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Report

drawn up on behalf of the Committee on
Social Affairs and Employment

on the urgent need to draw up a new farm
retirement scheme

Rapporteur: Mr A. GHERGO

At its sitting of 7 February 1983, the European Parliament referred the motion for a resolution tabled by Mr Davern and others (Doc. 1-1150/82), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Agriculture for an opinion.

At its meeting of 19 April 1983 the Committee on Social Affairs and Employment decided to draw up a report and appointed Mr Ghergo rapporteur.

The committee considered the draft report at its meeting of 2-3 November 1983 and adopted unanimously the motion for a resolution contained therein.

The following took part in the vote: Mr Papaefstratiou, chairman; Mr Ghergo, rapporteur; Mr Alexiadis (substitute member, non-attached), Mr Calvez, Mrs Cassanmagnago Cerretti, Mr Ceravolo, Mr Chanterie, Mrs Kellett-Bowman (deputizing for Mr Tuckman), Mr van Minnen, Mr Patterson and Mr Simpson.

The Committee on Agriculture has decided not to deliver an opinion.

This report was tabled on 7 November 1983.

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The Committee on Social Affairs and Employment hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the urgent need to draw up a new farm retirement scheme

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Davern, Mr Cronin, Mr Flanagan and Mr Lalor (Doc. 1-1150/82),
- having regard to the report of the Committee on Social Affairs and Employment (Doc. 1-1004/83),
- A. noting that certain Community countries, especially Ireland, are still applying national rules which lead to extreme inequalities between the retirement arrangements for farmers and for workers in other sectors,
- B. recalling that, pursuant to the Treaty of Rome, social security schemes are to be laid down in the legislation of the individual Member States,
- C. whereas, moreover, in specifying that the fundamental objectives are to improve living and working conditions and progressively to harmonize the various systems, the Treaty of Rome regards as inconsistent with these objectives a situation in which there is blatant inequality between a specific category of workers and others,
- D. considering, therefore, that the retirement schemes for farm workers must be investigated at Community level and, where necessary, revised,
- E. whereas this subject could be appropriately dealt with in connection with the examination of retirement schemes to be carried out by the Commission, in conjunction with the Member States and in the light of the recommendations on flexible retirement,

1. Requests the Commission to undertake, as a matter of urgency, a comparative study of the retirement schemes applicable in the various Member States to salaried and to self-employed farm workers;
2. Considers that the question of farm retirement schemes should be dealt with separately in the context of the examination of the general problems relating to retirement age;
3. Considers, in any event, that a Council recommendation to the Member States should be drawn up with a view to eliminating in each of the States excessive inequalities between workers in different categories;
4. Calls further on the Commission to draw up a detailed report (for each country and item of expenditure) on the progress made in the implementation of the directive of 17 April 1972;
5. Requests that the Commission forward the documents referred to in paragraphs 1 and 4 to the European Parliament at the earliest possible date;
6. Instructs its President to forward this resolution to the Commission and Council of the European Communities.

EXPLANATORY STATEMENT

1. This report stems from the motion for a resolution tabled by Mr Davern, Mr Cronin, Mr Flanagan and Mr Lalor¹, pursuant to Rule 47 of the Rules of Procedure, on the urgent need to draw up a new farm retirement scheme.
2. This initiative was prompted by the fact that certain countries, particularly Ireland, are still applying rules which lead to extreme inequalities between the retirement arrangements for farmers and for workers in other sectors.
3. This situation does not, admittedly, prevail everywhere. In other countries, the law has moved in the direction of a broad social security system with the result that the retirement scheme for farmers is in general equivalent to that for workers in other sectors.
4. Retirement pensions for farm workers display certain characteristics which frequently make financial control difficult, particularly in countries where the ratio of farm workers to the total numbers in employment is still substantial, and in any event higher than the Community average, and where production has not yet reached a level of output comparable with other sectors.
5. This special situation may make it advisable to fix the social security payments to be made by the agricultural sector at a low level. Depending on the system, however, this leads either to a corresponding low level of benefits or to the need for substantial contributions from the State in order to make up the inevitably inadequate agricultural pensions which result.
6. Whatever the technical reasons which lead to the fixing of certain pension levels, it is without question unjust that a former farm worker, whose needs are the same, should be less well off than a former worker in industry or trade.

¹Doc. 1-1150/82

7. Without undermining the Member States' independence as regards the drafting of their social security legislation, the Community bodies could nevertheless recommend the Member States to make every effort within their sphere of influence to promote the achievement of the principles, enshrined in the Treaty of Rome, of improving living and working conditions and gradually harmonizing the various systems.

8. The Community bodies should therefore undertake to study the problem and to put forward the most appropriate solutions, possibly within the context of the more wide-ranging investigation now being carried out into the question of retirement age.

MOTION FOR A RESOLUTION (Doc. 1-1150/82)
tabled by Mr DAVERN, Mr CRONIN, Mr FLANAGAN and Mr LALOR
on behalf of the group of European Progressive Democrats
pursuant to Rule 47 of the Rules of Procedure
on the urgent need to draw up a new farm
retirement scheme

The European Parliament,

- A. having regard to the worsening situation of people in Ireland in receipt of annuities under the farm retirement scheme,
- B. whereas since its inception in 1974 only 577 Irish farmers have availed of this scheme,
- C. whereas the EEC's farm retirement scheme has evidently been a total failure,
 1. Notes that the Community has failed those people who chose to accept the terms of the farm retirement scheme since they are now receiving less than the old age pension entitlement in Ireland;
 2. Draws attention to the fact that the allowance for a single person in receipt of an old age pension is now IR£1,791 per annum compared with a pension of IR£1,344 under the farm retirement scheme;
 3. Points out that the situation has been seriously reversed since 1947 when allowances under the farm retirement scheme were worth £400 per annum compared with £380 for an old age pension;
 4. Believes, moreover, that people who have accepted the farm retirement pension are being blatantly discriminated against as compared with entitlements under the old age pension since they are deprived of benefits such as free travel, free electricity, medical cards and other social welfare benefits;

5. Insists, therefore, on a complete review of the present farm retirement scheme with a view to increasing payments at least in line with the old age pension and the extending of normal fringe benefits to those farmers who have already opted for the farm retirement scheme and those who may wish to be included in the scheme;
6. Calls on the Commission to bring forward an initial report on the situation regarding such pensioners within the next three months as a matter of urgency;
7. Proposes that when the Member States and the Commission are examining retirement systems in the light of the recommendation on flexible retirement, the operation of the farm retirement scheme should also be considered;
8. Instructs its President to forward this resolution to the Commission and the Council.