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ABOUT THIS BULLETIN

This bulletin is intended for trade union, labour and cooperative editors and education officers. It contains information about the new communities of Europe and the contribution and role which trade unionists and socialists on the Continent are making to them.

It is produced approximately every two months by Britain in Europe. Its object is to provide authoritative material on European developments for use in the publications and educational activities of the Labour Movement.

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The Editors will be pleased to supply photographs for publication and to provide additional facts and special articles as required.

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The Editors would also be pleased to receive from readers news items illustrating British Labour's views on Europe for inclusion in future issues.

GERMAN TRADE UNIONS
AND
EUROPEAN INTEGRATION

by Dr. Karl Kühne

Economic adviser to the West German Union of Public
Service and Transport Workers.

The German trade union movement has a strong internationalist outlook. The modern German Federation of Labour (DGB)* has inherited this from the Socialist and Christian trade unions of pre-Nazi days. But it is no longer based on strictly political or religious principles, and it serves rather to encourage a broadminded attitude towards other countries.

The result is that the trade union approach to certain questions differs strikingly from that commonly expressed in Socialist Party circles. The cause may be traced back to the days of the Occupation when the Socialists were fighting on two fronts: against the Communists, whom they denounced as Russian agents; and against the Western powers. Their attack on the latter was not made simply for the sake of consistency, because the Communists in turn accused them of being the servants of the West, but because they alone had a clear anti-Nazi record and could dare to speak openly against all the armies of occupation. Unfortunately the Socialists in consequence came dangerously near to adopting a phoney-nationalism which was not true to their real state of mind. Their internationalism suffered somewhat.

The trade unions, despite many cross-currents, were in a very different position. Their international organisations, and especially the so-called "Trade Secretariats" (bodies such as the International Federations of Transport Workers, Public Service Employees, Metal Workers and Miners), gave them far more effective help than foreign Socialists could afford to extend to their fellows in Germany. Union representatives soon after the war had opportunities to contact their brethren across the border. Their activities very often involved close collaboration in practical matters: for instance, those affecting sailors, river boatmen, airman, lorry drivers, miners and even waiters. These contacts and common interests necessarily led to international collaboration.

International comparisons affecting workers were established, and international standards adopted for frontier-crossing traffic or migrating labour. German trade unionists were not slow in discovering that wages, working conditions and even certain social benefits were

*see European Labour Bulletin No.4, May 1959, "Trade Unions in Europe: I - West Germany".

decidedly better in other Northern European countries, and to some extent also in the West of Europe. The natural conclusion was that they had not much to lose and a lot to gain from closer integration with those countries. A further inference was that the potential members of a European Free Trade Area (notably Britain and Scandinavia) would be the more advantageous associates, since they might help to drag German labour out of the morass of post-war misery and up to their higher levels.

Practical considerations such as these explained the friendly attitude German labour adopted from the very outset towards all schemes for European economic integration, in contrast with the hesitant bewilderment of German Socialists.

There may have been some trade unionists, too, who were not very happy about the inter-relation between economic and military cooperation. This did not reflect any fellow-travelling weakness, but simply the natural disinclination (shared by many of their compatriots) to take part in any further military adventure, after having lost two world wars. Germans had, moreover, just undergone a barrage of demilitarisation propaganda designed by the Western Allies to uproot the inborn German liking for fighting it out - which succeeded perhaps all too well.

Trade unionists have been able to play a positive role in the new institutions for economic integration. When the High Authority of the Coal and Steel Community was set up, miners and metal workers learnt how to look after their own affairs in serious committee work at Luxemburg; some of them attended the Assemblies at Luxemburg or Strasburg. All this gave them a lot of experience which promises well for similar work to be undertaken in the near future at Brussels, the seat of the executive organs of the Common Market.

Consultation with the trade unions was stipulated in the treaties establishing the three Communities of the Six: Coal and Steel, the Common Market and Euratom. In point of fact, trade union participation could in each case be more fruitful than it is. In the Coal and Steel Community the trade unions should have been more amply represented on several key committees. For instance, there was no labour representative on the Committee of Transport Experts, although the International Transport Workers' Federation - not to mention my own and other national transport workers' unions - had studied the questions thoroughly and published an extensive report on integrating and coordinating transport systems between countries.

Similar blunders have not been repeated in the Rome Treaty for the Common Market. This provides for full trade union representation at the committee stage. But here there is perhaps an even more serious

defect. Trade union participation in the administrative set-up is rather weaker, whereas in the High Authority at Luxemburg some key positions - for a time even the presidency - were filled by trade union economists and leading trade union personalities.

The attitudes of national trade union movements towards the European Communities are inevitably influenced by considerations such as these. In Germany feelings about the Common Market are also affected by the belief that a substantial share of certain burdens shouldered under the Rome Treaty will be borne by the German economy, notably with regard to the association of the French and other Overseas Territories. In addition, as is only to be expected, there are voices giving vent to the age-old fears of labour arising from lower wages in other countries, such as the dumping of cheap goods and the influx of migrant foreign labour.

On the other hand much work is being carried out at the headquarters of all the major unions, and also very often at district level, to bring about an attitude to these questions more in keeping with current economic realities. For instance, wage levels must be seen in terms of productivity, as the manufactures of a low-wage country are often more costly in practice than those produced in richer communities. Moreover, the problem nowadays is frequently the low mobility of labour - even where there are subsidies and incentives to migrate - rather than the danger of mass migration. Real wages must be raised in all countries through the abolition of tariffs and other obstacles to trade. Otherwise everybody's exports will be handicapped and the gains from the international division of labour minimised.

Generally speaking, the German trade unions would certainly welcome an international division of labour on an even broader scale than is possible in the Common Market, and would therefore favour a European Free Trade Area (which would include Great Britain). In the meantime, they are prepared to give the Common Market the benefit of such doubts as they harbour.

Perhaps their chief concern is whether full employment policies will be pursued sufficiently vigorously within the present set-up of the Common Market. The abolition of economic frontiers is bound to disturb employment conditions through the weakening of the grip of national governments on economic policy. This makes the absence of a sufficiently strong organisation in the Common Market the more serious. While it remains to be seen what is to eventuate it is obvious that ensuring the pursuit of full employment policies is fundamental to any broader European economic association.

THE SOCIAL POLICY OF THE EUROPEAN COMMUNITIES

by Roy Pryce

(Information Service, European Coal and Steel Community)

A far greater emphasis on the social aims of economic integration is one of the features which most clearly distinguishes the Common Market from the projected European Free Trade Association - the "Outer Seven" group to which the United Kingdom is party. A major objective for both groups, of course, is a better life for their peoples. No government in Western Europe today would make such far-reaching economic agreements as these with other governments without holding out the prospect of better living conditions.

The Stockholm Draft Plan for the new Outer Seven group, however, deals only in general terms with economic policies and not at all with their social aspects. In the words of the officials' draft, economic policies "should serve to promote a sustained expansion of economic activity, full employment, increased productivity and the rational use of resources, financial stability and continuous improvement in living standards". It seems unlikely that the final Convention or Treaty will go further along these lines than establishing arrangements for consultation and coordination between members.

The Six, in setting up their three Communities, have gone further than declarations of principle on these questions. They have created machinery to ensure that social progress is not left just to chance, or to the whim of the six partners. In the view of the Six it is as important to make certain about this as it is to see that trade flows more freely.

There can be no doubt that this emphasis is one of the reasons why the trade unions of the six countries have given such strong support to the Communities. In the long run they and their members will judge the value of economic integration by this simple test: the degree to which it does in fact contribute to raising the living standards of the 165 million people that make up the consuming public of the Common Market.

Viewed from this angle, a recent article by Signor Guiseppi Petrilli the Member of the Common Market Commission who has a special responsibility for its social policy, is of particular interest.* In this, Signor Petrilli first recalls that the Preamble to the Rome Treaty states quite clearly that the essential purpose of the Community is the "constant improvement" of living and working conditions in the six

* "The social policy of the Commission" (Bulletin of the European Community, No. 2, Brussels, 1959).

countries. Furthermore, article 117 of the Treaty says that the six members have agreed on the necessity of this improvement "so as to permit the equalization of such conditions in an upward direction".

This, he admits, is a phrase which could mean several things. It could, for example, mean that the Community would fix some arbitrary level of conditions and take steps to see that the six countries conformed to it. This might well imply that one or more countries in the Community might have to mark time until the others caught up.

The Common Market Commission has rejected this interpretation. In its view every effort must be made to improve conditions in all the six countries, and at the same time special efforts are to be made to ensure swifter progress in those countries and sectors of the economy which at present lag behind. The aim is not to be some rigid mechanical view of "equalization", but an approach which will offer to all groups in society an equal opportunity to play their part in social progress.

Such equalization, Signor Petrilli insists, is a fundamental condition of economic development, for only it can allow individuals to play their full part in the process of development.

This, then, is the starting point. But how is this aim to be realized? According to the Treaty, in two ways. First, by the operation of the Common Market itself, which will favour the harmonization of social systems; secondly, by the special measures for which the Treaty again provides.

These measures are of several different sorts. In the first place, there are precise requirements that all the six countries shall ensure by the end of 1961:-

- i) the introduction of equal pay for equal work;
- ii) the raising of their arrangements for overtime pay to French levels; and
- iii) the maintenance of the present equivalence of paid holiday schemes.

This is already a start; and while the Commission is studying the ways by which these are to be achieved, it will also examine all working conditions which may be capable of similar harmonization.

In the long run, however, such legislative harmonization can only be achieved if more general measures are taken to see that social conditions in the six countries grow steadily closer together. In this sphere the Investment Bank has an important role to play. When the Rome Treaty was drawn up it was recognised that there was a danger - unless counter-measures were taken - that integration might mean that the richer parts of the Community would grow steadily richer at the

expense of its poorer regions. This is in fact what happened last century when the political unification of Italy brought in its train a common market between the north and south of the peninsula. The Investment Bank is designed to prevent a repetition of this sort of thing. With a capital of nearly £360 million it has already begun to stimulate and increase investment in the Community's less favoured areas, and to help finance projects of common employment to the six countries.

The increase of the total employment available within the Community, which the Bank will help to encourage, will be supported by the work of another of its institutions - the Social Fund. The ideas behind this Fund have already been well tested in the European Coal and Steel Community (ECSC). It was recognised when this first Community was set up that some provision was necessary to deal with changes in employment which the establishment of the common market might bring in its wake. Workers in danger of losing their jobs through closure of pits, or put temporarily out of work by mergers or changes in the location of other plant, had to be helped financially - given special additional allowances while seeking alternative employment, grants to move their place of work, and to retrain them where necessary. All these measures - "readaptation" is the technical word used - have proved of great importance. Some 20,000 workers benefitted from them in the five years from 1953-58, and some 27,000 more Belgian miners are likely to be compensated for loss of employment under provisions linked with reorganisation plans for the Belgian coal industry which have recently been approved. Furthermore steps are now being taken by the High Authority and the Ministers to extend the scheme beyond February 1960 when it was due to come to an end.

On the basis of this experience, the Common Market has been equipped with its own Social Fund to enable similar work to proceed within a wider framework. As in the E.C.S.C. 50% of the total cost will be covered by the state in question: the other half by the Fund to which all member countries contribute. These combined resources will be used in three ways:-

- 1) grants for vocational re-training;
- 2) resettlement allowances;
- 3) grants to make up the wages of workers whose wages suffer as a result of the reconversion of the firm for which they work to the new needs of the Common Market.

The Commission has recently approved the draft regulations which will govern the application of the Fund. These, which now have to be approved by the Council, give a generous interpretation to the terms of the Treaty, and have been designed in particular to extend the vocational training facilities available in the six Community countries.

In this way the Social Fund should - in the eyes of the Commission - not only help to safeguard existing employment but increase the general level of skill within the six countries. In addition it will increase the degree of mobility of labour within the common market by removing the financial disadvantages which weigh on a worker changing his place of employment. These measures, moreover, will contribute to another of the major social objectives of the Community: the free movement of workers within the Common Market.

The aim in this case is that by the end of the transition period (by 1970 or at the latest by 1973) any worker who has been offered a job in any of the six countries will be free to move there, stay in employment free from any of the cumbersome formalities which are in force today, and be treated on equal terms with other workers who are citizens of the country to which he has gone.

The important basic condition is that the worker should have the offer of a job before he moves. It is this provision which is a safeguard against any sudden upset in the labour market of the Community. Free movement, as provided for in the Rome Treaty, cannot mean a mass migration of the unemployed from Italy into the other five countries, or the danger of a depression of wages and working conditions by the employment of cheap labour to replace workers already in employment. The first is explicitly excluded by the terms of the Treaty; the other could only become a real threat if there were a total collapse of the trade union movement in the six countries and a complete reversal of present governmental policies in the Community. Both of these are quite unthinkable - and the experience of the common market for coal and steel suggests very strongly in any case that real wages tend to rise towards the highest level rather than sink towards the lowest. Moreover the major differences in real wages are not between national units as such at all: as a High Authority survey in the coal and steel industries showed, regional differences within existing national frontiers are in some cases much more pronounced.

In short, many of the objections that are frequently advanced against greater freedom of movement of workers across frontiers are ill-founded. The real problems are not likely to arise out of a suddenly-greater degree of freedom of movement, but rather in achieving even a modest degree of greater mobility. Again this can be shown from the experience of the High Authority, which instituted a European Labour Card in September 1957. (Under Article 69 of the ECSC Treaty the member states agreed to renounce "any restriction based on nationality on the employment... of workers of recognised qualifications".)

Certain categories of skilled workers were entitled by this Labour Card to take jobs offered to them anywhere in the Community. In the first year 283 of these were issued - but only 28 holders of them found employment abroad. These "somewhat meagre results" (to use the High Authority's own description) have a number of lessons for the work which showed, for instance, that skilled workers are very little affected by unemployment and are not on the whole interested in working in countries other than their own; that a common labour market already exists in the Benelux countries; and that short-range movement of labour in frontier zones has already been simplified in many respects.

None of these lessons in any way reduces the potential importance of the work of the Common Market Commission in this direction. Apart from the desirability of more freedom of movement for purely economic reasons, the achievement of a situation in which a person is able to work in another country if he receives an offer of a job is clearly a desirable and entirely positive social objective.

The Commission is now working out its proposals on how it can be done. The major problems that have to be overcome are first, the creation of an effective means by which a worker in any of the six countries can learn of jobs available, and secondly, the provision of ways by which he can acquire skills to increase his range of possible employment. Signor Petrilli, in his article, says that the Commission is thinking of setting up a central body for the Community to tackle both problems, and in particular to coordinate the work of the various existing national labour offices. At the same time it is studying the development of the employment situation in the six countries in recent years with a view to analysing the basic trends and to be in a position to make forecasts about the future. This is no mere academic exercise, for it should, in turn, make it possible to point to needs which will have to be met, and to suggest priorities for vocational training programmes.

It has been recognised, at the same time, that social security systems - which have so far grown up within separate national frontiers - will have to be coordinated so as to contribute to this major objective of greater freedom of work. This again is another major task facing the Commission, and not an easy one. A start has however been made with the introduction of a regulation on January 1 this year which generalises benefits for many categories of migrant workers, and gives them equality of rights with workers who remain in their own country. But this again is only a start; much more has to be done before social

security schemes can be fully adapted to the new needs of the common market.

From all this it is clear that the Social Affairs Division of the Commission is going to be one of the busiest at Brussels in the future. Difficult though its task is, its work is a vital part of the programme laid down in the Treaty of Rome. For this looks forward not only to a common market for goods, but also, and more important, to a Community - for the people of the six countries.

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TRADE UNIONS IN EUROPE

2 - SWEDEN

by Tord Ekström

an economic adviser to the Swedish Federation of Trade Unions (Landsorganisationen i Sverige).

The Swedish trade union movement has won considerable repute both at home and abroad for the success with which it has advanced the claims of its members. Swedish trade unions are indeed feared in some circles but their power and financial strength are sometimes exaggerated. This article examines the main reasons for the trade unions' achievements and influence.

Size and organisation

Nearly 2 million workers are organised in trade unions out of a total labour force of 3.6 million and a total population of 7.5 million. The leading organisation is the L.O - the Swedish Federation of Trade Unions - consisting of 44 affiliated unions with a total membership of just under 1.5 million. The number of members has increased steadily. Some unions, such as for textiles and farm workers, have lost ground because of declining employment in these industries. But within manufacturing and some other sectors practically every wage earner is organised. The degree of organisation is probably weakest in commerce, though the Commercial Workers Union is growing rapidly.

Another half million workers belong to a small syndicalist organisation and to the unions of salaried employees grouped in three federations. The largest of these federations, the T.C.O, is a member of the International Confederation of Free Trade Unions, as is the L.O. Good relations exist between the L.O and T.C.O, though disputes occasionally arise owing to the often vague borderline between wage earners and salaried employees.

Unity and cooperation

The trade union movement enjoys a general unity. The division on social lines has caused no damage as regards wage negotiations: it has certainly helped to further the organisation of salaried employees. More important is the absence of any national, confessional or political splits between the unions. The Communists have made little headway, no union and very few local organisations being dominated by them.

In the L.O there is a high degree of cooperation at all levels between the member unions. A Representative Assembly, consisting of about 135 delegates, meets at least twice a year. At the autumn meeting the principal lines for the forthcoming annual wage negotiations are

discussed. The L.O Congress meets as a rule only every fifth year; it elects the L.O Board - the executive organ of the L.O.

Any dispute as to which union a group of workers should belong is referred to the L.O Board which has full powers to settle the issue. The L.O Congress has accepted a plan for reorganising unions on an industrial basis. As there are still many exceptions to this rule the L.O Board adopts a cautious policy in demarcation disputes using suasion rather than force.

Wage negotiating and strike policies are fairly highly centralised. Wild-cat and unofficial strikes were stopped as long ago as the 1890's. The approval of the boards of unions was then made an indispensable condition of the allocation of strike pay. This right of veto was reinforced during the Second World War by making its exercise in turn a condition of a union's membership of the L.O. This provides a check against precipitate action and ensures that the unions work together in a spirit of solidarity. All unions, moreover, are obliged to obtain sanction from the L.O Board before announcing any strike which involves more than 3% of the union's membership.

Good relations with employers

Relations with employers are correct - not to say good - and there is stability in the labour market in consequence. Representatives of the two parties meet not only for wage negotiations but also to try to find solutions to important problems of common interest.

Collaboration is in particular achieved through the joint Labour Market Council, a body set up in 1938, following the conclusion of the Basic Agreement with the employers, whose aim was to avoid the need for direct government legislation. The agreement provides protection for neutral third parties and against disputes which would disrupt essential national services. It lays down too a uniform procedure to be followed in dismissing workers and in collective bargaining. This agreement has been followed by others governing workers' protection, vocational training, joint consultative councils, time and motion studies, and female labour questions.

Formerly, trade by trade wage negotiations were the rule, central negotiations being resorted to only in emergencies. This procedure changed because S.A.F - the Swedish Employers' Federation, which mainly covers manufacturing industry - is highly centralised. Consequently the trade unions were compelled to follow suit; and, though the L.O has less formal power than S.A.F, the recommendations of the two bodies to their respective members are regularly accepted.

Early in 1955, after several rounds of negotiations in which the employers had refused any increase of over 3% in wages, the Paper Workers'

Union issued a strike warning. The S.A.F replied with a threat of a lock-out which would have affected 500,000 workers. The dispute, which was peacefully settled, gave rise to the standard practice of centralised negotiations. This system reduces the risk of minor conflicts and increases the danger of a major one, though in that event the Government would probably intervene.

Legislation also contributes to the stability of the Swedish labour market. Apart from a government conciliation system there is legislation on collective agreements and on the Labour Court which governs disputes on the interpretation and application of agreements. As a rule, conflicts are not permitted during the period of validity of an agreement, usually of one year. Both parties are represented in the Labour Court.

Since 1940 over 98% of disputes arising from collective agreements have been solved at round-table conferences. The number of working days lost through labour conflicts during the same period has been kept extremely low. An exception was in 1945 when a Communist inspired conflict in the engineering industry caused the loss of over 11 million working days, more than were lost in the general strike of 1909.

Another recent development concerned the duration of collective agreements. The agreement concluded in 1957 was for two years, with a cost of living clause, against the normal period of one year. A deciding factor influencing the L.O to accept the S.A.F's desire for the longer period was the provision of wage compensation in the second year for reducing the working week through legislation by one hour, the first step towards reducing hours from 48 to 45 by 1960. But in 1959 a one year agreement was reverted to. This partly reflected the pessimistic economic atmosphere in which the negotiations were held. In addition the unions were not satisfied with the two-year arrangement. The period was too long for reliable estimates to be made of economic growth in conditions of full employment, and official forecasts usually underrate the real expansion to the disadvantage of labour.

What then has been gained in the period of peace in the labour market since the war? The average increase of earnings within manufacturing (that is from increases obtained through wage agreements added to "wage drift", which mostly occurs in piece work trades), has since 1956 little more than offset price rises and shorter working hours. But over the whole period from 1946 to 1958 the average yearly increase of nominal earnings per hour in manufacturing was 8.8%. At the same time consumers' prices rose on average 4.4%, so that real wages rose 4.4% a year. Wage drift appears to have accounted for less than half the nominal increase. In addition, many important social benefits have been obtained during this period.

Effective cooperation with the Government

The trade unions maintain close liaison with the Social Democratic Party, some of them having been set up by members of the Party before the L.O was founded. Local trade union organisations can decide if they wish to join a political body, leaving individual members to contract out should they so wish. While the affiliation of trade unions to party organisations is fairly widespread, membership is only half that of the L.O. Besides the election of a leading L.O member to the executive committee of the Party, cooperation is maintained between the two bodies through a permanent committee for the coordination of common interests. The importance of this committee has been greatly enhanced since - in the mid-1930's - the S.D.P became the government or the leader of coalition governments. The L.O is constantly being called upon to express a trade union viewpoint on outstanding issues.

The reform of the Swedish pension system this year provides a good example of the cooperation between the L.O and the S.D.P. Benefits under the previous pension system provided only a minimum subsistence, and were financed by taxes and special charges. In 1947 a government committee was set up to devise a system whereby pensions could be related to incomes earned before retirement. The employers wished to negotiate these with the trade unions but the latter preferred legislation. Alternative schemes were drawn up by a new committee and submitted to a referendum in 1957. The trade unions put all their resources into the campaign.

The result was generally regarded as favourable to the obligatory scheme, which is to be financed by the employers. But in 1958 the government's proposals, which were almost identical with those of the last preparatory committee, were defeated in the Second Chamber of Parliament. Fresh elections were then called for the Second Chamber. The trade unions supported the S.D.P even more vigorously than usual, with victory as a result. A modified scheme was then successfully presented to Parliament and, on January 1, 1960, the Supplementary Pension Insurance Act will come into force. The retirement pension system will remain in force but the benefits will be increased.

Leadership and research

Trade union achievements owe much to good leadership in strengthening the unity of the movement, maintaining satisfactory relations with employers despite constant wage pressures, and developing cooperation with the Labour Party. Much energy, knowledge and skill have been necessary to perform these tasks. Fortunately both trade union and party leaders have been of outstanding quality. The L.O and some of the unions also use the services of legal and economic advisers who often represent them on various government bodies. Besides the Economic

Research Department which provides material for wage negotiations there is the Wages Council, a permanent enquiry committee of leading trade unionists which analyses, in close cooperation with economists, wage agreements and structures with a view to facilitating the removal of tensions between groups of workers and branches of industry.

Swedish experience has shown that an unbalanced labour market prejudices the attainment of both full employment and stable prices. State measures to balance the market are therefore necessary. But a balance alone is insufficient. It follows that responsibility for checking wage demands within rational economic limits rests jointly with the unions and the State.

The choice is not between further centralisation of wages policy or a return to the original complete autonomy of individual unions in wage negotiations. But it is desirable that unions should freely coordinate their tactics. This is based in Sweden, not so much upon job evaluation, as upon an elastic and experimental working out of suitable wage differentials relating to type of work, training and skill, and occupational risks. A pattern has been created but, from the point of view of a permanent structure, it is still only the initial stage.

But can one ever decide whether the wage differentials attained are suitable or not? The criterion must be how rapidly labour is adapting itself to changes in the economy so that there is no surplus in one trade and no deficit in another. Can wage differentials alone bring about this balance? There is ground for believing that much could be achieved by direct cooperation between the trade unions and the labour exchange authorities in order to transfer labour voluntarily from surplus to deficit sectors, trades or areas.

There are, however, always difficulties. There is for instance the seniority rule: the man who has been longest in a firm having to lay off workers will stay on while has more junior comrades will be fired, irrespective of personal problems. Not even during the fullest employment can we guarantee that everybody who leaves a stagnant enterprise will get a better paid job. A reduction of earnings, following on a transfer, is often difficult to avoid, especially at first; then the wage differential has an insignificant effect. Various incentives must thus be provided to encourage workers to transfer to other sectors of the economy. Through information and education workers need to be encouraged to take new jobs and look for better paid employment.

This is to a great extent a cyclical problem. With the higher rate of economic activity expected during the next few years, it should be possible for export and other high wage industries to increase their activity and provide employment opportunities for workers from low wage

sectors. Taking the longer view, the L.O believes there is a basis for expecting a favourable economic climate for full employment in the world, partly owing to the growing economic competition between East and West. This means that there will be important sectors attracting manpower which will reduce the impact of the difficulties of conversion and transition.

Under such circumstances trade union leaders, especially at the local level, should co-operate very closely with the labour exchange authorities in finding new employment for low wage workers in stagnant enterprises either in their own industry or in other industries. Much co-operation already exists, but many unions have been interested only in their own isolated fields and taken very little interest in other sectors. With more solidarity and less trade individualism in the future many workers would certainly be interested in employment in another sector. With sufficient transfer allowances and information about employment opportunities in other fields many workers could probably be persuaded to change. This would make it easier to reduce the gap between low and high wage industries and trades.

This personal service should bring another advantage in helping to bridge the gap that often exists between the trade unionist and his organisation. Trade unions must give the greatest possible consideration to the human aspect of industrial problems. It would probably be useful if as many details as possible could be left to the personal decision of members at trade union meetings, such as hours of work and shift work.

An additional advantage of this policy would be that it should lead to an increase in productivity. Factors of production would become more adaptable to market changes. This is exactly what is needed in the present situation, with the European Economic Community already at work and while waiting for a wider European integration, the realisation of which the Swedish trade union movement does not cease to hope for.

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