1%); only in Ireland and, to a lesser extent, the Netherlands is a moderate (natural) increase in population expected.

The *age structure* shows a further increase in the proportion of elderly persons: whereas in 1960 about 11% of the inhabitants of the nine countries were aged 65 and over, in 1980 the figure will be about 14%; in absolute terms this means an increase from 25.5 to about 36.5 million people.

The increase in the proportion of elderly people in the population as a whole is primarily due to less young people, the numbers of which are declining from year to year as a result of the continually falling birthrate. In the period from 1965 to 1975 alone, the average birthrate (live births per 1 000 inhabitants) for the nine Member States fell from 18.3 to 12.8, or almost by one-third. Given the practically constant death rate (about 11.0) this means that the surplus of births over deaths is approaching zero.

### *Education* (Table II)

243. As pointed out in previous Social Reports, some Member States have increased the length of compulsory schooling by raising the minimum school leaving age by one or two years. This has certainly been partly responsible for the increase in the proportion of young people attending schools and universities in the various countries. However, the main reason is probably that more and more young people have attempted to take a course of general or specialized education and training after completing an elementary school course. Thus, in the period under review, from 1965/66 to 1975/76, there was an increase in the proportion of pupils/students at the third level in particular, but also at the second level, while fewer and fewer were satisfied with merely attending elementary and special schools. By way of explanation it should be pointed out that the third level encompasses universities and all other types of higher education, while the second level comprises all those schools in which pupils receive general further education or specialized training after completing the main school.

A new inclusion in the tables on 'Education' are the results of a first Community survey in the six original Member States, providing information on the *level of education* of the population of working age and clearly reflecting the different systems of general and vocational training in the individual countries (Table II, 4(a) and (b)).

### *Employment* (Table III)

244. In the period from 1970 to 1975—and probably again in 1976—civilian *employment* has fallen slightly, both in absolute figures and as a proportion of

the total population, although female employment has increased in most Member States. Among the reasons for this decline are first of all the increase in unemployment and secondly the return to their country of origin of many migrant workers from outside the Community.

Only in the *service sector* (private and public services), where half of all persons in civilian employment are now working (against 40% in 1960), has there been an increase in employment. Since the middle of the sixties, the proportion of *industrial* workers has been falling in most countries; only in Ireland and Italy was any considerable increase in industrial jobs created. Finally, the percentage of persons engaged in *agriculture* has fallen by almost half between 1960 and 1975.

This is also one of the reasons why a continually increasing percentage of employed persons are working as *wage and salary earners*: about 83% in 1975 compared with 75% in 1960. Of the many people who gave up work in agriculture, a considerable number were independent farmers and family helpers.

In 1973 *employment of foreigners* reached its highest level at 7.8% of the total number of workers in the Community. As the economic situation deteriorated and the Governments of several Member States limited immigration from outside the Community, the percentage of foreign workers (from Member States and from outside the Community) fell to 7.3% by 1975 and in 1976 was probably only about 7% of the total civilian labour force. This decline—from 6 million and a half to about 6 million—has mainly affected migrant workers from outside the Community.

As shown by the results of the Community labour force sample survey, much of the sudden increase in *unemployment* in 1975 can be ascribed to the increasing number of young people becoming unemployed or seeking a job for the first time. It is noticeable in all Member States that older persons (aged 45 or over) now account for a much smaller percentage of the total numbers of unemployed persons and persons seeking work.

#### *Industrial relations and working conditions* (Table IV)

245. Even though 1975 was marked by comparatively few *strikes*, there were considerable differences between the individual countries. At the one extreme some countries, such as Italy, Ireland and the United Kingdom, had a considerable number of working days regularly lost through industrial disputes, and at the other, Luxembourg, the Federal Republic of Germany and the Netherlands experienced very few and unimportant stoppages of work.

In 1976 the *40-hour week*, which the Council Recommendation of 22 July 1975 had called for by the end of 1978 at the latest, had already been practically

achieved—either through legislation or through collective agreements—in all nine Member States. In addition there were signs of the first attempts to bring normal working time below this level, for example, in the iron and steel industry in Italy where a 39-hour week was agreed.

The general introduction of *four weeks' paid annual leave* has also been achieved in most Member States and will probably be achieved in the others in the near future. On the other hand, the practice of granting additional holiday allowances is still restricted mainly to four Community countries. As regards the overall picture, whereas Article 120 of the EEC Treaty stated that the Member States should endeavour to maintain the existing equivalence between paid holiday schemes while the improvement is being maintained, workers are now entitled to *paid leave* (i.e. annual leave and public holidays combined) amounting to five to six weeks as against three to four weeks when the Community was founded.

#### *Incomes—labour costs* (Table V)

246. In the period from 1970 to 1975 the *real increase* in the *gross domestic product per capita* of the nine countries of the Community was only half as great as in the 1960s: 1.9% annually compared with 3.8%. However, the real increase in the average gross compensation of employees was considerably greater, varying from about 4% to almost 6% annually according to the country. As a result the *wage quota*, i.e. wages and salaries as a percentage of the disposable net national income, has reached an unprecedented level (Table V, 2(a)).

The annual increase in nominal wages and salaries differed greatly from one country to another, exceeding 20% and even 30% in some cases. This has meant a considerable change in the relative *level of labour costs* between the individual countries. If the results of the labour cost enquiry of 1972 are extrapolated to 1975, the highest labour costs in industry, per hour worked by manual and office workers, are no longer in the Federal Republic of Germany, but in the Netherlands, followed by Belgium and Denmark with the Federal Republic in fourth place only. The average labour costs are much lower in Italy, the United Kingdom and doubtless also Ireland, for which no figures are available at present.

#### *Standard of living* (Table VI)

247. Increasing affluence in the last 10 to 15 years has meant that the *per capita consumption* of *basic foodstuffs* has declined in favour of increased consumption of meat. In Italy the *per capita meat* consumption has even doubled, and in other countries it has increased by about half or more.

The figures available on certain tobacco and alcoholic products over the same period show an increase in cigarette consumption per adult ranging from about

20% in the United Kingdom to more than 70% in Belgium. The consumption of wine also increased in all countries except in France and Italy where, however, it still greatly exceeded consumption in the other countries.

As regards the supply of *durable consumer goods*, three sets of statistics are available: these concern the number of private cars, registered television sets and installed telephones. The figures show that over the last 15 years there has been a narrowing of the gap between the various countries—apart from Ireland—as far as the possession of durable consumer goods is concerned.

### *Housing* (Table VII)

248. As a result of the building activity in the past, the *housing stock* of the Community has steadily increased: depending on the country, there are now between 32 and 40 dwellings available for each 100 inhabitants; only Ireland, with 26, is appreciably below this figure. In recent years there has been an average annual increase of about one dwelling per 100 inhabitants. Thus, the *average number of people living in each dwelling* is now less than three.

Concern continues to be felt, however, about the sharp increases in *rents* and, in particular, building costs, the latter have risen recently in some cases by more than 20% per year in some countries, that is, at a much faster rate than in the 1960s.

### *Health* (Table VIII)

249. Over the last 10 to 15 years the *life expectancy* of men and women has not developed in the same direction: while that of women in all countries, both at birth and at the various stages of their lives, has been steadily rising, over the period by about one to two years, the life expectancy of men, above all those in the middle and higher age-groups has been falling in some Member States, namely the three Benelux countries, Denmark, Ireland and also, to a lesser extent, the Federal Republic of Germany.

*Infant mortality* (deaths under the age of 1 year per 1 000 live births) has continued to show a favourable trend, having fallen from about 31 in 1960 to about 17 in 1975.

There are now considerably more doctors, available for the health care of the population than 15 years ago (about 17 to 18 per 10 000 inhabitants, compared to 12 to 13 in 1960), while the number of hospital beds per 10 000 inhabitants has not changed to any significant degree, and in some cases has fallen. There are considerable differences from country to country in the number of pharmacists per 10 000 inhabitants: from less than one in the Netherlands to seven in Belgium.

*Social Protection (Table IX)*

250. As already mentioned, Table IX now includes not only statistics on the persons covered by the various systems but also some information concerning the conditions for eligibility and levels of benefit. These data come from the 'Comparative Tables of the Social Security Systems' which are published by the Commission every two years. The newest edition of those tables shows the position at 30 June 1976, which has been taken over to Table IX and been compared to that of 1960.

Because of the difficulty in establishing exact statistics there are often no definite details available on the *persons insured* or *persons entitled to benefit* in the various sectors of social protection. The percentages shown in the table are thus often based on expert estimates. However they clearly reflect the trend towards the extension of protection, under the various existing insurance schemes, to an increasingly large proportion of the total or the working population. Whereas some countries have comprehensive national insurance schemes, cover in other countries with different insurance schemes sometimes also is approaching 100%. An appreciable proportion of the working or/total population is still excluded from some schemes, however, such as unemployment insurance schemes and, to a lesser extent, old-age and survivor insurance schemes.

The *cash benefits*—whether as a lump sum or as a percentage of earned income—have been improved in many cases during the last 15 years, in some cases to a considerable extent. The same applies to the *conditions of entitlement to benefit*.

*European Social Budget (Table X)*

251. Table X includes the most important *results* of the first European Social Budget. It should be pointed out that they are definitive financial statistics for 1970 and 1972, while those for 1975 were *advance estimates* by experts in the individual countries when compiled. To give a better picture of the present situation, these estimates were used rather than those in the Community 'Social Accounts', which are only available up to 1973.

As regards *expenditure*, the European Social Budget clearly shows the strong increase in social expenditure as a percentage of the net national disposable income. The increase was particularly sharp in the Netherlands and the Federal Republic of Germany, which in 1975 spent about 32% of disposable national income (compared with only 23%—24% in 1970) on the various kinds of social benefits (including administrative costs and other expenditure). This leap is primarily due to the considerable extra expenditure on sickness, old-age and survivors insurance schemes and benefits, but also to the fast rise in the cost of unemployment insurance as more and more people find themselves out of work.

The table also gives a breakdown of the total expenditure on *benefits according to the function* of the latter, thus showing the priorities which the individual countries attach to the various sectors.

Finally, the *breakdown of receipts* according to their origin again demonstrates the well-known fact that particularly in Denmark, but also in Ireland and the United Kingdom, the proportion of social expenditure financed through public funds is much greater than in the other six Member States, where the employers and the insured persons themselves have to bear directly most of the financial burden.



	Year	Belgium	Denmark	FR of Germany
<b>1. Inhabitants</b> (Annual average or 30 June)				
(a) In millions	1950	8.7	4.3	50.0
	1960	9.1	4.6	55.4
	1965	9.4	4.8	58.6
	1970	9.6	4.9	60.7
	1975	9.8	5.1	61.8
	1980	9.9	5.1	60.5
(b) Average annual increase as %	1950/60	0.5	0.7	1.0
	1960/65	0.7	0.8	1.1
	1965/70	0.4	0.7	0.7
	1970/75	0.3	0.5	0.4
	1975/80	0.1	0.3	- 0.4
(c) Per square km	1960	300	106	223
	1970	317	114	244
	1975	321	118	249
(d) Proportion of women as %	1960	51.2	50.4	53.1
	1965	51.0	50.4	52.5
	1970	51.1	50.4	52.4
	1975	51.0	50.4	52.3
<b>2. Structure by age group and by sex</b>				
(a) Inhabitants by age group as %				
0-14 years	1960	23.7	24.9	21.6
	1970	23.6	23.1	23.1
	1975	22.0	22.5	21.8
	1980	20.9	21.6	19.0
15-64 years	1960	64.3	64.4	67.5
	1970	63.0	64.5	63.6
	1975	64.0	64.0	63.9
	1980	65.4	64.3	65.9
65 years and over	1960	12.0	10.7	10.9
	1970	13.4	12.4	13.3
	1975	14.0	13.5	14.3
	1980	13.7	14.1	15.1

30 June.

*Sources of the basic data*

1. + 2.: Statistical Office of the European Communities, Luxembourg;  
 'Population and employment 1971-1975', 'Social statistics', SOEC, Luxembourg;  
 1980: National forecasting.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
41.8	3.0	46.4	0.30	10.1	50.6	215.1
45.7	2.8	50.2	0.31	11.5	52.6	232.2
48.8	2.9	52.0	0.33	12.3	54.4	243.5
50.8	3.0	53.7	0.34	13.0	55.5	251.5
52.8	3.1	55.8	0.36	13.7	56.0	258.5
53.8	3.3	56.8	0.36	14.0	56.2	260.0
0.9	—0.5	0.8	0.6	1.3	0.4	0.8
1.3	0.3	0.7	1.0	1.4	0.7	1.0
0.8	0.5	0.6	0.5	1.2	0.4	0.6
0.8	1.2	0.8	1.1	0.9	0.2	0.5
0.4	1.4	0.3	0.3	0.5	0.0	0.1
83	40	167	121	282	215	152
93	42	178	132	320	228	165
98	44	185	138	335	230	169
51.5	49.6	50.0	50.7	50.2	51.6	51.5
51.6	49.7	50.8	50.8	50.1	51.6	51.5
51.2	49.8	51.2	50.8	50.1	51.3	51.4
51.0	49.9	51.1	50.4	50.2	51.3	51.3
	1				1	
26.5	31.1	24.5	21.4	30.0	23.3	24.2
24.7	31.2	24.4	22.0	27.2	24.0	24.2
24.1	31.2	24.0	20.2	25.1	23.3	23.4
23.8	31.3	23.5	18.1	23.9	21.5	22.0
61.9	57.7	66.0	67.8	61.0	65.0	64.9
62.4	57.7	65.0	65.4	62.6	63.2	63.4
62.6	57.6	63.9	66.8	64.1	62.7	63.3
62.4	57.5	63.3	68.7	64.9	63.9	64.0
11.6	11.2	9.5	10.8	9.0	11.7	10.9
12.9	11.1	10.6	12.6	10.2	12.8	12.4
13.3	11.2	12.1	13.0	10.9	14.0	13.3
13.8	11.2	13.2	13.2	11.2	14.6	14.0

	Year	Belgium	Denmark	FR of Germany
<b>(b) Females to 100 Males</b>				
0-14 years	1960	96.5	95.4	95.1
	1971	95.4	95.2	95.0
	1975	95.5	95.4	95.1
15-64 years	1960	101.7	101.8	112.8
	1971	100.7	99.0	106.3
	1975	99.6	98.9	104.8
65 years and over	1960	137.1	117.3	146.8
	1971	144.7	129.3	160.5
	1975	148.2	132.9	165.8
<b>3. Components of population changes</b>				
(a) Birth rate (Live births per 1 000 inhabitants)	1960	16.9	16.6	17.4
	1965	16.5	18.0	17.7
	1970	14.6	14.4	13.4
	1975	12.2	14.2	9.7
(b) Death rate (Deaths per 1 000 inhabitants)	1960	12.3	9.5	11.6
	1965	12.2	10.1	11.5
	1970	12.3	9.8	12.1
	1975	12.2	10.1	12.1
(c) Rate of natural increase (a minus b)	1960	+ 4.6	+ 7.1	+ 5.8
	1965	+ 4.3	+ 7.9	+ 6.2
	1970	+ 2.3	+ 4.6	+ 1.3
	1975	0.0	+ 4.1	- 2.4
(d) Rate of net migration (immigrants minus emigrants per 1 000 inhabitants)	1960	+ 0.5	+ 0.6	+ 6.1
	1965	+ 2.8	+ 0.1	+ 4.2
	1970	+ 0.4	+ 2.3	+ 9.2
	1975	+ 2.6	- 2.0	- 3.2
(e) Rate of increase per 1 000 inhabitants (c + d)	1960	+ 5.1	+ 7.7	+ 11.9
	1965	+ 7.1	+ 8.0	+ 10.4
	1970	+ 2.7	+ 6.9	+ 10.5
	1975	+ 2.6	+ 2.1	- 5.6

<sup>1</sup> 30 June 1974 - 30 June 1975.

Sources of basic data:

2.(b) + 3.: Statistical Office of the European Communities, Luxembourg;  
 'Population and employment 1971-1975', 'Social statistics', SOEC Luxembourg.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
96.4	95.5	95.6	95.6	95.0	95.2	95.6
96.1	95.4	95.1	97.4	95.5	94.9	95.5
95.8	96.0	95.0	95.6	95.5	94.7	95.2
101.2	98.8	103.6	101.2	101.9	106.0	105.6
95.4	97.6	103.0	100.0	98.2	100.9	101.2
98.2	97.8	102.6	96.8	98.0	100.1	101.2
171.2	111.4	136.6	127.5	114.3	158.7	149.0
161.1	119.3	139.2	131.6	129.5	160.5	154.3
159.6	118.8	139.2	144.9	136.3	158.0	153.6
17.9	21.5	17.9	15.9	20.8	17.5	17.9
17.8	22.1	18.8	15.9	19.9	18.4	18.3
16.8	21.9	16.5	12.9	18.3	16.2	15.8
14.1	21.7	14.8	11.1	13.0	12.4	12.8
11.4	11.5	9.4	11.8	7.6	11.5	10.9
11.2	11.5	9.8	12.2	8.0	11.6	11.0
10.7	11.5	9.5	12.2	8.4	11.8	11.0
10.6	10.9	9.9	12.2	8.3	11.8	11.0
+ 6.5	+ 10.0	+ 8.5	+ 4.1	+ 13.2	+ 6.0	+ 7.0
+ 6.6	+ 10.6	+ 9.0	+ 3.7	+ 11.9	+ 6.8	+ 7.3
+ 6.1	+ 10.4	+ 7.0	+ 0.7	+ 9.9	+ 4.5	+ 4.8
+ 3.5	+ 10.8	+ 4.9	- 1.1	+ 4.7	+ 0.6	+ 1.8
+ 3.1	- 14.8	- 1.9	+ 1.7	- 1.1	+ 2.1	.
+ 2.3	- 7.5	- 3.0	+ 5.3	+ 1.5	- 0.9	.
+ 3.5	- 1.2	- 0.9	+ 3.2	+ 2.6	- 1.4	.
+ 0.3	+ 1.1 <sup>1</sup>	+ 1.5	+ 4.2	+ 5.1	- 1.1 <sup>1</sup>	.
+ 9.6	- 4.8	+ 6.6	+ 5.8	+ 12.1	+ 8.1	.
+ 8.9	+ 3.1	+ 6.0	+ 9.0	+ 13.4	+ 5.9	.
+ 9.6	+ 9.2	+ 6.1	+ 3.9	+ 12.5	+ 3.1	.
+ 3.8	+ 12.0 <sup>1</sup>	+ 6.4	+ 3.1	+ 9.8	- 0.2 <sup>1</sup>	.

	Year	Belgium	Denmark	FR of Germany
<b>I. Education</b>				
<b>1. Compulsory education</b>				
(a) Minimum age	1960	6	7	6
	1970	6	7	6
	1975	6	7	6
(b) School-leaving age	1960	14	14	14
	1970	14	14	14/15
	1975	14	16	14/15
<b>2. Number of pupils and students<sup>1</sup></b>				
As % of the population	1960/61	16.4	.	12.9
	1965/66	17.9	15.9	13.5
	1970/71	19.7	17.2	16.1
	1974/75	19.8	18.8	18.2
	1975/76	...	...	18.5
<b>3. Number of pupils and students by level as %</b>				
— First level	1965/66	57.5	49.3	45.6
	1970/71	54.9	45.7	43.5
	1973/74	50.9	45.5	40.7
	1974/75	50.3	45.3	39.3
	1975/76	49.5	...	38.5
— Second level	1965/66	36.2	44.1	47.9
	1970/71	38.5	45.1	49.7
	1973/74	41.4	44.1	51.0
	1974/75	41.8	44.3	51.8
	1975/76	42.3	...	52.6
— Third level	1965/66	6.3	6.7	6.5
	1970/71	6.6	9.2	6.8
	1973/74	7.7	10.4	8.4
	1974/75	7.9	10.4	8.9
	1975/76	8.2	...	8.9
<b>4. Level of education</b>				
(a) Population aged between 14 and 65 years by type of training followed as %:				
— Within the general education system	1973	95.7	.	90.9
of which:				
. general school education		95.0	.	90.9
. school vocational training		28.5	.	13.9
— Basic vocational training		5.4	.	46.9
— Further vocational training		2.8	.	6.6

<sup>1</sup> Excludes nursery schools—full time education.

Sources:

1. - 3.: 'Education statistics 1970/71-1975/76', 'Social statistics', SOEC, Luxembourg;  
 4. : 'General and vocational training', 'Social statistics 4/75', SOEC, Luxembourg.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
6	6	6	6	6	5	5-7
6	6	6	6	6	5	5-7
6	6	6	6	6	5	5-7
14	14	14	15	14	15	14-15
16	14	14	15	14	15	14-16
16	15	14	15	15	16	14-16
18.4	.	13.8	12.7	19.9	.	.
19.1	20.4	15.3	14.7	19.7	17.0	16.4
19.9	21.5	17.5	16.1	20.6	18.9	18.2
20.2	22.4	18.9	16.3	21.8	20.4	19.5
20.3	22.8	19.0	16.4	...	20.6	...
60.3	72.6	56.9	65.5	60.1	56.9	55.8
50.4	63.0	52.2	58.5	56.3	55.9	51.2
46.7	60.1	48.6	56.5	52.3	52.6	47.8
46.0	58.8	47.6	55.9	51.2	51.6	46.8
45.0	57.7	45.7	54.9	...	50.7	...
35.2	24.1	38.0	31.4	35.0	39.7	39.4
42.1	32.9	40.6	37.9	37.2	39.7	42.3
45.2	35.6	43.2	39.4	40.3	43.0	44.9
45.6	36.8	43.9	39.9	41.2	44.1	45.7
46.3	37.8	45.4	40.5	...	44.8	...
4.2	3.2	5.1	3.0	4.9	3.3	4.8
7.5	4.1	7.3	3.6	6.5	4.3	6.5
8.2	4.4	8.2	4.1	7.4	4.4	7.3
8.3	4.4	8.5	4.3	7.5	4.3	7.5
8.8	4.6	8.9	4.6	...	4.5	...
99.3	.	.	100.0	98.8	.	.
97.7	.	.	99.6	98.7	.	.
19.0	.	.	13.9	42.2	.	.
20.4	.	3.4	16.8	3.4	.	.
8.4	.	0.9	5.9	6.0	.	.

	Year	Belgium	Denmark	FR of Germany
(b) Population aged between 14 and 65 years by type of training completed as %:				
— Within the general education system		89.4	.	90.6
of which:				
. general school education		89.4	.	90.6
. school vocational training		22.4	.	13.0
— Basic vocational training		3.7	.	43.0
— Further vocational training		2.4	.	6.1
<b>II. Research</b>				
<i>Public expenditure on research and development</i>				
1. Total expenditure in EUR per head	1970	20.10	17.37	29.29
— at prices and exchange rates of 1970	1975	22.61	21.53	41.79
— at current prices and exchange rates	1975	34.74	33.21	63.98
of which:				
— Planning of the human environment	1975	0.50	0.51	1.64
— Protection and promotion of human health	1975	1.34	2.52	2.72
— Problems of life in society	1975	1.69	1.38	3.12
— General promotion of knowledge:				
. Medical research	1975	4.28	3.35	8.06
. Social sciences and humanities	1975	3.40	4.33	4.39
2. Total expenditure in % of the gross domestic product at market prices	1970	0.77	0.55	0.98
	1972	0.85	0.64	1.16
	1975	0.72	0.61	1.22

Sources: .

1. + 2.: 'Public expenditure on research and development in the Community countries, 1974-1976', SOEC, Luxembourg.

	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
	71.2	.	84.6	95.4	98.0	.	.
	70.5	.	75.6	95.4	97.9	.	.
	13.6	.	10.7	11.8	33.3	.	.
	11.5	.	3.4	15.1	3.2	.	.
	7.1	.	0.9	5.9	5.7	.	.
	34.38	4.55	8.01	0	22.69	27.13	24.08
	37.85	6.59	7.59	0	26.31	27.68	28.15
	56.33	8.61	9.41	0	43.06	35.64	40.97
	2.52	0.65	0.12	0	2.58	0.88	1.30
	2.75	0.61	0.25	0	2.85	1.15	1.77
	0.62	0.58	0.13	0	3.17	0.34	1.24
	1.12	0.11	0.75	0	5.33	0.83	3.01
	1.01	0.25	1.09	0	4.56	0.21	2.00
	1.23	0.34	0.46	0	0.94	1.24	0.98
	1.25	0.35	0.41	0	0.91	1.31	1.06
	1.25	0.46	0.40	0	0.96	1.18	1.04



	Year	Belgium	Denmark	FR of Germany
<b>1. Activity rate</b>				
(a) Civilian labour force <sup>1</sup> as % of total population	1960	39.1	44.0	47.3
	1965	39.0	46.3	45.3
	1970	38.8	47.3	43.4
	1974	39.9	48.4	42.3
	1975	40.8	48.5	41.9
(b) Female labour force <sup>1</sup> as % of female population	1960	23.3	26.7	33.5
	1965	23.8	31.1	31.9
	1970	24.9	36.9	30.3
	1974	27.1	39.9	30.6
	1975	27.5	40.1	30.4
<b>2. Civilian employment<sup>1</sup></b>				
(a) Average annual increase as %	1960/65	+ 1.0	+ 1.9	+ 0.4
	1965/70	+ 0.7	+ 1.2	- 0.2
	1970/75	+ 0.4	+ 0.1	- 1.0
(b) Female employment as % of total employment	1960	26.4	31.8	35.0
	1970	32.7	39.4	36.6
	1975	34.4	41.6	37.7
(c) By sectors as %	— Agriculture, forestry, fishing			
	1960	8.7	18.4	14.0
	1965	6.4	15.0	10.9
	1970	4.7	11.5	8.6
	1975	3.6	9.8	7.3
	— Industry (mining, energy supply, manufacturing, construction)			
	1960	46.8	37.2	48.2
	1965	47.0	37.4	49.7
	1970	43.2	37.8	49.3
	1975	39.9	31.5	46.0
	— Services (transport, trades, insurance, banking, public admini- stration, other services)			
	1960	44.5	44.4	37.8
1965	46.6	47.6	39.4	
1970	52.0	50.7	42.1	
1975	56.5	58.7	46.7	

<sup>1</sup> Annual average or as at 30 June.

<sup>2</sup> Community sample survey on labour force.

<sup>3</sup> 1966.

<sup>4</sup> Estimated.

Sources of the basic data:

1. + 2.: 'Population and Employment 1971-1975', 'Social Statistics', SOEC Luxembourg.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
41.5	39.2	40.5	42.4	35.7	46.8	43.5
40.6	38.7	37.6	42.0	35.9	47.1	42.4
40.9	37.6	35.6	40.3	35.6	44.9	41.0
41.4	36.1	34.8	42.0	34.8	45.1	40.7
41.1	35.8	34.9	41.8	34.7	45.5	40.6
28.9 <sup>2</sup>	(20.6)	24.9	19.1 <sup>2</sup>	16.8 <sup>2</sup>	31.1	28.7
	20.1 <sup>3</sup>	20.5			32.3	27.9 <sup>4</sup>
28.7	(19.7)	19.1	19.9 <sup>2</sup>		31.3	27.0
30.5		19.2			33.3	27.9 <sup>4</sup>
30.6	19.5 <sup>2</sup>	19.4	22.0 <sup>2</sup>	16.8 <sup>2</sup>	33.8	28.1 <sup>4</sup>
+ 0.9	+ 0.3	- 1.2	+ 0.2	+ 1.6	+ 0.9	+ 0.4
+ 0.9	- 0.3	- 0.3	+ 0.3	+ 0.9	- 0.5	+ 0.0
+ 0.4	- 0.3	+ 0.3	+ 1.8	- 0.2	+ 0.2	- 0.1
35.5 <sup>2</sup>	(26.5)	27.7	25.2 <sup>2</sup>	22.8 <sup>2</sup>	34.4	33.2
35.8	(26.7)	27.1	25.8	24.6	36.3	33.9
37.2	26.6 <sup>4</sup>	28.1	28.4 <sup>4</sup>	24.3 <sup>4</sup>	38.8	35.9 <sup>4</sup>
22.4	37.3	32.9	16.4	11.5	4.2	17.0
17.7	32.0	26.0	12.2	8.9	3.4	13.2
14.1	27.1	19.5	8.8	7.2	3.2	10.5
11.3	24.5	15.8	6.0	6.6	2.7	8.7
39.0	23.7	36.9	45.3	40.3	48.8	43.5
39.4	27.9	40.7	47.1	40.9	48.1	44.7
38.8	29.9	43.8	46.7	38.6	44.8	43.9
38.7	29.8	44.1	47.3	34.8	40.9	41.6
38.6	39.0	30.2	38.3	48.2	47.0	39.5
42.9	40.1	33.3	40.7	50.2	48.6	42.1
47.2	43.1	36.6	44.5	54.2	52.0	45.6
50.0	45.7	40.1	46.7	58.6	56.4	49.7

	Year	Belgium	Denmark	FR of Germany	
<b>3. Civilian employees in employment</b> Annual average or as at 30 June					
(a) As % of total civilian employment	1960	73.8	77.6	77.2	
	1965	77.8	77.7	80.6	
	1970	81.1	79.4	83.1	
	1975	83.1	81.4	84.2	
(b) <i>Foreign workers</i> as % of civilian employees in employment	1960	6.3	0.6 <sup>1</sup>	1.4	
	1965	6.5	0.8 <sup>1</sup>	5.5	
	1970	6.7	1.3 <sup>1</sup>	8.5	
	1973	6.8	1.9 <sup>1</sup>	11.4 <sup>2</sup>	
	1975	6.6	2.0 <sup>1</sup>	10.3 <sup>2</sup>	
(c) <i>Workers from third countries</i> as % of civilian employees	1960	1.5	0.3 <sup>1</sup>	0.6	
	1965	2.2	0.4 <sup>1</sup>	3.4	
	1970	2.8	0.9 <sup>1</sup>	6.3	
	1973	2.9	1.5 <sup>1</sup>	8.8	
	1975	2.9	1.3 <sup>1</sup>	8.1	
<b>4. Unemployed</b>					
(a) Unemployment rate (unemployed as % of the civilian labour force) <sup>6</sup>	1960	3.3	1.5	1.0	
	1965	1.7	1.2	0.6	
	1970	1.9	0.7	0.6	
	1971	1.8	1.1	0.7	
	1972	2.2	1.0	0.9	
	1973	2.3	0.9	1.0	
	1974	2.4	3.6	2.2	
	1975	4.3	4.9	4.1	
	(b) Unemployed young people (aged under 25 years) as % total unemployed	Autumn 1960	26	.	28
		Spring 1968	25	.	18
Spring 1971		24	.	21	
Spring 1973		34	.	33	
Spring 1975		43	32	32	
(c) Unemployed older people (45 years and over) as % of total unemployed	Autumn 1960	50	.	39	
	Spring 1968	40	.	45	
	Spring 1971	41	.	34	
	Spring 1973	32	.	29	
	Spring 1975	18	27	22	

<sup>1</sup> Excluding workers from the Nordic labour market.

<sup>2</sup> Estimated.

<sup>3</sup> Approved working permits; excluding workers from the UK and the Commonwealth.

<sup>4</sup> 1971.

<sup>5</sup> Includes workers from the Commonwealth and independent and self-employed foreign workers.

<sup>6</sup> Unemployed according to the definition of OECD.

<sup>7</sup> Spring 1961.

*Sources of the basic data:*

3(a) 'National accounts', SOEC, Luxembourg.

3(b) + (c) National employment agencies.

4(a) OECD, Paris

4(b) + (c) 'Community sample survey on labour force', Ireland and United Kingdom: until 1971 national sample survey.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
69.5	60.7	58.4	70.7	77.3	92.7	75.5
74.1	65.0	63.7	75.8	81.2	93.3	79.1
77.8	68.6	68.3	80.3	83.4	92.2	81.2
80.9	70.8	72.4	85.2	84.5	92.2	83.0
6.9 <sup>2</sup>	.	0.0	22.1	0.8	.	.
8.0 <sup>2</sup>	.	0.2	27.5	1.8	.	.
10.0 <sup>2</sup>	0.3 <sup>3</sup>	0.3	30.1	3.2	7.5 <sup>4</sup>	7.3
11.0 <sup>2</sup>	0.3 <sup>3</sup>	0.4	35.0	3.2	7.4 <sup>2</sup>	7.8
10.9 <sup>2</sup>	0.3 <sup>3</sup>	0.4	35.0	3.0	7.3 <sup>2</sup>	7.3
4.6 <sup>2</sup>	.	0.0	2.2	0.4	.	.
6.2 <sup>2</sup>	.	0.1	4.1	1.1	.	.
8.3 <sup>2</sup>	0.1 <sup>3</sup>	0.2	6.5	1.9	4.5 <sup>4,5</sup>	5.2 <sup>2</sup>
9.2 <sup>2</sup>	0.1 <sup>3</sup>	0.2	11.0	1.8	4.5 <sup>2,5</sup>	5.7 <sup>2</sup>
9.2 <sup>2</sup>	0.1 <sup>3</sup>	0.2	12.4	1.7	4.4 <sup>2,5</sup>	5.3 <sup>2</sup>
1.3	5.7	4.0	0.0	1.2	1.3	1.9
1.4	4.6	3.7	0.0	0.8	1.2	1.6
2.5	5.9	3.2	0.0	1.2	2.2	1.8
2.7	5.9	3.2	0.0	1.5	2.9	2.1
2.8	6.4	3.7	0.0	2.5	3.2	2.5
2.7	6.0	3.5	0.0	2.5	2.3	2.3
2.8	5.8	2.9	0.0	3.0	2.1	2.6
4.2	8.0	3.4	0.2	4.3	3.4	3.9
51	21 <sup>7</sup>	47	.	39	19	.
39	.	45	.	35	31	.
38	23	56	.	.	24	.
39	.	51	.	36	27	.
41	44	60	.	36	29	38
27	46 <sup>7</sup>	14	.	32	52	.
30	.	14	.	35	37	.
32	46	13	.	.	41	.
30	.	9	.	22	35	.
22	24	9	.	18	31	23

	Year	Belgium	Denmark	FR of Germany
<b>1. Extent of unionization</b> (Percentage of employees who are members of trade unions)				
	1960	62	70	38
	1965	62	70	38
	1970	66	70-75	38
	1975	71	70-75	40
<b>2. Industrial disputes</b> Working days lost through industrial disputes per 1 000 employees				
	1960	134	42	2
	1965	25	143	2
	1970	482	56	4
	1975	195	53	3
<b>3. Hours of work per week</b>				
(a) Normal hours of work fixed by legislation				
	1960	48	.1	48
	1965	45	.1	48
	1970	45	.1	48
	1975	45/40	.1	48
	1976	40	.1	48
(b) Normal hours of work for manual workers in industry by collective agreements				
	1960	45-46	48	40-45
	1965	45		40-43
	1970	42-44	42½-41½	40-41
	1975	40-41 <sup>3</sup>	40	40
	1976	40	40	40
(c) Hours of work offered to wage earners in industry (including mining and construction) — October				
	1966	44.2	.	43.9
	1970	42.7	.	44.1
	1971	42.5	.	43.5
	1972	41.7	.	43.2
	1973	41.0	.	42.9
	1974	39.5	.	41.7
	1975	37.1	.	40.9
(d) Hours actually worked by wage earners in industry <sup>6</sup> (incl. mining and construction) — September/October				
	1960	.	.	45.6
	1965	.	39.7	44.7
	1970	.	36.2	44.1
	1975	.	34.8 <sup>p</sup>	40.9

<sup>1</sup> Only provisions stipulating at least 11 hours rest within any 24-hour period starting at the beginning of a normal working day.

<sup>2</sup> No general legislation; in accordance with some legislation (above all the 'Factories Act 1961') only the number of hours to be worked in any one week by female workers and by young workers aged under 16 years is limited to 44 hours.

<sup>3</sup> Construction.

<sup>4</sup> Iron and steel industries.

<sup>5</sup> 1967.

<sup>6</sup> As the definitions of the national statistics are different, the data cannot be compared from one country to another; nevertheless they have been produced because they permit the development of the number of hours actually worked since 1960 to be followed.

Included under the heading are:

FR of Germany: Hours paid for;

France and the Netherlands: Hours actually worked by a wage earner present during the whole period of the pay period;

United Kingdom and Ireland: Hours actually worked by a wage earner present during all or part of the pay period.

Denmark: Hours actually worked.

The data for France and the United Kingdom include transport as well as some services; the data for Ireland deal only with the manufacturing industries.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
24	44	55-60	60	42	43	42
23	46	55-60	60	41	43	41
22	49	50-55	55	41	47	42
22	55	50-55	50-55	42	50	43
82	127	486	0	148	138	146
68	790	583	0	15	122	147
110	1 405	1 445	0	69	489	412
232	406	1 668	0	0	265	402
			Workers/ Employees			
40	48	48	48 48	48	2	40-48
40	48	48	48 44	48	2	40-48
40	48	48	48 44	48	2	40-48
40	48	48	40	48	2	40-48
40	48	48	40	48	2	40-48
—	44	46½-48	44-48	45-48	43-44	40-48
—	42½-44	44-46½	42-46	45	40-42	40-46½
—	41-42	42-44	41-45	42½-43½	40-41	40-45
—	40	40	40	40	40	40
—	40	39½-40	40	40	40	40
47.3	.	44.6 <sup>5</sup>	45.7	45.9	.	.
45.9	.	42.5	45.0	44.3	.	.
45.5	.	42.1	44.7	43.9	.	.
45.0	.	41.9	43.9	43.4	43.0	.
44.4	.	41.8	43.7	43.2	43.4	.
43.8	.	41.7	43.6	41.9	42.9	.
42.4	.	41.5	40.9	40.8	41.8	.
46.1	45.4	.	.	48.9	46.5	.
46.7	44.0	.	.	46.1	45.2	.
45.5	42.7	.	.	44.3	44.0	.
42.6	41.3	.	.	40.8	42.1	.

*Sources:*

1. Data published by national trade union organizations.
2. Statistical Office of the European Communities.
3. (a) + (b) 'The regulations relating to hours of work in the Member States of the EEC', List 'Social Policy', No 14/1966; 'Comparative tables relating to hours of work in Community industries', Commission of the EC;
3. (c) 'Hourly earnings—hours of work', 'Social statistics', SOEC, Luxembourg.
3. (d) 'Bulletin of labour statistics', International Labour Office, Geneva.

	Year	Belgium	Denmark	FR of Germany
<b>4. Annual paid holidays</b> (Predominant systems)				
(a) Basic holidays for adults fixed by legislation expressed in days <sup>1</sup>				
	1960	12	12	12
	1965	18	18	15-18 <sup>2</sup>
	1970	18	18	15-18 <sup>2</sup>
	1975	24	24	18
	1976	24	24	18
(b) Basic holidays for adult wage earners in industry laid down in collective agreements expressed in days				
	1960	12	18	12 -18
	1965	18	18	15 -18
	1970	18	18	16*-24
	1975	24	24	20*-26*
	1976	24	24	20*-26*
(c) Additional holiday allowances for adult wage earners in industry				
	1960	7½ daily wages	—	—
	1965	2 weekly wages	0.9%	10-30% <sup>6</sup>
	1970	3 } weekly wages	0.9%	} yearly wage 15-30% <sup>6</sup> 30-60% <sup>6</sup> 40-60% <sup>6</sup>
	1975	3 }	0.9%	
	1976	3 }	0.9%	
<b>5. Public holidays</b>				
(a) Public holidays paid for and not worked fixed by legislation				
	1960	10	9½	10-13
	1965	10	9½	10-13
	1970	10	9½	10-13
	1975	10	9½	10-13
	1976	10	9½	10-13
(b) Public holidays paid for and not worked fixed by legislation and laid down in collective agreements				
	1960	10	9½	10-13
	1965	10	9½	10-13
	1970	10	9½	10-13
	1975	10	9½	10-13
	1976	10	9½	10-13

<sup>1</sup> Working days, i.e. every day of the week except Sunday and public holidays falling during the week; where the data have been annotated\* it is a question of days of work.

<sup>2</sup> From the age of 35 years.

<sup>3</sup> According to number of years of service.

<sup>4</sup> According to age.

<sup>5</sup> In the case of the 5 day-week.

<sup>6</sup> These additional allowances were paid in 1965 to about a quarter, in 1970 to approximately half and in 1975/76 to 70 to 80% of the workers.

<sup>7</sup> Some works agreements.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9	
18	10*-12*	—	8-18 <sup>3</sup>	—	—	.	
18	10*-12*	—	8-18 <sup>3</sup>	10*-12*	—	.	
24	10*-12*	—	18-24 <sup>4</sup>	10*-12*	—	.	
24	15*-18	12	20 <sup>3</sup> -22 <sup>4,5</sup>	15*-18*	—	.	
24	15*-18	12	20 <sup>5</sup> -22 <sup>4,5</sup>	15*-18*	—	.	
18	12	12	8-18 <sup>3</sup>	12*-15*	12	12-18	
24	12	12	8-18 <sup>3</sup>	15*	12-18	12-24	
24	12-18	12-15	18-24 <sup>4,5</sup>	15*-18*	12-18	12-24	
24	15*-18	20*-24	20 <sup>5</sup> -22 <sup>4,5</sup>	20*-21*	15-20	15-26	
24	15*-18	20*-24	20 <sup>5</sup> -22 <sup>4,5</sup>	20*-21*	15-20	15-26	
—	—	—	—	} 2 weekly wages or 4% yearly wage	—	.	
—	—	—	—		—	.	
—	—	—	—		6% yearly wage	—	.
25-30% <sup>7</sup>	—	—	—		7-8% wage	—	.
25-30% <sup>7</sup>	—	—	—	7-8% wage	—	.	
1	6	16	10	—	6	.	
1	6	16	10	—	6	.	
1	6	16	10	—	6	.	
1	7	16	10	—	7	.	
1	7	16	10	—	7	.	
4-7	6-7	17	10	7	6-7	4-17	
6-10	6-7	17	10	7	6-7	6-17	
8-10	6-7	17	10	7	6-7	6-17	
8-10	7-8	17-18	10	7	7-8	7-18	
8-10	7-8	17-18	10	7	7-8	7-18	

## Sources:

4.(a), (b), (c),

5.(a) + (b): 'The regulations fixed by legislation and laid down in collective agreements concerning paid holidays in the 6 States of the Community', List 'Social Policy', No 2/1962; 'The regulations concerning paid holidays in the countries of the EEC', List 'Social Policy', No 18/1967; 'Comparative tables relating to hours of work in Community industries', published by the Commission of the EC; Social Reports of the Commission.



	Year	Belgium	Denmark	FR of Germany
<b>1. Gross domestic product</b>				
<b>(a) At current prices per head in EUR</b>				
	1960	1 222	1 289	1 287
	1965	1 757	2 121	1 949
	1970	2 619	3 160	3 058
	1975	4 715	5 312	5 173
<b>(b) At constant prices per head; annual increases as %</b>				
	1960/65	4.3	4.5	3.9
	1965/70	4.4	3.7	3.8
	1970/75	3.1	1.5	1.5
<b>2. Average compensation of wage and salary earners (in national currency)</b>				
<b>(a) As % of the net national disposable income per employed person (rectified wage quota)</b>				
	1960	68.8	66.4	67.7
	1965	69.3	70.1	70.2
	1970	68.3	72.2	71.3
	1971	70.3	73.7	72.7
	1972	71.8	72.0	72.9
	1973	72.1	72.2	74.2
	1974	72.9	77.9	76.2
	1975	75.8	79.9	76.6
<b>(b) Increase in nominal terms:</b>				
— 1970 = 100				
	1960	47	38	44
	1965	68	62	66
	1970	100	100	100
	1975	194	191	169
— Average annual increase rate as %				
	1960/65	7.5	10.6	8.5
	1965/70	8.0	10.0	8.5
	1970/75	14.2	13.8	11.0
<b>(c) Increase in real terms:</b>				
— 1970 = 100				
	1960	64	64	60
	1965	79	83	77
	1970	100	100	100
	1975	132	128	121
— Average annual increase rate as %				
	1960/65	4.2	5.2	5.0
	1965/70	4.9	3.9	5.4
	1970/75	5.7	5.0	3.8

Sources of the basic data:

1. + 2.: 'National accounts - ESA - Aggregates 1960-1975', SOEC, Luxembourg.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
1 310	628	689	1 624	959	1 358	1 152
1 985	937	1 124	2 023	1 524	1 826	1 715
2 775	1 322	1 727	3 129	2 429	2 192	2 458
4 803	1 880	2 332	4 633	4 481	3 078	3 938
4.2	3.4	4.4	2.1	3.4	2.5	3.7
5.0	4.2	5.3	2.9	4.5	1.9	3.9
2.7	1.5	1.4	0.7	2.1	1.8	1.9
70.0	75.9	76.2	73.8	65.8	69.8	71.2
70.6	77.3	76.9	80.0	71.1	69.9	71.6
70.0	78.1	77.0	72.2	73.9	71.2	71.9
70.4	78.6	79.9	78.6	75.1	70.6	72.9
69.6	76.3	79.8	78.6	74.2	71.7	72.9
70.2	74.5	81.4	74.4	74.0	72.2	73.6
72.2	81.2	85.0	78.6	77.5	77.7	76.7
74.3	80.5	90.2	91.9	81.1	80.7	78.9
41	39	36	52	37	51	.
65	59	63	73	60	68	.
100	100	100	100	100	100	.
189	231	221	186	193	222	.
9.8	8.4	12.3	7.1	10.3	6.0	.
9.1	11.3	9.5	6.5	10.9	8.0	.
13.6	18.2	17.1	13.3	14.1	17.3	.
61	61	53	66	55	75	.
81	75	74	85	74	85	.
100	100	100	100	100	100	.
124	124	124	132	125	124	.
5.7	4.1	7.1	5.0	6.1	2.5	.
4.3	6.0	6.2	3.4	6.2	3.2	.
4.4	4.3	4.3	5.7	4.5	4.4	.

	Year	Belgium	Denmark	FR of Germany
<b>3. Average gross hourly earnings of workers in industry (incl. mining and construction)<sup>1</sup> — October<sup>2</sup></b>				
<b>(a) Development in nominal terms</b>				
— October 1970 = 100				
	1960	46	36	44
	1965	67	59	69
	1970	100	100	100
	1975	215	210	157
— Average annual increase rate as %				
	1960/65	7.8	10.5	9.1
	1965/70	8.4	11.2	7.8
	1970/75	16.5	16.0	9.4
	1970/71	12.5	16.1	9.3
	1971/72	15.3	10.6	8.9
	1972/73	14.2	17.2	10.9
	1973/74	25.3	18.4	10.9
	1974/75	15.6	17.7	7.1
<b>(b) Development in real terms</b>				
— October 1970 = 100				
	1960	62	65	58
	1965	79	82	78
	1970	100	100	100
	1975	139	134	116
— Average annual increase rate as %				
	1960/65	5.0	4.7	6.2
	1965/70	4.8	4.1	5.0
	1970/75	6.8	6.1	2.9
	1970/71	6.9	10.3	3.3
	1971/72	9.0	3.9	2.6
	1972/73	6.9	6.9	4.1
	1973/74	8.1	1.9	3.6
	1974/75	2.9	7.6	1.2
<b>4. Labour costs of manual and office workers in industry (incl. mining and construction) per hour worked — country with the highest level = 100</b>				
	1966	86	.	91
	1969	93	.	97
	1972	90	.	100
	1973 <sup>3</sup>	90	91 <sup>4</sup>	100
	1974 <sup>3</sup>	90	92 <sup>4</sup>	96
	1975 <sup>3</sup>	96	93 <sup>4</sup>	91

<sup>1</sup> Harmonized statistics of gross hourly earnings of the manual workers in industry except for the 3 new Member States for which it was necessary to fall back on national wage statistics:

United Kingdom: excluding coalmining, including some transport and services sectors; only adult workers;

Ireland: manufacturing industries only;

Denmark: manufacturing industries, construction, services.

<sup>2</sup> France and Ireland: September; Denmark: third quarter.

<sup>3</sup> Actualization.

<sup>4</sup> Manufacturing industries only.

	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom		EUR 9
						men	women	
	44	39	37	49	37	49	50	.
	64	58	64	71	63	68	67	.
	100	100	100	100	100	100	100	.
	203	260	243	184	206	223	250	.
	7.7	7.9	11.6	7.5	11.3	6.6	6.2	.
	9.4	11.6	9.4	7.2	9.9	8.0	8.3	.
	15.2	21.0	19.5	13.0	15.5	17.4	20.2	.
	12.0	15.8	14.7	7.1	15.4	12.7	13.6	.
	13.2	13.8	12.3	10.0	15.8	15.1	15.2	.
	14.8	22.9	23.5	14.2	14.7	12.7	16.3	.
	20.5	20.8	22.8	24.5	17.3	20.2	28.7	.
	15.6	32.8	24.6	10.0	14.4	26.7	28.0	.
	66	64	55	64	58	74	75	.
	79	75	75	82	81	86	85	.
	100	100	100	100	100	100	100	.
	131	140	140	127	134	116	131	.
	3.9	3.4	6.4	5.1	7.0	2.9	2.5	.
	4.8	5.9	6.1	4.1	4.3	3.1	3.3	.
	5.6	7.0	7.0	4.9	6.0	3.2	5.6	.
	5.9	6.4	9.2	1.9	6.6	3.0	3.8	.
	6.2	4.5	5.0	4.0	7.2	6.8	6.9	.
	6.2	10.5	11.3	8.3	6.3	2.5	5.8	.
	4.9	2.5	-1.2	12.3	6.0	2.6	9.8	.
	4.9	11.7	11.2	-1.3	4.1	0.7	1.7	.
	87	.	75	100	88	.	.	.
	90	.	79	100	98	.	.	.
	75	.	76	94	99	.	.	.
	76	.	66	90	98	51 <sup>4</sup>	.	.
	66	.	60	92	100	48 <sup>4</sup>	.	.
	72	.	...	91	100	47 <sup>4</sup>	.	.

## Sources of the basic data:

3. 'Hourly earnings — hours of work', 'Social statistics', SOEC, Luxembourg. 'Bulletin of labour statistics', ILO, Geneva.  
 4. 'Demographic and social statistics', Statistical telegram 1/1976, SOEC, Luxembourg.

	Year	Belgium <sup>1</sup>	Denmark	FR of Germany
<b>1. Amounts of some foodstuffs, consumed annually in kg per head</b>				
	Economic Year			
— Cereals (total)	1961/62	89	73	77
	1974/75	79	65	66
— Rice	1961/62	1	1	2
	1974/75	3	2	2
— Potatoes	1961/62	126 <sup>2</sup>	125	132
	1974/75	107	65	92
— White sugar	1961/62	33	54	30
	1974/75	35	48	36
— Vegetables	1961/62	.	69	.
	1974/75	101	48	66
— Meat	1961/62	61	.	63
	1974/75	90	70	90
— Fish	1961/62	11	.	.
	1974/75	8	32 <sup>3</sup>	10
— Eggs	1961/62	12	11	14
	1974/75	11	11	17
— Oils and fats	1961/62	22	.	18
	1974/75	24	28 <sup>4</sup>	19
<i>of which:</i>				
— Butter	1961/62	7	9	7
	1974/75	8	7	6
— Milk (litres)	1961/62	105	.	86
	1974/75	84	153	88
<b>2. Amounts of some alcoholic drinks and tobacco consumed annually per adult</b>				
(a) Wine (litres)	1961/62	11	4	17
	1973/74	19	14	27
(b) Cigarettes	1960	1 570	1 470	1 630
	1965	1 980	1 500	2 100
	1970	2 380	1 690	2 510
	1973	2 730	1 850	2 610
(c) Total tobacco consumption, kg	1960	3.2	3.7	2.5
	1965	3.5	3.7	2.8
	1970	3.5	3.7	3.0
	1975	3.9	3.6	3.1

<sup>1</sup> Figures for Belgium include Luxembourg (except wine and tobacco).

<sup>2</sup> 1960/61.

<sup>3</sup> 1972/73.

<sup>4</sup> 1973/74.

<sup>5</sup> Estimated.

France	Ireland	Italy	Luxembourg <sup>1</sup>	Netherlands	United Kingdom	EUR 9
97	109	130	.	80	80	94
72	84	125	.	64	70 <sup>5</sup>	83 <sup>5</sup>
2	1	5	.	3	1	2
4	1	6	.	4	2	3
104	140	54	.	96	97	100
94	127	37	.	83	99	82
32	.	23	.	43	51	35 <sup>5</sup>
38	47	28	.	43	46	38
.	64	.	.	.	.	.
110	74	155	.	90	74	98
75	65	30	.	46	71	59
99	101	65	.	72	73	82
13	.	9	.	9	.	.
14	8 <sup>3</sup>	10	.	10	17 <sup>3</sup>	.
11	17	9	.	12	15	12
13	13	11	.	11	14	14
.	16	16	.	25	15	.
22	20	20	.	23	17 <sup>4</sup>	.
6	7	1	.	.	8	6
8	10	2	.	2	7	5
98	254	65	.	123	149	104
85	217	68	.	141	152	103
.	.	.	.	.	.	.
179	.	158	41	4	.	.
147	6	133	65	13	16	67
1 320	2 560	1 280	.	1 700	2 760	.
1 510	2 690	1 540	.	2 020	2 680	.
1 830	2 990	1 720	.	1 970	3 050	.
1 920	3 340	1 930	.	2 370	3 230	.
2.2	3.0	1.5	.	3.9	3.1	.
2.4	3.0	1.7	.	4.2	2.8	.
2.6	2.9	1.8	.	4.0	2.7	.
2.7	3.1	2.0	.	4.4	2.8	.

## Sources:

1. + 2.(a) : 'Basic statistics of the Community', SOEC, Luxembourg.  
 2.(b) + (c) : Tobacco Research Council, Research Paper 6, 1975.

	Year	Belgium	Denmark	FR of Germany
<b>3. Consumer prices</b>				
<b>(a) Index of consumer prices</b>				
— 1970 = 100				
	1960	74.3	56.3	76.4
	1965	84.2	72.6	87.6
	1970	100.0	100.0	100.0
	1975	149.5	155.8	134.7
	1976	163.2	169.8	140.8
— Average annual increase rate as %				
	1960/65	<sup>1</sup> 2.5	5.2	2.8
	1965/70	3.5	6.6	2.7
	1970/75	8.4	9.3	6.1
	1975/76	9.2	9.0	4.5
<b>(b) Price index of some goods and services</b>				
1970 = 100				
— Food and beverages	1975	142.7	157.1	130.0
— Rent, rates and water charges	1975	.	149.4	133.0
— Manufactured products including tobacco	1975	142.7	152.6	135.2
— Services	1975	166.2	163.4	140.9
<b>4. Durable consumption goods</b>				
<b>(a) Private cars per 1 000 inhabitants — at the end of the year</b>				
	1960	86	88	78
	1965	145	156	160
	1970	213	218	222
	1975	267	257	294
<b>(b) Television sets per 1 000 inhabitants — at the end of the year</b>				
	1960	67	118	83
	1965	162	227	193
	1970	216	266	272
	1973	244	303	298
<b>(c) Installed telephones per 1 000 inhabitants — at the end of the year</b>				
	1960	124	174	107
	1965	164	285	150
	1970	211	345	228
	1974	272	428	302

<sup>1</sup> Excluding rents and charges.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
			1			
67.3	62.7	67.9	77.6	64.4	67.3	.
81.0	77.3	86.3	86.2	78.7	80.0	.
100.0	100.0	100.0	100.0	100.0	100.0	.
152.2	186.4	171.1	141.7	151.7	184.4	.
166.8	219.9	199.8	155.5	165.2	215.0	.
3.8	4.3	4.9	2.1	4.1	3.5	.
4.3	5.3	3.0	3.0	4.9	4.6	.
8.8	13.0	11.3	7.2	8.7	13.0	.
9.6	18.0	16.8	9.7	8.9	16.6	.
155.7	192.7	176.8	141.4	138.4	194.7	.
143.5	143.3	112.8	.	146.5	169.1	.
148.2	189.5	173.0	138.0	150.0	.	.
156.3	182.6	170.9	153.3	173.3	.	.
121	.	40	118	47	108	84
184	102	106	187	113	167	151
251	135	190	269	191	215	218
293	168	269	389	254	253	274
41	.	42	23	69	210	93
133	105	116	93	171	248	174
216	152	181	209	237	294	242
248	173	207	244	257	308	265
95	57	77	162	140	92	98
125	77	115	240	190	193	152
173	104	175	327	262	270	217
236	127	246	397	344	366	293

## Sources:

3. 'Monthly general statistics bulletin', SOEC, Luxembourg.

4. 'Basic statistics of the Community', SOEC, Luxembourg.



	Year	Belgium	Denmark	FR of Germany
<b>1. Existing dwellings</b>				
(a) At the end of the year per 1 000 inhabitants	1960	351	320	289
	1965	355	340	323
	1970	372	370	341
	1975	389 <sup>1</sup>	398	383
(b) Number of persons/dwelling (average)	1960	2.85	3.13	3.46
	1965	2.82	2.94	3.10
	1970	2.68	2.71	2.93
	1975	2.57 <sup>1</sup>	2.51	2.61
(c) Proportion (%) of owner occupied dwellings	about 1960	50	47	35
	about 1970	55	47	34
(d) Proportion (%) of dwellings built before 1945	about 1960	75	76	54
	about 1970	62	63	49
(e) Proportion (%) of dwellings with a bathroom	about 1960	24	48	49
	about 1970	49	63	68
<b>2. Completed dwellings per 1 000 inhabitants</b>				
	1960	5.1	5.9	9.4
	1965	6.9	8.5	9.2
	1970	4.8 <sup>4</sup>	10.3	7.9
	1974	6.8 <sup>4</sup>	9.6	9.7
	1975 <sup>p</sup>	7.9 <sup>4</sup>	7.0	7.1
<b>3. Rents</b>				
(a) Rent index — 1970 = 100	1960	63 <sup>5</sup>	.	54
	1965	77 <sup>5</sup>	.	72
	1970	100 <sup>5</sup>	100	100
	1975	134 <sup>1 5</sup>	151	133
(b) Average annual increase as %	1960/65	4.2 <sup>5</sup>	.	5.9
	1965/70	5.4 <sup>5</sup>	.	7.0
	1970/71	8.2 <sup>5</sup>	.	5.9
	1971/72	7.0 <sup>5</sup>	.	5.1
	1972/73	8.7 <sup>5</sup>	7	5.3
	1973/74	6.5 <sup>5</sup>	8.5	5.0
	1974/75	...	10	6.1

<sup>1</sup> 1974.<sup>2</sup> Before 1949.<sup>3</sup> Without Italy.<sup>4</sup> Buildings already started.<sup>5</sup> The index figures refer only to dwellings built by intervention by the National Building Society.<sup>6</sup> Including imputed rent for owner occupiers and costs of materials for home repairs and decoration.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
349	241	275	300	248	315	304
353	239	302	306	264	326	323
375	244	320	319	289	345	341
399	256	327 <sup>1</sup>	...	322	363	365 s
2.87	4.15	3.64	3.33	4.02	3.18	3.29
2.83	4.18	3.31	3.27	3.79	3.07	3.10
2.67	4.11	3.13	3.13	3.47	2.90	2.93
2.51	3.91	3.06 <sup>1</sup>	...	3.11	2.75	2.74s
42	64	46	55	29	43	42
45	69	53	57	36	51	46
83	80	.	75	80	76	75 <sup>8</sup>
71	65 <sup>2</sup>	.	62 <sup>2</sup>	45	61	59 <sup>8</sup>
25	33	29	46	27	77	45
41	56	65	69	81	87	65 <sup>3</sup>
6.9	2.1	5.8	4.2	7.3	5.8	6.9
8.4	4.1	7.2	7.2	9.4	7.2	8.0
9.0	4.6	7.0	5.1	9.0	6.6	7.6
9.8	8.5	3.3	9.5	10.9	5.2	7.2
9.8	8.6	3.9	9.2	8.9	5.6	6.8
41	.	56	.	60	63 <sup>6</sup>	. J
66	.	82	.	73	76 <sup>6</sup>	.
100	100	100	.	100	100 <sup>6</sup>	.
144	141	113	.	147	179 <sup>6</sup>	.
9.6	.	8.0	.	4.1	3.8 <sup>6</sup>	.
8.8	.	3.9	.	6.4	6.7 <sup>6</sup>	.
5.9	10.5	1.8	.	8.1	9.2 <sup>6</sup>	.
5.6	13.1	2.2	.	8.5	10.5 <sup>6</sup>	.
7.8	5.1	2.2	.	8.8	11.7 <sup>6</sup>	.
7.6	0.9	0.5	.	7.5	12 <sup>6</sup>	.
10.6	6.6	5.2	.	7.0	18.5 <sup>6</sup>	.

	Year	Belgium	Denmark	FR of Germany
<b>4. Building costs of dwelling</b>				
<b>(a) Index 1970 = 100</b>				
	1960	51	49	58
	1965	71	68	77
	1970	100	100	100
	1975	191	173	139
<b>(b) Average annual increase as %</b>				
	1960/65	6.8	6.5	5.3
	1965/70	7.1	8	4.9
	1970/71	8.3	6	11.1
	1971/72	7.3	6.5	6.8
	1972/73	18.6	13	7.4
	1973/74	20.4	20	7.6
	1974/75	15	13	2

*Sources:*

- 1 (a) + (b) + 2.: 'Annual bulletin of housing and building statistics for Europe', United Nations.  
 1 (c), (d), (e) + 2.: 'Yearbook of social statistics — 1972', SOEC, Luxembourg.  
 3. + 4.: SOEC, Luxembourg.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
64	59	44	.	52	69	.
84	72	72	.	71	81	.
100	100	100	.	100	100	.
159	173	214	177	168	222	.
5.8	4.1	10.2	.	6.4	3.3	.
3.4	6.8	6.7	.	7.0	4.3	.
6.1	10.5	10.6	12.8	13.5	7.0	.
5.8	10.3	5.1	6.0	8.7	11.2	.
8.2	13.5	22.0	8.9	11.0	23.6	.
15.7	...	28.1	18.1	13.4	26.3	.
13.2	...	18	14.9	8	20	.

	Year	Belgium	Denmark	FR of Germany
<b>1. Life expectancy at some ages in years</b>				
Men at birth	about 1960	1959/63	1961/62	1960/62
aged:				
20 years		67.2	70.4	66.9
40 years		50.3	52.9	50.3
60 years		31.7	34.0	31.9
		15.5	17.1	15.5
Women at birth		73.0	74.4	72.4
aged:				
20 years		55.5	56.3	55.2
40 years		36.3	37.0	36.1
60 years		18.7	19.3	18.5
Men at birth	about 1970	1968/72	1972/73	1971/73
aged:				
20 years		67.8	70.8	67.6
40 years		50.3	52.6	50.4
60 years		31.6	33.7	31.9
		15.2	17.0	15.4
Women at birth		74.2	76.3	74.1
aged:				
20 years		56.1	57.6	56.2
40 years		36.9	38.3	37.0
60 years		19.2	20.8	19.3
<b>2. Infant mortality</b> (Number of deaths under the age of 1 year per 1 000 live births)				
	1960	31.2	21.5	33.8
	1965	23.7	18.7	23.8
	1970	20.5	14.2	23.4
	1975	14.6	10.4	19.7
<b>3. Health care</b>				
(a) Doctors per 100 000 inhabitants	1960	128	127	134
— at the end of the year	1965	145	135	146
	1970	161	144	173
	1974	176	163 <sup>5</sup>	184
(b) Pharmacists per 100 000 inhabitants	1960	59	30	29
— at the end of the year	1970	71	.	37
	1974	67	28	40
(c) Hospital beds <sup>3</sup> per 10 000 inhabitants	1960	86	96	106
— at the end of the year	1970	83	96	112
	1974	89	97 <sup>5</sup>	116

<sup>1</sup> 1966.

<sup>2</sup> 1969.

<sup>3</sup> Including clinics, psychiatric hospitals, sanatoriums, nursing homes and old persons' homes.

<sup>4</sup> 1971.

<sup>5</sup> 1972.

<sup>6</sup> 1973.

**Sources:**

1. 'Demographic statistics of the countries of the Community, 1960-1974, internal information', SOEC, Luxembourg.

2. 'Yearbook of social statistics', SOEC, Luxembourg.

3. 'World Health statistics', WHO, Geneva.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
<i>1960</i>	<i>1960/62</i>	<i>1960/62</i>	<i>1960</i>	<i>1960</i>	<i>1960/62</i>	
67.2	68.1	67.2	66.1	71.5	67.9	.
49.9	51.1	51.7	50.4	53.7	50.4	.
31.4	32.4	33.1	31.7	34.7	31.5	.
15.6	15.8	16.7	15.9	17.7	15.0	.
73.8	71.9	72.3	71.9	75.3	73.7	.
55.9	54.3	56.1	54.9	57.1	55.7	.
36.9	35.3	37.0	35.8	37.7	36.4	.
19.5	18.1	19.3	18.3	19.7	18.9	.
<i>1973</i>	<i>1970/72</i>	<i>1970/72</i>	<i>1971/73</i>	<i>1973</i>	<i>1971/73</i>	
68.9	68.8	69.0	67.0	71.2	68.8	.
50.7	51.0	52.0	49.2	53.0	50.9	.
32.2	32.1	33.2	30.8	34.0	31.8	.
16.3	15.6	16.7	14.7	17.0	15.3	.
76.5	73.5	74.9	73.9	77.2	75.1	.
58.0	55.3	57.3	55.6	58.4	56.7	.
38.8	36.0	38.1	36.4	39.1	37.3	.
21.1	18.7	20.2	19.0	21.1	19.9	.
27.4	29.3	43.9	31.5	16.5	22.4	30.8
21.9	25.3	36.0	24.0	14.4	19.6	24.6
18.2	19.2	29.6	25.0	12.7	18.5	22.0
13.6	18.4	20.7	14.2	10.6	16.0	16.9
105	105	161	102	122	107	127
120	104 <sup>1</sup>	170	102	128	115 <sup>1</sup>	139
134	103	182 <sup>2</sup>	107	130	130	153
147 <sup>6</sup>	118 <sup>5</sup>	199	108	149	134	168
42	59	61	54	7	40	41
46	57	66	49	8	31	44
57	52	69	49	8	31	47
97	148	.	118	.	107	.
94 <sup>4</sup>	126	105 <sup>2</sup>	115 <sup>4</sup>	99	96	102
102 <sup>6</sup>	110	106 <sup>5</sup>	114	101 <sup>6</sup>	90	103

	Year	Belgium	Denmark	FR of Germany
<b>1. Sickness insurance</b>				
(a) Persons entitled to medical care as % of the population	1960	73	90	85
	1965	91	94	87
	1970	99	100	88
	1975	100	100	92
(b) Cash benefits—Sickness benefits as % of earnings of insured adults (without hospitalization)	1960	60 <sup>3</sup>	.	65-75 <sup>4</sup>
	30.6.1976	60 <sup>3</sup>	90	80 <sup>5</sup>
<b>2. Employment injuries scheme</b>				
(a) Persons insured as % of civilian labour force	1960	61	100	100
	1970	80	100	100
	1975	85	100	100
(b) Industrial accidents in the iron and steel industries				
— Fatal accidents per 1 000 000 hours worked	1960	0.20	.	0.18
	1965	0.18	.	0.19
	1970	0.16	.	0.15
	1974	0.17	0.33	0.13
— Non fatal accidents resulting in absence from work of more than 3 days per 1 000 000 hours worked	1960	100	.	95
	1965	80	.	87
	1970	72	.	94
	1974	86	63	90
<b>3. Unemployment insurance</b>				
(a) Persons insured as % of civilian wage and salary earners	1960	79	46	77
	1970	81	44	86
	1975	80-85	45	95

<sup>1</sup> Only free hospital care, treatment by surgeons and specialists, maternity and child care.

<sup>2</sup> Only hospital care.

<sup>3</sup> For wage earners account must also be taken of the law on the minimum weekly wage (80% for the first week) and for salary earners the law on contracts of employment (100% for one month).

<sup>4</sup> According to the number of dependants.

<sup>5</sup> Maintenance of the wage-level for 6 weeks.

<sup>6</sup> 40% for the first 147 days, 30% for the following 78 days, 25% for the next 78 days and 20% for the following 78 days.

<sup>7</sup> Beginning 21st day.

<sup>8</sup> 100% in the case of serious illness.

<sup>9</sup> 1961.

<sup>10</sup> Unemployment assistance.

<sup>11</sup> In 1976, a general unemployment assurance system has been created.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
66	} 30 or 90 <sup>1</sup>	78	83	76 <sup>8</sup>	100	87
88		85	98	76 <sup>8</sup>	100	91
98		91	99	76 <sup>8</sup>	100	93
99		93 or 100 <sup>2</sup>	100	76 <sup>8</sup>	100	95
50-66 <sup>3,4</sup>	£ 9.50/10.90 + family supplements + 40,30,25 or 20% of the salary <sup>6</sup>	54	50-70	80	£ 2.50 + f.s. £ 7.80-11.10 + family supplements + 33.3% of the weekly earnings between £ 10-30 + 15% of the weekly earnings between £ 30 and £ 54	.
50-66 <sup>3,4</sup>		50-66 <sup>3,7</sup>	100	80		.
95	60	72		68	92	
95	70	66	92	73	94	90
	74	66	94	88	92	90
0.22	.	0.15	0.05	0.05 <sup>9</sup>	.	.
0.17	.	0.19	0.21	0.04	.	.
0.17	.	0.17	0.14	0.12	.	.
0.13	.	0.14	0.35	...	0.08	.
71	.	78	115	54 <sup>9</sup>	.	.
65	.	77	106	59	.	.
62	.	91	94	38	.	.
77	.	105	79	...	29	.
53	90	60	78 <sup>10</sup>	69	87	72
72	93	72	79 <sup>10</sup>	86	82	79
70-75	100	70-75	11	85-90	73	80

## Sources of the basic data:

1. - 3. 'Yearbook of labour statistics 1961', ILO Geneva.

'Indicators of social security' Commission of the EC, Brussels 1971.

'Report on the Development of the Social Situation in the Community in 1971' Commission of the EC.

'The financial development of social security in the Member States of the Community, 1965-1970-1975', Brussels, November 1971.

'Comparative tables of the social security systems in the Member States of the European Communities', Commission of the EC.

'Industrial accidents — Iron and steel', Social statistics, SOEC, Luxembourg.



	Year	Belgium	Denmark	FR of Germany
(b) Benefits as % of earnings of adults who became unemployed (family benefits excluded)	1960	50-60% of earnings of an unskilled worker	.	55% of net earnings and more
	30.6.1976	60	Flat rate benefits; maximum DKr 184 per day	68% of net earnings
<b>4. Invalidity, old-age and survivors' pensions scheme</b>				
(a) Persons insured as % of civilian labour force	1960	61	100	88
	1970	100	100	88
	1975	100	100	91
(b) Minimum level of incapacity for work as %	1960	66 $\frac{2}{3}$	50	50
	1976	66 $\frac{2}{3}$	50	50
(c) Normal retirement age (years)	1960			
	Men	65	67	65
	Women	60	62 <sup>3</sup> or 67	65
	1976			
	Men	64-65	67	63-67
	Women	60	62 <sup>3</sup> or 67	63-67
<b>5. Family benefits</b>				
(a) First child giving entitlement	1960	1.	1.	3.
	1976	1.	1.	1.
(b) Age limits (years)				
— normal	1960	14	18	18
	1976	16	16	18
— vocational training	1960	21	.	25
	1976	21	.	25
— further education	1960	21	.	25
	1976	25	.	25
(c) Children entitled to claim as % of the population between 0 and 19 years of age	1960	71 <sup>6</sup>	96	13 <sup>6</sup>
	1965	74 <sup>6</sup>	94	28 <sup>6</sup>
	1970	83	95	29 <sup>6</sup>
	1975	86	85 <sup>8</sup>	78 <sup>6</sup>

<sup>1</sup> In industries extra supplementary payments by the 'Cassa integrazione': 80% in general.

<sup>2</sup> Conditions: Must have been entitled to sickness payments for 168 days in the period of interruption of employment.

<sup>3</sup> Isolated women.

<sup>4</sup> Where the household has only one income.

<sup>5</sup> First child beginning April 1976 (if only one parent) or 1977.

<sup>6</sup> Excluding family benefits paid to public employees.

<sup>7</sup> Excluding family benefits paid to public employees in Belgium, FR of Germany and Italy.

<sup>8</sup> Beginning 1 July.

<sup>9</sup> As % of the population between 0 and 18 years of age.

France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
Standard rate: FF 3.85-4.20 per day + 35%	.	Standard rate: Lit 300 per day	60	70-80	see sickness benefits	.
Standard rate: FF 12.40-17.80 per day + 35%; 90% in the event of dismissal for economic reasons.	see sickness benefits	Standard rate: Lit 800 per day <sup>1</sup>	80	80/75	see sickness benefits	.
<u>92</u>	64	<u>78</u>	<u>89</u>	100	88	88
100	66	98	96	100	83	92
100	74	98	100	100	81	92
66 $\frac{2}{3}$	66 $\frac{2}{3}$	50	66 $\frac{2}{3}$	15-80	— <sup>2</sup>	.
66 $\frac{2}{3}$	66 $\frac{2}{3}$	66 $\frac{2}{3}$	66 $\frac{2}{3}$	15-80	— <sup>2</sup>	.
60/65	70	60	65	65	65	60-70
60/65	70	55	65	65	60	55-70
60/65	65/67	60	65	65	65	60-67
60/65	65/67	55	65	65	60	55-67
1. <sup>4</sup> or 2.	1.	1.	1.	1.	2.	1.-3.
1. <sup>4</sup> or 2.	1.	1.	1.	1.	1. or 2. <sup>5</sup>	1.-2.
15	16	18	19	16	15	.
16 $\frac{1}{2}$ -17	16	18	19	16	16	16-19
18	16	18	23	27	.	.
18	18	21	25	27	19	18-27
20	16	26	23	27	.	.
20	18	26	25	27	19	18-27
80	83	43 <sup>6</sup>	97	50	37	43 <sup>7</sup>
81	81	45 <sup>6</sup>	100	82	39	52 <sup>7</sup>
84	83	57 <sup>6</sup>	100	90	42	57 <sup>7</sup>
84	100 <sup>9</sup>	57 <sup>6</sup>	100	94	41	66 <sup>7</sup>

## Sources of the basic data:

3.(b),4.,5. 'Yearbook of labour statistics 1961', ILO, Geneva.

'Indicators of social security', Commission of the EC, Brussels 1971.

'Report on the Development of the Social Situation in the Community in 1971', Commission of the EC.

'The financial development of social security in the Member States of the Community, 1965-1970-1975', Brussels, November 1971.

'Comparative tables of the social security systems in the Member States of the European Communities', Commission of the EC.

	Year	Belgium	Denmark <sup>a</sup>	FR of Germany
<b>1. Total expenditure</b>				
as % of the net national disposable income <sup>b</sup>	1970	20.5	21.8	24.2
	1972	22.0	24.0	24.6
	1975 <sup>p</sup>	25.8	29.3	31.8
<b>2. Social benefits per function as % of the net national disposable income<sup>b</sup></b>				
	1970			
— Sickness		4.2	6.1	6.3
— Old age, death, survivors		7.2	7.7	10.4
— Invalidity, infirmity <sup>c</sup>		1.7	2.8	2.1
— Employment injuries, occupational diseases		0.8	0.3	1.3
— Unemployment		0.9	0.6	0.3
— Maternity		0.1	0.3	0.2
— Family benefits		3.5	3.2	2.0
— Other		0.9	0.3	0.6
Total		19.3	21.3	23.2
	1975 <sup>p</sup>			
— Sickness		5.6	8.6	9.2
— Old age, death, survivors		9.5	10.1	12.3
— Invalidity, infirmity <sup>c</sup>		2.0	3.5	2.3
— Employment injuries, occupational diseases		1.1	0.3	1.5
— Unemployment		1.9	1.5	1.1
— Maternity		0.1	0.3	0.2
— Family benefits		3.5	4.0	2.9
— Other		0.5	0.5	1.1
Total		24.2	28.8	30.6
<b>3. Receipts by nature</b>				
as % of total receipts	1970			
— Contributions and direct benefits by employers		46.6	10.1	45.4
— Contributions from insured persons		21.1	6.8	24.6
— Contributions and subsidies from public authorities		27.3	80.1	25.8
— Income from capital and other receipts		5.0	3.0	4.2
Total		100.0	100.0	100.0
	1975 <sup>p</sup>			
— Contributions and direct benefits by employers		45.5	10.4	44.9
— Contributions from insured persons		21.3	2.8	24.3
— Contributions and subsidies from public authorities		30.0	84.1	26.8
— Income from capital and other receipts		3.2	2.7	4.0
Total		100.0	100.0	100.0

<sup>1</sup> Includes the social security systems, employers' voluntary benefits, benefits paid to victims of war or other political incidents or natural catastrophes as well as other social measures. Figures for 1975 are projections.

<sup>2</sup> Financial year that begins on 1 April. For Ireland it began on 1 January since 1975.

<sup>3</sup> Notion of the 'European System of National Accounts' which is different from the notion 'Net national product at factor costs' used in the first European Social Budget; therefore, the proportions are different from those in the Social Budget.

<sup>4</sup> Includes also benefits paid to victims of war or other political incidents or natural catastrophes.

France	Ireland <sup>a</sup>	Italy	Luxembourg	Netherlands	United Kingdom	EUR 9
21.3	13.8	20.1	20.0	22.6	17.8	.
21.5	14.1	23.5	22.2	25.4	18.7	.
24.4	18.4	26.6	26.9	32.0	20.8	.
5.1	3.8	4.9	3.4	6.5	4.6	.
7.6	4.9	6.5	10.8	8.9	8.0	.
1.7	1.3	3.5	1.4	2.6	1.3	.
0.9	0.1	0.7	1.3	0.7	0.3	.
0.2	0.8	0.2	0.0	0.1	0.7	.
0.3	0.3	0.4	0.1	0.1	0.4	.
3.9	2.0	2.0	2.2	2.9	1.4	.
0.5	0.2	0.5	0.1	0.0	0.4	.
20.1	13.3	18.7	20.0	21.8	17.1	.
6.2	4.9	6.0	5.7	9.5	4.8	.
9.1	6.4	8.7	14.3	11.2	9.5	.
1.3	1.5	4.5	1.6	4.8	1.8	.
1.0	0.1	0.6	1.7	1.8	0.3	.
0.7	1.4	0.7	0.1	0.1	1.2	.
0.3	0.4	0.4	0.1	0.1	0.4	.
3.7	2.8	2.4	2.3	3.3	1.5	.
0.6	0.3	0.8	0.1	0.2	0.5	.
22.9	17.7	24.1	25.9	31.0	20.1	.
65.5	19.3	55.0	36.4	43.9	34.1	.
20.0	12.5	15.7	24.8	35.8	18.4	.
12.8	67.5	23.7	29.9	11.9	38.7	.
1.8	0.7	5.6	8.9	8.4	8.8	.
100.0	100.0	100.0	100.0	100.0	100.0	.
65.5	22.0	59.7	38.7	41.6	35.0	.
20.3	13.7	15.2	24.3	33.6	16.3	.
11.6	63.6	19.8	30.0	15.9	42.1	.
2.6	0.7	5.3	7.0	8.9	6.5	.
100.0	100.0	100.0	100.0	100.0	100.0	.

## Source:

1. - 3. 'First European Social Budget (Revised)', doc. COM(76)201 final, dated 12 May 1976, Commission of the EC.

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- social accounts D 251
- social activities of the Community (see also Social Action Programme)
- A 3/15  
B 16/46  
C 48, 70, 92, 93  
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