



EUROPEAN COMMUNITIES

COMMISSION

Directorate-General for Economic and Financial Affairs

SYSTEM OF STRUCTURAL INDICATORS

Some indicators which normally should appear in the "SIS" proposed hereunder are absent. There are various reasons for this : lack of historical statistical series, data gaps for some Member State, heterogenous sources, poor quality of the disposable data, ...

The establishing of many indicators presented here met with similar difficulties. As the footnotes show, these difficulties were overcome on a pragmatic way. This implies the prudent use of the tables thus drawn-up and, in particular, the avoidance of too rigorous an interpretation of the comparisons between Member States

STRUCTURAL INDICATORS SYSTEM

	<u>Page</u>
FOREWORD	5
I. <u>POPULATION AND EMPLOYMENT</u>	8
I.1 Population	11
a) Total population	
b) Net migration	
c) Population of working age	
d) Community population of working age: percentage	
I.2 Labour force	13
a) Total employment	
b) Wage and salary earners	
c) Female activity rate	
I.3 Employed population by sector	15
I.4 Hours of work in industry	16
a) Average annual number of hours worked	
b) Average weekly hours of work offered per manual worker (October)	
I.5 Unemployment	17
a) Average annual unemployment rates	
b) Percentage of unemployed of age groups 14-25 and 45-65 in total unemployed	
c) Graph	
I.6 Migrant workers	19
a) As a percentage of wage and salary earners	
b) Graph	
II. <u>GROWTH AND DEVELOPMENT</u>	21
II.1 GDP at market prices	23
II.2 Value added by sector	24
a) Average annual rates of increase	
b) Sector shares in value added	
II.3 Productivity by sector	26
a) Average annual rates of increase	
b) Index numbers, Community average = 100	

II.4	Gross fixed capital formation and its distribution	28
II.5	Gross fixed capital formation	29
	a) Gross fixed capital formation as a percentage of total GDP	
	b) Gross fixed capital formation per inhabitant and per person employed, (Index numbers, Community average = 100)	
	c) Gross fixed capital formation in the form of plant and machinery as a percentage of total GDP	
II.6	Expenditure on Research and Development	31
	a) Breakdown of Central government appropriations by main category of objectives	
	b) Total expenditure on R&D by financing sector	
II.7	Per capita consumption of primary energy products	33
III.	<u>INCOMES</u>	34
III.1	Distribution of national income	35
III.2	Compensation of employees	36
	a) Average annual rates of increase of compensation of employees per employee, in money terms and real terms	
	b) Index numbers, Community average = 100	
III.3	Compensation of employees by sector	37
	a) Average annual rates of increase in compensation of employees by employee	
	b) Ratio of compensation of employees per employee in other sectors to compensation of employees per employee in agriculture	
III.4	Compensation of employees and national income	38
IV.	<u>PRICES AND COSTS</u>	39
IV.1	GDP price deflator	41
IV.2	Consumer price index	42
IV.3	Wage costs in industry	43
IV.4	Commodity price index	44
IV.5	Terms of trade	45

V. <u>FOREIGN TRADE</u>	46
V.1 Foreign trade as a proportion of GNP	48
V.2 Exported value added	49
a) Direct and indirect value added included in exports	
b) Share of exported value added by industry group in total value	
V.3 Degree of concentration of exports	51
V.4 Structure of foreign trade	52
a) Intra-Community trade	
b) Share of Community exports in total world trade, by CST product groups	
c) Changes in the structure of imports by CST product groups	
VI. <u>BUDGETARY MEANS</u>	55
VI. 1 General government expenditure	57
a) Share of public consumption and gross fixed capital formation	
b) Percentage breakdown of public expenditure	
VI. 2 General government revenue	59
a) Structure of general government revenue	
b) Per capita burden	
VI. 3 Tax burden	61
VI. 4 Financing of social welfare expenditure	62
VII. <u>REGIONAL DISPARITIES</u>	63
VII. 1 Labour force as % of total population	65
VII. 2 Employment by sector as % of total employment	67
VII. 3 Unemployment	69
VII. 4 Net migration per 1000 of population	70
VII. 5 GDP per person employed	72
VII. 6 Indicators of significant structural imbalance	74
a) Regions affected by one or several phenomena	
b) Percentage of the population living in the regions affected by the phenomena analysed	
VIII. <u>STANDARD OF LIVING</u>	77
VIII. 1 Private consumers' expenditure per inhabitant	78
a) Average annual rates of increase	
b) Index numbers, Community average = 100	
c) Consumers' expenditure broken down by category	

VIII. 2 Health	80
a) Expectation of life	
b) Infant mortality rate	
c) General government expenditure on health care	
d) Number of hospital beds per 10,000 inhabitants	
VIII. 3 Education	82
a) Number at school and university	
b) General government expenditure on education	
c) Pupil - teacher ratio	
VIII. 4 Social security	85
a) Social welfare benefits	
b) Level of social security	
VIII. 5 Housing	87
a) Ratio of rate of construction to the rate of growth of the population aged 15 and over	
b) Per capita investment in new housing	

Symbols and abbreviations

na	= not available
-	= nihil
EUR	= Unit of account of the European Communities = 0,888671 gram of fine gold

FOREWORD

1. There were two main reasons for establishing a system of structural indicators for the Community. In the first place, the quantity and variety of existing statistics were so great that they could hardly be used in their current form for any immediate assessment of structural differences significant in terms of Community objectives. Secondly, as the Community was gradually being developed, some of the differences emerged as having growing importance either as obstacles to integration or as bases for the common policies. In any case, it was felt that the structural differences must be kept under review. In practice, an investment had to be made in this field once it was decided to elaborate and implement the medium-term economic policy programmes, which advocated various structural measures which were felt to be necessary for the smooth operation of the Common Market and subsequent development of work on the construction of Europe. The decision to aim for economic and monetary union enhanced this need. In this context, it became clear that an instrument enabling the main economic variables to be compared was indispensable.

2. In September 1971, the Medium-term Economic Policy Committee entrusted a Group of experts with two tasks: first, that of assessing how a systematic analysis of regional disparities and of the problems posed by the need to achieve equilibrium on the labour market could be carried out; secondly, that of examining the problem involved in setting up a "monitoring system" or a set of indicators recording structural change.

The Group of experts reported on both these questions to the Committee early in 1972.

With regard to the first question, it was suggested that its two aspects should not be handled separately for the moment, but that the factors common to both should be given priority treatment, i.e. an important place in the analysis of regional disparities should be given to the study of the problems raised in the effort to achieve equilibrium on the labour market.

As for the development of a "monitoring system" recording structural change, the Group of experts specified the system's objectives and general features, defined the content of the indicators to be used in the first phase and outlined alternatives suitable for its subsequent development.

Having considered the Group's findings, the Committee requested that a system of structural indicators be worked out, and a tentative version of the system was published in July 1973.

In February 1974, the Committee reverted to the topic included in its previous terms of reference and asked the experts to revise and refine the system, to add indicators concerning the new Member States, and to suggest how the system could be regularly updated.

In the revision work, the Group endeavoured - wherever this was feasible - to develop indicators relating to regional disparities, with particular emphasis on population and employment problems.

3. In general, the revised and refined system of structural indicators, with statistics relating to the three new countries, is designed to meet two main requirements.

In the first place, the aim is to provide a basis - in the form of an assessment, consisting essentially of figures, of the scale of certain structural differences - for the qualitative analyses relating to the narrowing down of these differences, set out in the medium-term programmes and plans for the achievement of economic and monetary union. The identification and quantification of the key structural differences at each level of Community construction - the degree of importance being considered not per se but within the context of the Community's progress, having due regard to the objectives of the next stage - are intended to contribute to the Community decision-making process and, in particular, to future medium-term economic policy programmes.

Secondly, by giving the most concise presentation possible of the relative situations in the Member States from the point of view of the main socio-economic structures, a set of indicators designed to meet these requirements should constitute a supplementary working tool for the national and Community economic authorities, with a view to throwing more light on past and future objectives in the context of Community development.

1) "Structural Indicators System" (Doc. II/166/73-E)

4. Against this background, the Group started by identifying significant phenomena, particularly those directly concerned with Community economic policy programmes. It then endeavoured to construct a set of indicators, the basic data for which were to be chosen so as to enable changes in each of the indicators to be monitored. There were many intractable difficulties: data were lacking altogether for some of the most significant indicators, and as a result there was the danger that the projected "system" would simply turn out to be an annual digest of preselected statistics.

In addition, certain difficulties due to the lack of homogeneous and comparable statistical series formed obstacles to the enlargement of the "system" to the three new Community countries and to the inclusion of certain topics connected with the extension in scope and in depth of the field of exploration. Other statistical difficulties - particularly concerning the up-dating of data - arose from the change-over to the integrated system (ESA) of national accounts which the SOEC is developing.

Cooperation between the statistical and economic affairs departments in the individual countries, the SOEC, and the Commission's own departments (particularly the Directorate-General for Social Affairs and the Directorate-General for Regional Policy) has enabled the difficulties to be solved as far as is possible at the present time. However, any further extension in depth of the system could well require closer cooperation, in particular coordination and planning of essential basis work.

This is all the more important since the system of structural indicators, as now designed, must remain dynamic and progressive: dynamic in that this instrument of permanent and reciprocal information must go on showing the comparison of evolutionary processes and not of situations; progressive in that the field covered by the system and the degree of refinement of certain indicators should remain open to any changes which may prove necessary as time goes on.

The mere definition of the functions and objectives as outlined above is enough to show how the efforts which must be made if the "system" is to be constantly adapted to needs complement each other. It also shows that by its very nature such an instrument will always be imperfect and incomplete.

CHAPTER I : Population and Employment

The population and employment trends in the Community generally reveal a divergence between the available labour force, whose growth slackened, and the number of jobs, which on the whole increased at an even slower pace. In some countries, such as Ireland and Italy, the number of jobs fell well short of the levels which could have been met by the potential labour force.

Generally speaking, apart from some special trends, the supply of labour, in terms of the number of hours worked, gradually declined throughout the Community for a number of reasons.

These include first of all a tendency, in general, for the rate of total population growth to slow down, despite heavy immigration. Demographic information at present available suggests that the trend will continue in the next few years, mainly because of the sharp downturn in the birth rate.

The slowdown in population growth is just as marked in respect of the population of working age, although this is the population group on which immigration has the greatest impact. The supply of labour has been "squeezed" by the rising school-leaving age and earlier retirement, the determinant factors in the contraction of available labour.

Lastly, apart from normal cyclical fluctuations, the average working week shows a distinct tendency to grow shorter in all Community countries.

However, other factors have worked in the opposite direction.

Firstly, net immigration constitutes a major factor in several Member States,

although the reasons for recruiting foreign workers are not always the same. Thus, in countries like Germany and Luxembourg the main problem seems to be that of meeting an overall shortage of manpower, whereas in other countries, such as France and Belgium, immigration acts more as a reserve to fill gaps in the national supply of labour in certain industries or trades. Another important factor sustaining the supply of labour was undoubtedly the increased participation of women in the production process, particularly in France, Belgium and the United Kingdom. This tendency is all the more remarkable since it developed despite a considerable rise in the percentage attending school, as evidenced by the general decline in the activity rate of women aged between 14 and 24. It should be noted, also that overall activity rates in the United Kingdom and Denmark are by far the highest in the Community.

Though providing a major boost to the numbers in or seeking gainful employment, the two main positive phenomena - immigration and female labour - did not, on balance, offset the factors curbing the rate of growth of the available labour force.

The trend of employment offered, i.e. the demand for labour, showed a long-term decline: the growth rate of demand tended to slow down and overall fell short of the supply of labour, also expanding at a slower rate. This pattern, which was very marked in Member States like Italy and the United Kingdom, was reflected in the trend of unemployment, which, from a relatively low level in most member countries between 1961 and 1963, tended to rise nearly everywhere. Unemployment, the brunt of which is still borne by school-leavers and other young people and by older workers, has a large structural aspect, to the various components of which it is not easy to assign any reliable weightings.

Several factors emerged during the period which affected the conditions governing the adjustment between the supply and demand for labour: the steady growth of the proportion of wage- and salary-earners in total employment; major changes in the distribution of the employed population between sectors - with a decline of employment in agriculture which has slowed down at roughly the same pace in all countries. These far-reaching structural shifts and rapid changes

in the productive system suggest that unemployment is first and foremost a matter of discrepancies between skills needed and those available. But this is certainly not the only explanation: the overall decrease in creation of employment leaves no doubt that in some cases the problem is due to insufficient capital formation.

1.1 POPULATION

A. Total population

	Total population (1000)				Average annual rates of increase		
	1960	1965	1970	1973	65/60	70/65	73/70
GERMANY	55,433	58,619	60,651	61,974	1,1	0,7	0,7
FRANCE	45,684	48,758	50,778	52,143	1,3	0,8	0,9
ITALY	50,198	51,987	53,661	54,913	0,7	0,6	0,8
NETHERLANDS	11,483	12,293	13,032	13,438	1,4	1,2	1,0
BELGIUM	9,119	9,478	9,638	9,742	0,7	0,4	0,4
LUXEMBOURG	315	333	340	353	1,1	0,4	1,3
UNITED KINGDOM	52,559	54,377	55,522	56,021	0,7	0,4	0,3
IRELAND	2,832	2,876	2,950	3,051	0,3	0,5	1,1
DENMARK	4,581	4,758	4,929	5,027	0,8	0,7	0,6
EUR-9	232,204	243,449	251,501	256,661	1,0	0,7	0,7

Source : SOEC-National Accounts 1974.

B. Net migration ^{a)}

	Total population 1961 (1)	Natural growth 1971/61 ^{b)} (2)	Total population 1971 (3)	Net migration (4)-(3)-(1-2)	Average annual net migration (5)-(4):10	Average annual migration as a % (c) (6)
GERMANY	56,175	2,756	61,302	2,371	237	0,4
FRANCE	46,163	3,101	51,249	1,985	199	0,4
ITALY	50,524	4,355	54,007	-872	-87	-0,2
NETHERLANDS	11,638	1,407	13,194	149	15	0,1
BELGIUM	9,184	326	9,673	163	16	0,2
LUXEMBOURG	317	8	345	20	2	0,6
UNITED KINGDOM	52,954	3,241	55,712	-483	-48	-0,1
IRELAND	2,818	300	2,978	-140	-14	-0,5
DENMARK	4,612	316	4,963	35	4	0,1
EUR - 9	234,385	15,810	253,423	3,228	322	0,1

a) Columns 1 to 5 in thousands

b) Births less deaths (from 1962 to 1971 inclusive)

c) Ratio of average annual net migration (column 5) to average total population 1961 and 1971

$$(6) = \left[\frac{(5)}{\frac{(1) + (3)}{2}} \right]$$

Source : SOEC-General Statistics N° 1/1975

NOTE : The migration balances correspond in actual fact to the balance between total variation and natural movement of the population.
This arithmetical balance is no precise indication of migratory movements.

1.1 POPULATION (continued)

C. Population of working age

	Proportion of population aged 15 and under 65 as % of total population				Average annual rates of increase of population of working age		
	1960	1965	1970	1973	1965/60	1970/65	1973/70
GERMANY	65,0	66,1	63,6	63,6 ^{c)}	1,3	-0,0	0,7 ^{c)}
FRANCE	62,1	63,0	62,7	62,4	1,6 ^{d)}	0,7	0,8
ITALY a)	66,5	na	64,6	64,3 ^{c)}		0,4	0,4 ^{c)}
b)	62,1	na	59,2	n.a.		- 0,2	n.a.
NETHERLANDS	61,3	62,7	63,0	62,9 ^{c)}	1,8	1,3	1,0 ^{c)}
BELGIUM	64,3	63,8	63,1	63,4	0,4	0,5	0,3
LUXEMBOURG	67,8	66,1	64,7	66,3	0,6	0,1	1,8
UNITED KINGDOM	65,1	64,6	62,9	62,6	0,5	-0,1	0,1
IRELAND	57,9	57,6	57,6	57,6	0,2	0,5	1,1
DENMARK	64,5	65,0	64,8	64,2	0,9	0,6	0,4
EUR - 9	64,6	64,8	63,5	63,2	1,1	0,3	0,4

a) Aged 15 and under 65

b) Aged 15 and under 61

c) 1972

d) Repatriation of the French from Algeria

D. Community population of working age : percentage breakdown by country

	1960	1965	1970	1973
GERMANY	24,2	24,5	24,2	24,3 ^{b)}
FRANCE	18,9	19,5	19,9	20,1
ITALY	22,3	21,9 ^{a)}	21,7	21,7 ^{b)}
NETHERLANDS	4,7	4,9	5,1	5,2 ^{b)}
BELGIUM	3,9	3,8	3,9	3,8
LUXEMBOURG	0,1	0,1	0,1	0,1
UNITED KINGDOM	22,8	22,2	21,9	21,7
IRELAND	1,1	1,0	1,1	1,1
DENMARK	2,0	2,0	2,0	2,0
EUR - 9	100,0	100,0	100,0	100,0

a) Estimate based on the growth rate of total population

b) 1972

Source: SOEC-Social Statistics N^o 4/1970.

SOEC-Social Statistics Year Book 1972.

SOEC-Social Statistics 31 October 1974 (for internal information).

UK, Ireland, Denmark : national experts.

1.2 LABOUR FORCE

A. Total employment

	Total employment as % of total population					Average annual rates of increase of total employment			
	1955	1960	1965	1970	1973	60/55	65/60	70/65	73/70
GERMANY	46,1 ^{a)}	47,1	45,7	43,8	43,0	1,6 ^{a)}	0,5	-0,2	0,2
FRANCE	44,7	42,9	41,3	41,2	41,1	0,2	0,5	0,8	0,9
ITALY	42,2	41,1	37,9	36,7	35,7	0,1	-0,9	0,0	-0,2
NETHERLANDS	37,4	36,4	36,6	36,0	34,8	0,8	1,5	0,8	-0,2
BELGIUM	39,5 ^{b)}	38,2	38,6	39,2	39,5	0,0	0,9	0,7	0,5
LUXEMBOURG	43,2 ^{b)}	42,2	40,5	40,2	41,6	0,1	0,3	0,3	2,4
UNITED KINGDOM	47,4	48,3	48,5	44,6	44,5	0,4	0,8	-0,4	0,3
IRELAND	39,2 ^{b)}	37,3	37,2	35,7	34,5	-2,6	0,4	-0,4	0,0
DENMARK	43,3 ^{b)}	45,0	46,8	48,2	47,9	1,4	1,6	1,3	0,5
EUR - 9	43,8	43,7	42,5	41,3	40,8	0,5	0,4	0,1	0,4

B. Wage and salary earners

	Wage and salary earners (as % of total employment)					Average annual rates of increase of wage and salary earners			
	1955	1960	1965	1970	1973	60/55	65/60	70/65	73/70
GERMANY	73,7 ^{a)}	77,5	80,8	83,3	84,4	2,3 ^{a)}	1,5	0,5	0,5
FRANCE	67,1	71,1	75,0	78,6	80,8	1,5	1,6	1,7	1,8
ITALY	54,2	59,4	64,9	68,8	71,0	1,8	0,8	1,2	0,9
NETHERLANDS	75,9	78,8	81,6	83,8	84,3	1,6	2,2	1,4	0,1
BELGIUM	74,5 ^{b)}	74,1	77,9	79,2	81,0	0,3	2,0	1,0	1,4
LUXEMBOURG	69,2	70,7	75,8	80,6	83,7	0,7	1,6	1,5	3,8
UNITED KINGDOM	92,6	92,7	93,3	92,5	92,4	0,4	0,9	-0,6	0,2
IRELAND	n.a.	61,6	65,7	68,9	70,6	na	1,5	0,5	0,8
DENMARK	n.a.	77,0	78,3	81,0	81,8	na	2,0	1,8	1,2
EUR - 9	n.a.	75,9	79,5	81,5	82,8	na	1,3	0,6	0,8

a) Excluding the Saar and West Berlin.

b) Estimate.

Source: Study Group on Medium-term Economic Assessments (Doc. 11/501/72)
SOEC-National Accounts 1966, 1974.

NOTE: 1) Total employment (or occupied labour force) excludes the unemployed.
2) Data used for Tables A and B are based on the domestic concept.
3) Domestic concept: all residents and non-residents working with resident producer units.
National concept: all persons resident on the territory of the Member State in question.

1.2 LABOUR FORCE (continued)

C. Female activity rate

Female labour force as a percentage of female population of correspondent age.

	Female labour force aged 14-59		Female labour force aged 14-64		Female labour force aged 14-24	
	1960	1969	1960	1970	1960	1970
GERMANY	37,7 a)	40,6	36,5 a)	41,0	72,8 a)	45,4
FRANCE	34,8	47,0	35,0	47,1	55,7	50,1
ITALY	27,0	29,6	26,5	29,3	47,1	44,8
NETHERLANDS	21,3	26,3 b)	20,9	26,3 b)	57,9	46,6 b)
BELGIUM	26,4	34,4	25,6	34,6	47,1	40,6
LUXEMBOURG c)	24,4	29,2	23,9	29,9	54,0	49,6
UNITED KINGDOM c)	46,7	54,5	44,4	51,9	64,9	54,6
IRELAND	29,0 d)	30,2	30,3	29,4	52,0	47,5
DENMARK	42,4	53,5	40,9	51,1	58,0	53,2

- a) Including Saar, excluding West Berlin.
 b) Figure for 1968, there are no surveys in 1969 and 1970.
 c) 1961 and 1971: female labour force aged 15-59, 15-64 and 15-24
 d) 14-54 years.

SOURCE: - Labour forces surveys 1960 and 1970: SOEC - Social Statistics no 2b1s/1963 and no 2/1971.
 - SOEC - Social Statistics Yearbook 1970, 1971!
 - UK, Ireland: national experts - Denmark: Population and Housing census 1960, 1970

NOTES: Calculations for the six are based on Community surveys. However, as a result of changes in definitions from the 1968 survey onwards, the figures for 1960 and 1970 are not always comparable. Moreover, for 1960 mistakes have been found which have not been corrected. For the UK, Ireland and Denmark figures are calculated on the basis of the population censuses.

1.3 - EMPLOYED POPULATION BY SECTOR

% of total employment

Pattern of employment in each country

	AGRICULTURE						INDUSTRY						SERVICES AND GENERAL GOVERNMENT											
	1965		1970		1972		1965		1970		1972		1965		1970		1972		1965		1970		1972	
	Total						of which construction a)						Total						of which general government					
GERMANY	13,9	10,7	8,5	7,7	48,0	49,0	49,0	48,2	7,8	8,6	8,2	8,9	38,4	40,2	42,5	44,1	8,1	9,8	11,0	12,3	na	na	na	na
FRANCE	21,4	17,2	13,7	12,6	37,2	38,2	37,8	38,4	8,2	9,7	10,0	8,9	41,4	44,5	48,4	49,0	11,6	11,0	11,8	na	na	na	na	na
ITALY	31,8	24,9	18,4	17,1	35,8	38,9	41,2	41,6	8,6	9,9	10,0	9,9	32,4	36,2	40,4	41,4	7,8	9,2	10,3	na	na	na	na	na
NETHERLANDS	11,1	8,6	7,0	6,7	39,1	39,8	37,7	35,7	9,1	10,3	10,6	10,1	47,9	51,6	55,4	57,5	11,7	11,5	11,5	12,8	na	na	na	na
BELGIUM	8,6	6,3	4,8	4,1	46,3	46,6	44,4	43,0	7,2	8,0	8,2	7,9	46,8	47,1	50,8	52,8	11,6	12,6	13,3	13,8	na	na	na	na
LUXEMBOURG	16,4	12,2	8,6	7,4	45,3	47,1	46,9	46,1	11,2	13,0	11,9	12,4	38,3	40,7	44,5	44,6	7,1	7,9	9,2	5,3	na	na	na	na
UNITED KINGDOM	4,1	3,3	2,8	3,0	47,5	47,0	45,8	42,2	6,6	7,4	6,7	6,8	48,4	45,7	51,4	54,8	na	na	na	na	na	na	na	na
IRELAND	37,0	31,8	26,4	25,5	23,5	26,5	29,7	30,0	5,4	7,3	7,2	7,5	39,5	41,7	43,9	44,5	3,9	4,0	4,5	na	na	na	na	na
DENMARK	17,8	14,6	10,8	9,6	36,1	36,6	36,3	33,8	7,5	8,3	9,3	8,7	46,4	48,8	52,9	56,6	na	na	na	na	na	na	na	na
EUR - 9	16,7	12,9	10,1	9,4	42,6	43,5	43,4	42,3	7,8	8,8	8,7	8,8	41,1	43,6	46,5	48,3	na	na	na	na	na	na	na	na

r a) Building and public works.

SOURCE : SOEC - National Accounts 1971, General Statistics No 8 - 9/1974. ILO Yearbook of Labour Statistics 1972, 1973
Denmark, Ireland, U.K : national experts.

NOTE : For employment by sector the domestic concept has been used. The armed forces are included under general government (for definition of the domestic concept see Table 1.2)

1.4 - HOURS OF WORK IN INDUSTRY

A) Average annual number of hours worked

	1966	1969	1972	1966	1969	1972
	per manual worker			per employee		
GERMANY	1860	1855	1768	1666	1835	1852
FRANCE	2078	2007	1957	2122	2070	2010
ITALY	1877	1795	1670 ^{b)}	2031	2014	1902
NETHERLANDS	1983	1906	1799 ^{b)}	1975	1939	-
BELGIUM	1908	1871	1756	2009	1979	1928
LUXEMBOURG	2019	2013	1949	1973	1980	1864
UNITED KINGDOM	na	1997 ^{a)}	na	na	1945 ^{a)}	na
IRELAND	na	na	2150 ^{c)}	na	na	na
DENMARK	1974 ^{b)}	1882 ^{b)}	na	-	-	na

a) 1968 : only manufacturing industries, excluding Northern Ireland.

b) Workers and employees.

c) 1973

Source : SOEC - Social Statistics Yearbook 1972 (on the basis of labour cost surveys carried out in 1966, 1969 and 1972 - Social Statistics No 4/1965, 3/1971 and 1/1974).

U.K. : national experts

B) Average weekly hours of work offered per manual worker (October)

Unit - hours and decimal fractions

	1966	1969	1972
GERMANY	43,9	44,4	43,2
FRANCE	47,3	46,5	45,0
ITALY	44,6 a)	43,4	41,9
NETHERLANDS	45,9	45,1	43,5
BELGIUM	44,2	43,6	41,7
LUXEMBOURG	45,7	45,6	43,9
UNITED KINGDOM b)	44,1	44,6	43,5
IRELAND c)	44,2	43,2	42,6
DENMARK	40,9 d)	39,9d)	37,9 d)

a) 1967

b) Average number of hours actually worked by a full-time manual worker present during all or part of one pay period. Manufacturing and certain other industries only for 1965, 1970 and 1972

c) September

d) Figures adjusted for part-time work but not for absences.

Source : SOEC - Employment Statistics 1958-1962, Social Statistics No 4/1963, Social Statistics Yearbook 1970, Social Statistics No 4/1973.

Ireland and United Kingdom : National experts.

NOTE : A. The number of hours worked per manual worker has been based on the actual duration of work, including overtime, payment for which has been taken into account in the surveys. The number of hours worked per salaried employee has been based on the agreed or usual duration of work.

B. The average number of hours offered is calculated from the number of hours usually worked, overtime and hours not worked for technical or economic reasons.

I.5 - UNEMPLOYMENT

A. Average annual unemployment rates

	1961 - 65	1966 - 70	1971 - 73
Germany	0,6	1,0	0,9
France	0,7	1,1	1,8
Italy	5,9	5,1	5,4
Netherlands	0,8	1,5	2,1
Belgium	2,1	2,5	2,5
Luxembourg	0	0	0
United Kingdom	1,7	2,1	3,1
Ireland	4,0	5,1	6,0
Denmark	na	na	1,1

Source : SOEC - General Statistics No 11/1974. - national experts

NOTE : These rates represent the ratio of the sum of the average annual number of unemployed to the sum of the average annual civilian labour force for the years in the period in question.

B. Percentage of unemployed of age groups 14-25 and 45-65 in total unemployed

	14 - 25 years			45 - 65 years		
	1960	1970	1973	1960	1970	1973
Germany	28,3	16,5	33	36,6	39,9	29 e)
France	50,9	40,7	39	23,7	30,6	30 e)
Italy	57,2	60,2	61	14,0	11,3	9 e)
Netherlands	39,0	34,9 a)	na	26,8	35 a-e)	na
Belgium	25,8	25,6 a)	34	48,3	41 e)	32 e)
Luxembourg	na	na	na	na	na	na
United Kingdom	19,3 b)	25,0 b)	30,5 b)	41,3 f)	40,2 f)	39,4 f)
Ireland	21,3	23,7	23	39,3	39,6	na
Denmark	6,5 d)	14,3 d)	na	50,4	46,4	na

a) 1968 b) 15 - 24 years c) 1961 and 1971 d) 18 - 24 years
 e) 45 years and over f) 44 - 65 years

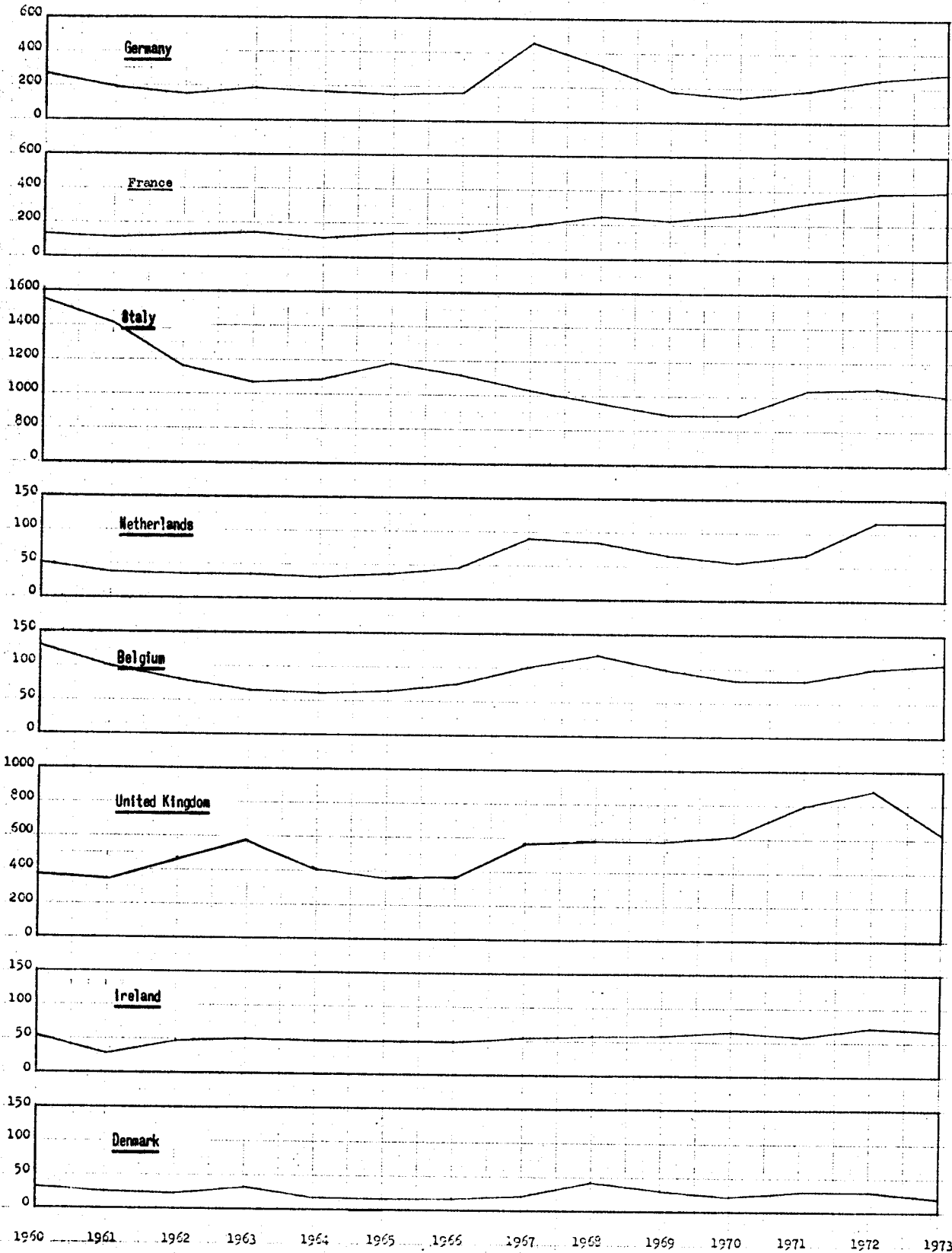
Sources : Labour forces surveys 1960 and 1970; SOEC - Statistical Information No 2a/1963 and Social Statistics No 2/1971. United Kingdom, Ireland, DK - national experts.

Report on the development of the social situation in the Community in 1974.

NOTE : For the United Kingdom, the unemployment figures do not include school leavers.

I.5-C. UNEMPLOYMENT (continued)

Number of unemployed (thousands) : monthly averages



Source : SOEC - General Statistics No 10/1974

I-6 MIGRANT WORKERS

A. As a percentage of wage and salary earners

		1960	1965	1970	1972	1973
Germany	total	1,4	5,4	8,5	10,6	11,3
	of which EEC a)	0,8	2,1	2,2	2,5	2,7
France	total	7,0	7,7	10,0	10,8	11,0
	of which EEC a)	2,4	1,7	1,7	1,7	1,7
Italy	total	0,0	0,2	0,3	0,3	0,3
	of which EEC a)	0,0	0,1	0,1	0,2	0,2
Netherlands	total	0,8	1,8	2,9	3,0	3,2
	of which EEC a)	0,4	0,7	1,3	1,4	1,3
Belgium	total	6,3	6,2	6,7	7,1	7,1
	of which EEC a)	4,7	4,1	4,1	4,0	4,1
Luxembourg	total	22,1	27,5	30,1	34,4	35,0
	of which EEC a)	19,9	23,4	23,6	23,7	24,0 ^(d)
United Kingdom	total	na	na	na	na	3,4 ^(d)
	of which EEC a)	na	na	na	na	1,6 ^(d)
Ireland b)	total	na	na	0,3	0,3	0,3
	of which EEC a)	na	na	(0,2)	(0,2)	0,2
Denmark c)	total	0,6	0,8	1,3 ^(e)	1,9	1,8
	of which EEC a)	0,3	(0,4)	(0,4)	(0,4)	(0,5)

a) 1960 to 1972 : EUR - 6. from 1973 : EUR - 9.

b) Excluding workers from the United Kingdom and the Commonwealth.

c) Excluding workers from the Nordic labour market.

d) Provisional (communicated by national experts) - Excluding Commonwealth workers holding U.K. passport. The 1971 census of population showed that 3 % of the labour force were born in the Commonwealth.

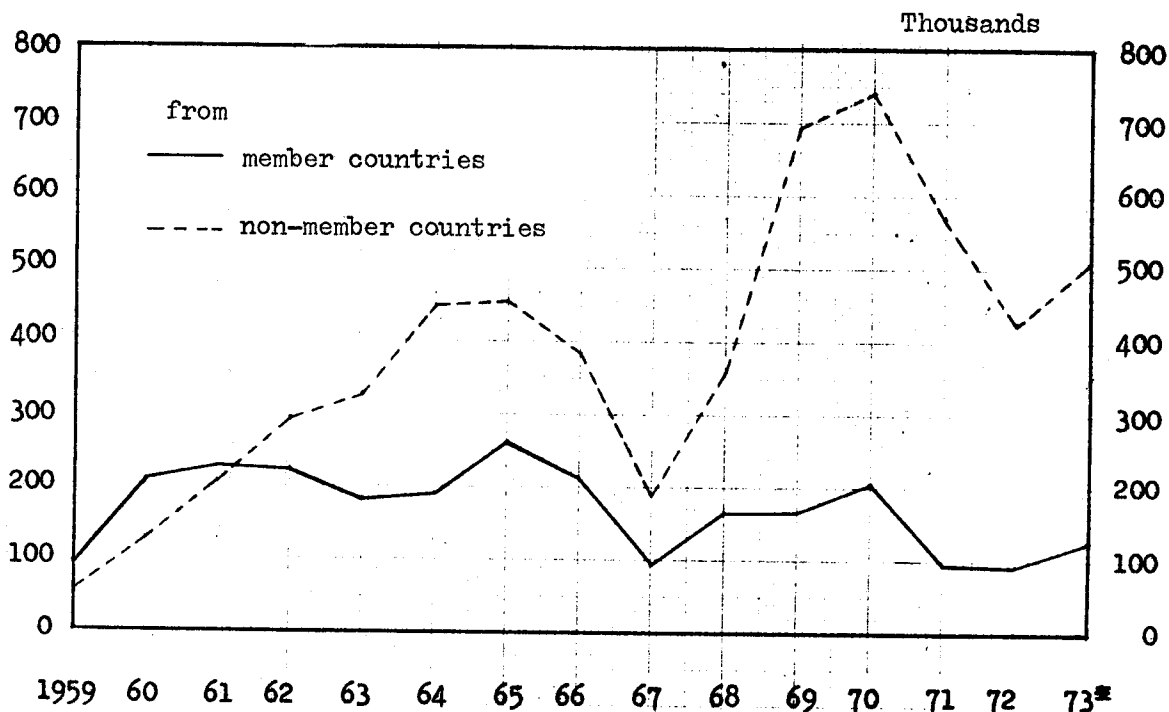
e) Including non-employee workers; on basis of population census.

Source : Figures supplied by national employment departments to the Coordination Office for the Freedom movement of Workers (EEC, Gen. Dir. for Social Affairs).

NOTE : Migrant worker : person wishing to take up paid employment in a country other than the country of which he has the nationality.

I.6 - MIGRANT WORKERS (continued)

B. Trend of new arrivals of permanent workers (1)



- Note : 1) Employment of foreign workers issued with their first work-permits. Work permits for Community workers were abolished from November 1968.
- 2) Belgium : Excluding intra-Benelux movements; as of November 1968 other Community workers not included.
- Germany : The figures for 1959-1960 include frontier workers. Following the abolition of the work permit for Community workers a new method of counting was instituted, from 1 January 1970, so that the data on these Community workers are not fully comparable with those for previous years.
- France : Excluding nationals of Algeria, Laos and of Black Africa formerly in association with France
- Italy : Including seasonal workers
- Luxembourg : Including frontier and seasonal workers and intra-Benelux movements
- Netherlands : The figures include frontier and seasonal workers for 1959-1963, seasonal workers from 1968 and intra-Benelux movements from 1969.
- 3) Nine Member States since 1 January 1973.
- * Commission Departments' estimate

Source : Gen. Dir. for Social Affairs - working papers.

CHAPTER II : Growth and development

The breakdown of the Community's gross domestic product shows that major changes took place over the long term in the shares in the overall product accounted for by each country: from 1955 to 1972, Germany and France, in particular, considerably increased their shares, whilst that accounted for by the United Kingdom contracted to approximately the same extent. This "scissor" movement was largely due to very different performances in the investment field, but special trends with regard to employment (see Chapter 1) and productivity also played a role.

Except in two member countries -France and Italy- the rate of growth of productivity gathered momentum in all sectors during the 1960-1970 decade. Since then, the slowdown in productivity growth, which few industries or sectors have escaped, has been much less pronounced in industry than in the other sectors. But it must be noted that the calculation of productivity per person employed is subject to distortions affecting any conclusions to be drawn from it: for one thing, the calculation of productivity in the services and general government sector is largely conventional and in some countries there are no separate figures for the two areas, so that the trends shown by the tables are a good deal less reliable than would otherwise be the case; secondly, the trend recorded between 1970 and 1972 should be interpreted with caution because of the reference period is so short - this is particularly true of productivity in agriculture, where the weather can be a decisive factor; lastly, with a number of hours actually worked per year differing from one member country to another, account should, in many cases, be taken of this factor when conclusions are drawn from the calculation of productivity in terms of value added per person employed. Another point in connection with the analysis of the results of the calculations is the extent to which the calculation of productivity at 1963 prices and exchange rates may involve distortions in country-to-country comparability.

The productivity gains in agriculture were achieved through a slight increase in production and a very sharp decline in the number of persons working on the land, as noted in Chapter I. The fall in numbers working on the land is likely, in any case, to continue in the years ahead because of the age structure of the farming population and the lack of direct heirs on a large number of holdings worked by farmers now nearing retirement age.

As for gross fixed capital formation, the main feature is an increase in the investment ratio during the relevant period. The increase was particularly marked in industrial investment or investment in plant and machinery and in those countries where the investment ratio was lower at the outset: it is reflected in an increase in capital stock per person employed.

The increase in overall energy consumption per inhabitant between 1960 and 1972 was by no means uniform from country to country; one of the "growth leaders" in this area was Italy, with a jump of 140 %.

As for the pattern of energy consumption, the most noteworthy change during the period was the shift from coal to oil and natural gas as primary energy sources. While in 1960 natural gas accounted for only 2.7 % of the needs of the Six, by 1972 the figure was 12.3 % (11.7 % for the Nine). Over the same period, the share accounted for by coal dropped from 59 % to 21 % for the Six and to 24 % for the Nine. The share of oil (nearly all of it imported) increased from 30 % in 1960 to 62 % in 1972 for the Six, and to 59 % for the Nine.

II.1 - GROSS DOMESTIC PRODUCT AT MARKET PRICES

Breakdown by country (Community = 100)

	1955	1960	1965	1970	1972
Germany	24,0 ^{a)}	27,4	27,8	27,9	27,5
France	22,6	22,7	23,8	25,2	26,2
Italy	12,9	13,3	13,6	14,4	14,1
Netherlands	4,4	4,2	4,3	4,5	4,6
Belgium	4,3	3,9	3,9	4,0	4,0
Luxembourg	0,2	0,2	0,2	0,2	0,2
United Kingdom	28,5	25,4	23,5	20,9	20,4
Ireland	0,8	0,6	0,6	0,6	0,6
Denmark	2,3	2,3	2,3	2,3	2,4
Community	100,0 ^{a)}	100,0	100,0	100,0	100,0

a) Excluding the Saar and West Berlin.

Source : SOEC : National Accounts 1966-1972, 1973

NOTE : The table has been drawn up at 1963 prices and exchange rates

11.2 - VALUE ADDED AT MARKET PRICES BY SECTOR

A. AVERAGE ANNUAL RATES OF INCREASE

	VALUE ADDED			AGRICULTURE			INDUSTRY			SERVICES AND GEN. GOVERNMENT			of which : GENERAL GOVERNMENT		
	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70
	GERMANY a)	5,1	4,7	3,1	-0,3	2,8	0,9	6,1	5,2	2,6	4,4	4,2	4,0	4,7	3,8
France b)	5,7	5,6	5,7	1,5	1,5	0,1	6,9	6,6	5,7	5,1	5,2	6,0	2,2	3,5	5,5
ITALY c)	5,1	5,9	2,5	3,3	2,0	-1,7	6,0	7,7	1,6	4,8	5,5	4,1	3,3	2,8	2,7
NETHERLANDS	4,9	5,8	4,7	0,5	3,9	3,9	6,1	7,6	4,9	4,7	4,3	4,2	1,9	3,2	4,2
BELGIUM	5,0	5,0	3,9	-0,5	2,5	-0,2	5,9	4,9	5,2	5,0	4,5	3,1	6,5	4,5	6,6
Luxembourg d)	3,2	3,6	2,5	1,2	1,1	-2,6	3,3	3,9	2,5	3,4	3,5	3,3	nd	nd	nd
UNITED KINGDOM e)	3,1	2,2	2,2	2,9	1,7	4,2	3,3	2,3	1,2	2,7	2,2	3,2	1,7	1,6	2,3
IRELAND	3,5	4,0	4,7	0,1	1,7	5,7	6,7	5,7	5,1	3,0	4,0	3,7	1,7	3,1	6,3
DENMARK	5,1	4,4	4,3	1,7	-1,7	3,5	7,5	5,5	4,1	4,8	4,8	4,7	5,9	8,0	4,6
EEC	5,0	4,3	3,6	1,6	1,9	0,6	5,6	5,4	3,4	4,8	4,3	4,1	3,1	3,2	4,2

NOTE : See next page.

11.2 - VALUE ADDED AT MARKET PRICES BY SECTOR (continued)

8. Sector shares in value added

	VALUE ADDED	AGRICULTURE					INDUSTRY					SERVICES AND GENERAL GOVERNMENT					of which : GENERAL GOVERNMENT				
		1960	1965	1970	1972	1960	1965	1970	1972	1960	1965	1970	1972	1960	1965	1970	1972				
GERMANY a)	100	5,4	4,2	3,8	3,7	52,9	55,4	56,7	56,1	41,7	40,4	39,5	40,2	7,7	7,5	7,2	7,5				
France b)	100	10,0	8,2	6,7	6,1	46,9	49,7	52,1	52,4	43,1	42,1	41,2	41,6	10,0	8,5	7,7	7,7				
ITALY c)	100	15,2	14,0	11,6	10,7	36,7	38,3	41,7	41,1	48,1	47,7	46,7	48,3	12,4	11,4	9,8	9,8				
NETHERLANDS	100	9,5	7,6	7,0	6,9	41,7	44,1	48,0	48,2	48,8	48,3	45,0	44,6	11,6	10,0	8,8	8,7				
BELGIUM	100	7,0	5,1	4,5	4,1	40,2	42,1	43,9	45,0	52,7	52,8	51,6	50,9	9,1	9,8	9,6	10,1				
Luxembourg c)	100	7,1	6,4	5,6	5,1	53,8	54,1	55,0	54,8	39,1	39,5	39,4	40,1	nd.	nd.	nd.	nd.				
UNITED KINGDOM c)	100	3,6	3,6	3,5	3,6	46,5	47,1	47,2	46,6	49,5	49,4	49,3	47,3	10,6	9,9	9,6	9,7				
IRELAND c)	100	23,8	20,2	18,0	18,3	25,4	34,2	36,5	37,2	46,8	45,6	45,5	44,6	9,8	8,9	8,8	9,1				
DENMARK	100	14,1	12,0	8,8	8,6	38,2	40,8	43,0	42,8	47,7	47,2	46,2	48,6	10,7	11,2	13,3	13,4				
EEC	100	7,9	6,8	5,9	5,6	46,5	48,5	50,2	50,0	44,7	44,7	43,9	44,4	9,8	9,1	8,9	9,6				

a) Germany : Import duties and taxes and statistical discrepancies are allocated to the relevant components of economic activity.

Mining and quarrying in 1972 : estimated at DM 8200 million.

Electricity, gas and water in 1972 (at 1963 prices) : estimated at DM 15 000 million.

b) France : Import duties and taxes in 1972 (at 1963 prices) : estimated at FF 21 000 million.

c) At factor cost.

d) Average excluding Luxembourg.

Source : . OECD - National Accounts 1960-1971 and 1961-1971.

. For 1972 Dir. Gen. for Economic and Financial Affairs has made estimates of production at 1963 prices for Germany, France, Netherlands, Luxembourg and Denmark.

. Luxembourg : SFC's National Accounts 1972.

NOTE : The tables have been drawn up at 1963 prices and exchange rates.

11.3 - Productivity : Value added at market prices by sector and per person employed

A. Average annual rates of increase

	VALUE ADDED						AGRICULTURE						INDUSTRY						SERVICES AND GENERAL GOVERNMENT					
	1965/60		1970/65		1972/70		1955/60		1970/65		1972/70		1965/60		1970/65		1972/70		1965/60		1970/65		1972/70	
	1965/60	1970/65	1970/65	1972/70	1972/70	1955/60	1970/65	1972/70	1955/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	1965/60	1970/65	1972/70	
GERMANY (a)	4.5	4.9	3.1	4.4	6.4	4.4	7.5	6.4	5.0	5.4	5.0	5.0	5.4	5.0	5.4	3.4	2.8	3.3	2.8	3.3	2.8	3.3	2.0	
FRANCE (b)	5.1	4.7	4.8	5.4	3.6	5.4	5.5	3.6	5.7	6.1	5.7	5.7	6.1	3.0	6.1	4.2	3.0	2.6	3.0	2.6	3.0	2.6	4.8	
ITALY (c)	6.1	5.9	3.4	5.5	2.9	5.5	8.5	2.9	5.2	5.5	2.9	5.2	5.5	2.1	5.5	2.1	3.6	2.6	3.6	2.6	3.6	2.6	3.5	
NETHERLANDS	3.5	4.8	4.9	4.2	6.5	4.2	7.1	6.5	4.1	7.8	4.1	4.1	7.8	8.1	7.8	8.1	2.5	2.0	2.5	2.0	2.5	2.0	2.3	
BELGIUM	4.0	4.3	3.3	3.7	6.8	3.7	7.6	6.8	4.8	6.2	4.8	4.8	6.2	6.3	6.2	6.3	3.1	2.3	3.1	2.3	3.1	2.3	0.6	
LUXEMBOURG (c)	2.3	3.0	0.1	4.2	4.1	4.2	4.6	4.1	1.7	3.0	4.1	1.7	3.0	-1.9	3.0	-1.9	1.9	2.1	1.9	2.1	2.1	0.5		
UNITED-KINGDOM (c)	2.3	2.7	2.9	6.4	7.6	6.4	5.6	7.6	2.8	3.3	2.8	2.8	3.3	4.0	3.3	4.0	1.4	2.0	1.4	2.0	2.0	2.0		
IRELAND (c)	3.2	4.3	5.1	3.0	4.1	3.0	5.9	4.1	3.0	4.3	4.1	3.0	4.3	5.3	4.3	5.3	2.2	2.8	2.2	2.8	2.8	2.5		
DENMARK	3.5	3.1	4.0	4.1	11.3	4.1	2.2	11.3	4.5	4.0	4.0	4.5	4.0	8.4	4.0	8.4	2.1	2.2	2.1	2.2	2.2	0		
EEC	4.3	4.6	4.0	6.4	4.6	6.4	7.0	4.6	4.7	5.3	4.6	4.7	5.3	5.2	5.3	5.2	3.1	2.8	3.1	2.8	3.1	2.8	2.6	

NOTE : see next page

11.3 - Productivity : Value added at market prices by sector and per person employed (continued)

5. Index numbers, Community average = 100

	VALUE ADDED						AGRICULTURE						INDUSTRY						SERVICES AND GENERAL GOVERNMENT					
	1960	1965	1970	1972	1960	1965	1970	1972	1960	1965	1970	1972	1960	1965	1970	1972	1960	1965	1970	1972				
	GERMANY (a)	118	113	115	113	93	84	88	89	113	115	115	111	103	111	113	112	103	111	113	112			
FRANCE (b)	122	126	128	130	121	115	107	105	140	146	153	150	117	116	115	120	117	116	115	120				
ITALY (c)	62	67	72	71	62	72	77	74	55	59	63	56	84	86	88	90	84	86	88	90				
NETHERLANDS	107	103	104	106	153	173	177	161	105	102	115	121	57	53	50	50	57	53	50	50				
BELGIUM	115	118	116	115	207	180	165	154	95	96	96	102	129	129	125	128	114	105	101	95				
LUXEMBOURG (c)	123	112	104	96	100	112	95	100	139	118	107	54	114	105	101	95	114	105	101	95				
UNITED KINGDOM (e)	58	58	81	81	185	185	174	163	88	80	72	75	92	85	83	80	92	85	83	80				
IRELAND (c)	58	55	54	55	75	66	62	67	32	61	58	58	63	60	60	61	63	60	60	61				
DENMARK	115	111	103	103	153	174	138	155	112	111	104	111	110	105	102	95	110	105	102	95				
EEC	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				

a) Germany : Import duties and taxes and statistical discrepancies allocated to the relevant components of economic activity.

Mining and quarrying in 1972 : estimated at DM 8 200 million.

Electricity, gas and water in 1972 (at 1963 prices): estimated at DM 15 000 million

Import duties and taxes in 1972 (at 1963 prices): estimated at FF 21 000 million.

c) At factor cost.

Source :

OECD - National Accounts 1960-1971 and 1961-1971.

For 1972, Gen. Dir. for Economic and Financial Affairs has made estimates of production at 1963 prices for Germany, France, Netherlands, Luxembourg and Denmark, Luxembourg : SOEC - National Accounts 1972. Employment: SOEC - General Statistics No 8-9, 1974, National Accounts 1973.

The tables have been drawn up at 1963 prices and exchange rates. The employment figures used are those for total employment. The armed services are included under "Services and General Government".

NOTES :

II.4 - GROSS FIXED CAPITAL FORMATION AND ITS DISTRIBUTION

Distribution of gross fixed capital formation as a percentage of GDP (at current prices)

	1955-60					1961-65					1966-70					1971-72				
	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)
GERMANY	19,7	3,0	22,7	8,3	5,1	22,2	4,2	26,4	na	6,2	20,8	4,0	24,8	na	5,6	22,7	3,9	26,6	9,0	na
FRANCE	16,8 ^f	2,1 ^f	18,9 ^f	7,1	4,8	16,3	3,0	21,3	8,3	5,9	20,4	3,4	23,8	8,1	6,8	21,0	3,4	24,4	9,0	6,8
ITALY	18,1	3,1	21,2	6,4	6,1	19,6	3,3	21,9	6,9	6,5	17,2	3,0	20,2	5,6	6,4	16,6	3,4	20,0	na	5,7
NETHERLANDS	20,0	4,1	24,1	7,2	4,8	20,1	4,6	24,7	8,2	4,4	20,9	4,9	25,8	8,2	5,4	20,3	4,5	24,8	7,1	6,1
BELGIUM	16,0	1,8	17,8	5,9	4,7	15,0	2,9	21,9	7,5	5,9	18,7	3,5	22,2	7,4	5,8	17,2	4,5	21,7	7,6	4,1
LUXEMBURG	16,4	5,8	22,2	na	4,0	25,2	4,6	29,8	14,8	6,8	20,5	4,0	24,5	6,9	8,7	23,8	4,8	26,6	12,9	5,7
UNITED KINGDOM	13,4	2,4	15,8	6,4	2,8	14,8	2,6	17,4	6,7	3,2	15,2	3,2	18,4	6,7	3,4	13,6	4,7	18,3	5,5	3,3
IRELAND	11,9	2,9	14,8	5,0	2,3	15,2	3,2	18,4	5,8	3,1	17,2	3,7	20,9	6,5	3,9	19,0	3,6	22,6	na	4,8
DENMARK	14,8	3,1	17,8	na	3,0	17,3	3,6	20,9	na	3,9	16,99	4,69	21,59	na	4,69	16,7	5,2	21,9	3,3	5,2

- (a) Share of gross fixed capital formation by enterprises, including dwellings, in GDP
- (b) Share of gross fixed capital formation by general government in GDP
- (c) Share of total gross fixed capital formation (a + b), excluding changes in stocks, in GDP
- (d) Share of gross fixed capital formation by industry in GDP
- (e) Share of gross fixed capital formation through construction of dwellings in GDP
- (f) The reference period is 1958-1960
- (g) The reference period is 1966-1969

Source : SOEC-National Accounts 1966-1971
 United Kingdom, Denmark : work by the Study Group on Medium-term Economic Assessments (Dec. II/501/72) and national experts (Ireland)
 For the period 1971-72 : ESA Questionnaires (SOEC).

II.5 - GROSS FIXED CAPITAL FORMATION (continued)

C. Gross fixed capital formation in the form of plant and machines as a percentage of total GDP (at 1963 prices)

	1955	1960	1965	1970	1972
GERMANY	12,8 a)	10,3	11,4	13,0	12,0
FRANCE	8,3 b)	8,9	10,3	12,1	12,0
ITALY	8,8	8,7	6,7	8,7	7,0
NETHERLANDS	11,5	11,3	11,8	13,0	10,0
BELGIUM	8,2	7,9	8,6	9,4	7,7
LUXEMBOURG	8,9	11,2	9,3	8,9	11,1
UNITED KINGDOM	5,2	5,9	7,2	7,8	7,0
IRELAND	na	na	na	na	na
DENMARK	7,1	9,6	10,8	12,0	9,8

a) Excluding Saar and West Berlin

b) 1958

SOURCE : SOEC - National Accounts 1966, 1972, 1973. U.K. : national experts.

Ireland and Denmark : Study Group on Medium-Term Economic Assessments (Doc. II/501/72).

1972 : ESA Questionnaires.

11.6. EXPENDITURE ON RESEARCH AND DEVELOPMENT

A. Breakdown of central government appropriations by main category of objectives

	GERMANY				FRANCE				ITALY				NETHERLANDS						
	1967	1971	1971 - 100		1967	1971*	1973*	1971 - 100		1967	1971	1971 - 100		1967	1971	1971 - 100			
			1967	1973				1967	1973			1967	1973			1967	1973		
1. Nuclear	19,5	14,0	72	140	17,4	11,7	12,7	161	129	34,6	24,5	23,7	89	119	11,1	9,0	11,6	75	169
2. Space	6,3	6,2	52	130	5,3	4,5	4,2	123	110	7,4	3,0	8,6	156	354	3,1	3,8	2,8	50	96
3. Defence	21,6	14,0	80	90	33,9	33,7	32,1	93	113	5,0	4,5	4,4	69	120	3,8	4,7	4,1	50	115
4. Earth and its atmosphere	1,8	1,6	61	140	1,2	3,1	3,3	20	128	0,7	1,5	1,6	30	123	1,9	1,4	1,0	85	98
5. Health	2,1	3,2	33	173	2,5	2,7	3,0	61	136	1,5	2,7	3,0	34	136	3,3	6,5	6,3	31	127
6. Human environment	0,8	1,1	38	201	3,3	5,0	5,2	46	122	2,0	1,5	1,2	80	97	2,8	3,6	3,7	47	139
7. Agricultural productivity	2,3	2,0	56	130	3,7	2,6	3,1	156	144	1,5	2,7	3,3	36	154	10,1	8,5	7,7	73	121
8. Industrial productivity	4,0	6,2	33	133	10,3	10,0	9,5	91	112	1,5	17,1	7,2	5	51	8,2	7,8	7,1	64	121
9. Computer science, automation	1,4	3,5	20	149	1,0	2,8	2,5	21	107	0,3	0,6	0,5	30	107	-	0,5	0,5	-	128
10. Social science and humanities	1,7	2,5	34	101	0,9	2,0	2,3	42	132	1,8	1,2	1,3	96	130	4,1	4,6	5,0	54	144
11. General promotion of knowledge	38,5	45,6	44	159	20,1	21,6	21,7	82	119	43,7	40,5	43,1	68	130	51,5	48,9	49,5	64	134
Not itemized	-	-	-	-	0,4	0,3	0,3	77	112	-	-	2,1	-	580	-	0,6	0,5	-	114
TOTAL	100	100	52	142	100	100	100	93	118	100	100	100	63	123	100	100	100	61	132
Share of EEC total	34	33	-	-	50	27	25	-	-	8	6	6	-	-	6	5	5	-	-

* New series

SOURCE : SOEC - Public financing of research and development 1967 - 1970 and 1969 - 1973. Commission, Working paper of 8 May 1974.

NOTE : The figures in table B represent ex-post expenditure, calculated on the basis of a posteriori surveys at current prices and exchange rates.

B. TOTAL EXPENDITURE ON R&D BY FINANCING SECTOR (Million U.S.A.)	GERMANY		FRANCE		ITALY		NETHERLANDS	
	1967	1971	1967	1971	1967	1971	1967	1971
Public (Central Government + higher education)	860,7	1575,0	1627,5	1681,1	235,1	431,9	180,9	283,1
Private (Enterprises + non-profit-making institutions)	1198,5	1997,6	789,2	1042,3	256,3	524,6	294,2	425,1
Other sectors (domestic + foreign)	25,1	22,9	89,9	139,3	20,3	14,4	19,3	21,6
TOTAL	2084,3	3595,5	2506,7	2862,7	511,7	970,9	494,5	729,8
% of GNP	1,68	1,73	2,15	1,76	0,73	0,96	2,16	2,0

11.6 - EXPENDITURE ON RESEARCH AND DEVELOPMENT (continued)

	BELGIUM					UNITED KINGDOM			IRELAND			DENMARK			EEC				
	1967	1971	1973	1971 - 100		1971	1973	73/71	1971	1973	73/71	1971	1973	73/71	EEC 6-67	EEC 9-71	EEC 9-73	1971 - 100	
				1967	1973													EEC 6-67	EEC 9-73
1. Nuclear	22,6	11,8	11,5	75	121	6,9	5,9	111	-	-	-	7,5	7,3	123	20,7	11,9	11,9	103	128
2. Space	7,9	3,9	2,9	79	92	1,7	1,3	98	-	-	-	2,1	2,6	156	6,0	4,2	4,1	82	127
3. Defence	1,2	0,4	0,4	110	110	41,9	45,4	140	-	-	-	0,3	0,3	133	24,9	24,4	22,8	88	119
4. Earth and its atmosphere	2,7	4,6	4,3	23	117	0,3	0,3	164	1,8	133	1,6	1,6	124	1,2	1,7	1,8	36	129	
5. Health	3,4	5,5	5,5	24	123	1,9	2,6	175	4,5	111	5,9	5,7	121	2,0	3,0	3,5	41	150	
6. Human environment	2,3	0,8	0,7	118	124	1,8	1,4	102	7,7	154	2,5	2,2	112	1,9	2,5	2,5	47	129	
7. Agricultural productivity	5,0	4,3	4,3	46	125	2,7	2,6	124	55,4	131	9,4	8,4	113	3,8	3,0	3,0	92	130	
8. Industrial productivity	13,1	12,8	10,0	40	97	16,7	14,5	112	16,1	221	7,5	8,8	150	7,2	10,9	9,3	55	109	
9. Computer science, automation	-	0,1	0,1	-	100	0,3	1,1	421	-	-	3,3	3,2	124	0,8	2,1	2,3	21	139	
10. Social science and humanities	0,8	6,1	5,5	5	112	0,6	0,8	151	4,1	150	2,5	2,6	135	1,4	2,1	1,9	38	117	
11. General promotion of knowledge (not itemized)	41,0	49,4	54,7	32	138	25,2	24,1	123	9,0	154	57,4	57,4	95	30,0	34,2	36,7	56	137	
TOTAL	100	100	100	39	125	100	100	129	100	146	100	100	127	100	100	100	68	128	
Share of EEC total	2	3	3	-	24	25	-	-	0,2	0,2	1	1	-	100	100	100	-	-	

a) 1.4.1967 - 31.3.1968
1.4.1971 - 31.3.1972

B. TOTAL EXPENDITURE ON R & D BY FINANCING SECTOR (million u.a.)	BELGIUM		UNITED KINGDOM a)		IRELAND		DENMARK		EEC 9	
	1967	1971	1967	1971	1967	1971	1967	1971	1967	1971
Public (Central Government + higher education)	95,9	164,7	1264,4	1550,4	9,5	16,7	50,6	88,8	4324,6	5791,7
Private (Enterprises + non-profit making institutions)	116,5	177,5	1039,0	1186,0	6,8	13,7	36,6	82,5	3736,5	5449,3
Other sectors (domestic+foreign)	12,3	9,7	163,4	160,3	1,3	1,8	4,1	5,3	335,9	275,4
TOTAL	224,6	351,9	2466,8	2896,8	17,1	32,2	91,3	176,6	8397,1	11616,4
% of GNP	1,14	1,23	2,22	2,12	0,53	0,71	0,75	1,03	1,75	1,67

11.7 - ENERGY

Gross inland consumption of primary energy products and equivalents (kg coal equivalent per person)

	Year	Coal, lignite and equivalents	Natural gas	Crude oil and equivalents	Electricity	Total
GERMANY	1960	2.852	17	813	118	3.800
	1965	2.480	61	1.798	115	4.454
	1970	2.109	304	2.981	168	5.559
	1972	1.875	511	3.176	176	5.753
FRANCE	1960	1.422	80	862	348	2.710
	1965	1.286	123	1.571	339	3.332
	1970	1.078	235	2.575	392	4.225
	1972	806	324	3.081	353	4.550
ITALY	1960	218	153	805	331	1.308
	1965	225	178	1.310	315	2.028
	1970	237	263	2.148	300	2.981
	1972	210	344	2.346	278	3.177
NETHERLANDS	1960	1.360	38	1.406	4	2.806
	1965	1.115	156	2.686	1	3.958
	1970	559	1.721	3.035	1	5.316
	1972	325	2.820	3.072	-28	6.189
BELGIUM	1960	2.588	9	1.125	10	3.711
	1965	2.422	10	2.110	10	4.551
	1970	1.980	519	3.542	24	6.046
	1972	1.698	899	3.924	-12	6.504
LUXEMBOURG	1960	14.320	-	971	48	15.342
	1965	12.015	-	3.511	1.234	16.766
	1970	11.432	47	5.650	2.253	19.435
	1972	10.385	471	6.057	2.595	19.517
EEC-6	1960	1.612	74	822	227	2.735
	1965	1.439	115	1.677	221	3.451
	1970	1.182	389	2.665	251	4.496
	1972	1.011	561	2.945	237	4.788
UNITED KINGDOM	1960	na	na	na	na	na
	1965	na	na	na	na	na
	1970	2.593	267	2.515	218	5.502
	1972	1.926	606	2.732	223	5.487
IRELAND	1960	na	na	na	na	na
	1965	na	na	na	na	na
	1970	1.035	-	1.940	104	3.080
	1972	921	-	2.365	81	3.368
DENMARK	1960	na	na	na	na	na
	1965	na	na	na	na	na
	1970	658	-	5.313	-266	5.706
	1972	354	-	5.388	-124	5.649
EEC-8	1960	na	na	na	na	na
	1965	na	na	na	na	na
	1970	1.462	350	2.675	232	4.726
	1972	1.198	576	2.939	222	4.941

Source : SOEC - Yearbook of Energy Statistics, 1966 and 1973.

CHAPTER III : Incomes

The distribution of national income between the various socio-occupational groups is influenced by many factors which must be taken into account before interpreting and comparing the figures.

The share of wages and salaries in national income increased during the period in question in all Community countries, primarily because of the fall in the proportion of total employment accounted for by the self-employed. But this change was also due to a change in the legal status of many sole proprietorships: on their incorporation, a large proportion of entrepreneurial income is reclassified as compensation of employees.

The proportion of national income accounted for by companies corresponds very largely to the direct taxes they pay and undistributed income: it is a function not only of the performance of companies but also of income distribution policy.

The trend of compensation of employees per employee at current rates of exchange in the various member countries shows two main features: firstly, the spread narrowed, particularly in the six original member countries of the Community and, secondly, the relative position of the United Kingdom deteriorated.

In interpreting Table III.4, which compares compensation of employees per employee and national income per person employed, it should be borne in mind that in some member countries many of the self-employed (small farmers working their own holdings, craftsmen) have lower incomes than wage- and salary-earners. During the period in question, the fall in the numbers in this group increased "statistically" the average income of the self-employed, and this masks to some extent the relative improvement in wage- and salary-earners' incomes. Consequently, the figures for France in particular probably overstate the relative deterioration in the position of wage- and salary-earners whereas in Italy there must have been some relative improvement.

111.1 DISTRIBUTION OF NATIONAL INCOME (at current prices)

	GERMANY					FRANCE					ITALY					NETHERLANDS					BELGIUM					LUXEMBOURG						
	55a/b)		65		70		55a)		60		65		70		55a)		60		65		70		55a)		60		65		70			
1. Compensation of employees of which :	58,8	60,6	64,7	66,7	61,5	51,0	51,9	57,1	59,3	53,6	55,6	63,6	68,2	53,2	57,2	60,9	62,5	57,6	58,5	64,3	60,9	62,5	57,6	58,5	66,2	64,3	60,9	62,5	57,6	58,5	66,2	64,3
2. Entrepreneurs' income	na	7,8	7,6	8,8	14,2	na	13,8	14,8	16,9	na	7,7	9,6	13,2	na	5,9	7,9	8,6	na	7,0	7,8	7,9	8,6	na	7,0	7,8	7,9	8,6	na	7,0	7,8	7,8	
3. Income from property	32,9	31,2	29,2	28,2	20,9	na	33,8	30,2	27,9	35,4	32,8 ^d	28,5 ^d	24,0 ^d	15,2	14,2	12,2	13,7	6,7	31,3	26,3	24,7	20,9	26,6	31,3	28,3	26,3	24,7	20,9	26,6	31,3	28,3	26,3
4. Income of corporations	6,5	7,4	5,4	4,8	8,5	na	9,4 ^d	8,4 ^d	9,3 ^d	11,7	11,0	8,5	8,2	5,1	4,5	5,0	6,1	9,3	9,0	7,3	5,0	6,1	9,3	9,0	2,9	7,3	5,0	6,1	9,3	9,0	2,9	7,3
5. Income of general government	1,6	1,2	1,1	0,8	-0,2	-0,2	-0,3	0,2	-0,2	-0,8	-0,4	0,5	0,4	-1,6	-2,2	-2,8	-3,2	0,2	1,2	2,0	-2,8	-3,2	0,2	1,2	2,6	2,0	-2,8	-3,2	0,2	1,2	2,6	2,0
	ROYAUME - UNI					IRLANDE					DANEMARK																					
	55	60	65	70	55	60	65	70	55	60	65	70	55	60	65	70	55	60	65	70	55	60	65	70	55	60	65	70	55	60	65	70
1. Compensation of employees of which :	72,5	72,8	74,1	77,2	53,7	55,2	59,3	64,0	57,6	57,9	63,1	69,2	57,6	57,9	63,1	69,2	57,6	57,9	63,1	69,2	57,6	57,9	63,1	69,2	57,6	57,9	63,1	69,2	57,6	57,9	63,1	69,2
2. Entrepreneurs' income	4,4	5,0	6,0	7,1	0,6	0,7	1,0	1,8	0,3	0,5	1,0	0,9	0,3	0,5	1,0	0,9	0,3	0,5	1,0	0,9	0,3	0,5	1,0	0,9	0,3	0,5	1,0	0,9	0,3	0,5	1,0	0,9
3. Income from property	17,9	18,9	19,5	19,3	38,1	36,1	31,7	26,7	42,4	41,1	35,9	29,6	42,4	41,1	35,9	29,6	42,4	41,1	35,9	29,6	42,4	41,1	35,9	29,6	42,4	41,1	35,9	29,6	42,4	41,1	35,9	29,6
4. Income of corporations	13,0	11,5	8,4	4,4	5,6	5,6	6,3	6,5	6,5	4,1	4,1	2,8	6,5	4,1	4,1	2,8	6,5	4,1	4,1	2,8	6,5	4,1	4,1	2,8	6,5	4,1	4,1	2,8	6,5	4,1	4,1	2,8
5. Income of general government	-3,7	-2,5	-1,7	-1,2	2,5	2,8	2,7	2,8	0	0,9	1,0	1,2	0	0,9	1,0	1,2	0	0,9	1,0	1,2	0	0,9	1,0	1,2	0	0,9	1,0	1,2	0	0,9	1,0	1,2

a) Figures for 1955 not readjusted.
 b) Excluding West Berlin and the Saar.
 c) Distribution figures from 1955 to 1960 not available
 d) Income from property, less interest on consumers' debts.
 Source : SOEC-National Accounts, 1966 and 1972.
 Ireland : Study Group on Medium-Term Economic Assessments (Doc.11/501/72).
 Denmark, United Kingdom : national experts
 NOTE : The negative income of general government is accounted for by the fact that it is calculated by subtracting the interest on the public debt from property income and entrepreneurial income.

111.2 - COMPENSATION OF EMPLOYEES PER EMPLOYEE

A - Average annual rates of increase of compensation of employees per employee, in money terms and real terms

	1960/1955 a)		1965/1960		1970/1965		1973/1970	
	In money terms	In real terms	In money terms	In real terms	In money terms	In real terms	In money terms	In real terms
GERMANY	7,3 b)	5,2	8,5	5,0	8,5	5,4	11,7	4,8
FRANCE	9,6	3,4	9,8	5,8	9,2	4,4	11,2	4,7
ITALY	6,3	4,4	12,2	7,1	9,4	6,1	14,4	5,9
NETHERLANDS	6,6	4,2	10,3	6,1	10,8	6,2	13,4	4,5
BELGIUM	5,7	4,0	7,5	4,2	8,0	4,5	12,6	6,6
LUXEMBOURG	5,7	3,7 c)	7,1	4,1	6,5	3,3	9,8	4,2
UNITED KINGDOM	5,7	3,1	6,1	2,6	8,0	3,2	12,2	4,0
IRELAND	nd	nd	8,4	4,2	11,1	5,3	16,2	6,1
DENMARK	12,7	6,3	10,6	5,2	9,9	3,8	12,6	4,9
EEC	nd	nd	8,9	4,8	7,9	3,9	11,1	3,8

B - Index numbers, Community average = 100

	1960		1965		1970		1973	
	In money terms	In real terms	In money terms	In real terms	In money terms	In real terms	In money terms	In real terms
GERMANY	98,0	91,8	101,0	99,7	113,4	113,4	126,7	128,6
FRANCE	111,9	116,5	116,6	121,3	110,4	110,4	110,5	113,2
ITALY	66,2	70,4	80,7	77,9	86,3	86,3	81,1	78,9
NETHERLANDS	93,0	96,4	104,0	107,1	119,3	119,3	132,2	126,9
BELGIUM	116,6	109,1	109,4	105,1	109,9	109,9	117,4	122,1
LUXEMBOURG	143,0	132,0	131,7	123,8	122,9	122,9	121,8	127,8
UNITED KINGDOM	110,7	113,0	96,8	100,6	82,9	82,9	66,4	67,8
IRELAND	73,8	80,5	71,9	77,7	71,2	71,2	66,4	62,0
DENMARK	102,9	121,2	111,0	122,6	122,6	122,6	113,7	114,9

a) For 1960/55, the 1955 figures have not been revised.

b) Excluding the Saar and West Berlin until 1959.

c) Estimate

Source : SOEC - National Accounts 1971-1974, General Statistics N° 5/1975
Denmark 1960/1955 : Study Group on Medium-term Economic Assessments (Doc. 11/501/72).
Denmark, United Kingdom : national experts.

NOTE : A. Compensation of employees per employee is obtained by relating compensation of employees (gross wages and salaries + employers' social security contributions) to the number of wage and salary earners. The change in purchasing power (real compensation) is obtained by deflating the figures by the price index for private consumers' expenditure. (1970 = 100)

- The rates of increase have been calculated for each country at current prices and for the EEC at current prices and exchange rates.

B. The index numbers are calculated from compensation of employees per employee at current prices and exchange rates.

111.3 COMPENSATION OF EMPLOYEES BY SECTOR

A. Average annual rates of increase of compensation of employees per employee

	AGRICULTURE			INDUSTRY			SERVICES			GENERAL GOVERNMENT		
	1965/1960	1970/1965	1972/1970	1965/1960	1970/1965	1972/1970	1965/1960	1970/1965	1972/1970	1965/1960	1970/1965	1972/1970
GERMANY	9,2	6,8	9,6	8,4	8,6	11,4	8,7	8,0	12,5 b)	6,6	8,4	15,1 b)
FRANCE	10,1	12,0	12,0 b)	9,3	na	na	9,7	na	na	10,9	8,7	9,0 b)
ITALY	13,8	12,0	14,6	11,3	10,6	12,4	12,3	8,6	11,4	12,1	4,7	14,4
NETHERLANDS	9,6	6,7	9,7	9,8	11,2	13,9	9,1	10,5	12,2	13,6	10,1	13,3
BELGIUM	7,6 c)	6,7 c)	6,9	7,3 c)	7,6 c)	13,7	6,1 c)	8,7 c)	15,1	6,3 c)	8,1 c)	14,0
LUXEMBOURG	na	na	5,4	na	na	8,2	na	na	10,2	na	na	11,5
UNITED KINGDOM	5,2	7,6	13,4	6,1	7,7	12,5	6,0 a)	8,3 a)	12,2 a)	na	na	na
IRELAND	7,8	10,9	12,9 b)	6,1	11,0	12,4 b)	7,7	6,5	15,1 b)	2,6	8,4	na
DENMARK	13,6	8,4	6,3 b)	5,3	9,9	13,7 b)	na	na	na	na	na	na

a) Services and general government.

b) 1971/1970

c) Excluding employers' social security contributions.

B. Ratio of compensation of employees per employee in other sectors to compensation of employees per employee in agriculture (1,00)

	INDUSTRY			SERVICES			GENERAL GOVERNMENT		
	1960	1965	1970	1965	1970	1972	1965	1970	1972
GERMANY	1,29	1,25	1,36	1,12	1,16	1,16 b)	1,59	1,79	1,66 b)
FRANCE	2,58	na	na	na	na	na	3,06	2,95	2,62 b)
ITALY	2,57	2,29	2,22	3,15	2,69	2,54	4,14	4,46	2,91
NETHERLANDS	0,99	1,00	1,24	0,89	1,07	1,72	1,50	1,26	1,88
BELGIUM	1,51	1,49	1,54	1,51	1,65	1,67	2,49	2,66	2,37
LUXEMBOURG	na	na	2,33	na	2,21	2,41	na	na	3,33
UNITED KINGDOM	1,57	1,64	1,54	1,48 a)	1,52 a)	1,50 a)	na	na	na
IRELAND	na	na	na	na	na	na	na	na	na
DENMARK	1,65	1,58	1,62	na	na	na	na	na	na

a) Services and general government.

b) 1971

Source : National accounts 1966 - 1972.
United Kingdom, Belgium, Luxembourg : national experts.

III.4 - COMPENSATION OF EMPLOYEES AND NATIONAL INCOME

Ratio of compensation per employee to net national disposable income per person
employed

(at current prices)

	1960	1965	1970	1973
Germany	68,0	70,2	71,2	74,0
France	71,1	70,7	71,1	70,9
Italy	76,2	76,9	76,4	82,3
Netherlands	65,8	71,1	73,9	73,7
Belgium	68,4	69,0	69,6	73,0
Luxembourg	71,2	78,9	73,2	75,8
United Kingdom	69,8	70,1	71,6	73,4
Ireland	75,6	76,9	77,6	74,3
Denmark	66,4	70,1	72,2	72,9
Community	71,4	71,6	72,2	74,0

Source : SOEC - ESA National Accounts N° 1/1974

NOTE : 1. The figures for the Community have been calculated at current prices and exchange rates.

2. The figures in this table have been calculated as follows :

Compensation of employees per employee

Net national disposable income
Total employment

The net national disposable income differs from the national income (net national product at factor cost) in that it includes :

- . net indirect taxes (taxes on production and imports less subsidies)
- . the balance of unrequited current transfers (nec) with the rest of the world
- . the balance of accident insurance transactions with the rest of the world

CHAPTER IV : Prices and costs

The real acceleration in the upward movement of prices began after 1970. Even before, some member countries had of course experienced bouts of strong inflationary pressure, but inflation was never as rapid or as persistent as in the present phase.

But not only has inflation in the Community gathered momentum: the differences in inflation rates between member countries are also much wider, and this partly explains the monetary upheavels of recent years.

Throughout the Community, consumer prices for manufactured products have increased less rapidly than average consumer prices, in contrast to the price of services. For agricultural and food products the rates of price increases seem to have been close to the average, while at the beginning of the period they were generally much lower than the average. This trend may be due to two factors : firstly, the value added element in agricultural products has considerably increased as a result of the expansion of distribution channels and the steadily higher degree of processing of foodstuffs placed on the market. Secondly, in a period of fast inflation, policy on agricultural prices has increasingly been used as an instrument to protect farmers' incomes, one result being that the trend of agricultural prices has been more closely aligned on that of other products.

On the cost side, the rates of increase in wage costs per unit of output has risen very sharply, with the inevitable impact on prices. Parity changes in recent years, on the other hand, have tended to narrow the gaps between wage-cost trends in the various member countries.

Until 1970, the trend of commodity prices exerted a stabilizing influence on Community prices and largely contributed to the steady improvement in the terms of trade. But since 1971 there has been an upward movement which has gradually accelerated, engendering a distinct improvement in the terms of trade of the commodity-exporting countries. This increase has had only a very modest impact on the heavy inflation from which the Community has been suffering.

The steady improvement in the terms of trade of the Community as a whole also owes something to parity changes, which since 1970 have probably offset the rise in commodity prices.

The sharpest improvement was in Germany, where the surplus on current account may be partly due to this favourable swing, given the low elasticity of German export prices.

IV.1 GDP PRICE DEFLATOR

AVERAGE ANNUAL RATES OF INCREASE

	1960/1955	1965/1960	1970/1965	1973/1970
Germany	2,6	3,6	3,4	6,4
France	6,5	4,1	4,8	6,4
Italy	2,0	5,4	3,4	7,4
Netherlands	3,2	4,9	4,8	8,5
Belgium	2,0	3,1	3,8	6,1
Luxembourg	n.a.	2,7	4,8	5,9
United Kingdom	3,3	3,5	5,0	8,1
Ireland	3,0	4,7	6,0	12,0
Denmark	2,7	5,8	6,1	7,9
EEC	na	4,1	4,2	7,1

Source : SOEC-National Accounts 1972, 1973, 1974.

IV.2 CONSUMER PRICE INDEX

Average annual rates of increase

Products	Periods	Ger.	Fr.	It.	Neth.	B.	Lux.	U.K.	Irl.	Dk.
Overall private consumption	1965 / 1960	2,9	3,7	4,8	3,9	2,9	2,8	3,4	6,2 *	5,1
	1970 / 1965	2,7	4,5	3,2	4,4	3,0	3,2	4,7 *	4,3 *	5,7
	1974 / 1970	6,2	8,1	10,0	8,4	7,3	6,4	10,4	11,4	9,2
Food	1965 / 1960	2,6	4,0	4,4	4,5	3,0	1,8	3,0	6,2 *	4,3 ^{c)}
	1970 / 1965	1,5	3,9	2,2	4,2	3,4	2,3 ^{d)}	3,9 *	4,3 *	7,4 ^{e)}
	1974 / 1970	5,4	8,8	10,5	6,5	6,4	6,4	11,7	12,4	9,4
Manufactured products and tobacco a)	1965 / 1960	2,3	2,1	2,9	1,9	2,2	na	2,8 *	6,2 *	na
	1970 / 1965	1,8	2,7	2,4	1,8	2,6	na	4,0 *	5,0 *	na
	1974 / 1970	6,3	7,4	10,9	8,0	6,4	5,7	8,7 *	11,8	9,2
Services b)	1965 / 1960	3,5	4,6	3,1	8,1	2,6	na	4,8 *	7,0 *	na
	1970 / 1965	3,9	1,8	4,3	15,0	2,5	na	6,2 *	4,7 *	na
	1974 / 1970	6,9	7,9	6,9	10,3	9,7 f)	8,0 f)	10,4 *	9,3	9,3

a) Includes clothing and footwear, fuel and power, furniture, household equipment, motor vehicles and tobacco.
 b) Includes rent, rates and water charges, personal care and health, transport and communication, education.
 c) 1965/1962.

d) New series (1965=100).

e) New series (1964=100).

f) without rent, rates and water charges

Source : SOEC-National Accounts 1971,1972,1973 ; General Statistics N° 3/1975.
 ILO Year Book of Labour Statistics 1972.

* national experts

IV.3 WAGE COSTS IN INDUSTRY a)

Average annual rates of increase of wage costs per unit of V.A. produced

	1965/1960	1970/1965	1973/1970
Germany	3,6	3,2	6,8
France	4,3	3,6	6,7
Italy	6,5	4,4	10,2
Netherlands	6,0	2,6	6,2
Belgium	3,2	0,9	7,3
Luxembourg	n.a.	n.a.	n.a.
United Kingdom	2,9	4,1	8,3
Ireland	3,3	6,2	11,6
Denmark	3,1 ^{b)}	4,8	8,4

a) Including mining and construction.

b) National experts estimate.

Source : EEC Survey - Trend of wage costs in industry (Doc. II/174/74)

United Kingdom : national experts.
Ireland

NOTE : Wage costs per unit of gross value added at constant prices were calculated by dividing the index of total salaries by the gross value added at constant prices. This may also be calculated by dividing the compensation of employees per employee by the gross value added per employee.

IV.4- COMMODITY PRICE INDEX a) (in current US \$)

(1967/69 = 100)

	Oil (1 product)	Agric. Products			Timber (2 products)	Minerals & metals (8 products)	Total of 36 products incl. oil	Total of 35 products excl. oil	Terms of trade	
		Total (25 products)	Agric. Food Products (17 products)	Textiles and Fibres (8 products)					A	B
1950/52	na	122	111	158	80	67	119	108	na	na
1955/57	145	115	114	122	104	81	124	106	72	84
1960/62	112 ^{d)}	97	91	112	97	72	100	90	91	101
1964/66	na	102	100	105	103	103	102	102	94	94
1970	100	109	114	99	99	108	105	109	103	100
1971	127	107	109	103	112	96	114	104	98	108
1972	146	120	121	114	129	97	128	113	101	89
1973	208	180	170	189	263	140	187	169	66	73

a) Weighted by the value of exports of developing countries in 1967-69.

b) Including rubber and tobacco.

c) Ratio of EEC export price index to commodity price index. A) 36 products

d) Only 1960. B) 35 products

Source : United Nations estimate.

IV.5 TERMS OF TRADE

Ratio of export price index to import price index (goods and services)

	1955	1960	1965	1970	1972
Germany	82,9	94,3	99,2	101,5	105,3
France	96,7	98,0	100,6	99,7	100,6
Italy	101,4	98,4	100,1	98,8	96,9
Netherlands	96,6	97,9	101,6	101,3	101,2
Belgium	103,8	104,7	102,8	105,3	104,5
Luxembourg	n.a.	110,0	99,9	110,5	101,4
United Kingdom	91,4	98,6	99,1	100,9	101,1
Ireland	98,0	99,8	102,9	105,9	116,3
Denmark	94,5	98,5	102,5	102,2	103,3
Community	92,6	98,0	100,1	101,0	101,8

Note : Paasche-type indices obtained by dividing absolute values in national currency at current prices by the corresponding values calculated at 1963 prices. The Community indices have been calculated by dividing the values at current prices and 1963 rates of exchange by the corresponding values at 1963 prices and rates of exchange.

Source : SOEC-National Accounts 1972-1973.

CHAPTER V : Foreign Trade

A look at the individual countries' foreign trade positions expressed as a percentage of GNP reveals fairly sharp differences in the Community : Germany had a large trade surplus throughout the period covered, while Ireland and the United Kingdom were in continuous deficit. In the other countries, apart from isolated cyclical swings, foreign trade roughly balanced out. The picture changes if transfer payments and capital movements are included : the current accounts and particularly the basic balances were fairly close to equilibrium - if not actually in surplus - in all countries during the periods covered.

Exports from the Community countries go for the most part to a small number of countries. Except in the case of Ireland and Denmark, the share of the three and six leading customer countries in total exports of the Community countries increased between 1960 and 1972. For the six original member countries of the Community this was the logical effect of the dismantling of barriers to trade. In the case of the United Kingdom, the key to the trend towards increased concentration was the more rapid expansion of exports to Community countries than to many of the countries that constituted its traditional markets. The decrease in the share of the leading customer countries in Ireland's and Denmark's exports appears to have been largely a matter of slower growth in their exports to the United Kingdom.

Between 1960 and 1972 the Community's share of world exports rose significantly in respect of food products, beverages, and tobacco and remained fairly stable for most other products. The increase in the Community share in food trade was probably accounted for partly by high quality products and partly by surplus products the exporting of which was subsidized by the EAGGF. It is also quite clear that Community exports of machinery and transport equipment declined.

As regards the shares of the various categories of products in total Community imports, that of basic products other than energy fell distinctly while that of manufactured goods showed a corresponding increase. The relative weight

of imports of energy products tended to increase slightly in certain countries, whereas in others, notably France, there was a fairly marked decline. The situation in 1972 highlights Italy's heavy dependence in respect of imports of food products.

V.1 - 1 FOREIGN TRADE AS A PROPORTION OF GNP

EUR 1000 million (cumulative figures)

	Total exports (b)			Total imports (b)			Balance (exports-imports)			Exports as % of GNP *			Imports as % of GNP *			Balance as % of GNP *			Balance on current account (as % of GNP)†			Net position on basic balance as % of GNP‡		
	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970	1956-1960	1961-1965	1966-1970
	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
GERMANY	62,7	91,7	156,6	52,9	85,5	138,6	9,8	6,2	18,0	21,8	18,8	21,7	18,4	17,5	19,2	3,4	1,3	2,5	2,4	- 0,2	1,1	n.a.	- 0,2	0,2
FRANCE	37,9	56,2	92,0	38,2	53,8	92,2	- 0,3	2,4	- 0,2	13,2	13,5	14,4	13,3	12,9	14,5	- 0,1	0,6	..	- 0,5	- 0,5	- 1,0	n.a.	0,6	- 0,5
ITALY	19,7	37,5	69,5	20,0	37,5	64,2	- 0,3	-	5,3	13,0	15,2	18,0	13,2	15,2	16,6	- 0,2	-	1,4	1,1	1,2	2,5	n.a.	0,7	0,4
NETHERLANDS	23,6	35,2	57,5	23,2	35,7	58,3	0,4	- 0,5	- 0,8	48,5	45,8	44,3	47,6	46,5	44,9	0,8	- 0,7	- 0,6	1,7	0,4	- 0,4	n.a.	0,1	- 0,1
BELGIUM	17,0	24,9	42,7	17,1	25,4	41,9	- 0,1	- 0,5	0,8	32,4	34,8	39,6	32,6	35,5	38,8	- 0,2	- 0,7	0,7	1,2	0,2	1,2	n.a.	0,6	0,6
LUXEMBOURG	1,9	2,2	3,1	1,6	2,3	3,0	0,3	- 0,1	0,1	90,5	78,6	75,6	36,2	82,1	73,2	14,3	- 3,6	2,4	6,2	- 1,9	5,0	n.a.	0,6	0,6
UNITED KINGDOM	67,6	82,4	111,6	68,2	85,9	112,6	- 0,7	- 3,4	- 1,0	20,8	18,9	20,3	21,0	19,7	20,4	- 0,2	- 0,8	- 0,2	0,6	- 0,1	0,3	- 0,2	- 0,5	- 0,2
IRELAND	2,5	3,8	6,1	2,9	4,7	7,2	- 0,4	0,9	- 1,1	30,5	32,2	36,3	35,4	39,8	42,9	- 4,9	- 7,6	- 6,5	- 0,5	- 2,5	- 2,3	n.a.	0,8	0,1
DENMARK	8,5	12,4	18,6	8,4	13,0	19,9	0,1	- 0,6	- 1,3	32,9	30,2	28,4	32,6	31,6	30,4	0,4	- 1,5	- 2,0	0,3	- 1,6	- 2,7	n.a.	0,4	- 0,6
COMMUNITY (a)	241,4	346,3	557,7	232,5	343,8	537,9	8,8	2,6	19,8	20,3	19,3	21,2	19,5	19,2	20,5	0,7	0,1	0,7	n.a.	n.a.	n.a.	n.a.	0,1	0,1

* GNP at current prices

a) 1956 to 1955: excluding the Saar and West Berlin.

b) Goods and services.

c) This covers exports and imports comprising goods and services, compensation of employees, property and entrepreneurial income and current transfers. Calculated on the basis of national currencies.

d) This covers the balance on current account, unilateral transfers (private and public) and capital transactions of the non-monetary sectors.

SOURCE: SEC-National Accounts 1972-1973/Balance of payments 1972.

V.2 - EXPORTED VALUE ADDED

A. Direct and indirect value added included in export.

GROUP OF BRANCHES	YEAR	GERMANY		FRANCE		ITALY		NETHERLANDS		BELGIUM		UNITED-KINGDOM	
		D	D + I	D	D + I	D	D + I	D	D + I	D	D + I	D	D + I
1. Food products	1959	43,5		49,5		58,8		36,0		46,4		nd	
	65	40,4		42,8		48,3		34,1		39,0		nd	
	70	32,6		49,5		46,4		33,2				42,7	
2. Energy products	1959	43,6		61,7		63,0		41,9		52,1		nd	
	65	50,2		61,2		59,4		47,8		53,0		nd	
	70	57,0		58,1		60,6		45,9				42,3	
3. Non-energy raw materials and semi-finished products	1959	45,6		48,9		45,0		39,0		35,8		nd	
	65	37,0		42,8		39,4		40,7		29,5		nd	
	70	35,1		41,2		42,1		45,1				31,1	
4. Equipment goods	1959	49,8		51,6		47,2		47,2		45,0		nd	
	65	46,1		45,0		42,4		47,6		42,0		nd	
	70	43,7		42,4		41,4		42,7				39,3	
5. Manufactured products	1959	46,5		50,6		44,9		41,8		43,4		nd	
	65	45,3		42,7		41,1		40,3		36,7		nd	
	70	40,4		40,7		41,5		38,0				39,5	
6. Building and services	1959	77,7		73,0		75,2		66,8		78,8		nd	
	65	63,0		67,7		70,3		65,6		71,4		nd	
	70	57,0		68,9		66,7		51,7				69,3	
Total	1959	58,3		60,3		61,7		51,1		58,9		nd	
	65	50,2		54,4		55,6		50,5		51,6		nd	
	70	46,9		57,0		55,2		45,8				52,2	

1 = branches 010 + 310 + 330 + 350 + 370 + 390 ; 2 = branches 030 + 050 + 070 + 090 ; 3 = branches 110 + 130 + 150 + 170 + 190 ; 4 = branches 210 + 230 + 250 + 270 + 290 ; 5 = branches 410 + 430 + 450 + 470 + 490 + 510 ; 6 = branches 530 à 930.

Source : SOEC - Input - Output Tables for 1959, 65 and 1970 after MACE-GLIO (R 44)

NOTE : Table giving the percentage of value added included in the production of each group of branches. This percentage is supposed to be constant whatever the uses of the production may be : intermediate or final, internal or external.

V.2 - EXPORTED VALUE ADDED (continued)

B. Share of exported value added by industry groups in total exported value added (%)

	GERMANY						FRANCE						ITALY						NETHERLANDS						BELGIUM						UNITED KINGDOM					
	1959		1965		1970		1959		1965		1970		1959		1965		1970		1959		1965		1970		1959		1965		1970		1959		1965		1970	
	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.	T	EEC	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.	T	EEC	T	I.C.C.		
1. Food products	2,3	2,7	2,2	16,2	9,2	15,9	15,8	26,6	12,0	17,0	20,5	14,6	6,4	6,2	3,8	15,7	16,8	12,1	17,0	20,5	14,6	6,4	6,2	3,8	15,7	16,8	12,1	17,0	20,5	14,6	6,4	6,2	3,8	15,7	16,8	12,1
	2,6	2,1	2,5	15,0	11,8	14,0	15,8	15,6	6,5	5,8	15,7	16,8	12,1	6,9	6,2	4,7	16,3	16,8	12,1	20,1	20,9	16,4	18,5	19,5	22,8	18,3	18,5	22,8	18,3	18,5	22,8	18,3	18,5	22,8	18,3	18,5
	2,8			18,0	9,8	13,7	18,0	11,1	5,6	7,5	16,3	16,8	12,1	6,3	6,6	6,3	16,3	16,8	12,1	20,1	20,9	16,4	18,5	19,5	22,8	18,3	18,5	22,8	18,3	18,5	22,8	18,3	18,5	22,8	18,3	18,5
2. Energy products	4,8	10,8	2,7	3,6	4,5	4,2	4,2	7,5	6,7	6,7	4,2	7,5	7,2	7,6	6,6	3,7	4,2	3,3	7,2	7,6	6,6	6,0	7,8	4,3	3,8	7,2	7,6	6,6	6,0	7,8	4,3	3,8	7,2	7,6	6,6	
	3,5	6,5	2,0	4,2	3,3	3,7	4,2	5,9	5,6	5,6	5,2	5,9	6,7	6,7	6,3	3,8	4,2	3,3	6,3	6,7	6,3	3,8	4,3	3,8	6,3	6,7	6,3	3,8	4,3	3,8	6,3	6,7	6,3	3,8	4,3	3,8
	3,1			2,8	2,4	2,8	2,8	2,4	5,8	5,4	5,0	5,8	6,3	6,3	6,3	9,3	4,2	3,3	6,3	6,7	6,3	3,8	4,3	3,8	6,3	6,7	6,3	3,8	4,3	3,8	6,3	6,7	6,3	3,8	4,3	3,8
3. Non-energy raw materials and semi-finished products	22,9	23,6	22,6	30,3	22,4	24,5	30,3	16,0	15,5	14,2	16,0	15,5	9,6	9,2	10,0	13,9	15,0	12,9	9,6	9,2	10,0	31,5	23,8	23,7	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3
	22,6	23,1	22,3	22,3	19,7	20,6	22,3	19,7	17,0	16,7	16,0	17,0	13,9	13,9	12,9	21,7	15,0	12,9	9,6	9,2	10,0	31,5	23,8	23,7	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3
	21,8			16,5	19,5	16,5	16,5	14,9	14,9	15,4	16,4	14,9	13,9	13,9	12,9	21,7	15,0	12,9	9,6	9,2	10,0	31,5	23,8	23,7	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3	24,1	24,0	20,3
4. Equipment goods	36,7	32,2	41,0	20,4	23,4	22,6	20,4	23,4	16,7	16,8	19,1	16,7	15,2	11,9	17,5	20,1	20,9	16,4	15,2	11,9	17,5	12,3	11,5	13,2	11,5	12,3	11,5	13,2	11,5	13,2	11,5	13,2	11,5	13,2	11,5	
	42,3	35,0	44,0	23,1	27,7	21,8	23,1	27,7	21,2	23,1	27,7	21,2	20,1	20,9	16,4	23,1	27,7	21,2	20,1	20,9	16,4	12,3	11,5	13,2	11,5	12,3	11,5	13,2	11,5	13,2	11,5	13,2	11,5	13,2	11,5	
	45,0			25,0	25,4	25,0	25,0	25,4	26,8	27,9	28,9	26,8	19,5	19,5	16,4	23,1	27,7	21,2	20,1	20,9	16,4	12,3	11,5	13,2	11,5	12,3	11,5	13,2	11,5	13,2	11,5	13,2	11,5	13,2	11,5	
5. Manufactured products	5,7	5,0	6,0	17,5	16,0	17,5	16,0	18,0	14,0	14,0	18,4	14,0	9,8	12,3	8,0	13,4	13,8	11,6	8,7	8,7	11,6	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0
	6,5	11,0	8,7	13,4	13,8	11,0	13,4	13,8	13,3	15,9	21,3	13,3	8,7	12,5	5,3	13,4	13,8	11,6	8,7	8,7	11,6	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0
	10,0			11,0	8,6	11,0	11,0	14,2	8,6	19,5	21,9	15,2	9,7	12,5	5,3	13,4	13,8	11,6	8,7	8,7	11,6	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0	16,6	20,6	13,0
6. Building and services	25,6	25,7	25,5	20,1	14,2	20,1	14,2	22,6	30,4	30,4	19,6	33,8	41,2	38,5	43,2	27,8	23,0	30,7	30,4	30,4	19,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	
	19,6	17,7	20,6	28,3	20,0	28,3	20,0	34,4	24,3	24,3	10,8	32,0	41,2	38,5	43,2	27,8	23,0	30,7	30,4	30,4	19,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	
	17,6			20,0	34,4	20,0	20,0	34,4	24,3	24,3	10,8	32,0	41,2	38,5	43,2	27,8	23,0	30,7	30,4	30,4	19,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	26,6	27,2	25,6	
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
	65	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		
	70	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100		

Sources : see Table V.2A

NOTE : Exported value added in value (%) of value added included in the exports x value of the exports) as a proportion of the total (- 100)

V.3 - DEGREE OF CONCENTRATION OF EXPORTS

	Share in total exports						Share in extra-EEC exports																										
	1960			1970			1972			1960			1970			1972																	
	A	Al	A	A	Al	Al	A	A	Al	A	A	Al	Al	A	A	Al	Al																
Germany	25,4	43,6	32,1	55,4	32,5	55,0	31,3	43,4	36,9	53,2	38,0	50,7	37,1	53,3	43,2	58,9	44,4	60,6	41,0	51,1	28,8	40,2	29,1	39,5									
France	34,6	51,2	44,7	57,9	46,9	60,0	32,4	43,7	34,6	45,7	33,3	45,3	47,8	63,3	56,5	73,3	29,7	38,7	29,8	39,7	28,1	39,2	47,5	65,8	63,8	78,1	64,0	78,9	46,2	37,7	48,1	37,8	47,6
Netherlands	47,5	65,8	63,8	78,1	64,0	78,9	36,9	46,2	37,7	48,1	37,8	47,6	21,8 b)	35,8b)	22,5	36,2	27,8b)	43,2 b)	28,8	43,6	29,3	44,0	83,4	85,7	78,8	85,8	75,1	85,6	42,5	48,3	55,2	62,0	62,4
United Kingdom	55,3	71,7	48,7	67,6	48,1	67,2	46,5	56,5	55,4	66,5	54,7	66,0	COMMUNITY	-	-	-	32,8	44,9	33,8	47,4	34,0	46,4	-	-	-	-	-	-	-	-	-	-	

A. Percentage share of the three leading client countries. a) Share of the U.K. in total exports : 73,8% in 1960, 65,8 % in 1960, 65,8% in 1972.
 Al. Percentage share of the six leading client countries. b) excluding reexports and pearls & diamonds.

Source : SOEC, Foreign Trade: Monthly Statistics 1962/2 - 1971/1 - 1972/2 - 1973/2

OECD - Total trade by country - Series A - 1963 (for 1960)

NOTE : The three new member countries have been considered as part of the Community since the beginning of the period covered.

V.4. STRUCTURE OF FOREIGN TRADE

A. Intra-Community trade 1)

EUR million

Origin import, country	Germany	France	Italy	Netherlands	BLEU	United Kingdom	Ireland	Denmark	Community	Non-member countries
GERMANY	1960	950,6	626,6	865,4	579,9	457,4	10,9	275,0	3765,8	6336,8
	1970	3797,2	2961,1	3636,1	2837,5	1158,7	40,4	410,7	14841,7	14972,3
	% 60-73	5698,0	4218,6	6219,4	4265,5	1536,5	98,8	637,9	22674,7	20746,2
FRANCE	1960	989,9	252,6	233,3	372,1	229,4	3,2	29,0	2109,5	4170,0
	1970	4211,8	1767,5	2145,9	2145,8	864,2	39,6	80,2	10240,0	8682,4
	% 60-73	6780,6	2699,7	1790,8	3477,6	1384,5	93,3	171,2	16397,7	13176,5
ITALY	1960	398,0	670,3	125,2	115,9	244,2	3,2	71,1	1627,9	3087,4
	1970	2978,2	1976,6	643,6	569,1	564,6	15,1	107,0	6854,2	8115,3
	% 60-73	5208,0	3852,0	1260,2	1036,9	882,4	35,6	283,0	12258,1	13140,9
NETHERLANDS	1960	976,8	173,6	95,4	830,3	311,4	2,5	27,5	2417,5	2113,2
	1970	3633,9	1005,9	581,5	2261,8	764,1	17,1	87,0	8351,3	5042,1
	% 60-73	5136,9	1547,6	666,8	3190,5	990,0	47,0	144,6	11923,4	7615,7
BLEU	1960	665,2	536,2	93,9	587,5	291,1	2,6	16,0	2192,5	1749,9
	1970	2651,5	1947,2	425,6	1660,6	660,0	27,9	41,4	7414,2	3948,2
	% 60-73	4354,8	3295,0	16,2	2777,1	1145,2	53,3	73,4	12398,1	5134,0
UNITED KINGDOM	1960	508,3	369,2	276,5	194,1	-	341,4	408,4	2602,8	10111,1
	1970	1317,5	883,8	596,1	1101,8	472,3	819,0	663,2	5895,7	15867,8
	% 60-73	3243,0	2350,9	1210,5	1061,1	1061,1	1263,8	1147,1	12464,5	25586,0
IRELAND	1960 ^a	33,4	12,8	5,9	16,9	35,2	-	3,8	401,3	234,5
	1970	110,6	50,8	31,1	42,7	839,1	-	19,7	1117,4	451,5
	% 60-73	223,4	125,9	56,0	88,4	1383,5	-	27,8	1956,6	771,2
DENMARK	1960	394,5	77,0	36,6	115,4	263,5	0,7	-	957,0	842,2
	1970	826,7	191,0	136,3	175,5	608,8	2,3	-	2067,6	2315,9
	% 60-73	1244,9	244,1	154,1	278,7	681,4	4,0	-	2826,3	3335,3
COMMUNITY	1960	3966,1	2789,7	1387,5	2448,6	2112,2	364,5	830,8	16074,3	28645,1
	1970	15736,2	9652,5	6499,2	8387,2	5459,5	961,4	1409,2	56742,1	59395,9
	% 60-73	26391,6	17113,5	9665,0	14602,7	8003,3	1595,8	2485,0	93159,4	89506,3
NON-MEMBER ²⁾ COUNTRIES	1960	7111,5	4393,1	2281,0	1619,0	8172,5 a)	86,5	648,8	25887,2	-
	1970	18348,6	8156,4	6878,1	3448,5	13695,5	232,1	1900,7	55756,2	-
	% 60-73	28317,7	12489,0	10247,2	4810,7	20223,1	498,2	2690,8	84563,1	-
		11,2	8,4	12,3	9,5	7,2	14,4	11,6	9,5	-

1) Calculated on the basis of import figures (cif).
2) Calculated on the basis of export figures (fob).

SOURCE: SOEC Foreign Trade: Monthly Statistics 1962/2 - 1971/7 - 1972/2.

1973: OECD working paper: Total trade by country - Series A - 1963.

a) excluding re-exports and pearls & diamonds.

V.4 - STRUCTURE OF FOREIGN TRADE (continued)

B. Share of Community exports in total world trade by CST product groups

percentage breakdown

	TOTAL 0 - 9						percentage breakdown								
	1970		1972		1970		1972		1960		1970		1972		
	100	100	100	100	100	100	100	100	100	100	100	100	100		
Total world exports	9,1	10,8	11,2	1,0	2,6	3,0	3,0	3,1	3,0	12,5	12,3	13,0	17,8	17,7	17,9
GERMANY	5,4	5,6	6,2	4,1	6,5	8,3	2,5	2,3	2,4	8,1	6,2	6,9	6,1	6,5	6,8
FRANCE	2,9	4,2	4,5	2,5	2,7	3,0	1,1	1,6	1,5	4,0	5,0	5,9	3,6	5,4	5,3
ITALY	3,2	3,7	3,4	4,8	6,6	5,8	2,4	3,5	3,3	3,3	3,7	3,5	2,7	2,6	2,3
NETHERLANDS a)	3,0	3,7	3,8	0,7	2,2	2,7	1,3	1,4	1,3	6,4	5,9	6,3	1,8	2,8	2,9
BLEU	7,9	6,0	5,9	2,5	3,0	3,0	2,1	1,9	1,8	10,4	7,2	7,4	15,4	8,9	8,0
UNITED KINGDOM b)	0,3	0,3	0,4	1,1	1,2	1,4	0,1	0,2	0,2	0,3	0,3	0,4	0,1	0,1	0,1
IRELAND	1,2	1,0	1,1	3,7	2,8	2,9	0,3	0,5	0,5	0,6	0,7	0,9	1,0	1,0	1,0
DENMARK	33,0	35,3	36,5	20,4	27,6	30,1	12,8	14,5	14,0	45,6	41,3	44,3	48,5	45,0	44,3
COMMUNITY															

a) For 1972 trade with BLEU is not included.

b) Excluding re-exports and pearls & diamonds in 1960

SOURCE : SOEC - Foreign Trade: Monthly Statistics No 10/1963, 4/1973.

United Kingdom, Ireland and Denmark: SOEC working paper.

Source for 1970-1972 is the United Nations Monthly Bulletin of Statistics No 9 - 1974

V.4 - STRUCTURE OF FOREIGN TRADE (continued)

C. Changes in the structure of imports by CST product groups
Share of each product group in total imports

	Total 0 - 9	Food, beverages, tobacco 0 + 1			Energy products 3			Raw materials 2 + 4			Industrial products and other products 5 + 6 + 8 + 9			Machinery and transport equipment 7		
		1960	1970	1972	1960	1970	1972	1960	1970	1972	1960	1970	1972	1960	1970	1972
	1960 - 1970 1972															
GERMANY	100,0	23,1	16,6	16,9	7,8	8,8	9,2	24,0	13,4	11,2	35,5	42,3	43,4	9,5	18,9	19,3
FRANCE	100,0	20,1	13,0	12,2	17,0	12,1	13,2	24,3	11,7	9,9	24,2	38,0	38,4	14,4	25,2	26,3
ITALY	100,0	15,8	16,7	19,5	14,0	14,0	15,0	30,3	17,3	14,9	26,5	31,7	28,8	13,0	20,3	20,8
NETHERLANDS 1)	100,0	13,9	12,6	13,3	13,1	10,9	15,4	15,0	9,6	9,8	36,3	41,4	37,7	21,7	25,5	23,8
BLEU	100,0	12,8	11,9	12,2	10,0	9,1	10,1	20,6	12,5	9,9	36,3	40,3	38,9	20,3	26,2	27,9
UNITED KINGDOM	100,0	33,1	22,7	21,2	10,3	10,5	11,1	23,2	15,1	11,5	28,0	35,1	35,8	7,5	16,6	20,0
IRELAND	100,0	16,7	13,4	13,0	11,5	8,2	7,5	10,0	6,6	5,8	41,2	44,6	47,9	20,6	27,2	25,8
DENMARK	100,0	14,8	9,4	9,7	12,2	10,5	10,9	11,0	7,8	7,3	38,8	44,7	44,6	23,2	27,6	27,5
COMMUNITY	100,0	22,7	15,9	16,1	11,5	10,7	11,7	22,6	13,1	11,1	30,3	38,7	38,6	12,9	21,6	22,5

1) From 1971 the Netherlands' trade with BLEU is not included.

SOURCE : SOEC Foreign Trade: Monthly Statistics No 4/1973.

United Kingdom, Ireland and Denmark: SOEC working paper.

CHAPTER VI - Budgetary means

Overall, the share of general government spending (consumption + gross fixed capital formation) in GDP rose between 1956-60 and 1971-73 in all Community countries, except France, where it remained constant. In 1970-73, the figures varied considerably from one country to another, ranging from 15.9 % in France to 26.5 % in Denmark.

The structure of general government expenditure changed during the period in question. In Italy and Luxembourg, public consumption rose relative to investment, while in France, Belgium and Ireland it fell. In the other countries, there was little evidence of such a shift. At the end of the period, the structure was broadly the same everywhere in the Community, with consumption representing 78 % to 82 % of public expenditure in most countries. (In Italy, however, the figure was 84 % and in Luxemburg 69 %).

This situation highlights the difference in national traditions with regard to public involvement in the various fields analysed.

Public expenditure on education and cultural services is particularly high and steadily increasing in Belgium and the Netherlands. In the other countries the progress of public spending in this field is much slower. The proportion of welfare expenditure also increased during the period in question in all countries, with the advance being particularly marked in the Netherlands, France and Italy.

The proportion of expenditure devoted to national defence declined, however, in all countries. This is also the case for the trend of public spending on residential construction and on agriculture, except in France and Belgium.

The structure of general government revenue differs considerably from one country to another, reflecting the different traditions in the field of public finance. For example, the level of social security contributions is very low in the three new countries, where social security is traditionally financed from general taxation. In France and Italy it is current taxes on income and wealth which make a relatively small contribution to general government revenue.

The structure of general government revenue between 1960 and 1970 developed upon very much the same lines in all of the countries reviewed; there was an increase in the share of social security contributions (except in Luxembourg) and direct taxes on households and a decrease in the share of revenues accounted for by indirect taxes.

As for the equilibrium of public finance, the pattern of financing of expenditure tended to deteriorate: the number of Member States finding themselves unable to balance out current expenditures and revenues tended to increase, so that in Italy, for example, the imbalance had assumed disturbing proportions by the end of the period under review.

VI.1 - GENERAL GOVERNMENT EXPENDITURE

Public consumption and gross fixed capital formation by general government as a percentage of GDP (at current prices)

	Germany	France	Italy	NL	Belgium	L	U.K.	IRL.	DK
Public consumption									
1956 - 1960 ^{a)}	13,1 ^{b)}	13,7	12,3	14,2	11,8	11,4	16,8	12,5 *	14,3
1961 - 1965	11,4	13,2	13,3	15,1	12,7	10,8	16,8	13,2	14,4
1966 - 1970	11,6	12,9	13,4	16,1	13,4	10,9	17,7	13,9	17,6
1971 - 1973	12,7	12,7	14,4	16,7	14,6	11,3	18,6	16,2	21,6
Gross fixed capital formation by general government									
1956 - 1960 ^{a)}	3,0	2,2	3,2	4,0	1,8	5,9 ^{c)}	3,6	2,9 *	3,1 ^{d)}
1961 - 1965	4,2	3,0	3,3	4,6	2,9	4,6 ^{c)}	3,9	3,2	3,7
1966 - 1970	4,0	3,4	3,0	4,9	3,5	4,0 ^{c)}	4,8	3,7	5,3
1971 - 1973	3,7	3,4	2,6	4,3	4,1	5,0 ^{c)}	4,8	4,2	4,9

a) Uncorrected figures.

b) Excluding the Saar and West Berlin.

c) Gross fixed capital formation by post and telecommunications, hydro-electric power stations and aviation is included in gross fixed capital formation by undertakings from 1963.

d) 1957/6

Source: SOEC - National Accounts 1966 and 1972; Study Group on Medium-term Economic Assessments (Doc.II/501/72); ESA Questionnaires; Revised preliminary economic budgets for 1975 (Doc.II/415/74); * national experts

Note: 1) These figures represent five-yearly and three-yearly averages.

2) Public consumption is made up as follows:

- compensation of civilian personnel
- pay and allowances of armed forces depreciation allowances
- imputed rent on government buildings
- purchases of military equipment and construction
- other purchases
- less sales of goods and services.

VI.1 - GENERAL GOVERNMENT EXPENDITURE (continued)

B. Percentage breakdown of public expenditure

	GERMANY		FRANCE		ITALY		NETHERLANDS		BELGIUM			LUXEMBOURG			UNITED KINGDOM		IRELAND a)		DENMARK		
	1957	1966	1957	1970	1957	1966	1970	1957	1966	1970	1957	1966	1970	1956	1970	1956	1970	1956	1970	1956	1970
General administration	9,5	9,3	9,5	10,0	13,9	11,6	11,3	10,2	15,1	13,7	9,3	9,6	9,7	na	8,0	na	8,1	7,5			
Defence	8,8	9,9	12,0	10,4	9,7	7,5	5,8	14,3	8,7	7,6	12,7	7,6	6,3	na	12,2	na	3,5	3,2			
Transport and communications	5,2	7,6	7,8	8,0	6,6	5,5	5,3	9,8	8,4	8,5	11,8	12,7	14,1	na	5,2	na	6,3	8,7			
Industry, crafts and commerce	3,9	2,6	6,6	6,8	1,3	5,0	6,4	3,3	3,5	2,7	3,2	2,3	3,1	na	4,6	na	6,2	7,3			
Agriculture	5,5	4,0	2,8	3,3	5,4	4,6	4,2	5,6	2,8	3,7	1,3	2,3	3,0	na	2,1	na	13,2	12,5			
Education, cultural and religious activities	7,8	10,0	8,3	13,1	9,7	13,7	12,7	12,6	15,6	12,7	12,7	14,9	15,4	12,9	13,2	12,9	10,9	12,0			
Social welfare, public Health	35,8	40,7	31,5	33,5	35,4	43,8	44,7	27,8	35,3	38,7	34,6	35,6	33,0	na	32,5	na	29,4	29,7			
Housing	5,2	2,5	3,5	4,4	1,4	1,0	0,8	8,7	7,6	5,5	1,2	1,1	1,1	na	8,2	na	7,5	5,8			
War damage, natural disasters	11,9	7,4	5,5	2,2	5,3	2,9	2,6	1,4	0,2	0,1	5,8	2,7	2,0	na	-	na	-	-			
Total public expenditure of which transfers	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	44	43	46	50	46	49	54	32	36	41	44	43	45	160	100	100	100	100	100	100	30

a) breakdown according to national definitions.

Source: Development of public finance in the Member States of the European Communities from 1957 to 1966. OEC Studies, Economic and Financial Series No 8/1970. Commission working paper.

NOTE: - The discrepancies between the totals and 100 represent expenditure that has not been broken down.

VI.2 GENERAL GOVERNMENT REVENUE

A.1 Structure of general government revenue (National Accounts nomenclature *)

	GERMANY		FRANCE		ITALY		NETHERLANDS		BELGIUM		LUXEMBOURG		UNITED KINGDOM		IRELAND		DENMARK	
	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
Direct taxes on households	18,6	23,5	10,9	12,3	12,8	14,5	27,2	25,1	21,8	24,5	19,5	22,7	26,4	30,2	13,6	18,8	39,3	47,2
Direct taxes on corporations	7,6	4,7	6,9	6,3	5,8	4,4	9,7	6,1	5,9	7,1	17,1	12,8	9,5	8,0	5,8	6,5	4,3	2,4
Indirect taxes	40,5 ^a	35,5 ^a	47,3	39,1	43,1	36,8	29,7	26,3	41,9	36,7	29,1	28,8	42,9	39,4	66,7	60,3	44,3	41,4
Social security contributions	27,3	30,6	32,9 ^b	39,2 ^b	29,1	35,1	24,2	33,6	26,0	29,2	27,6	27,2	11,8	12,8	4,4	7,7	5,4	4,3
Other	6,2	5,7	2,0	3,1	9,3	9,2	9,3	8,9	4,3	2,5	6,8	8,4	8,4	9,6	9,5	6,7	6,6	4,7
Current receipts	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Current saving **	20,3	15,5	11,3	12,9	10,8	4,3	16,1	10,4	-3,4	6,3	21,5	19,6	1,2	18,5	0,4	2,9	21,2	17,3
Net lending (+) or net borrowing (-) ***	9,3	1,3	1,5	2,0	-1,2	-7,0	2,3	-0,7	na	na	na	na	-3,2	6,2	-8,7	-12,0	11,1	5,4

** As % of current receipts.

a) Including other current transfers from undertakings and households and the counterpart (imputed contributions) of the social security benefits paid directly to general government personnel and the personnel of certain public undertakings.

A.2 Structure (ESA nomenclature ^a)

	GERMANY		FRANCE		ITALY		NETHERLANDS		BELGIUM		LUXEMBOURG a)		UNITED KINGDOM		IRELAND a)		DENMARK	
	1970	1972	1970	1972	1970	1972	1970	1972	1970	1972	1970	1972	1970	1972	1970	1972	1970	1972
Taxes linked to production and to imports	33,7	33,0	40,1	39,8	33,5	32,3	25,4	24,6	33,2	29,9	26,4	26,7	37,4	36,2	54,9	59,4	40,2	37,5
Current taxes on income and wealth	28,2	27,7	16,6	16,3	16,4	19,5	30,7	31,3	28,9	32,3	34,0	32,4	36,3	34,9	25,5	29,4	49,0	51,8
Capital taxes c)	0,3	0,5	0,6	0,5	0,5	0,5	0,5	0,4	0,9	0,8	0,3	0,4	1,9	2,0	1,1	1,9	0,3	0,3
Social welfare contributions	31,6	32,8	37,2	38,5	35,7	39,6	35,0	34,8	30,7	32,8	29,4	29,2	14,9	16,7	7,3 ^b	8,3 ^b	4,4 ^b	4,2 ^b
Other	6,2	6,0	5,5	4,8	13,8	8,1	8,4	8,8	6,4	4,2	9,9	9,3	9,5	10,2	11,2	1,3	6,1	6,1
Current receipts	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Current saving **	17,0	13,5	13,7	12,9	3,0	-9,8	11,1	11,3	5,6	0,4	21,3	20,1	20,2	9,3	2,1	1,6	18,1	18,5
Net lending (+) or net borrowing (-) ***	1,3	-0,4	2,3	1,5	-8,5	-21,2	-1,8	-0,6	-6,5	-13,4	9,9	5,6	5,9	-5,2	-12,5	-16,2	5,0	7,6

** As % of current receipts.

a) Non-consolidated total.

b) Actual contributions only

c) Capital taxes: compulsory payments levied by general government at irregular intervals on the capital or wealth of institutional units.

* NOTE: Table A.1 has been drawn up on the basis of the former system of national accounts of the United Nations and the OECD. Table A.2 uses the new European System of Integrated Economic Accounts (ESA).

SOURCE: SOEC-National Accounts, 1966 and 1972; Study Group on Medium-term Economic Assessments (Doc. 11/501/72).

United Kingdom: national exports.
ESA Questionnaires for 1970 to 1972.

VI.2 - GENERAL GOVERNMENT REVENUE (continued)

B. Per capita burden

in EUR at current rates of exchange

		Taxes per capita			Social welfare contributions per capita	Total per capita
		Direct	Indirect	Total tax receipts		
Germany	1960	120,2	186,4	306,2	125,7	431,9
	1970	326,1	410,1	736,2	353,4	1089,6
	1973	557,1	598,3	1155,4	583,2	1738,6
France	1960	81,0	215,2	296,3	149,8	446,2
	1970	203,6	428,0	631,6	428,5	1060,1
	1973	270,0	572,5	842,5	605,6	1448,1
Italy)	1960	38,3	85,0	127,4	60,1	187,5
	1970	106,5	207,2	313,7	187,7	511,4
	1973	157,4	253,8	411,6	276,2	687,8
Netherlands	1960	119,7	66,4	216,1	78,8	294,9
	1970	331,3	279,6	610,9	357,4	968,3
	1973	577,5	418,9	966,3	565,7	1592,0
Belgium	1960	94,1	142,3	236,4	88,4	324,8
	1970	294,5	342,0	636,5	271,8	908,3
	1973	501,2	497,1	968,3	420,9	1389,2
Luxembourg	1960	186,3	149,5	337,8	141,6	479,4
	1970	381,7	309,9	651,0	252,2	903,2
	1973	617,1	485,9	1106,2	419,2	1525,1
United Kingdom	1960	140,0	176,8	324,8	48,7	373,5
	1970	342,5	353,1	655,6	114,7	810,3
	1973	341,8	339,2	681,0	137,1	818,1
Ireland	1960	29,9	103,3	133,2	6,9	140,1
	1970	110,7	263,9	374,7	33,7	408,4
	1973	191,9	408,3	599,8	63,7	663,5
Denmark	1960	156,3	159,9	315,0	19,4	334,4
	1970	661,4	553,1	1214,6	58,0	1272,6
	1973	711,5 ^{a)}	706,2	1417,7 ^{a)}	na	1417,7
Community	1960	112,1	156,3	268,3	86,8	355,1
	1970	306,5	349,7	656,1 ^{a)}	234,2 ^{b)}	890,2
	1973	436,2 ^{a)}	472,6	908,8	387,7	1253,3

a) Direct taxes and social welfare contributions.

b) Community average excluding Denmark.

Source: SOEC-National Accounts 1971, 1972.

Ireland, Denmark: Study Group on Medium-term Economic Assessments (Doc. 11/501/72).

United Kingdom: national experts.

1973: revised preliminary economic budgets for 1975 (Doc. 11/415/74).

VI.3 - TAX BURDEN

Total receipts, tax portion of these receipts and general government current expenditure as % of GNP

	1960			1970			1973		
	Total receipts	of which: tax receipts	Current expenditure	Total receipts	of which: tax receipts	Current expenditure	Total receipts	of which: tax receipts	Current expenditure
GERMANY	33,3	23,6	28,3	35,3	23,8	31,6	38,6	25,5	35,0
FRANCE	33,4	22,2	30,2	36,9	22,0	33,2	37,8	22,0	34,7
ITALY	26,9	18,3	26,5	29,4	18,1	31,0	34,3	20,5	43,4
NETHERLANDS	30,1	22,1	28,0	30,1	24,7	38,6	44,6	27,9	41,7
BELGIUM	25,9	18,9	28,1	33,7	23,6	32,5	37,2	25,9	37,6
LUXEMBOURG	30,6	21,5	25,4	32,7	23,0	29,8	36,8	26,7	29,3
UNITED KINGDOM	27,3	23,7	28,7	37,0	31,7	33,3	32,9	27,3	34,9
IRELAND	21,5	20,5	24,4	30,1	27,6	31,6	30,1	35,4	43,4
DENMARK	25,7	24,2	21,5	39,9	38,1	34,7	32,7 ^{a)}	na	36,7
EEC - 9	30,4	23,0	28,4	35,7	26,3	32,5	38,9	28,2 ^{a)}	37,7

a) 1973 breakdown into tax receipts and social welfare contributions not available for Denmark.

SOURCE: SOEC-National Accounts 1971, 1972, 1973.

Ireland, Denmark: Study Group on Medium-term Economic Assessments (Doc. 11/501/72). U.K. - national experts

1973: Revised economic budgets for 1975 (Commission working paper of December 1974).

NOTE: Total receipts = tax receipts and social welfare contributions.

Tax receipts = indirect taxes + direct taxes on households and corporations.

General government current expenditure = consumption + interest on the public debt + subsidies + current transfers to households, other branches of government and abroad.

VI.4 - FINANCING OF SOCIAL WELFARE EXPENDITURE

Nature of receipts, as % of total

	Year	Germany	France	Italy	NL	E	L	U.K.	Irl.	DK
Employers' contributions	1962	49	61	62	40	45	44	na	na	na
	1970	49	61	55	44	47	36	34	19	10
	1972	50	62	54	43	46	36	34	19	10
Contributions from insured persons	1962	24	17	12	34	20	18	na	na	na
	1970	25	20	15	36	21	25	18	12	7
	1972	24	20	15	36	20	24	18	14	6
Contributions from general government	1962	23	20	19	16	27	28	na	na	na
	1970	23	17	24	12	27	31	39	68	80
	1972	23	16	24	13	30	31	40	66	81
Other receipts	1962	4	2	7	10	8	10	na	na	na
	1970	3	2	6	8	5	8	9	1	3
	1972	3	2	7	8	4	9	8	1	3

Source : - SOEC: suppl. 1972 to Social Accounts 1962 - 1971.
 - Social Report 1974.

CHAPTER VII : REGIONAL DISPARITIES.

The other chapters describe structural differences existing between Member States and the evolution of these differences over time. The purpose of this chapter is to highlight the structural characteristics of regions both within the States themselves and at Community level.

In general, statistical systems are less developed at regional than at a national level, particularly for less recent years. Moreover, regional statistics are not always homogenous from one country to another. In the present commentary on the tables of Chapter VII, these reservations will occasionally be stressed.

Activity rates differ noticeably from one country to another. It frequently differs to a greater degree between regions within a country. One should note however that between 1960 and 1970 the differences in activity rates both between countries and between regions within a country, with the exception of the Netherlands have been reduced. All regions of the Community, with the exception of Danish regions, suffered a decline in rate of activity during this period. The activity rate in the Netherlands appears very low compared to that of other countries : this is explained by the use in the Netherlands, as distinct from other countries, of a method of calculating in men/years; thus a worker working half-time during the course of a year is calculated as a half worker during this period.

The feature which merits the most attention is the large fall in the number of workers in agriculture in those regions where agriculture had been predominant.

Just as with activity rates, rates of unemployment differ significantly according to type of regions in all the countries of the Community. It has been decided to present an average of monthly data covering the four years from 1970 to 1973. In this way, it was attempted to prevent cyclical factors from exercising too strong an influence on the figures.

In the case of France, it should be noted that outside the regions of the South-East, where unemployment is of a sociological nature, a high rate of unemployment corresponds to an active labour market while structural underemployment is indicated by over employment in certain activities (agriculture, traditional tertiary) or by a low activity rate.

It should be noted above all that for certain regions an important indicator is the proportion of employment in declining industries, but it has not been possible to introduce this at present.

In the extreme regions, data relating to migratory movements agree, in direction and in size with the first two indicators which describe the development of employment.

The dispersion round the national average of products per person occupied in the regions is very different according to the country, and in general, it decreased between 1960 and 1970. It appears that this reduction might be correlated with the fall in the proportion of the population occupied in agriculture in the regions at the bottom of the scale.

Table VII.6 synthesises the principal indicators generally used to identify problem regions. Taken separately, none of these indicators has a specifically regional significance, but when several of them converge, difficulties of a regional nature can generally be identified.

The degree of regional disparity depends on the number of the regions as well as upon the definition of the geographical unit : for example, a division in which urban and rural areas are included in the same unit results in weaker disparities than when each unit is relatively homogenous.

Regions selected for this chapter have been, whenever possible, the basic geographical unit (B.G.U.) used by the Statistical Office of the European Communities in the publication of most of its regional statistics. Without pretending that they are completely comparable between countries, nor even at times within a country, the B.G.U. are sufficiently comparable to have been selected, given the present state of regional statistics.

Characteristics of regions used

Countries	B.G.U.	Number	Area		Population (1967)	
			Average km ²	Coefficient of variation	Average (1000inh)	Coefficient of variation
Germany	Regierungsbezirk	35	7.102	0,53	1.715	0,64
France	Région	22	24.727	0,44	2.276	0,82
Italy	Region	20	15.062	0,48	2.683	0,76
Netherlands	Province	17	3.321	0,37	1.151	0,70
Belgium	Province	9	3.390	0,17	1.067	0,53
Luxembourg	Luxembourg	1	2.568	-	335	-
United Kingdom	Standard region	11	22.183	0,84	5.085	0,82
Ireland	Planning region	9	7.656	0,39	331	0,85
Danmark	Group of Amter	3	14.363	0,79	1.669	0,30

VII.1 - LABOUR FORCE AS PERCENTAGE OF TOTAL POPULATION

	Highest values		Lowest values	
	1960	1970	1960	1970
COMMUNITY (a)				
Marche	53.7			
N. Württemberg	53.0	48.4		
S. Württemberg	52.8			
Molise	51.8			
N.E. Sjaelland (DK)		52.0		
Oberbayern		48.9		
W. Midlands		47.3		
Corse			28.4	29.5
Friesland			32.0	28.4
Limburg (Bg)			32.0	
Hainaut			32.1	
Sardegna				29.3
Sicilia				30.0
Community regional average	41.5	39.0		
Coefficient of variation	0,1360	0,1322		
GERMANY (b)				
N. Württemberg	53.0	48.4		
S. Württemberg	52.8			
Oberbayern		48.9		
Sealand			40.5	36.3
Schleswig-Holstein			42.6	
Minster				38.3
Regional average	48.3	43.3		
Coefficient of variation	0,1570	0,0871		
FRANCE (c)				
Région Parisienne	47.2	46.3		
Limousin	43.5			
Basse Normandie		42.1		
Corse			28.4	29.5
Languedoc-Roussillon			34.7	33.9
Regional average	39.7	39.0		
Coefficient of variation	0,0904	0,0845		
ITALY (d)				
Marche	53.7	42.0		
Molise	51.8			
Emilia-Romagna		43.1		
Sicilia			33.4	30.0
Sardegna			34.7	29.3
Regional average	43.9	36.5		
Coefficient of variation	0,1223	0,1055		

- a) or nearest year for which data is available - see under each country
 b) 1961-1970; 1961 census (total labour force) - 1970: census (civilian employment)
 c) 1962-1968; censuses (total employment)
 d) 1961-1971; censuses (civilian employment)

VII.1 LABOUR FORCE AS PERCENTAGE OF TOTAL POPULATION (continued)

	Highest values		Lowest values	
	1960	1970	1960	1970
NETHERLANDS (e)				
Overijssel	36.3			
N. Holland	35.5	39.8		
Z. Holland		38.9		
Utrecht			33.0	
Zeeland			33.0	
Friesland			31.9	29.7
Limburg				31.3
Regional average	33.9	34.5		
Coefficient of variation	0,0357	0,0861		
BELGIUM (f)				
W. Vlaanderen	39.6			
Brabant	39.0	39.1		
O. Vlaanderen		37.7		
Limburg			32.0	
Hainaut			32.1	
Luxembourg				32.8
Namur				33.5
Regional average	35.8	35.6		
Coefficient of variation	0,0826	0,0575		
UNITED KINGDOM (g)				
N. West	49.1			
E. Anglia	48.1			
S. East	48.1	46.9		
W. Midlands		47.3		
Northern Ireland			40.4	37.5
S. West	48.1		40.9	40.7
Regional average	44.4	42.7		
Coefficient of variation	0,0748	0,0633		
IRELAND (h)				
N. East	39.0	37.2		
N. West	39.2	36.6		
East		36.6		
Donegal			35.8	32.9
S. East			35.9	33.9
Regional average	37.4	35.1		
Coefficient of variation	0,0335	0,0379		
DENMARK (i)				
N.E. Sjaelland (København NEZ)	49.0	52.0		
Jylland			40.7	
Rest of islands				46.4
Regional average	43.8	48.3		
Coefficient of variation	0,0844	0,0536		

- e) 1961-1971: 1960-1970 Censuses (civilian employment in men-years of the regional accounts)
 f) 1961 - 1970 ; Censuses (civilian employment)
 g) 1961 - 1971 ; 1961-1971 censuses (civilian labour force)
 h) 1961 - 1971 ; Censuses (civilian employment)
 i) 1960 - 1970 ; Censuses (civilian labour force)

NOTE : The coefficient of variation (CV) is the standard deviation (σ) expressed as a proportion of the average (\bar{x}). The standard deviation is calculated as follows:

$$\sigma = \sqrt{\frac{1}{N} \sum_{i=1}^n (x_i - \bar{x})^2}$$

where N=number of observations; $x_i - \bar{x}$ the difference between the ith region and the regional average.

VII.2 EMPLOYMENT BY SECTOR AS PERCENTAGE OF TOTAL EMPLOYMENT (continued)

ITALY											
Molise	70.7	47.5	12.8	6.2	60.1	14.5	22.0	44.4	53.9	14.5	28.5
Basilicata	59.8	41.6	15.8	8.9	55.3	20.2				17.2	26.8
Lombardia											
Liguria											
Piemonte											
Toscana											
Calabria											
Lazio											
Regional average	38.9	23.9			31.0				53.8		
Coefficient of variation	0.3741	0.4645			0.2817				0.2079		
NETHERLANDS											
Drenthe	29.6	17.5									
Friesland	23.5	15.1	7.0	3.9							43.2
Utrecht			6.1	3.4							
N. Holland											
Z. Holland											
Limburg											
N. Brabant											
Zeeland	23.5										
Regional average	15.5	9.4			42.4				51.4		42.7
Coefficient of variation	0.4714	0.4756			0.1584				0.1549		
BELGIUM (b)											
Luxembourg	23.8	15.3									
Namur	11.7	7.6									
W. Vlaanderen			4.8	2.8							
Brabant			5.1	2.9							
Antwerpen											
Hainaut											
Limburg											
Regional average	9.8	6.1			54.3				56.9		44.6
Coefficient of variation	0.5577	0.5979			53.1				64.6		39.4
UNITED KINGDOM											
Northern Ireland	14.2	10.6									
S. West	8.7	9.5	3.3 ^(a)								
E. Anglia			3.3								
N. West			1.5								
S. East					54.1						
Yorkshire & Humberside					59.1 ^(b)						
E. Midlands					59.1						
W. Midlands											
Regional average	6.0	4.2			55.2				60.2		41.5
Coefficient of variation	0.6251	0.7242			58.2				48.6		39.7
IRELAND (d)											
West	63.8	51.6									
N. West	62.1	50.1	9.2	6.2							
East			39.0	29.2							
S. West											
N. East											
Donegal											
Regional average	46.5	35.9			20.1				37.5		31.7
Coefficient of variation	0.3303	0.3379			0.3949				0.1894		36.0
DENMARK											
Jylland (Jutland)	28.2	16.6									
Serne (Sles)	27.2	15.0									
N.E. Sjælland (København)			3.2	1.9							
Regional average	19.5	11.2			35.7				45.1		37.1
Coefficient of variation	0.593	0.588			43.0				61.6		50.6
					37.7				50.6		42.8
					0.100				0.154		0.182

a) or nearest year for which data is available - see under each country b) 1961-1970 c) 1962-1968 d) 1961-1971 e) combined

SOURCE: National census information (see under table VII.1)

VII.3 - UNEMPLOYMENT (1970-1973)

Average Unemployment in % a)

	Highest values	Lowest values
<u>GERMANY</u>		
Aurich	4.1	
Niederbayern	3.3	
W. Württemberg		0.3
S. Württemberg		0.4
<u>FRANCE</u>		
Provence - Côte d'Azur	4.2	
Languedoc - Roussillon	3.5	
Alsace		0.7
Lorraine		1.2
Franche Comté		1.2
<u>ITALY</u>		
Campania	11.4	
Basilicata	10.3	
Piemonte		1.9
Lombardia		2.0
<u>NETHERLANDS</u>		
Drenthe	5.0	
Groningen	3.8	
Utrecht		1.5
Z. Holland		1.8
<u>BELGIUM</u>		
Liège	7.5	
Limburg	4.5	
Brabant		2.4
Antwerpen		2.8
W. Vlaanderen		2.8
<u>UNITED KINGDOM</u>		
Northern Ireland	7.3	
North	5.4	
S. East		1.8
E. Anglia		2.5
<u>IRELAND</u> c)		
Donegal-Cavan-Monaghan (Sub. Ulster)	13.6	
N. Conaught	11.7	
Dublin		6.1 ^{b)}
Dun Laoghaire		6.1
S. Munster		6.6
<u>DENMARK</u>		
N. Jylland	6.4	
Bornholm	4.9	
Kobenhavn		2.5
S. Jylland		2.6

a) national registered unemployment as a proportion of insured (Belgium, Ireland, Denmark); salaried labour force (Germany, France, Netherlands, U. Kingdom); civilian labour force (Italy). Average of monthly values over 4 years.

b) combined

c) non-agricultural unemployment

NOTE : Comparisons of unemployment rates may be helpful within countries, but international comparisons cannot be usefully made because the definitions of what constitutes unemployment differ from country to country, as also do the labour force basis by reference to which the percentage rates of unemployment are calculated.

Source : Germany : estimate based on "Ämtliche Nachrichten der Bundesanstalt für Arbeit"
Belgium : Office National de l'Emploi
Denmark : Nyt fra Danmarks Statistik
France : Statistiques du Travail, Ministère du Travail
Ireland : National Statistics Office, Special information
Italy : Ministero del Lavoro
Netherlands: Centraal Bureau voor de Statistiek
U.Kingdom : Department of Employment Gazette

VII.4 - NET MIGRATION PER THOUSAND OF POPULATION

	Highest net inward migration (+)		Highest net outward migration (-)	
	1961 - 1965	1966 - 1970	1961 - 1965	1966 - 1970
<u>COMMUNITY</u>				
Provence - Côte d'Azur	+21.8	+21.3		
Oberbayern	+15.7	+19.2		
Corse	+15.4			
Darmstadt - Wiesbaden	+12.0			
Piemonte		+13.6		
Languedoc - Roussillon		+12.6		
N.W. Ireland			-15.1	
Donegal			-15.0	
Molise			-14.7	
Basilicata			-14.0	
Calabria				-26.0
W. Ireland				-23.8
Midlands(Ireland)				- 9.8
				- 9.8
<u>GERMANY</u>				
Oberbayern	+15.7	+19.2		
Darmstadt - Wiesbaden	+12.0	+11.3		
Niederbayern			- 3.1	
Oberfranken			- 2.3	
Saarland				- 3.7
Hamburg				- 3.4
<u>FRANCE (b)</u>				
Provence - Côte d'Azur	+21.8	+21.3		
Corse	+15.4			- 5.7
Basse Normandie			- 7.8	
Bretagne			- 4.8	
Languedoc - Roussillon		+12.6		
Lorraine				- 5.2
<u>ITALY</u>				
Lazio	+ 7.4			
Liguria	+ 6.7			
Molise			-14.7	
Basilicata			-14.0	
Piemonte		+13.6		-26.0
Lombardia		+ 8.5		
Calabria				-23.8
<u>NETHERLANDS</u>				
Gelderland	+ 5.1	+ 5.1		
Utrecht	+ 4.0	+ 6.2		
Friesland			- 4.1	
Zeeland			- 3.8	
Limburg				- 2.6
Groningen				- 2.0
<u>BELGIUM</u>				
Brabant	+ 8.8	+ 5.3		
Limburg	+ 4.4			- 1.2
Luxembourg			- 2.2	- 2.5
W. Vlaanderen			- 0.7	
Namur		+ 2.2		

VII.4 - NET MIGRATION PER THOUSAND OF POPULATION (continued)

	Highest net inward migration (+)		Highest net outward migration (-)	
	1961 - 1965	1966 - 1970	1961 - 1965	1966 - 1970
UNITED KINGDOM (f)				
S. West	+ 3.0	+ 6.2		
S. East	+ 2.8			
Northern Ireland			- 4.5	- 4.5
Scotland			- 6.2	- 6.3
E. Anglia		+ 7.6		
IRELAND (g)				
East	+ 4.5	+ 0.1		
S. West	- 5.8	- 2.6		
Donegal			-15.0	
N. West			-15.1	- 9.7
West				- 9.8
Midlands				- 9.8
DENMARK (h)				
N.E. Sjaelland	+ 1.5	+3.4		
Islands			- 0.5	- 0.5

- a) 1961 - 65 & 1966 - 70 : Bevolkerung und Kultur : Wanderungen
 b) 1954 - 62 & 1962 - 68 : Population census information. Corse, figure not significant
 c) 1961 - 66 & 1966 - 71 : Population census information combined with population
 d) 1961 - 65 & 1966 - 70 : Bevolking der Gemeenten van Nederland /registry information
 e) 1961 - 65 & 1966 - 70 : Annales de Statistiques Nationales
 f) 1951 - 61 & 1961 - 71 : Population census information
 g) 1961 - 66 & 1966 - 71 : Population census information
 h) 1961 - 65 & 1966 - 70 : Yearbooks : Befolkingens bevægelse

NOTE : This table indicates total net migration (internal and external) as a percentage of the average population.

VII.5 - GROSS DOMESTIC PRODUCT PER PERSON EMPLOYED (a)

EUR

	Highest		Lowest	
	1960	1970	1960	1970
<u>COMMUNITY</u> ^{b)}				
Hamburg	4.950	10.935		
Bremen	4.250	9.153		
Région Parisienne	3.926	8.294		
Düsseldorf	3.850			
N.E. Sjaelland (København NEZ)		8.632		
Basilicata			767	
Calabria			867	
Abruzzi			953	
Molise			953	
Marche			975	
Donegal				2.483
N.W. Ireland				2.505
W. Ireland				2.557
Midlands (Ireland)				2.640
Community average	2.595	5.814		
Coefficient of variation	0,2964	0,2573		
<u>GERMANY</u> (c)				
Hamburg	4.950	10.935		
Bremen	4.250	9.153		
Stade			1.875	4.374
Niederbayern			1.950	4.671
Regional average	3.124	7.061		
Coefficient of variation	0,2121	0,1999		
<u>FRANCE</u> (d)				
Région parisienne	na	8.733	na	
Haute Normandie		7.683		
Bretagne				4.698
Limousin				4.665
Regional average		6.173		
Coefficient of variation		0,1654		
<u>ITALY</u> ^{e)}				
Liguria	2.501	6.325		
Lombardia	2.331	5.729		
Basilicata			767	
Calabria			867	3.140
Molise				2.646
Regional average	1.687	4.709		
Coefficient of variation	0,3342	0,2221		
<u>NETHERLANDS</u> ^{f)}				
N. Holland	3.027			
Z. Holland	2.994			
Zeeland		8.089		
Groningen		7.722		
Overijssel			2.516	
Drenthe			2.531	
Utrecht				6.295
Friesland				6.334
Regional average	2.722	7.833		
Coefficient of variation	0,0598	0,0862		

VII.5 GROSS DOMESTIC PRODUCT PER PERSON EMPLOYED (continued)

	Highest		Lowest	
	1960	1970	1960	1970
BELGIUM (g)				
Brabant	4.045	7.539		
Liège	3.781			
Antwerpen		7.653		
O. Vlaanderen			2.633	5.759
Limburg			2.709	
Luxembourg				5.611
Regional average	3.276	6.538		
Coefficient of variation	0,1405	0,1066		
UNITED KINGDOM (h)				
E. Anglia	3.236 ⁽ⁱ⁾			
S. East	3.236 ⁽ⁱ⁾	6.063		
Yorkshire & Humberside	3.090 ⁽ⁱ⁾			
W. Midlands	3.090 ⁽ⁱ⁾			
S. West		5.695		
Northern Ireland			2.246	4.404
Scotland			2.721	
North				4.964
Regional average	2.902	5.200		
Coefficient of variation	0,0983	0,0604		
IRELAND (j)	1.685	3.681		
DENMARK (k)				
N.E. Sjaelland (København)	3.458	8.632		
Jylland			2.502	6.240
Rest of islands			2.646	6.461
Regional average	2.897	6.635		
Coefficient of variation	0,1467	0,1517		

- (a) at current exchange rates
- (b) or nearest year for which data is available - see under each country
- (c) 1961-1970 : DMs Bruttoinlandsprodukt für den Kreisfreien Städte und Landkreise
- (d) 1970 : Institut National de la Statistique et des Etudes Economiques (SEC - REG)
- (e) 1960-1970 : 1960 Calcolo del reddito prodotto; 1970 Conti Economici Regionali
- (f) 1960-1970 : 1960 Regionale Rekeningen; 1970 Statistisch Bulletin 30-1974, CBS
- (g) 1960-1970 : 1960 Etudes Statistiques Econométriques 12-1966; 1970 Bulletin de statistiques 5-1973
- (h) 1961-1971 : 1961 Regional social Accounts; 1971 Regional statistical Abstract.
- (i) Combined
- (j) Regional breakdown not possible according to Central Statistics Office
- (k) 1960-1970 : Statistic efterregninger

NOTE : All the data have been modified proportionally in order that the national averages correspond to the national data published in EUROSTAT "General Statistics" (table 110, GDP at market price per person employed).

VII.6 - INDICATORS OF SIGNIFICANT STRUCTURAL IMBALANCE

1970 (a)

A. Regions affected by one or several phenomena

Country and Region	Population		PIB per person employed national average %	Average Unemployment > 5% %	Nos. in Agr. culture > 20% of Labour Force %	Net outward Migration > 5 of 00 o / oo
	1,000	%				
GERMANY	60,650					
Hildesheim		100	78			
Stade		1,6	62			
Murich		0,7	71	73		
Oldenburg		1,4	77		22,3	
Trier		0,8	78		26,0	
Niederbayern		1,7	66	78		
Oberpfalz		1,6	73			
Oberfranken		1,8	79			
Unterfranken		1,9	79			
FRANCE	49,655					
Centre		100	76		21,3	
Basse Normandie		4,0			33,0	
Bourgogne		2,5			20,8	-5,2
Lorraine		3,0				
Pays de la Loire		4,6			28,8	
Bretagne		5,2		79	35,1	
Poitou-Charentes		5,0			30,1	
Aquitaine		3,0			25,6	
Midi-Pyrénées		4,9		79	27,9	
Limousin		4,4			33,7	
Auvergne		1,5			26,5	
Languedoc-Roussillon		2,6			23,3	
Corse		3,4			25,8	-5,7
0,4		0,4				
ITALY	54,683					
Veneto		100			22,3	
Emilia-Romagna		7,5				
Toscana		7,1				
Umbria		6,4		6,4	25,4	
Marche		1,4			30,5	
Campania		2,5			26,9	
Abruzzi		9,5		11,4	33,4	-13,4
Molise		2,2		6,8	47,5	-14,2
Puglia		0,6		7,1	47,5	-22,0
Basilicata		6,7		9,5	36,9	-15,5
Calabria		1,1		10,3	41,6	-26,0
Sicilia		3,7		9,2	35,8	-23,8
Sardegna		0,9		9,7	28,3	-18,6
2,7		2,7		7,2	27,4	-13,8
NETHERLANDS	13,116					
Brenthe		100		5,0		
2,8		2,8				
BELGIUM	9,651					
Liège		100		7,5		
10,5		10,5				

a) Data relate to 1970 (or nearest year for which data is available) except for unemployment (1970-1973 average)

VII.6 - INDICATORS OF SIGNIFICANT STRUCTURAL IMBALANCE (continued)

Country and Region	Population		PIB per person employed		Average Unemployment > 5 %	Nos. in Agriculture > 20% of Labour Force	Net outward Migration > 5 %/100
	1,000	%	national average %	Community average %			
UNITED KINGDOM	55,566						
North		100		74	5,4		
Yorkshire & Humber		5,9		77			
E. Midlands		8,7		76			
N. West		6,1		77			
Scotland		12,1		78	5,3		
Northern Ireland		9,4		72	7,3		
E. Anglia		2,8		79			
S. West		3,0		78			
Wales		6,8		79			
		4,9					
IRELAND	2,978	100			7,4		
Donegal		3,6				25,5	- 6,3
N. West		2,6				42,4	- 9,7
West		8,7				50,1	- 9,8
N. East		5,8				51,6	
Midlands		7,8				32,8	
East		35,7				43,3	- 9,8
Mid West		9,1				34,5	
S. West		15,6				29,2	
S. East		11,0				33,4	
DENMARK	4,938	100			6,4		
N. Jylland		10,7					

data not available but above 5 % for all unemployment regions

VII.6 - INDICATORS OF SIGNIFICANT STRUCTURAL IMBALANCE

B. Percentage of the population living in the regions affected by the phenomena analysed (1970^{a)},

Country and Region	PIB per person employed < 80% national average %	80% Community average %	Average unemployment > 5% %	Nos. in Agriculture > 20% of Labour Force %	Net outward Migration > 5%/100 %
GERMANY	12,5	2,7	-	2,5	-
FRANCE	19,0	6,5	-	40,0	5,0
ITALY	26,3	60,4	36,9	46,5	36,9
NETHERLANDS	-	-	2,8	-	-
BELGIUM	-	-	10,5	-	-
UNITED KINGDOM	-	59,7	18,1	-	9,4
IRELAND	15,0	100,0	100,0	65,7	31,8
DENMARK	-	-	10,7	-	-

a) or the nearest year for which data is available

CHAPTER VIII : Standard of living

The differences in private consumers' expenditure per inhabitant between the six original Community countries narrowed owing to a faster rise in the countries that were at the bottom of the scale - Italy, the Netherlands and Germany. The sharp deterioration in the relative position of the United Kingdom and the absence of any improvement in that of Ireland contrast sharply with the trends noted in the six original member countries.

The breakdown of private consumers' expenditure by category brings to light a gradual decline in all Community countries in the share of expenditure on food, beverages and tobacco. Conversely, there was an increase in the proportion of expenditure on medical care and health, transport and communications and, except in Italy, leisure, public entertainment, education and cultural services. The levels of some categories of expenditure differ sharply from one country to another, because of different consumer habits and the still very wide gaps between income levels.

The rise in the share of expenditure on education is a direct result of the raising of the school-leaving age and the increase in the number of young people who go on to university or other forms of advanced education. Expenditure on higher education was lower in Luxembourg probably because the country has no university of its own, so that students have to go to foreign universities.

The increase in the share of public expenditure on medical care and health was probably due not only to the higher income levels but also to better social security cover for this type of expenditure.

The amounts for social welfare benefits per capita (expressed in EUR) differ widely from one country to another. The discrepancies are seen to be less marked if the benefits are related to the corresponding living standards in each country. Nonetheless, Ireland, with about 13 % of GDP, and (though to a lesser extent) the United Kingdom, with 17 % of GDP, are still a good distance from the Community average, which is about 20 %.

VIII.1 PRIVATE CONSUMERS' EXPENDITURE PER INHABITANT

A. Average annual rates of increase at 1970 prices.

	1960/1955 a)	1965/1960	1970/1965	1973/1970
Germany	5,5 ^{b)}	3,7	3,7	3,1
France	3,3	4,5	4,1	4,9
Italy	4,1	4,9	5,7	3,2
Netherlands	2,3	5,5	4,3	2,2
Belgium	1,9	2,7	3,7	5,1
Luxembourg	nd	3,3	2,6	4,1
United Kingdom	2,3	1,9	1,6	4,1
Ireland	1,5	2,8	4,0	2,8
Denmark	2,8	4,0	3,3	2,3
Community	3,5	3,6	3,7	3,8

a) at 1963 prices and exchange rates

b) Excluding the Saar and West Berlin until 1959.

B. Index numbers (Community average = 100
(at current prices and exchange rate)

	1960	1965	1970	1973
Germany	106,6	108,6	118,7	130,6
France	111,3	115,4	113,0	117,8
Italy	62,0	68,5	75,9	67,8
Netherlands	76,4	84,2	93,1	99,7
Belgium	114,6	105,2	105,7	111,4
Luxembourg	124,6	116,0	110,2	112,6
United Kingdom	122,5	109,0	90,9	79,3
Ireland	68,9	66,5	63,1	55,3
Denmark	115,8	124,2	129,0	125,1
Community	100,0	100,0	100,0	100,0

Source : SOEC - National Accounts, ESA, N° 1/1974 ; General statistics n° 5/1975

NOTE : In table A., figures concerning each country have been calculated at 1970 prices and those for the Community at 1970 prices and exchange rates (except for the period 1960/1955).

VII.1 C - CONSUMERS EXPENDITURE BROKEN DOWN BY CATEGORY

Country	Year	Food, beverages and tobacco	Clothing and Footwear	Gross rent fuel and power	Furniture, household equipment and operation	Medical care and health expenses	Transport and Communications	Recreation, entertainment, education and cultural services	Miscellaneous goods and services	TOTAL
CODE	NA 1) ESA 2)	1-2 1	3 2	4-5 3	6 4	7 5	8 6	9 7	10 8	1-10 7-8
GERMANY	1960	38.1	12.8	10.4	13.9	4.0	8.8	7.0	4.6	100
	1965	34.0	12.6	12.3	13.6	4.1	10.7	6.8	5.4	100
	1970	24.0	10.8	14.5	12.5	9.2	11.7	7.6	9.4	100
	1972	22.9	10.7	14.2	12.6	10.5	11.9	7.6	9.2	100
FRANCE	1960	42.0	10.9	10.1	8.9	6.8	8.7	6.6	5.7	100
	1965	37.5	10.5	11.5	8.8	8.8	9.4	7.1	6.1	100
	1970	28.1	9.2	13.7	8.3	10.2	10.5	6.8	12.8	100
	1972	26.9	8.7	13.8	8.5	10.7	11.1	7.1	12.8	100
ITALY	1960	47.2	9.5	13.1	5.8	5.8	7.1	6.2	4.9	100
	1965	45.7	8.5	12.6	5.8	6.8	8.4	6.1	5.3	100
	1970	39.8	9.3	12.8	5.7	6.8	10.6	6.0	8.6	100
	1972	38.2	9.4	12.5	5.9	7.4	11.4	5.9	9.0	100
NETHERLANDS	1960	37.8	12.7	12.8	14.9	5.6	4.1	3.8	7.8	100
	1965	35.1	11.5	12.5	15.4	6.5	5.1	4.6	8.9	100
	1970	28.2	10.5	12.3	12.7	8.2	5.3	7.7	10.6	100
	1972	27.5	10.2	13.1	13.0	8.1	6.5	7.9	10.3	100
BELGIUM	1960	34.9	9.0	16.7	11.0	6.0	9.0	4.6	8.3	100
	1965	32.8	8.7	15.6	12.3	7.1	9.6	4.4	8.9	100
	1970	28.1	9.1	15.5	11.4	6.8	10.3	4.7	13.6	100
	1972	27.1	9.3	15.0	12.0	7.1	10.6	4.9	13.7	100
LUXEMBOURG	1960	37.5	11.0	14.9	9.2	5.2	9.0	3.9	8.9	100
	1965	33.7	10.6	15.6	10.9	5.5	9.6	3.9	10.0	100
	1970	31.2	9.4	17.5	9.4	6.7	10.9	4.0	10.8	100
	1972	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100
U.K.	1960	37.6	10.2	14.3	8.4	(3)	10.1	8.8	10.8	100
	1965	35.3	9.5	16.3	8.1	(3)	11.1	8.9	10.8	100
	1970	33.4	8.7	18.1	7.5	(3)	12.3	9.7	10.3	100
	1972	31.2	8.5	18.4	7.6	(3)	13.8	10.1	10.4	100
IRELAND	1960	50.2	9.3	10.3	7.3	(3)	8.5	5.4	9.0	100
	1966	48.3	8.7	10.1	8.0	(3)	9.6	5.3	10.0	100
	1970	46.0	10.0	10.5	7.5	(3)	10.2	6.5	9.3	100
	1972	44.8	9.9	11.4	7.9	(3)	10.1	6.7	9.2	100
DENMARK	1960	34.3	8.9	11.4	11.3	(3)	11.8	(3)	22.0	100
	1966	32.5	7.8	10.8	11.0	(3)	13.0	(3)	24.7	100
	1970	28.8	6.6	11.5	11.7	(3)	12.1	(3)	25.0	100
	1972	26.3	6.2	11.6	12.0	(3)	11.3	(3)	24.5	100
COMMUNITY	1960	36.8	10.7	12.2	10.4	-	8.7	5.9 (5)	-	100
	1965	36.8	10.3	13.2	9.4	-	9.8	6.1	-	100
	1970	29.8	9.5	14.5	9.2	-	11.1	7.2	-	100
	1972	28.4	9.4	14.5	9.5	-	11.8	(7.5)	-	100

1) SOEC-National Accounts. The former nomenclature has been used for 1960 and 1965.

2) ESA - European System of Integrated Economic Accounts. For 1970 and 1972 the new ESA nomenclature has been adopted.

3) These data are included in category 8 of the ESA (NA - 10).

4) For Denmark, final consumption of non-residents has not been broken down and is included in ESA column 8 (NA 10).

5) Community data for 1972 do not include figures for Luxembourg.

6) The Community figures have been calculated by converting figures in national currency into EUR at current rates of exchange.

SOURCE: SOEC-National Accounts, 1971.

SOEC-National Accounts, (ESA) 1974 (provisional text).

U.K. : national experts

VIII.2 HEALTH

	Year	GERMANY	FRANCE	ITALY	NETHERLANDS	BELGIUM	LUXEMBOURG	UNITED KINGDOM	IRELAND	DENMARK	
A. Expectation of life at different ages	around 1960	1959-60	1960	1960-62	1956-60	1959-63	na	1960-62 ¹⁾	1960-62	1956-60	
											<u>Men</u>
											0 years
											20 years
	around 1970	1970-72	1969	1964-67	1971	1968-72*	na	1970-72 *	1965-67	1969-70	
											<u>Men</u>
											0 years
											20 years
	B. Infant mortality rate (deaths of infants under one year old per thousand live births)	1960	1960	1960	1960	1960	1960	1960	1960	1960	
											<u>Men</u>
											0 years
											20 years
1965	1965	1965	1965	1965	1965	1965	1965	1965	1965		
										<u>Men</u>	
										0 years	
										20 years	
1970	1970	1970	1970	1970	1970	1970	1970	1970	1970		
										<u>Men</u>	
										0 years	
										20 years	
1971	1971	1971	1971	1971	1971	1971	1971	1971	1971		
										<u>Men</u>	
										0 years	
										20 years	
1972	1972	1972	1972	1972	1972	1972	1972	1972	1972		
										<u>Men</u>	
										0 years	
										20 years	
1973	1973	1973	1973	1973	1973	1973	1973	1973	1973		
										<u>Men</u>	
										0 years	
										20 years	

VIII.2 HEALTH (continued)

	Year	Germany	France	Italy	Netherlands	Belgium	Luxembourg	United Kingdom	Ireland	Denmark
C. General government expenditure on health - as % of GDP ³	1957	14,6	12,0	10,4	11,0	9,9	11,5	na	na	na
	1966	16,0	14,9	16,2	17,0	14,1	16,0	na	11,0*	na
	1970	16,2	16,1	17,0	19,5	15,8	15,6	13,0	12,8*	na
- as % of total general government expenditure	1957	36,8	31,5	35,4	27,8	34,6	38,7	na	na	na
	1966	40,7	38,6	43,8	35,3	36,6	42,2	na	29,4*	na
	1970	41,9	41,7	44,7	38,7	38,6	45,2	32,5	29,7*	na
D. Number of hospital beds per 10 000 inhabitants ⁴ at end of year	1960	na	97,0	na (2)	50,2 *	86,0	118,0	107,0	148,0	96,0
	1970	112,0	na	105,2	54,6 *	83,0	162,2 *	97,0	126,0	83,0
	1971	113,0	94,0	na	55,6 *	89,5 *	124,0	95,0	114,0	83,0

1 Except Northern Ireland

2 1969.

3 Expenditure on social welfare and public health. The breakdown of public expenditure is such that it is not possible to separate health expenditure proper from social welfare expenditure.

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

Source : SOEC - Social Statistics Yearbook.

SOEC - Basic Statistics.

Development of public finance. ECE Studies, Economic and Financial Series No 8/1970

For 1970 : Commission working paper.

* Nat. experts.

VIII.3 EDUCATION

A. Number at school and university

	1982/83					1984/85					1989/90					1991/92				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
	Germany	29,0	56,7	10,0	42,8	45,4	30,8	61,9	10,7	44,6	47,2	37,4	75,4	13,1	54,3	57,4	42,4	81,7	15,6	55,5
France a)	61,1	79,0	6,0	56,1	55,3	67,4	80,9	7,5	58,4	57,0	84,2	86,0	13,5	65,3	62,4	91,4	87,8	15,0	67,8	64,2
Italy b)	42,2	63,8	6,9	46,3	47,0	44,7	67,8	8,0	46,3	50,2	53,4	77,5	13,6	57,8	58,7	55,5	82,4	16,8	61,9	63,1
Netherlands a.)	59,2	74,4	6,7	53,7	52,8	62,7	75,7	7,8	55,2	54,0	69,1	82,1	11,6	60,9	56,6	69,0	85,7	13,6	63,5	62,6
Belgium b)	91,8	76,4	7,4	60,5	55,4	95,9	79,7	8,6	63,4	58,1	100,9	87,2	13,7	69,9	64,9	97,0	90,0	15,1	71,3	67,2
Luxembourg b)	35,7	55,7	3,7	42,6	47,9	42,9	68,7	3,7	49,1	50,0	50,0	74,6	7,4	54,6	55,3	57,1	79,1	7,4	58,3	56,5
United Kingdom c)	9,0	77,7	4,4	48,2	54,8	9,5	79,2	5,4	49,4	56,3	11,5	88,0	8,7	55,8	63,3	13,6	92,1	9,4	59,7	66,4
Ireland d)	na	na	na	na	na	41,7	75,3	7,4	56,2	56,0	51,9	84,0	10,4	64,0	66,4	54,0	88,2	11,7	67,3	66,9
Denmark	na	na	na	na	na	1,7	na	na	na	na	5,0	76,3	15,4	49,4	56,7	12,9	79,7	17,5	53,1	56,7

A - Pre-school : 3 - 5 years

B - First level : 6 - 9 years

C - Second level : 10 - 19 years

D - Third level : 20 - 24 years

E - overall : 0 - 24 years

- a) In relation to population of the same age of 31.12.1971
- b) " " " " " " Spring 1971
- c) " " " " " " 30.6.1971
- d) " " " " " " 17.4.1966

NOTE : Percentages above 100 are due to the fact that the population age groups available do not correspond with the age groups at the different levels and that a certain number of the pupils of the first level are older than the correspondent age.

Source: SOEC-Social Statistics - Pupils and Students No 5/1973
 Social Statistics Yearbook 1972
 National experts

VIII.3 - EDUCATION (continued) *

B. General government expenditure on education, cultural services (and religion)

	GERMANY		FRANCE		ITALY		NETHERLANDS		BELGIUM		LUXEMBURG			UNITED KINGDOM		IRELAND					
	1957	1966	1957	1966	1957	1966	1957	1966	1957	1966	1957	1966	1966 ^a	1970	1957 ^a	1966 ^a	1970	1966	1970		
	As % of GIP	3,1	3,9	4,5	5,1	2,8	4,9	4,8	5,0	7,5	8,3	3,6	5,7	6,3	3,3	4,7	4,4	3,8	5,2	5,8	na
As % of total public expenditure	7,8	10,0	11,5	13,1	9,7	13,7	12,7	12,6	15,6	16,4	12,7	14,9	15,4	10,9	12,4	12,8	10,5	12,9	13,2	10,9	12,0

a) national definitions

Breakdown by type of education

	en %																				
Primary education	45	41	na	60	31,3	26,8	53	38	35,8	55	36	34	51	31	69	65	58,1	30	24	25	
General secondary education	21	20	na	18,5	28,5	30,4	12	24	31,4	11	20	20	19	28	19	17	24,0	33	28	28	
Secondary vocational education	15	12	na	14	15,0	14,2	15	12	17,3	23	21	22	24	31	10	13	10,7	8	10	11	
Higher education	17	24	na	7,5	13,1	15,4	3	6	10,2	10	22	23	6	10	1	2,5	2,6	11	22	21	
Other	2	3	na	•	12,1	13,2	17	19	5,3	1	1	1	•	•	1	2,5	4,6	18	16	15	
	100	100	na	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

a) with primary vocational education.

Source: Development of public finance in the Member States of the European Communities from 1957 to 1966. CEC Studies, Economic and Financial Series No 8/1970.
 * national experts for the 1970 breakdown by type of education (and 1966 France, Ireland, the Netherlands and the U.K.).

VIII.3 - EDUCATION (continued)

C. 1 - Pupil-teacher ratio at first level

	60/61	65/66	70/71
Germany	38,1	37,6	32,4
France	28,7	26,2	23,1
Italy	23,3	22,3	21,6
Netherlands	34,0	31,3	29,7
Belgium	23,9	22,4	20,6
Luxembourg	27,1	25,0	22,3
United Kingdom a)	28,8	28,1	27,0

C. 2 - Pupil-teacher ratio at second level

	60/61	65/66	70/71
Germany	22,8	21,4	22,6
France	18,1	16,3	15,8
Italy	11,8	12,2	11,5
Netherlands	13,5	13,1	12,9
Belgium	na	na	na
Luxembourg	na	15,2	na
United Kingdom	19,8	17,9	17,7

a) Except independent schools

Source : Social Statistics - Pupils and students n° 5/1973.
National experts.

VIII.4 - SOCIAL SECURITY

A. Social welfare benefits

	Year	Per capita		As a proportion of :		
		in EUR	Index 1970 = 100	GDP at market prices	Net national disposable income	Private consumption
GERMANY	1962	262,8	43,6	16,7	18,7	27,8
	1970	602,5	100	19,7	22,5	34,3
	1972	802,9	133,3	21,0	24,2	36,1
FRANCE	1962	243,9	49,4	15,8	17,8	25,2
	1970	494,2	100	17,8	20,2	29,6
	1972	614,5	124,3	18,1	20,1	29,9
ITALY	1962	115,2	38,9	13,5	14,6	20,9
	1970	295,8	100	17,1	18,6	26,3
	1972	392,2	132,6	19,7	21,4	30,2
NETHERLANDS	1962	149,5	30,7	13,4	14,7	22,3
	1970	487,3	100	20,1	21,9	35,4
	1972	702,0	144,1	22,4	24,4	40,1
BELGIUM	1962	204,9	46,2	14,9	16,4	22,5
	1970	443,8	100	16,9	18,7	28,4
	1972	609,9	137,4	18,7	20,6	31,4
LUXEMBOURG	1962	237,9	47,5	14,4	16,0	24,0
	1970	500,5	100	16,0	19,4	30,7
	1972	644,0	128,7	18,4	21,7	32,4
UNITED KINGDOM	1970	342,8	100	15,8	17,3	25,5
	1972	421,1	122,8	16,5	18,3	26,2
IRELAND	1970	167,7	100	12,8	13,4	18,0
	1972	217,9	129,9	13,2	13,8	20,1
DENMARK	1970	611,7	100	19,4	21,2	32,0
	1972	783,6	128,1	20,5	22,6	35,8
EEC - 6	1962	202,4	43,0	15,4	17,1	24,7
EEC - 9	1970	438,5	100	17,9	20,0	29,6
EEC - 9	1972	576,5	131,5	19,3	21,7	31,9

Source : SOEC - 1972 supplement - Social Accounts 1962 - 1971 and 1970 - 1972 ; National Accounts 1974

NOTE : Social welfare benefits include insurance and social security benefits, voluntary benefits from employers, social assistance payments and benefits for victims of political events.

VIII.4 SOCIAL SECURITY (continued)

B. Level of social security

	Year	GERMANY	FRANCE	ITALY	NETHERLANDS	BELGIUM	LUXEMBOURG	U.K.	IRELAND	DENMARK
1. Health insurance Persons covered as % of total population	1960	85	66	78	76	73	83	100) Resp.	90(3)
	1965	87	88	85	76(6)	91	98	100) 30(1)	95 *
	1970	90	98	91	76(6)	99	99	100) 50(2)	96 *
2. Industrial injuries insurance Persons insured as % of civilian labour force	1960	100	na	73(4)	68	61(4)	na	92	60	100 7)
	1970	100	95	66	73	80	92	94	70	100 7)
3. Unemployment insurance Persons insured as % of wage and salary earners	1960	77	53 *	60(4)	69 *	79(4)	78 *	87	90	47 *
	1970	86	72	72	86	81	79 *	82	93	40 *
4. Invalidity, old-age and survivors' pensions scheme Persons insured as % of civilian labour force	1960	88	92	78(4)	100	61(4)	89(4)	88	64	100
	1970	88	100	98	100	100	100	83	65	100
5. Family allowances Number of children for whom allowances were paid as % of population aged from 0 to 19	1960	13(5)	80	43(5)	50	71(5)	97	37	83	86
	1965	28(5)	81	45(5)	82	74(5)	100	39	81	94
	1970	29(5)	84	57(5)	90	83(5)	100	42	83	95

- 1) Free medical treatment including hospital care and treatment by surgeons.
- 2) Only free hospital care, treatment by surgeons and specialists, and maternity care.
- 3) 1961.
- 4) 1959
- 5) Excluding family allowances paid to public employees
- 6) 100 % in cases of serious illness
- 7) As % of employees and unpaid family workers

Source : 1) Report on the Development of the social situation in the Community in 1974, Commission of the E.C., 1975
 2) National experts (*)

VIII.5 - HOUSING

A. Ratio of rate of construction to the rate of growth of the population aged 15 and over

	GERMANY	FRANCE	ITALY	NETHERLANDS	BELGIUM	LUXEMBOURG	UNITED KINGDOM	IRELAND	DENMARK
1962/ 61	102,0	96,6a)	101,6	100,5	101,1	na	100,7	100,7	na
1966/ 65	102,1	103,4b)	100,1	102,1	100,9	102,7b)	101,9	101,4	101,6
1970/ 69	101,1	102,4c)	101,1	101,7	101,0	100,7c)	101,7	101,2	101,7

a) 1963 / 1962

b) 1967 / 1966

c) 1969 / 1968

Source: Rate of construction: SIS (11/1966/73).

Rate of growth of population of working age: OECD - Labour force statistics 1960-1971.

B. Investment per capita (at 1970 prices and exchange rates)

EUR

	GERMANY	FRANCE	ITALY	NETHERLANDS	BELGIUM	LUXEMBOURG	UNITED KINGDOM	IRELAND	DENMARK
1960	130	96	70	78	107	128	47	21	69
1965	157	156	95	107	147	140	66	43	113
1970	146	192	116	128	134	140	65	51	156
1972	na	210	103	155	117	157	72	70	190

Source: 1. SOEC - National Accounts 1972.

2. SOEC - ESA questionnaires.

3. Country national accounts.

4. Luxembourg : National experts