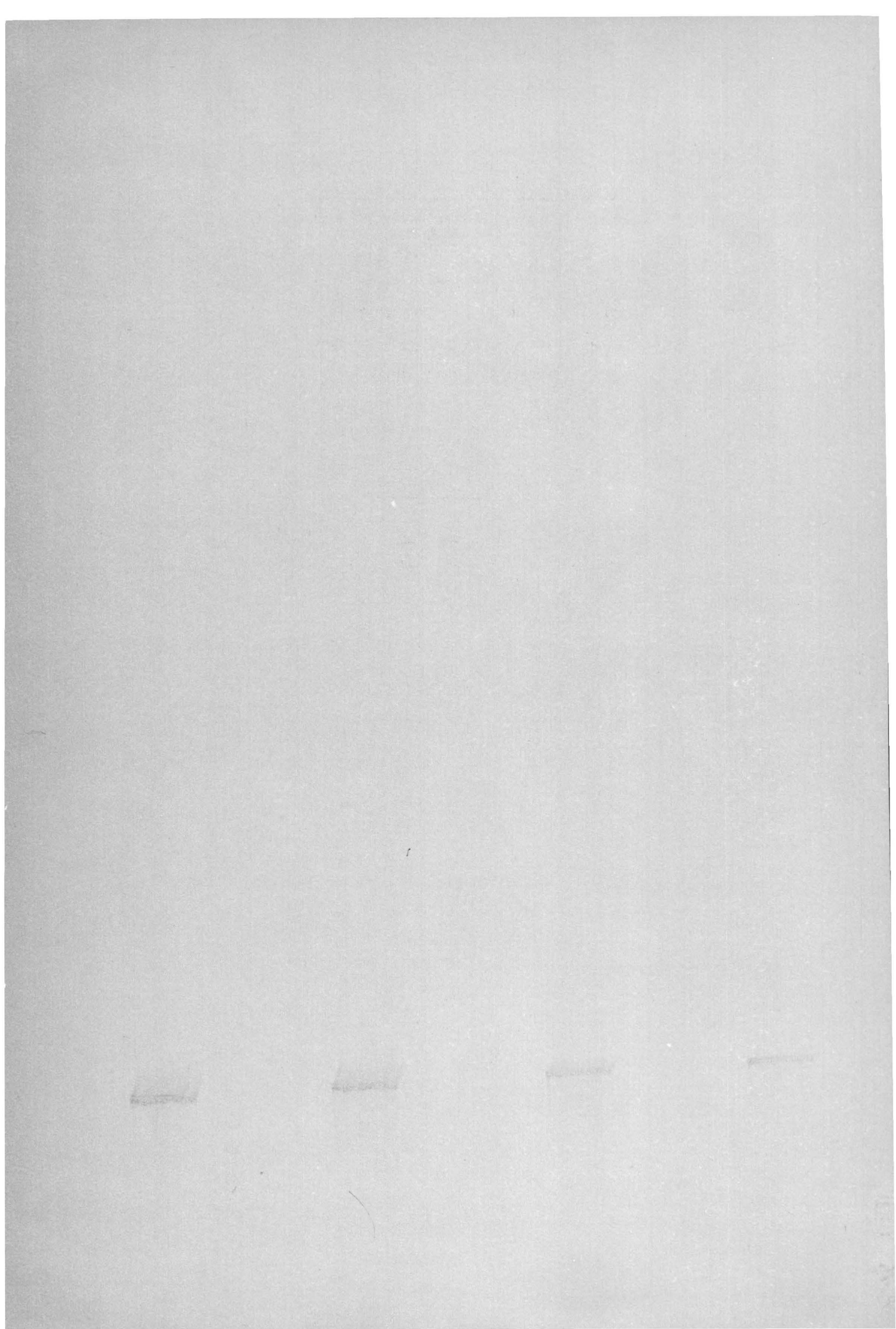


J.D. Neirinck
Director-General for Social Affairs of the
Commission of the European Communities (EEC)

Social Policy of the EEC Commission
A General Survey : Achievements and Trends
at the end of 1967

LIBRARY
EUROPEAN COMMUNITY
INFORMATION SERVICE
WASHINGTON, D. C.

December 1967
Collegium Falconis
Universiteit te Leuven



Social Policy of the EEC Commission
A General Survey : Achievements and Trends
at the end of 1967

Opening Lecture
and Additional Reading

Louvain University Law School
Seminar for Labour Relations
Session 1967 - 1968

by
J. D. Neirinck
Director-General for Social Affairs of the
Commission of the European Communities (EEC)

This is the revised version of a preliminary
edition "October 1967"

TABLE OF CONTENTS

PART ONE: LECTURE

First Chapter : General Survey

	Page
<u>INTRODUCTION</u>	4
1. The Treaty : ambitious social objectives - weak legal provisions	5
2. Economic background	9
I. <u>DEVELOPMENT OF EMPLOYMENT</u>	12
3. Employment	12
4. Free movement of labour	15
5. Right of establishment for self-employed persons	17
6. Social security for migrant workers	18
7. Social services and housing for migrant workers	20
8. Vocational training	21
9. European Social Fund	23
II. <u>IMPROVEMENT OF LIVING AND WORKING CONDITIONS</u>	27
10. Equal pay	27
11. Paid holidays	28
12. Overtime	28
13. A major task : collecting data	28
14. Social security	31
15. Industrial health and safety	33
16. Other social problems	34
17. Some figures	35

18. A comparison	36
19. Social aspects of the common agricultural and transport policies	38
20. Cooperation with employers' and workers' organizations	38
<u>BY WAY OF APPRAISAL</u>	39
21. The Commission's work	39
22. Environmental forces	40
23. The way ahead	41

Second Chapter : Annexes

24. Free movement of workers	44
25. Social security for migrant workers	45
26. European Social Fund	52
27. List of principal documents and publications issued by the EEC Directorate-General for Social Affairs	54
28. List of recommendations concerning social matters which have been addressed to the Member States by the EEC Commission	59

PART TWO : ADDITIONAL READING

I. Guidelines for the EEC Commission's work in the social sector (Memorandum submitted by the Commission to the Council on 22 December 1966)	Doc.V/14743/67 1 - 29
II. Social development in the FEC from its inception to the end of the second stage (1958 - 1965)	Doc.V/1913/66 1 - 16

THE
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D. C. 20535

MEMORANDUM FOR THE DIRECTOR

SUBJECT: [Illegible]

DATE: [Illegible]

BY: [Illegible]

TO: [Illegible]

FROM: [Illegible]

RE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

- 3 -

PART ONE: LECTURE

First Chapter : General Survey

It is with particular pleasure that I have accepted an invitation to discuss European social policy at such an important time of change and progress in our Communities, and I wish to thank the Dean of the Law School, Professor Van Hee, and the Head of this Labour Seminar, Professor Blanpain, very much for giving me this opportunity to speak to you today.

Your participation in this Seminar reflects your active interest in labour problems, and I therefore assume that many of you have followed the development of Common Market social policy with a fair degree of thoroughness. I believe you have also been given, or will be given, a detailed and critical account by Mr. Brown of University College London, of the development of EEC social policy up to the middle of 1965. Nevertheless, I hope to be able to bring to your attention new developments and some aspects which may not yet have been covered adequately in available literature.

INTRODUCTION

My lecture cannot claim to be complete. I have tried to deal with those points I understood to be your main interest according to the suggestions made by Professor Blanpain.

However, you will find attached to the completed text of this lecture, which will be at your disposal in a few weeks time, some material in which additional information is given. This is designed to cover the topic more fully than I can do at this opening meeting.

I not only intend to give a factual survey : I shall also endeavour to indicate the priorities which should guide our work over the years to come.

The EEC Commission - which has recently been replaced by the unified single Commission the three European Communities - established these priorities, in relation with the overall process of European integration.

./.

They are also based on extensive studies concerning the present and future development of social policy in the six countries. These studies were carried out in collaboration with the Governments and with both sides of industry.

Therefore, we can say that they have resulted from compromises, from "package deals" - an expression often used to describe the way Community decisions or programmes are formulated on all levels. The approach has been pragmatic, and every effort has been made to apply realistic criteria, even if some of the objectives constitute medium-term and long-term projects.

It is natural that some critics should feel that we have not been brave enough, and that for other observers we have been too creative, that for the former we advance too slowly, and for the latter we run too fast, and that there are even some people who wonder whether we are moving at all, as far as European social policy is concerned.

1. The Treaty:
Ambitious
social
objectives
weak legal
provisions

So there is at least one characteristic which is common to the national and the European social policies : despite considerable achievements, they have always had to face various kinds of criticism. This is particularly true of European social policy, where the results are, generally speaking, not as concrete as in national law and, except in a few specific cases provided for in the Treaty, not legally binding. In this context, I should like to mention a very important aspect of our work, i.e. the need to render "transparent" by means of studies, surveys and statistics the basic facts of the social and economic conditions in the Member States. Why is this aspect so important ? Because we must first gain an objective knowledge in order to be able to examine the comparability of these conditions and to establish, where and when harmonisation should eventually be carried through.

So it is understandable that in spite of impressive achievements, European social policy has been and will be exposed to a great deal of criticism. European social policy is, perhaps, still in its infancy and there is danger -to use an appropriate metaphor - that the baby may be thrown out with the bathwater.

I hasten to add that this does not mean that we who are involved in shaping this policy feel like the baby in the bath-tub. We prefer to see ourselves in a more heroic role. Perhaps one could compare our situation with that of soldiers in former times when pressed into too tight a suit of armour : our movements are limited and we cannot run as fast as we should like to. Our armour is the Rome Treaty. On one hand it gives us protection, for one of the Treaty's main objectives is, without any doubt, social progress. On the other hand, due to the absence of precise provisions, the Treaty is not always a comfortable thing to live with.

To show more clearly what I mean, let me trace a broad outline of the legal provisions which form the basis for EEC social policy.

There is first the Preamble of the Rome Treaty, in which the signatories declare that they direct "their efforts to the essential purpose of constantly improving the living and working conditions of their peoples".

According to Article 2 of the Treaty, the Community is to promote "an accelerated raising of the standard of living".

More detailed provisions are contained in the rest of this EEC charter, one chapter of which is devoted to free movement of workers, while two chapters figure under the title "Social policy".

However, if I say "more detailed provisions", I do not mean that these specify in all cases clearly defined objectives. Unfortunately, some of the social articles lack precision and have, therefore, given rise to different interpretations.

./.

This is particularly true of Articles 117 and 118, on harmonization of social systems. Initiatives taken by the Commission in this sphere have been criticized from two opposing points of view : one criticism comes mainly from the trade unionists of the Six who say that the Commission's action has not been dynamic and effective enough. The other comes from certain Governments and representatives of employers' organizations, who accuse the Commission of having, in some of their proposals, gone beyond the legal bounds of Articles 117 and 118.

When dealing with the difficulties encountered in the interpretation of the social articles, I must mention at the same time one other great difficulty, i.e. the limited powers which are at the Commission's disposal for the realisation ~~of~~ some of the Treaty's most important social provisions. Again, I have to mention Article 118, which, ironically enough, has caused controversies not only on its interpretation, but also on the Commission's fundamental right to take initiatives in this field.

Similar difficulties with regard to the recognition of the right of action of the Community's institutions arose when the implementation of Article 128, which deals with the General Principles for a common policy of vocational training, was under discussion. Some Governments held that it was for the Member States alone to translate the General Principles into practice. This attitude partly explains the considerable delay in the adoption of these principles, and it continues to hamper the development of a genuine common training policy.

In its efforts to introduce a progressive social policy, the Commission has tried to get two basic lines of thought which run through the whole of the Rome Treaty acknowledged by the Member States and the two sides of industry.

The first line of thought is so well marked that it becomes apparent immediately to the reader of the Treaty. The wording of the Treaty leaves no doubt that it was designed with not only economic but also social objectives in mind.

I have already mentioned some of the provisions which express this very clearly. However, even if these specific provisions did not exist, the interdependence of economic and social factors in our modern economies would not permit any sound alternative to this approach.

The Commission has put forward this argument on various occasions. When submitting to the Council of Ministers in December 1966 the guidelines for its work in the social sector for the years ahead, it considered it as most important to draw the attention of the Member States once again to the fact that the social aims of the Treaty cannot be fulfilled simply and automatically by the establishment of the Common Market, but that they require special measures.

The second line of thought which can be traced in the Rome Treaty is closely related to the first one : may I use a quotation from the Commission's guidelines for its work in the social sector for the years ahead, since I am unable to find better words to express this idea. The Commission argues in this document that "the Community's social policy is interwoven into the fabric of the Treaty".

What does this mean ? Manifestly, the Commission's statement is not merely an idealistic attempt to conjure up the famous "spirit of the Treaty"; and it is certainly not a cunning device to serve its selfinterest by extending its powers for social intervention to other sectors of its activities. In elaborating the other policies provided for in the Treaty, the Commission was forced to face up to the fact that the establishment of the Common Market was having an enormous impact on human and social conditions.

In the course of its day-to-day work the Commission became increasingly aware of the fundamental importance which social factors play in the framework of most of the other policies. For instance, certain measures taken in order to implement other policies could have thoroughly undesirable repercussions in the social field if the social factor were not taken into account beforehand.

In shaping these other policies, the Commission could not ignore the social implications.

2. Economic
background

Let me mention as examples the common agricultural and transport policies and some problems which may be of particular interest to you in view of your work - competition policy, fiscal harmonisation, foreign investment and the creation of European joint-stock companies. The interplay of economic and social factors - reflected in the Commission's periodical "Notes and Graphs" and "Quarterly Surveys" on the economic situation of the Community - became most obvious when the first medium-term economic programme of the Community was drafted.

This key document, which was adopted by the Council of Ministers last April, sets out the main lines of the economic policies to be pursued by the Member States and the Community's institutions over a period of five years, and is designed to ensure the co-ordination of these policies. The Committee which drew up the programme recognized that close cooperation of the Member States on social questions was indispensable, and stressed the need for specific social measures in the framework of economic policy. For instance, it urged that special efforts should be made to find solutions to problems of employment, working conditions, vocational training, and the financing of social security.

With regard to some of the problems which will affect business in the Common Market, as mentioned before, I think it may be useful to discuss now the relevant Community policies.

Competition policy in the Common Market has two objectives. First of all, it is designed to contribute to the effective establishment of the Market, i.e. to eliminate restrictions on intra-Community trade : abolition of tax frontiers, elimination of distortions and restrictions hampering the free movement of capital, control of restrictive agreements whose object or effect is to share out or wall off domestic markets within the EEC. The second objective of competition policy is to ensure the smooth working of the market through the elimination of measures restricting or distorting competition : aids granted by the governments to certain industries - for example shipbuilding, textiles, paper - have particularly serious effects on the working of the Common Market ; if the Community decides against an aid policy for these industries, national agreements are to be progressively abrogated in coming years, except where regional considerations are paramount. The development of general aid systems is also being closely watched.

The objective of fiscal harmonization is the elimination of "tax frontiers", i.e. the obstacles to free movement of goods resulting from differences in indirect taxation and especially the practice of granting refunds and levying countervailing charges in international trade. Their elimination presupposes not only the harmonization of tax structures but also a good deal of alignment of tax rates. About 52 % of the total tax revenue of the member countries comes from indirect taxes, and rates sometimes differ considerably. The process of harmonization, therefore, will necessarily involve substantial changes in the tax revenues of the member countries. These will only be tolerable if the member countries still have enough room for manoeuvre in tax policy to offset the effects of harmonization on their budgets without producing undesirable economic and social consequences. Of the indirect taxes,

turnover tax occupies a special position in that it is charged on nearly all goods and therefore obstructs the whole range of merchandise trade between the member countries. The elimination of turnover tax frontiers must be considered a priority aim. Other serious obstacles to merchandise trade are the excise duties (tobacco, beer, sugar, spirits, wine, fuel oil and other oil products).

Foreign investment is a widely discussed phenomenon. There is a wave of investment from non-member countries, mainly the United States. The benefit derived by European economies is substantial. It takes the form not so much of contributions in capital as of new industrial techniques and production methods which American investors provide, often in growth industries. The gains to productivity are considerable, not only in factories newly set up, but also in existing European firms, which are obliged to modernize their management methods in order to meet competition from the newcomers. Nevertheless, the extent of such investment is causing some concern in business circles and, in certain countries at least, at official level. It appears that one of the most effective methods of preventing such investment from becoming excessive, without harming the general progress of the economy, would be to develop in Europe firms with sufficient technological and financial resources to compete on equal terms with firms from non-member countries.

During the last few years it has become apparent that harmonization of company law is not sufficient to satisfy the needs of firms extending their activity to other Member States. The Commission has therefore accepted the French Government's suggestion that European industry should be given the opportunity of forming "European joint-stock companies". It has submitted a memorandum on the subject to the Council and, at the beginning of this year, submitted the preliminary draft of a "Statute" for a European-type joint-stock company.

* * * * *

./.

I should like now to tackle the two main themes of my talk, which follow essentially the two main courses of social policy as outlined in the Treaty :

- (i) The first consists in securing a high level of employment, eliminating unemployment by freedom of movement and vocational training, and ensuring equivalent rights for workers taking jobs in other Community countries ;
- (ii) The second is, in the terms of Article 117, to improve the living and working conditions so as to equalize social systems in an upward direction.

I. DEVELOPMENT OF EMPLOYMENT

The development of employment and the implementation of free movement of labour are two inseparable processes, one process conditioning to a high degree the other. Free movement of labour includes social security and social services for migrant workers and their families. Further key components of employment policy are vocational training and the operation of the European Social Fund. My task now is to give you some idea as to how all these questions are being dealt with at European level.

3. Employment Any evaluation of the development of employment must take into account demographic factors.

The growth rate of the Community's population is higher than that of Great Britain but below that of the United States. At present the Europe of the Six has about 184 million inhabitants. In 1965 its working population was nearly 75 million. However, we know that this figure declined during 1966.

Until recently, we could confidently claim that full employment was virtually complete in the Community, except in Southern Italy. The yearly average of unemployed for 1966 was 1.5 million (1.4 %), against 3.0 million (3.9 %) in the United States and

400.000 (1.5 %) in Britain. Certain structural factors, such as difficulties experienced by certain industries and companies or the relatively rapid growth of the working population over the past years or insufficient mobility of labour between trades, areas and industries have this year led to an increase in the number of unemployed in most of the Member States. The latest available figures indicate that, although unemployment in general decreased in the first six months of 1967, structural and cyclical unemployment persisted in some of the member countries, i.e. in Germany and the Netherlands.

The change since 1958 in the pattern of employment in the Community is similar to that in advanced non-EEC countries : numbers of employed in the primary sector - mining and agriculture - have declined, numbers in industry and services have risen, and of this increase more are paid workers and fewer are self-employed.

The medium and long-term outlook indicates that the working population, despite a higher birth-rate in the past and immigration, will increase less than the non-working population, mainly because the school-leaving age will be higher and because people will be living longer. The medium-term economic outlook points to a shortage of manpower.

The degree of strain on the labour market will depend at least as much on trends in the pattern of production as on the other relevant factors : rapid changes of pattern are expected to remain an important feature of the economic growth of the Member States and this will mean redundancy in certain industries or trades and a heavy demand for manpower in others.

It is quite clear that in the years to come one of the major concerns of the Community in the social sphere will be to find solutions to employment problems.

One of the tasks of the Commission is to promote the improvement and coordination of the Member States' national employment services. However, Community intervention, if it is to achieve optimum employment, must not only pursue the objective of overall clearing of job vacancies and applications. It must also work towards a balancing of the labour market and must endeavour to facilitate access for each worker, according to his tastes and aptitudes, to available jobs. These ambitious aims can only be achieved by a co-ordinated deployment of the various Community instruments: free movement of labour, vocational training, the European Social Fund, and regional policy. I will describe these instruments in more detail later on.

The coordination of measures at Community level practically amounts to promoting a common employment policy. Although this term does not appear in the Rome Treaty, the main components of the policy are supplied in a large number of provisions which explicitly or implicitly concern employment.

At the last meeting of the Council of Ministers dealing with social affairs a decision was taken to hold regular exchanges of views on labour market trends in the Community. These are to take place at least once a year; the report on manpower problems which is drafted annually by the Commission's staff with the help of national experts is to serve as a basis for discussion. We can only hope that this decision may be the first step towards a conscious effort of the Member States to tackle employment problems at Community level.

At present the Commission is mainly engaged in studying the difficulties which exist in the various countries and industries and the difficulties experienced by certain groups of workers. It has already completed studies of the situation in farming and building, further studies of the industries which in the next few years will be subject to a large increase or reduction in manpower, such as electrical engineering, shipbuilding and textiles, will follow.

The findings of these studies will allow of the preparation of measures for promoting the occupational and geographical mobility of labour. For, in the medium-term view, the mobility of adult workers is one of the basic remedies to structural distortions on the labour market. At the same time we consider it necessary that the measures encouraging mobility of labour be accompanied by an effective policy for training, retraining and further training in order to help the individual worker to become better qualified for his new job.

In the long-term view, the improvement of vocational guidance and training for young people should be another important means to offset strain on the labour market.

. Free
movement
of labour

The Treaty chapter on free movement of labour within the Community provided the Commission with a task which has yielded tangible results because objectives are clearly defined.

Articles 48 and 49 of the Treaty state that freedom of movement means "the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration or other working conditions". It therefore implies the right to move freely from country to country in the Community and to reside within any given EEC country in order to take any job actually offered, and the right to remain in the country in question after having worked there.

To bring all this about, the Council, on proposals from the Commission, has already abolished for EEC nationals a large number of restrictions. It is, indeed, fair to claim that genuine Community law has been developed in this field. One of the milestones on the road to Community legislation governing free movement of labour and its concomitant problems was the adoption and implementation of Regulation N°. 38, with an accompanying directive, in 1964.

./.

Proposals for a final regulation and directive have been submitted to the Council of Ministers in April this year, as a last step towards the full implementation of free movement of labour.

Complete freedom of movement is to be achieved on the same date as the full establishment of customs union between the Six : on 1 July 1968. Thus the proposals contain provisions for the abolition of all restrictions and discriminatory practices which still exist. They also provide for the rapid and efficient registration and clearance of job vacancies and applications.

To be more precise - the principle of the priority of national labour markets will be discarded, labour permits will no longer be required, and workers from one Member State will be treated on an equal basis in all other Member States. This new principle of equality will ensure to migrant workers the same treatment as to taxation and social benefits as is given to national workers.

Migrant workers will be entitled to vote in the election of workers' representatives and members of works' committees, and stand for election themselves, without any discriminations whatsoever. Regulation No. 38 maintains the clause that the workers may be joined by their families only if they dispose of normal accommodation. This condition has been dropped in the proposed regulation.

The residence permit will be called "Identity card for nationals of an EEC Member State" and will look more or less identical in the six countries. This means a real simplification of formalities which may act as a stimulus for intra-Community migration.

Looking at free movement of workers as an important means for balancing the Community labour market, the Commission could not disregard the other face of the coin. For specific measures may be necessary to avoid an aggravation of disequilibria in certain regions. In other words, it would be irresponsible if the Member States and the Commission just stood aside and watched while the standard of living and the employment situation in such an area deteriorated.

In our opinion, the ideal solution would be if the European Office which was set up to coordinate the clearing of job vacancies and applications not only helped to give effect to the provisions concerning the implementation of free movement as it is doing now, but if it also elaborated, in cooperation with the Member States, forecasts of manpower requirements and resources, and gave guidance to workers, in order to obtain optimum balance.

The Tripartite Consultative Committee on Free Movement - its members are representatives of the Governments, employers and trade unions - and the Technical Committee, manned by experts from national employment departments, cooperate in all activities concerning free movement of labour and could also provide help in elaborating such forecasts.

5. Right of establishment for self-employed persons

For farmers, craftsmen, industrialists or traders, and members of the professions, the right of establishment for the self-employed, as laid down in the Rome Treaty, is the counterpart to freedom of movement for persons in paid employment. It means that at law and in practice they can pursue their occupation or profession in another Community country under the same conditions as those for nationals of that country. For companies, equivalent facilities will be given to set up agencies, subsidiaries or branches. And the right to supply services without restriction will enable them to operate in another Member State without needing to set up there on a permanent basis.

In accordance with the General Programme adopted by the Council on 18 December 1966, these rights are being introduced progressively, according to trade or profession, so as to become fully effective by 1970, when the transitional period ends.

6. Social
security
for
migrant
workers

The abolition of discrimination based on nationality between Member States as regards employment, remuneration or other working conditions also called for the solution of the problem of social security for migrant workers.

In fact, this problem arose in the six Community countries even earlier than the question of true freedom of movement. Thus between 1946 and 1958 they concluded between them 80 bilateral and a few multilateral agreements ; but the scope of these agreements was limited, being based on differing national legislation, and the provision they made for the workers concerned was inadequate.

The European Coal and Steel Community did the preparatory work for the coordination of the various national laws. There are not six of these, but nearly fifty, since miners, farmers, railway workers, etc. have special systems.

Article 51 of the Rome Treaty provided the legal basis for EEC Regulations N°s. 3 and 4, which were adopted unanimously by the Council of Ministers and entered into force on 1 January 1959.

In general, these regulations are more favourable than the bilateral or multilateral conventions.

Three basic principles lie behind Regulations 3 and 4.

Firstly, equality of rights as between nationals of the country concerned and nationals of other Community countries.

Next, the adding together, for the right to benefits and their calculation, of all periods of employment and of insurance : for example, for purposes of retirement, account will be taken of years of work in more than one country.

Lastly, this same Article 51 of the Treaty allows the "export of benefits" to any other Member State.

Accordingly, family allowances will be paid in Italy to the wife of a worker employed - say - in Germany, if she has not been able to join him with her children. In this case, the rate of benefit does not exceed that of the country of residence of the worker's family. Otherwise, the principle is that the legislation of the country in which the worker is employed governs the benefits.

Of course, the basic regulations had to provide for health care for workers and their families who fall sick during residence in a Community country other than their own. Later this advantage was extended to non-migrant workers and their families on holiday in the other Community countries. Considerable improvements have been made since the implementation of the basic regulations by means of amendments.

The regulations have also been supplemented in the case of certain categories of wage-earners for whom special rules seem desirable. Special regulations for seasonal workers and frontier commuters were adopted in 1963. A regulation extending the basic provisions of Regulations 3 and 4 to seafarers was adopted this year. Similar solutions are being sought for self-employed persons in order to promote the realization of two other important principles of the Treaty : the right of establishment and freedom to supply services. Because of the great number of amendments, legislation on social security for migrant workers has become rather unwieldy. In order to facilitate its application, a revision of the texts of Regulations 3 and 4 incorporating all changes incurred is certainly desirable. A proposal for a new regulation superseding Regulation N° 3 has already been submitted to the Council.

./.

The interpretation and practical application of the regulations are in the hands of an Administrative Committee, which has certain powers of decision. Its members are the heads of social security departments in the six countries and representatives of the European Communities ; meetings are also held periodically with workers', employers' and farmers' representatives.

It is estimated that there are about 2 million beneficiaries of these social security provisions, if we add to approximately 900 000 insured migrant workers their families, incapacitated persons, old-age pensioners and, for sickness insurance, people on holiday abroad.

Under the regulations a sum equivalent to nearly US \$ 100 million is being transferred each year between the Member States.

As I have tried to illustrate, EEC workers are gradually being placed on an equal footing with nationals of the country to which they move. Nevertheless, the fact remains that they encounter greater practical difficulties than those who stay at home. Differences of language, climate, religion, customs and occupational or administrative practices are the main causes. The Commission has tried to encourage the efforts already being made to combat the isolation of the migrant worker and to facilitate his adaptation, and even his assimilation, if he wishes to remain in his new country of employment. A recommendation of July 1962 to the Member States concerns the work of public or voluntary social services on behalf of Community nationals working abroad in the Community. It urges that the expansion or establishment of such services should be promoted, and that they should have the necessary trained staff to assist workers before they leave and on their arrival. It calls for cooperation between the various departments concerned, and between the authorities in the country of origin and the host country.

7. Social Services and housing for migrant workers

Another problem, which is fundamental for the life of the migrant worker and on the solution of which depends the unity of his family, is obviously that of finding a suitable home. Accordingly, in July 1965, the Commission sent a recommendation to the Member States proposing various measures to improve the housing situation of this group of workers.

In contrast to regulations, directives and decisions approved by the Council of Ministers, a recommendation issued by the Commission is not legally binding for the Member States. It is, therefore, a device at the disposal of the Commission for stimulating action at national level.

8. Vocational training Vocational training and guidance for young people and for adults are not only of value from the human point of view, but constitute also, as I have maintained earlier, important instruments to ensure the balance of the labour market. It goes without saying that such training and guidance must be constantly adapted to technical advances and the changing needs of the economy.

It has been found that similar needs are felt in all six countries, despite the diversity of structures and of methods - in some areas the schools may play a more important role, in others the firms may predominate. When speaking of a common training policy, we do not have the intention of creating a uniform system of training in the member countries. We aim at making vocational training wide enough to encourage a harmonious development of the individual and to meet the requirements of rapid progress and of innovations in the organization of production.

In future only relatively few workers and employees will be able to pursue their initial trade or profession throughout their whole working life. All the others will have to change at least once or twice, and thus multi-craft training has become a necessity. The versatility acquired by the workers through multi-craft training will be bound to increase occupational mobility.

Taking the "General Principles" of a common training policy adopted by the Council in 1963 as a basis, the Commission has worked out a general action programme, and also a special programme for agriculture. We are at present preparing implementing measures.

In cooperation with the Member States we are establishing an inventory of training facilities. We are trying to find ways and means of improving the training of teachers and instructors, and are examining the scope for multi-craft training.

Closer alignment of levels of training, which requires the definition of necessary qualifications, is another field in which work is under way.

As a first result, the Consultative Committee for Vocational Training, which is, like the Consultative Committee on Free Movement of Workers, a tripartite committee, approved last February a first common list of minimum qualifications and skills required for turners in the metal-working trade.

A Commission recommendation urging the Member States to take this list of minimum qualifications and skills as a basis for training levels is in preparation. Lists for other trades, such as milling-machine operators, toolmakers, electrical fitters, draughtsmen, crane operators, operators of construction machinery, bricklayers, tilesetters, and lorry drivers, are being established.

The Commission is also endeavouring to promote cooperation between the appropriate government departments. In July 1966 it sent to the Member States a recommendation concerning the improvement of vocational guidance, urging cooperation between national services.

Another aspect of training policy at Community level is the exchange of young workers provided for in Article 50 of the Treaty. A first programme was adopted in 1964 by the representatives of the Member States to increase the number of exchanges already organized under bilateral and multilateral agreements. Information services, scholarships, and other facilities are being placed at the disposal of young workers, with the help of youth movements and employers' and workers' organizations, to enable them to reach a higher standard of skill, to improve their knowledge of languages and to broaden their outlook.

9. European
Social
Fund

The only financial instrument at present available to the EEC in the social field is the European Social Fund ; it constitutes an adjunct to the free movement and vocational training policies, since under the terms of the Treaty it has the task of promoting within the Community employment facilities and the geographical and occupational mobility of workers. The primary object here was to deal with any detrimental effects on firms and their workers which might arise from the functioning of a wider and more competitive market.

At present there are three cases in respect of which the Fund may make grants: (i) in the retraining of unemployed workers or workers in a situation of prolonged under-employment ; (ii) in resettling workers who must move to find new jobs ; (iii) where a firm undergoing fundamental structural changes must retrain or suspend its workers, to ensure that workers receive 90 % of their previous wage during the period of conversion.

After the expenditure has been incurred, the Fund repays half of the sums applied for these purposes by a Member State or a public body, provided that the workers have since been employed or re-employed for at least six months. In the

third case, the conversion scheme must have been approved in advance by the Commission. In its examination of refund applications, the Commission is again assisted by a tripartite committee.

The Fund is maintained by annual contributions from the Member States, though the apportionment is not the same as that for the Community's general budget.

By the end of 1966 the Fund had contributed a sum equivalent to nearly US \$ 43 million to the retraining of more than 200 000 workers and the resettlement of nearly 300 000 workers, this means that about 500 000 wage-earners have benefited from it.

No payment has so far been made for structural changes in industry. We have received only one application soliciting the Fund's participation in the financing of a conversion scheme, and this had to be turned down. We have had to conclude that structural changes in industry are made under circumstances different from those provided for in the Treaty, and that the very strict conditions imposed by the Treaty and the Fund regulation have in many cases prevented firms from applying for aid from the European Social Fund.

For example, the stipulation imposed by present regulations that funds must go to the conversion of old firms, not to the establishment of new ones, is not realistic, and excludes most of the operations which are of such value to the Community as to justify an intervention of the European Social Fund. These operations most often take place in single-industry regions, or regions with an obsolete industrial structure, or in economic sectors which have run into serious difficulties. In all these cases the public authorities endeavour to forestall social repercussions due to closures by encouraging new firms to set up and provide jobs for the workers threatened by redundancy.

./.

Therefore, it seems to be advisable to abandon the notion of structural change of a industrial firm introduced by the Treaty and to authorize the Fund instead to intervene in cases where new firms are being set up with the encouragement of public authorities.

We have seen that the results of the Social Fund's operations have in general been satisfactory as far as its interventions in favour of measures of readaptation and resettlement of workers are concerned, but have been less favourable with regard to promoting structural changes in industry. Considering all aspects of the operation of the Fund, it has been increasingly evident for some time that changes are necessary.

As I have said before, the Fund was founded at a time when many Europeans feared that the gradual establishment of the Common Market would have a marked effect on the level of employment by eliminating less-competitive undertakings, and so it was given the primary aim of tackling unemployment, mainly by means of retraining and the placing of workers in new jobs.

It is true, there are several hard-core areas of unemployment, but on the other hand we have the problem of a shortage of skilled manpower in the European Community. The growth of the economy and technological developments have meant that the main problem in the employment field has switched from the elimination of unemployment to the maintenance of a high level of employment. The main concern now is, therefore, to meet skilled manpower requirements and to provide retraining for special groups within the labour force - for instance, farm workers faced with structural changes - so that these workers will be in a position to take up new jobs in industry and services.

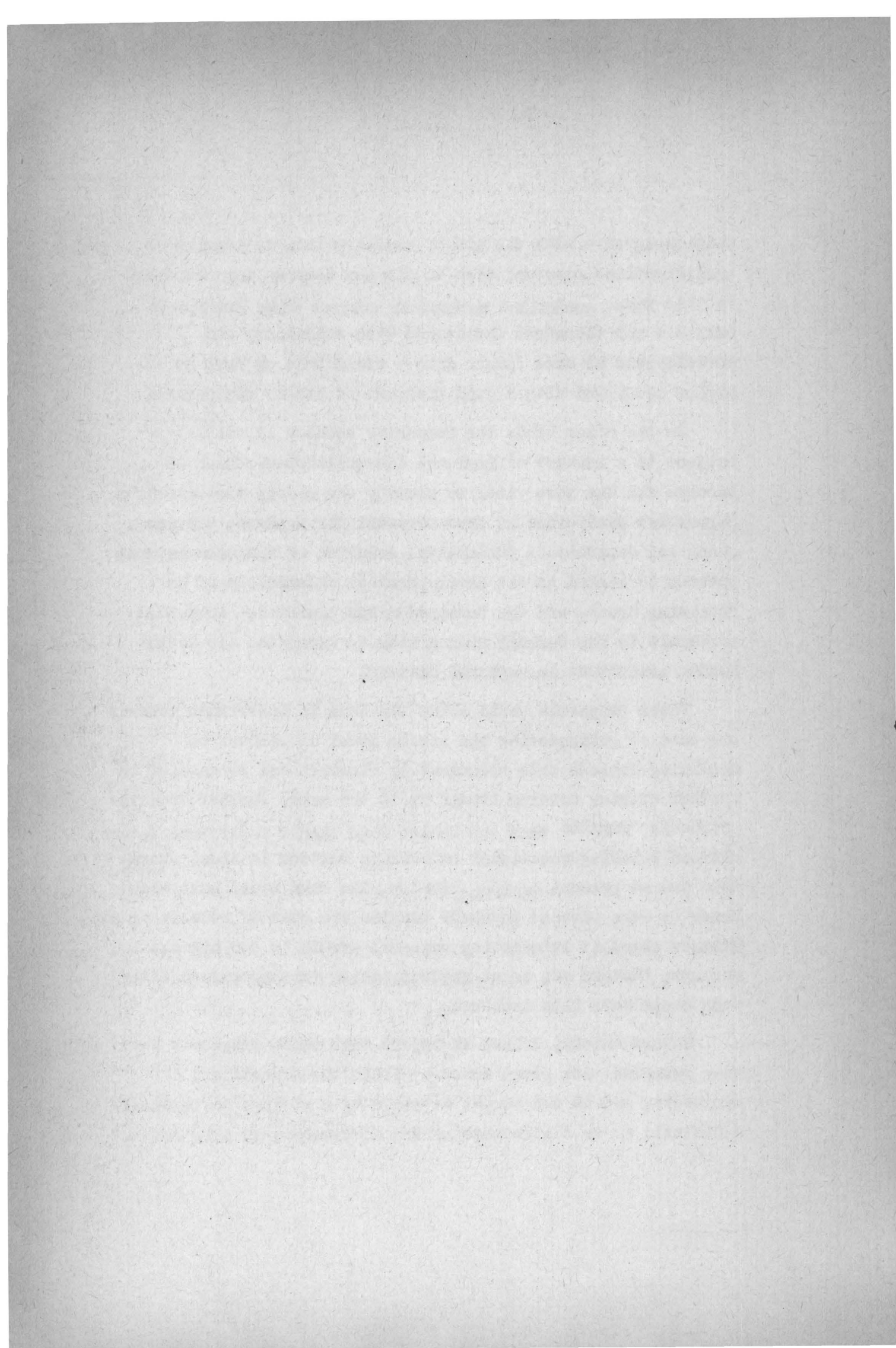
The Commission has therefore proposed that the Social Fund should in future take part in the retraining of workers actually at work - and not just of the workless and the

underemployed - with the aim of enabling them to acquire qualifications corresponding to the new demands for manpower. In this way, unskilled workers or workers with inadequate skills - and therefore threatened with redundancy and unemployment at some future date - could take up work at a higher level and with a good prospect of stable employment.

On the other hand, the Community economy is still subject to a measure of regional disequilibrium, which it becomes all the more vital to rectify the closer the Community approaches conditions of free movement for workers, services, goods and capitals. A fundamental solution of the unemployment problem is linked to the development of underdeveloped or declining areas, and the Commission has, therefore, submitted proposals to the Council with a view to extending the Social Fund's activities in regional matters.

These proposals would allow the Fund to contribute towards the cost of guaranteeing the income level of workers in declining regions made redundant by closures and re-engaged by another company setting itself up in the area. Furthermore, the proposals provide that the Social Fund should contribute towards the cost of building vocational retraining centres in areas where they are at present lacking. Finally, the Fund would have the power to make advance payments towards the cost of retraining programmes aimed at stimulating regional growth or for migrant workers, instead of, as at present making reimbursements after such costs have been incurred.

Unfortunately, I have to report that these proposals have been received with great reserve within the Council of Ministers, and at the moment it would be a mistake to be unduly optimistic as to the outcome of the discussions on this subject.



II. IMPROVEMENT OF LIVING AND WORKING CONDITIONS

My second main theme is the improvement of living and working conditions - alongside the maintenance of a high level of employment the other great social objective of the Rome Treaty.

I shall first deal with the small number of specific provisions which are laid down in the Treaty with regard to working conditions. In fact, there are three rules which reflect a desire to prevent social legislation from affecting production costs in such a way as to bring about unequal terms of competition.

10. Equal pay

The first rule is the principle of equal pay for men and women. Recommended by ILO Convention No. 100, equal pay was already a principle enshrined in the laws or even the constitutions of the EEC countries, particularly in Italy, the Federal Republic of Germany, and France. However, in practice there were still great disparities; in the Benelux countries the gap has in some industries been as wide as 30 %. On the basis of Article 119 of the Treaty, the Commission addressed a recommendation to the Member States in July 1960, calling on them to eliminate all discrimination in pay between men and women workers by June 1961. At the end of that year, the Member States found that it had been impossible to comply with the time-limit and they agreed on progressive equalization measures in three stages.

Just a few weeks ago the Commission has submitted to the Council its latest report on the state of application of Article 119 in the six member countries. In essence, its findings are that progress has been made, but that disparities have not yet been completely eliminated. The disparities are less pronounced in jobs done by both sexes than in industries where more women than men are employed, for example, textiles. Even if the principle of equal pay is being followed theoretically, discrimination still exists in practice, mainly due to inadequate job descriptions which are taken as criteria for collective bargaining agreements.

11. Paid
holidays

The second rule laid down in the Treaty concerns holiday with pay. Article 120 says with forceful brevity: "Member States shall endeavour to maintain the existing equivalence of paid holiday schemes". A Commission survey confirmed in 1960 that, while annual holidays were longer in some countries, the total of national holidays spread out through the year was greater in other countries, and together they came to about 20 to 30 working days a year. Since 1958, the law, or collective agreements, have generally made progress: the number of annual holidays - including the national holidays - has now reached or is very close to the average of 30 days in all Community countries.

12. Overtime

With regard to overtime, the authors of the Treaty had provided for some degree of alignment during the first stage, which ended in 1961. There has been no real difficulty on this point.

13. A major
task: collec-
ting data

All the other subjects which I am going to cover now are part of what we call "general social policy", which is governed by Articles 117 und 118. These articles lay down broad guidelines on the social progress to be achieved both through the working of the Common Market and the alignment of legislation, and entrust to the Commission the task of promoting "close collaboration between Member States". They comprise such important questions as working conditions, social security, and industrial health and safety.

Having mentioned in the introduction to my lecture the legal and political disputes over the interpretation of these articles, I should like to add that there is no question of standardizing arbitrarily social regulations. The aim is to bring them closer together progressively so as to achieve situations at the point of feasibility between the ideal and the present conditions.

In practice, the Commission has considered it as one of its main tasks to collect detailed information on wages and the cost of social security services in order to establish the relative levels of labour costs and the trends of living standards and purchasing power. When this job was tackled, one problem cropped up immediately : the question of the comparability of statistics. In cooperation with experts from the six countries extensive research has been carried out.

This work has been invaluable for an assessment of the situation in the individual countries, and - going one step further - for the establishment of an overall picture of the situation at Community level. All the information obtained is constantly being brought up to date, and much of the data obtained is regularly made available in Community publications.

However, if a lot has been achieved as far as the compilation of data is concerned, more effort is still required to analyse the trends as thoroughly as possible. In addition, we consider it necessary to study questions, such as the wage drift, and sliding wage scales.

Persisting inflation constitutes a great threat to the economies of the Community countries. As stated in the first medium-term economic programme, an adequate incomes policy could help to curb the expansion of incomes as a whole and to ensure that the pattern of incomes develops along lines that will allow of sufficient investment. In pursuing these economic objectives, social considerations, such as the general improvement of lower income groups, must not be left aside. It is obvious that incomes policy must not only deal with wages, but with all incomes whatever their nature may be.

Other factors to be examined with a view to an incomes policy are capital formation and property ownership for workers. All these problems are not only important but also very delicate, because Governments, employers' and workers' organizations are concerned with them in

varying degrees, and there is no general consensus of opinion. It is, therefore, understandable that the Commission considers it most important to have at its disposal an objective overall picture of the situation in view of eventual measures.

Again, in the realm of labour relations, the Commission sees its role as that of a stimulating force in that it acts as a coordinator for the collection of information. It has commissioned studies from experts to obtain comparisons of labour law and collective bargaining agreements.

Certain aspects of labour relations have already been or will be dealt with in separate studies, such as the rules of procedure for the settlement of industrial disputes, the participation of workers in management decisions, legal and practical arrangements for collective bargaining in the Member States, legal problems posed by the territorial scope of collective agreements, exercise of the right to strike and the various measures taken in the case of men being laid off. The Commission has also proposed the establishment of a kind of central archives, where the key clauses in collective agreements would be registered.

In order to see the Commission's work in proper perspective, it must be viewed against the historical background of the development of collective bargaining. In all Community countries collective bargaining has developed spontaneously as a consequence of the gradual recognition of workers' organizations, though the adoption of such a negotiating system had not been welcomed wholeheartedly by either side of industry. The legislation governing collective bargaining was drawn up after collective bargaining itself had become a common practice. In three Community countries the Parliaments intervened very early (in the Netherlands in 1907, in Germany in 1918, in France in 1919), while in the other countries comprehensive legal provisions are of a more recent date.

The legal provisions and the practices of collective bargaining in the different countries are by no means identical in definitions and degrees of precision, but they have important elements in common so that the search for solutions at Community level is not a hopeless undertaking.

It is quite clear that the initiatives for this search have to be taken by the employers' and workers' organizations themselves, their autonomy has also to be strictly respected at Community level. All important employers' and workers' organisations of the six countries have set up "European offices" in Brussels, hold regular meetings and general assemblies. However, if there is a certain degree of coordination of policy at Community level, their action and strategies still appear to be designed within a rather narrow national framework. The more progressive representatives of both sides of industry are, of course, aware of the fact that growing economic and political integration in Europe calls for an adaptation of their structures. The Commission hopes that by providing the necessary technical information it may promote a development which ultimately may lead to some form of collective bargaining at the European level.

14. Social
security

In order to give a balanced view of the Community's social objectives, I should like to add a few words about the work done in the field of social security. I have already mentioned the progress made in social security for migrant workers. At the same time, however, the Commission has encouraged the harmonization of social security systems in the Community, thereby insisting on the fulfilment of the provisions of the Treaty which call for harmonization "in an upward direction".

In every member country they are being extended to cover additional groups of the population, the trend being towards gradual harmonization of the scope of social security schemes.

./.

In general it may be said that because of a wide variety of insurance schemes in the Six, there is a wide range of organizational structures. Social security institutions may be public or semi-public, and may concern themselves only with particular occupational groups or with particular classes of benefit, for instance, pensions, or family allowances.

There can be no question of completely unifying social security schemes. For the moment, complete uniformity does not seem necessary or fundamental to European unity. What is required is that countries which have set out together on the road to integration should reduce their differences as much as possible.

In pursuit of the objective of long-term harmonization of the Member States' social security provisions, the Commission drew up comparative studies of the schemes in the six countries and specific studies of problems, such as the financial and economic impact of social security.

Increasingly, the six Governments inform each other in advance of proposed changes in their legislation. A start has also been made on harmonization in the methods used for solving financing problems, and a number of reforms or innovations introduced into certain national legal systems reflect experiments in other Community countries.

Notwithstanding the variety of schemes and the differences in the relative value of benefits, there is already one common element in the financing structures of the Common Market countries: social security in the Six has always been tied closely to the insurance principle, its financing depending more on specific social security contributions than on appropriations from general taxation.

In the field of social security, too, the Commission has adopted a pragmatic approach, as I have tried to illustrate. Only in cases where we can see no justification for differences in national legislation has a Community solution been proposed. Thus a list was compiled of occupational diseases in respect of which workers may file claims; in 1962 a recommendation on this subject was sent to the Member States. For it is wrong that a worker who contracts an occupational disease should receive compensation in some Community countries and not in others.

15. Industrial health and safety

Industrial health and safety is another field in which the Commission encourages harmonization of legislation.

However, here harmonization is to go farther, the ultimate aim being the establishment of a European system of industrial health and safety.

To give you an idea of the range of aspects of industrial safety which is to be covered by Community regulations, may I just report that a regulation on the handling of dangerous substances has this year been approved by the Council and that work is under way or planned in connection with a whole range of aspects of industrial safety - cartridge-operated stud drivers, steel scaffolding, conveyor belts, cranes, hoists, dangerous agricultural machinery, and a range of equipment and tools. With increasing automation and the introduction of new techniques accident prevention is becoming more and more important.

More than a hundred experts delegated by the Governments, employers' and workers' organizations and other interested bodies participated in a seminar on the educational and psychological aspects of accident prevention which was organized by the Commission in June 1966.

We agree with the leading experts in accident prevention who pointed out at the seminar that the standardization, inspection and testing of personal protective devices as well

as the standardization of danger notices should receive special attention.

In addition, our technical age calls for adequate medical care in cases of emergency and for a systematic application of preventive medicine in industry. The Commission has issued two recommendations concerning industrial medical services and medical supervision of workers exposed to special hazards.

Our work in this field has been greatly facilitated by the ILO's, pioneering Recommendation No. 112 (1959).

Another problem which we are trying to solve is that of organizing cooperation between Member States in the event of industrial disasters.

We also attach importance to better protection of young people and working women. A recommendation aiming at better protection of young workers was issued at the beginning of this year, and the protection of working mothers must also be improved in certain cases. In a wider sense, we plan to examine the problem faced by the growing number of women in reconciling their work with family responsibilities.

16. Other
social
problems

Of course, the last problem mentioned is one of family policy. Although the term "family policy", a rather vague one, does not appear in the Rome Treaty, the Commission has taken the view that such a policy is essential to the improvement of living conditions. It believes that by collecting information on the Member States' policies and by promoting exchanges of opinion, it will be able to give constructive advice on these matters.

In addition to family allowances within the framework of social security arrangements, measures of family policy include tax reliefs and education grants. In order to facilitate the assessment of family allowances, a survey of family budgets, covering 40000 households, has been carried out.

Housing policy is another field for which the Commission has not been given a mandate by the Treaty. However, it is undeniable that a housing shortage still exists in the Community. This is particularly true of publicly-assisted housing, and as a result we are faced with social problems. The general standard of housing is to be improved, and specific measures are to be adopted to create better conditions in rural areas. Let me recall that the Commission has also submitted a recommendation to the Member States in which it has proposed certain measures to alleviate the difficulties experienced by migrant workers in finding suitable accommodation.

Another aspect of the improvement of living conditions is the need for better social services. We all know that groups of our population, such as old and handicapped people, often face material hardship, lack care, or just feel isolated in our modern society. With increasing life expectancy the problems of the aged are likely to become even more acute in the future, and practical solutions must be sought.

Serious attention should also be given to public health problems common to all Community countries, especially those of hospital services and air and water pollution.

Family policy, housing, social services, public health - in these fields we consider it as our duty to find out the facts and to draw the Member States' attention to existing problems.

17. Some figures I have been talking a lot about how we see future developments and how we think we can contribute in a constructive and positive way. This does not mean that I am attempting to shirk two questions : what has been achieved in the past ? Has the Community worker benefited from the establishment of the Common Market ? Detailed answers to these vital questions were given in the Introduction to the Ninth Report on the Social Situation in the Community, published in 1966. You will find this Introduction attached to the text of my lecture.

Since we have celebrated the tenth anniversary of EEC this year, we have another good reason to take stock. From the wealth of available figures, I will just give you a few which may serve as examples. In terms of real income the position of workers has improved sharply, despite increases in consumer prices, which in some countries have been considerable. Since 1957 the real income has risen on average by nearly 50 %. At the same time disparities between the different categories of workers and between the different economic sectors have become smaller. This increase in real incomes was accompanied by a reduction in the number of hours worked per week, longer holidays and other improved working conditions. A normal working week of 45 hours and sometimes less has been established, for the most part spread over five or five-and-a-half days. I view of the unions' claim to a 40-hour, five-days week, the trend towards shorter working hours is likely to persist in the next few years.

18. A comparison Even considering the tremendous progress made, there are no grounds, however complacency. We know that in some respects we can do better, as the performance of the United States shows.

The "technological gap" has become familiar to everyone, and comparisons are not only drawn up by us Europeans, but also by Americans themselves - very often in relation to their own efforts to expand their business overseas.

It is most difficult to compare unit labour costs between the different countries, and there are no statistical data available. However, a recent survey on European labour costs conducted by the American company Birn Management Consultants has received fairly wide publicity, and its results may perhaps offer some food for thought to Europeans.

It reveals that the generally accepted view that labour costs are higher in the States than in Europe is a myth. According to the company's findings, the hourly wage costs per worker-fringe benefits included - for the same industrial output, i.e. unit costs, amount to an average US \$ 3.24 in the States, \$ 3.15 in Germany, \$ 3.20 in Britain, and \$ 3.33 in France. This would mean there is no question of "cheap European labour".

On the other hand, the European worker earns only between one third and one fourth of the wages received by his American counterpart. An example given by Birn is that the average worker in Germany earned 45.25 dollars per 44.5-hour week in September 1965, whereas the average US wage earner made 108.09 dollars for a 41-hour week. Birn describes what they call the "well-known" American "secret" of higher wages and lower prices: the fact that wage increases in the States are largely paid out of inexorably rising productivity. Without bearing judgment on the findings of this study, which I mentioned because it happens to be a rather recent and widely publicized comparison, it is a fact that Europeans as well as Americans have tried to explain the causes for the relatively slow rise of productivity in European firms. Let me just recall the most cited causes: the lack of natural incentives offered by European markets due to their small scale and the relative weakness of "guaranteed markets", the relatively small size of enterprises, capital and distribution problems, insufficient scientific research in industry and at other levels, and inadequate training of management and technical staff.

I have broached this vital problem of productivity to underline once again the interdependence of economic and social factors; we realize that social progress is to a large extent determined by economic expansion.

./.

19. Social aspects of common agricultural and transport policies

In order to complete my survey of the Community's social policy, I have to add a few words on social policy in the framework of the common agricultural and transport policies. In these two sectors a conscious effort has been made to solve social problems.

As early as in July 1958, when a conference on the basic guidelines of the common agricultural policy was held in Stresa, the Member States paid special attention to social problems and laid down the fundamental objectives for social policy in agriculture. In particular, they called for measures with a view to achieving social parity of farmers and farm workers with persons employed in other industries, and to bringing about social integration of the rural population. The final resolution urged that agriculture be considered an important part of the economy and an essential factor in social life, and that social legislation be aligned.

It is clear that these objectives are, by their complex nature, long-term ones, and that they can only be achieved by well-defined measures. Whenever it has been able to, the Commission has endeavoured to stimulate and coordinate action for social policy in agriculture. When in 1960 and 1962 the Commission framed its proposals for measures implementing the common agricultural policy, it explicitly included social considerations. The Commission has also remained constantly aware of the need to collect basic information on the social situation in agriculture and, therefore, studies concerning questions such as employment, vocational training and guidance, working hours, wages, health and safety, social security have been carried out. Most of the questions which are part of European social policy in general are of particular relevance to agriculture. In order to obtain additional information and to provide a platform for the organizations concerned, the Commission convened in Rome in September 1961 a conference on social aspects of agriculture, at which it consulted the farmers' and farm workers' organizations.

Thus, when the Commission drew up in 1963 its action programme for social policy in agriculture, it had detailed information at its disposal. This is not the place to discuss these questions at length, but I would like simply to add that one of the primary aims of the programme is to bring about social parity of agriculture with other economic sectors.

In transport the social problem to be solved are mainly in connection with the harmonization of certain provisions affecting competition in rail, road and inland water transport. If the point of departure for work in this field is essentially an economic one, this does not mean that the social problems involved are not important in themselves. In many cases positive solutions will not only be of benefit to transport workers, but will also contribute to transport safety.

As far as the practical approach is concerned, a proposal for a regulation harmonizing certain social provisions in road transport was submitted to the Council in July 1966. In accordance with a Council decision of May 1965 which provides for harmonization and upward alignment of working conditions, it contains provisions concerning the minimum age of drivers, the composition of crews, time at the wheel and daily rest periods, personal log-books, and the question of verification of compliance with the regulations. We are at present involved in work on the establishment of lists of minimum qualifications for drivers, physical aptitude tests, conditions for the issue of driving licences, technical specifications for recording tachometers which are to replace the log-books, and official inspections of these monitoring devices.

Comprehensive studies are also being carried out of working conditions in inland water transport and rail transport in the Member States, with a view to drafting proposals for Council regulations harmonizing social provisions in these transport sectors.

In the agricultural and transport sectors, the employers' and workers' organizations are closely associated with the Commission's work. They are represented in several joint advisory boards, where they are consulted by the Commission on all major issues.

O. Cooperation
with employers'
and workers'
organizations

These are standing committees. The other standing advisory committees in which the employers' and workers' organizations are represented have been mentioned when I described our work with regard to free movement of labour, vocational training and the European Social Fund. The latter committees work on a tripartite basis, i.e. employers, trade unions, and Governments.

However, our contacts with employers' and workers' representatives are not limited to cooperation in this institutional framework. Many are made in ad hoc meetings, unofficial working groups and personal talks. I am happy to tell you that our cooperation with both sides of industry has definitely been constructive and fruitful.

BY WAY OF APPRAISAL

21. The
Commission's
work

If one compares the Commission's social measures to those of the national governments, the Commission, undoubtedly, is the loser: there are fields, in which its action is weak or even inexistent. However, in a just appraisal it must be borne in mind that, although the Commission for many people presents the image of supra-nationality, it has by no means the powers of a national government. A distinction has to be made between the fields in which the Commission has a defined mission by virtue of the Treaty - for instance, with regard to free movement of labour, social security for migrant workers and the European Social Fund - and those fields covered by Article 118, where its task is restricted to promoting collaboration between Member States.

Trade unions representatives and (though by the nature of things, to lesser degree) employers' representatives have sometimes come round to conceding that they are aware of the Commission's basic predicament in certain fields of social policy, and we have even of late received most gratifying compliments acknowledging the Commission's goodwill and readiness to cooperate with both sides of industry with regard to social questions.

Thus the European Organization of the International Federation of Christian Trade Unions recognized in the last General Report on its activities the good cooperation established between them and the Commission in the social sphere, but complained, at the same time that they had not been associated to the same extent to the Commission's work in other important fields. Similar observations were made in the last report of the European Secretariat of the Agricultural Workers of ICFTU (International Confederation of Free Trade Unions).

While striving to extend its own powers for social intervention to other fields of Community policy, the Commission is well aware of the need to associate employers' and workers' organizations even more closely in those fields in which their interests are involved.

We agree that there is still room for improving our relations with both sides of industry, but we have nevertheless developed some thoughts about the approach of employers' and workers' organizations to European integration.

22. Environmental forces

Thus Vice-President Levi Sandri, the Commission member responsible for social affairs, addressing a European trade union congress, once diagnosed the ailment of the European organizations of trade unions and employers. He said that the machinery of the Rome Treaty took account exclusively of the powers of the States and did not lay any obligations on the unions and employers' federations. In his view, the autonomy of the workers' and employers' organizations would not even allow of any other solution. He felt, however, that this disequilibrium in the text of the Treaty should not be accompanied by a factual distortion, and that European integration would be jeopardized if the concerted action of the States was not accompanied or even preceded by a concerted action of the workers' organizations in their fields of responsibility. In social policy, he said, this field was vast.

As is their due role, the members of the European Parliament have followed the work of the Commission very closely - and critically. The Commission values the advice of the Parliament and takes it into account as much as possible. Our experience of parliamentary criticism illustrates, I think, the complex relationship between European social policy-making and national labour legislation. The recommendations issued by the Commission on social questions are a good example of this.

./.

The Commission is sometimes criticized for failing to issue recommendations on certain questions. On the other hand, however, it sometimes seems to be forgotten that if certain points of Commission recommendations have been followed at all in some countries, this has been due to governmental initiative - for recommendations are not legally binding for the Member States. The introduction of draft laws incorporating the contents of Commission recommendations has not yet become a common occurrence.

The difficult task of European social policy is to achieve progress according to needs - gradually and simultaneously throughout the Community. The present difficulties are reflected in the differing attitudes of the Communities' institutions. To give you an idea of the general atmosphere in which social policy has to be shaped, I must resort once again to examples.

I have already mentioned the Council's constructive decision to hold regular exchanges of views on labour market trends, which was taken at its last meeting on social affairs in June 1967. One of the other points on the agenda was the work undertaken in the framework of Article 118, and the official press release issued after the meeting stated that "an important working programme" had been established. The press, on the contrary, in assessing the results of the Council meeting, drew up a balance-sheet which looked - without exception worth speaking of - rather poor for the Council in general, and for certain Member States in particular.

During the last plenary session of the European Parliament, two reports on social matters submitted by its Social Committee were discussed. The first report, by Mr. Bergmann, dealt with the Commission's report on the development of the social situation in the Community in 1966. The resolution which was adopted by the Parliament at the end of the debate criticized the insufficient action of the Council and invited all the European institutions to avail themselves more of the opportunities offered by the European treaties. The second report, by Mr. Gerlach, examined the Commission's social guidelines. The resolution on this subject invited the Commission to undertake a series of measures in addition to those provided for in its working programme.

In his reply on behalf of the Commission, Vice-President Levi-Sandri pointed out that certain delays in the implementation of European social policy were not due to a lack of initiative of the Commission, but were to be attributed to the treaties' vague provisions and also to the reserved attitude of the Council. Moreover, in spite of this situation, there had been considerable social progress, especially with regard to wages, employment and social security, over the past ten years. He assured the House that the unified Commission, which bore the responsibility for the application of the social provisions of the three treaties, would make use of all the instruments which these treaties put at its disposal. Finally, he announced that in view of the merger the new Commission would be adopting a single comprehensive approach to the social policy of the three Communities.

23. The way
ahead

My outlook on the future of European social policy at this moment, with the Communities undergoing radical re-organization under the merger and facing the historic issue of extension to include new countries, is, in spite of some reservations, one of confidence in its potential.

As far as the development of European social policy depends on the Commission, there is room for optimism. The Commission's energy and vision are a permanent and firm asset. However, European social policy is the responsibility not only of the Commission: there are also the Council of Ministers, the Member States, the European Parliament, and the two sides of industry.

Cooperation with and between these forces has now and then raised problems - some legal, some political, some emerging from the labyrinth of a certain institutional psychology - these have usually been solved, or at least a workable understanding has been reached. The Commission has expressed repeatedly its gratitude for the constructive cooperation it has received, although its relations with the Council regarding social policy have been of a special nature. This problem is of an institutional kind and has to be seen in the whole context of

Community procedures. You will therefore readily understand that it is not for me to deal with it here. Let me merely add that cooperation hampered by difficulties is cooperation nevertheless, which is a constructive conclusion - and I say this without irony.

European social policy reflects the positive approach and the sense of timing which are to be found in the Rome Treaty. Quotation and interpretation of the Treaty alone are not enough, analysis and implementation count more. Things taken as they are, what are the good omens warranting an optimistic view of the future ?

Firstly, there has been renewed activity in the Council of Ministers with regard to social problems. We have had a Council session in December 1966, a second one in June 1967, and can expect a third meeting for December this year. Considering that the Council had not discussed social affairs between October 1964 and December 1966, i.e. for more than two years, this is a very hopeful sign indeed.

Secondly, there are also signs that the "awareness of Europe" which has been strong among trade unionists and also among employers' representatives since 1958, is taking on more concrete forms, that it no longer remains restricted to their European Secretariats, but is spreading more than before to their national federations. ~~Contacts~~ between the Secretariats of the two sides of industry have become more regular, and national officials of employers' and workers' organizations are taking an increased interest in European cooperation. I have just learnt that a European meeting of employers' and workers' representatives will be organized in a few weeks' time, and that the leaders of the national organizations will be present.

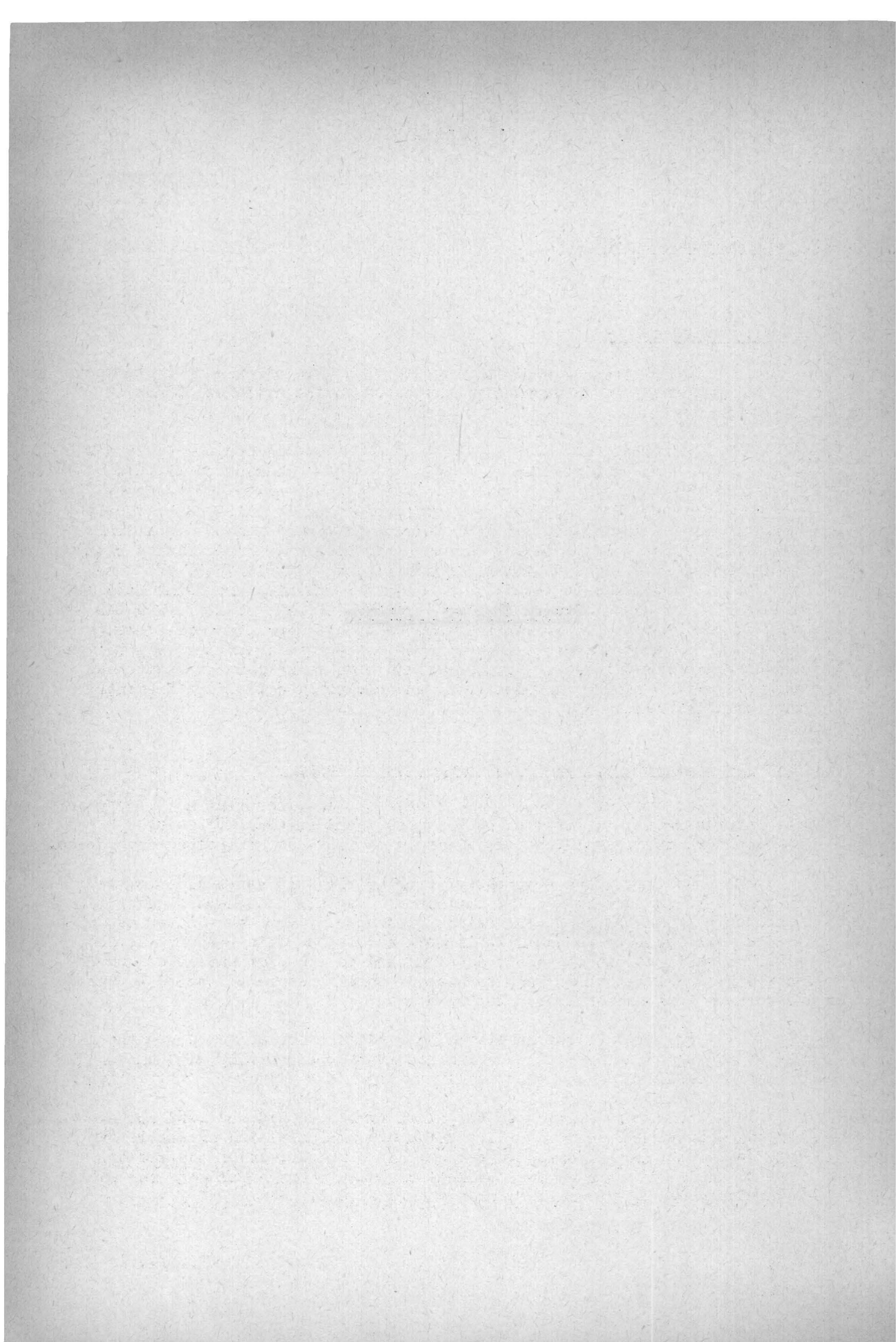
The Commission has noted with great satisfaction that in the general framework of this cooperation the guidelines on its future work in the social field - which, as I have mentioned before, were established in cooperation with the Member States and both sides of industry - serve if not as a basis, at least as a permanent background. We are most pleased to see that the guidelines are in fact accepted as such : the Council has established a series of points of collaboration

not only by taking account of proposals put forward by Ministers, but also on the basis of the Commission's guidelines. And the real interest which employers' and workers' organizations have taken in the guidelines is demonstrated by the way they follow carefully the implementation of such measures.

I fear that by describing our work and our various problems at some length - the contradictions between the legal situation created by the Rome Treaty and the political pros and cons - I may, now at the end of my talk, be leaving you in some doubt as to the essential function of the European Commission. Therefore, as a conclusion, I should like to summarize in an ultimate nutshell the Commission's role in shaping the Community's social policy :

The Commission's fundamental tasks in the elaboration of all Common Market policies are to be the initiator of Community action, to be the mediator between the Governments, and to be the guardian of the Treaty. In social policy, its powers as an initiator are limited and are sometimes even challenged, some Governments are not always willing to have it as the "honest broker", social policy being regarded as chiefly, if not exclusively, a national affair. Thus, in promoting close cooperation between the Member States the Commission has to content itself very often with its role as guardian of the Treaty in order to ensure the harmonious development of the Community. This development necessarily entails action to achieve progress in the social field.

Second Chapter : Annexes



24. FREE MOVEMENT OF WORKERS

a) Legal considerations

The provisions made to liberate the movement of workers between the six countries of the Community are based on the articles 48 and 49 of the Treaty.

According to these dispositions, the Council adopted up to now two regulations, respectively regulation n° 15 and regulation n° 38/64 ; the first one has been in operation between 1st September 1961 and 1st May 1964 and has been replaced by regulation n° 38/64 which is presently still in force. Article 49 has been taken into consideration, providing that free movement is to be introduced progressively, thus avoiding risks of unbalance within the Community. Meanwhile, on 5 April 1967, the Commission has submitted to the Council a draft regulation proposing complete freedom of movement for workers from 1st July 1968 and so achieving the aims of the Treaty. These new proposals round off the legal arrangements made by the preceding regulations by eliminating the remaining restrictions and establishing the machinery and procedure to bring into contact those seeking and those offering employment and ensuring rapid and efficient vacancy clearance.

b) Main provisions of regulation n° 38/64 now in force

The provisions apply to all wage-earners, covering not merely permanent workers, but also frontier workers and seasonal workers, wage-earners accompanying a person supplying services, and other categories.

The regulation abolishes, in principle, the "national priority" in access to employment, containing however certain safeguard clauses enabling each Member State to restore it temporarily in certain areas or trades where surplus manpower is largely available. This priority is limited in that, at the end of 15 days, needed to look for suitable workers on the national labour market, the labour permit has to be issued to the worker who is a national of a Member State.

Equality of treatment with national workers is to be granted as far as access to employment, working conditions, especially wage and discharge conditions, are concerned.

The worker's right to be joined by his family has been acknowledged. Conditional on the worker having a normal dwelling available for his family, he may let come his spouse, his children, under the age of 21 - no age limit as regards dependent children - his ascendants and descendants dependent on the worker or his spouse.

An essential provision of the regulation deserves particular attention. This is the priority accorded to the Community labour market. The Council considered that the principle of non-discrimination written into the Treaty means that in each Member State workers from Member States must have the same prior right to the available jobs as nationals of the country concerned. This provision will encourage, wherever possible, the reabsorption of labour surpluses, and therefore to foster a more balanced level of employment throughout the various regions of the Community. The procedure laid down for implementing this priority is intended to respect the principle of non-discrimination without impairing, by time-consuming formalities, the rapid supply of the labour required by industry in the member States. Member States in close collaboration with the Commission make each year a review of the situation on the Community's labour market and establish, in the light of manpower needs and the foreseeable availabilities, which measures can be taken to ensure clearing arrangements within the Community. In this way, Community workers will have, within the Community, a privileged position when they apply for available jobs without the economy, which has manpower needs that the Community is unable to satisfy, being hampered by an unnecessarily cumbersome administrative procedure.

The regulation contains a series of provisions establishing an appropriate machinery to put into effect an efficient compensation system. To improve and accelerate the cooperation between the Labour Offices of the six Member States, a co-ordinating Office at the Community level has been set up to clear offers of and applications for employment.

The whole system of the regulation is essentially based on the principle of close cooperation with national government administrations and with the organized productive forces (i.e. the representatives of the employers' and workers' organizations at Community level). This principle is being realised in the form of two Committees, namely a Consultative Committee (on a tripartite basis -equal representation of Governments, workers and employers representatives) and a Technical Committee (composed of Government representatives and destined to assist the Commission in the solving of technical problems). These Committees will especially have a leading role to play and will assist the European Commission in its quests of solving the problems raised by freedom of movement. Owing to their structure, the member countries will also be able to cooperate in putting into shape an overall employment policy at Community level.

c) Draft regulation for the final stage

On 5 April 1967, the Commission has submitted to the Council of Ministers new provisions in order to realise the aims of the Treaty. In view of the fact that customs union will be achieved on 1st July 1968 and in order to ensure that the essential foundations of the Community are laid at the same time, the Commission has proposed that the complete freedom of movement for workers will be ensured from 1st July 1968.

The Council will then have achieved the free movement of workers by stages in accordance with the Treaty.

The main provision and the most important advances made by the draft regulation concern the willingness to lay aside all practices granting "national priority" in access to employment. Safeguard clauses, enabling Member States to restore temporarily a priority of the labour market in areas or trades where surplus manpower exists, will no longer be possible. Mutual information and cooperation between the Member States administrative departments will be strengthened. In the event of serious threats to living and working conditions a Member State may seize the Commission which will, at the request of the Member State concerned, render a formal opinion on the situation created in a particular area or trade, and, if serious threads are found to exist, the Member States employment services and the European Office of Co-ordination will be required to disseminate information to discourage workers from seeking to enter the area or trade concerned.

Nationals of the Member States will have henceforth, access to employment under the same conditions as nationals, as work permits will be done away with.

The new proposals concerning "Community priority" retain the legal solution provided by Regulation n° 38/64 and are designed to apply it in a way that will be sufficiently flexible and precise to ensure that the smooth running of firms is not impeded and that any worker who wishes to take a job in a Member State and uses the machinery for contacts and vacancy clearance may be sure that employers will give his application the same consideration as those of nationals who are seeking work before offering jobs to workers from non-member countries.

The provisions of the present regulation are taken over as far as the two Committees and the European Office for Co-ordination are concerned. They are sufficiently broad and flexible to permit the two Committees to assist the Commission and to enable the Office to make an effective contribution to the smooth working of vacancy clearance in the future as in the past.

The Commission is of the opinion that herewith has been achieved the final abandonment of the traditional concept of emigration, whose system was based on bilateral and multilateral agreement and whose system inevitably tended to sacrifice the ideal of non-discrimination of migrant manpower to the varying needs of the receiving country.

To complete this brief survey of the main provisions forming the legal structure for the free movement of workers within the Community it will be of interest to give an impression of the actual situation of the movement of workers of the Member States since the entry into force of the Community regulations and to present some statistics concerning the number of labour permits issued to workers of Member States and non-member States within the Community over the first five months of 1967.

First work permits issued to workers of the Member States moving from one Community country to another.

<u>Year</u>	<u>EEC</u>	<u>of which Italy</u>
1961	292 494	233 249
1962	281 549	221 173
1963	231 701	177 572
1964	240 390	180 137
1965	317 927	254 185
1966	260 619	216 357
Yearly average :		
1961 - 1966	270 600	213 700

25. SOCIAL SECURITY FOR MIGRANT WORKERS

- a) Conflict of laws in the social security sector used to constitute an obstacle to the free movement of workers, which is one of the fundamentals of the Treaty of Rome. This conflict of laws had positive consequences for the worker who moved within the Community, as he could find himself subject to several national systems at the same time and, therefore, liable with his employer for several contributions; or it could have negative consequences for the worker who might not come under any legislation or who, on account of his nationality, his place of residence, or the shortness of the periods during which contributions were paid under the legislation of one State, could find himself unable to fulfil the conditions for receiving benefits. This conflict was liable to make a worker hesitate to exercise his right of free movement and, by leading to disparities in the social charges falling on enterprises, could distort competition in the Common Market.
- b) Bilateral agreements on social security concluded between most of the Member States offered, it is true, a partial solution to these problems, but the terms of these agreements were not harmonized and were unable to solve cases where more than two Member States were concerned, if a migrant worker had been employed in more than two Member States, or if the worker was a national of a Member State (or was resident within the territory of a Member State) other than those where he had been employed. That is why Article 51 of the Treaty of Rome empowered the Council of Ministers to make, on a proposal of the Commission, Community Regulations which take the place of the earlier bilateral agreements. That is the purpose served by Regulations No. 3 and No. 4 on social security for migrant workers, Regulations which came into force on 1 January 1959 and have been modified and completed at various times since then.

These Regulations, which apply to all workers in paid employment and any others assimilated to them, including frontier workers, seasonal workers and seafaring persons, abolish all discrimination on grounds of nationality among nationals of Member States, as far as the application of municipal law is concerned. They lay down the principle that workers are subject to the legislation of the country where they are employed (or of the flag in the case of sailors), except that this legislation continues to apply in the case of a temporary detachment to work on the territory of another Member State. In the case of work carried out on the territory of several Member States (international transport workers are a case in point), it is the law either of the worker's place of residence or of the head office of the enterprise which is applied.

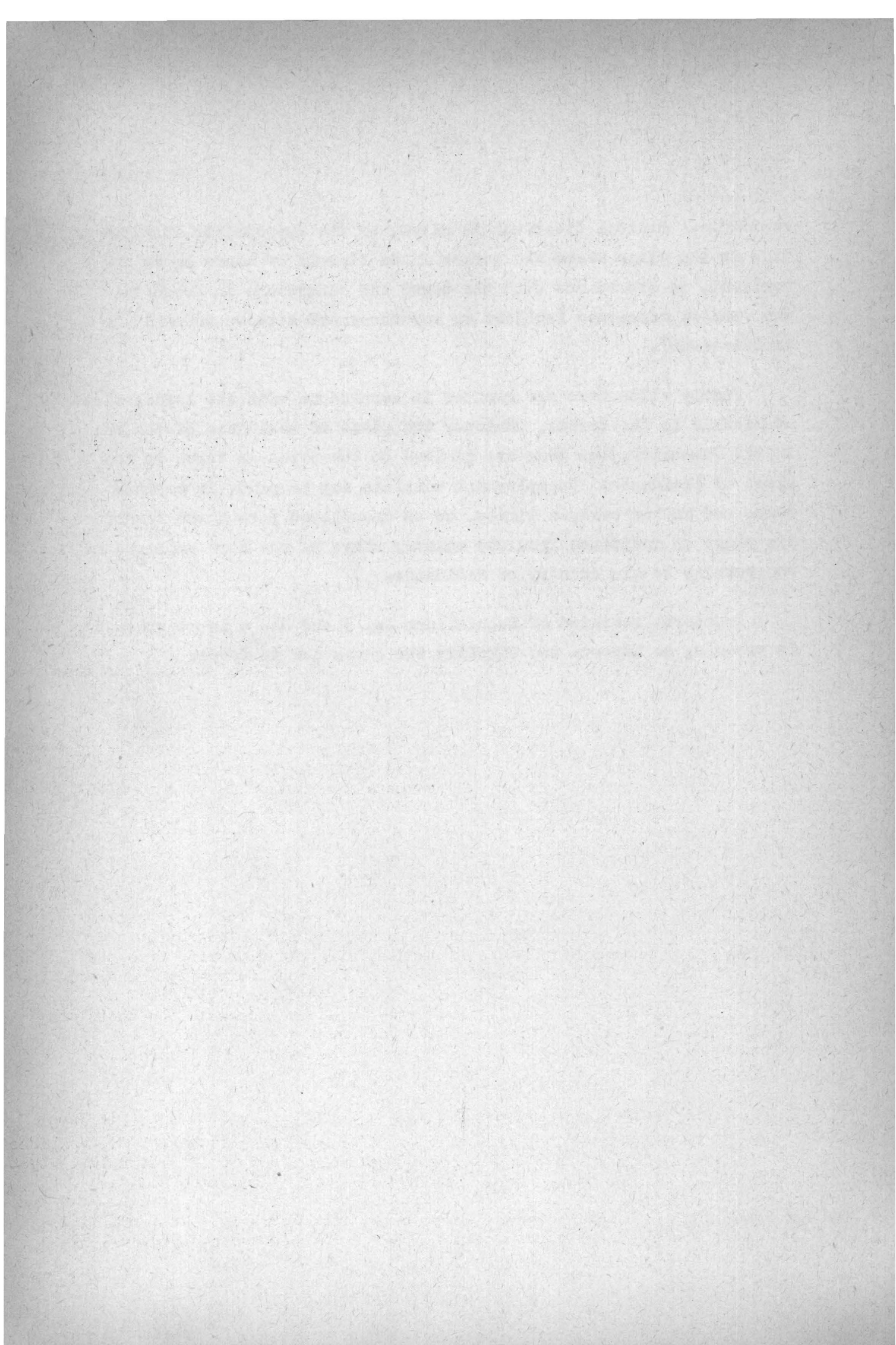
When the right to a benefit is subject to a qualifying period, the Regulations stipulate that previous periods during which insurance contributions were paid under the legislation of any Member State should be taken into consideration to the extent necessary. For cases of sickness benefit, maternity allowance, death grant, unemployment relief and family allowances, the conditions to be fulfilled are those stipulated under the legislation applicable at the time when the entitlement is approved. Owing to the length of the periods during which contributions must be paid in order to qualify for a pension, and the differences between pension levels, the total benefit under this head consists of several pensions calculated in proportion to the period of contributions paid under each legislation.

Pensions for disability, old age pensions and survivors' benefits as well as industrial injury benefit are paid on whatever Member State the beneficiary is resident. Payments during temporary disability, also benefits for medical treatment in case of sickness or industrial injury may be granted on the territory of a Member State other than the one whose legislation is applied, in the case of temporary residence (for work or leisure), of travelling abroad for suitable treatment and on return to the worker's country of

residence. Medical treatment is given, by the appropriate institution in the place where the worker finds himself or where he is resident, in accordance with the terms and conditions in force in the country concerned (subject to reimbursement between medical institutions).

Family allowances are granted in accordance with the legislation applicable to the worker, whatever the place of residence of the child in the Community, but they are limited to the rates in force in the place of residence. Unemployment benefits may be paid, in certain cases and within certain limits, to an unemployed person who transfers his place of residence from the country where he was last employed or who returns to his country of residence.

- d) A general revision of Regulations No. 3 and No. 4 is at present in process, to improve and simplify the terms now in force.



26. EUROPEAN SOCIAL FUND
(Mode of operation)

a) Basic provisions

In accordance with the Treaty establishing the European Economic Community (articles 123 - 127) and the provisions defining the specific tasks incumbent on it (1), the Fund covers following an application submitted by a Member State 50 per cent of expenses incurred by a Member State or by a body governed by public law for the occupational retraining and resettlement of workers or in order to maintain wage levels of workers affected by the conversion of their enterprise. The Fund is administered by the Commission assisted by a consultative Committee composed of representatives of governments, trade unions and employers' associations.

b) Conditions under which assistance from the Fund is granted

Assistance from the Fund may be granted only to operations for the benefit of unemployed workers or of workers in a situation of evident underemployment within the meaning of the regulations. To be considered as unemployed, it is enough to be registered at a labour exchange as an applicant for employment regardless of whether the person concerned has previously filled a post as a paid worker or was self-employed.

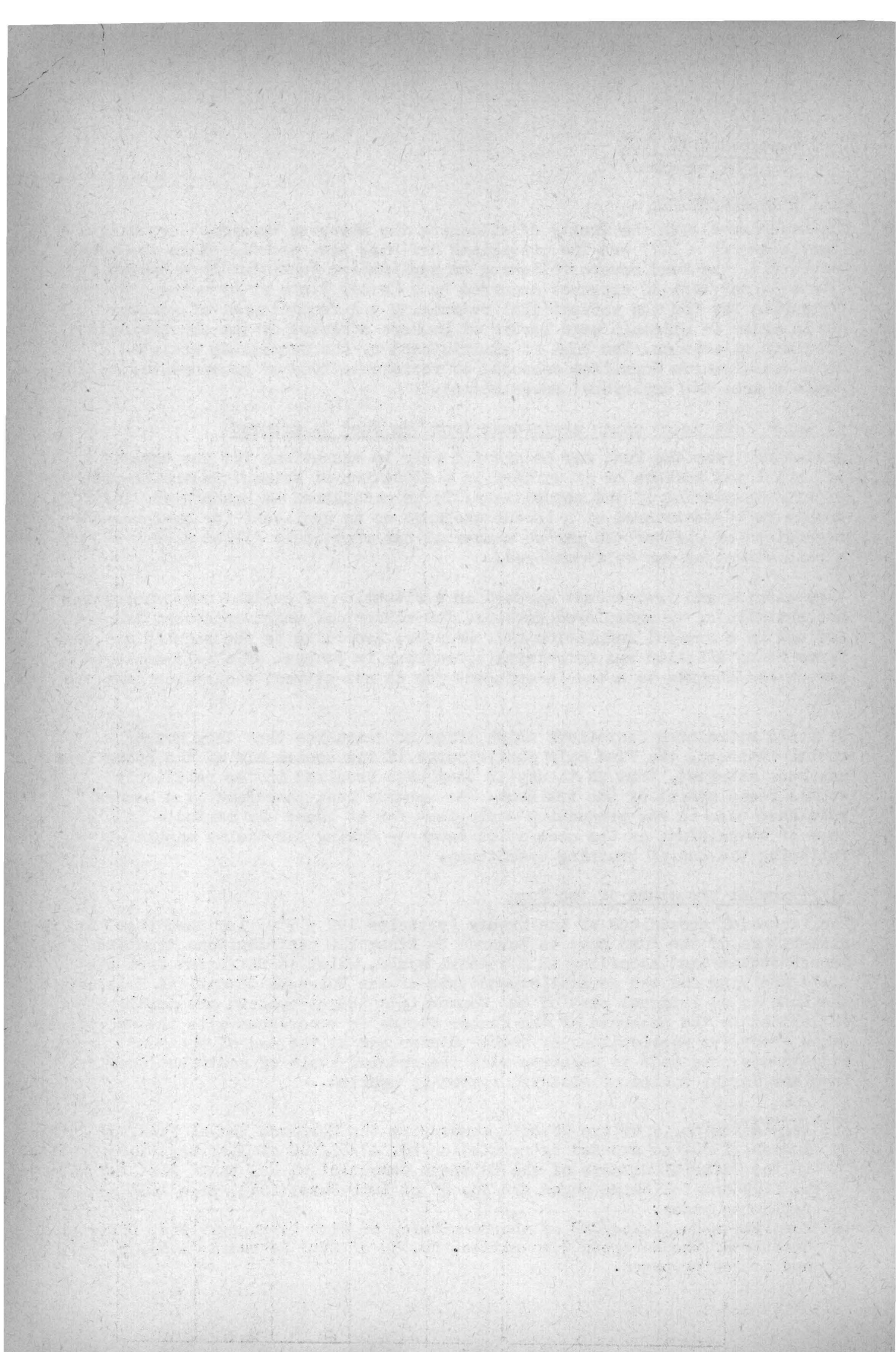
Wage-earning and independent workers in a situation of evident underemployment are assimilated to unemployed workers. The concept of underemployment has been defined by a special regulation (2). However, according to the regulations in force reinstallation and retraining operations in respect of a self-employed person who changes to a new independent job do not attract assistance from the Fund.

To avoid retraining operations which offer no guarantee that they are of social interest, the Fund only participates if the social aim of the operations has been attained, that is to say if they have resulted in the relatively stable reemployment of the trainees. The workers must therefore as a general rule have been in new productive employment for at least six months - in the case of retraining, in the occupation taught - during the twelve months following the end of training operations.

c) Financial structure of the Fund

The financial provisions of the Treaty (articles 199 - 209) lay down that the expenditure of the Fund must be covered by financial contributions from the Member States fixed according to a special scale, which is different from the scale applying for the general expenditure of the European Community. However, the Fund is an integral part of the Community's budget-amounts are credited or debited to the accounts of the Member States in accordance with the decisions, taken about the applications of Member States and at the end of the year adjustments are made in relation with the special scale of contributions. In other words, a kind of clearing system is applied.

- (1) Regulation No. 9 of the Council concerning the European Social Fund, of 25th August, 1960, as amended by regulation No. 47/63/CEE of 31st May, 1963, published in the Official Gazette of the European Communities, No. 56 of 31st August, 1960 p. 1189 and following pages and No. 86 of 10th June, 1963, page 1605 and following pages.
- (2) Regulation No. 12/64/CEE of the Commission of 14th February, 1964, Official Gazette of the European Communities, No. 32 of 22nd February, 1964, p. 537, and following pages.



THE ACTIVITY OF THE FUND

20. 9. 1960 - 30. 6. 1967

MEMBERSTATE	Kind of operation	Applications presented (in unit of account)	Applications examined (in unit of account)	Allowances granted (in unit of account)	Number of workers concerned
Germany	Retraining	22.734.166	8.558.917	7.728.263	38.838
	Resettlement	5.719.222	3.908.894	616.171	64.377
	Total	28.453.388	12.468.811	8.344.434	103.215
Belgium	Retraining	3.576.030	2.582.293	2.492.356	5.869
	Resettlement	2.236	1.479	1.477	9
	Total	3.578.266	2.583.772	2.493.833	5.878
France	Retraining	18.064.017	10.768.346	10.628.124	20.588
	Resettlement	1.801.530	538.673	415.854	58.836
	Total	19.865.547	11.307.019	11.043.978	79.424
Italy	Retraining	22.707.340	14.576.304	13.428.586	148.586
	Resettlement	4.188.579	2.036.576	1.940.182	167.652
	Total	26.895.919	16.612.880	15.368.768	316.238
Luxembourg	Retraining	31.908	12.896	12.896	96
	Resettlement	---	---	---	---
	Total	31.908	12.896	12.896	96
Netherlands	Retraining	6.795.745	5.559.734	5.012.562	9.597
	Resettlement	16.324	15.572	15.523	217
	Total	6.812.069	5.575.306	5.028.085	9.814
E E C	Retraining	73.909.206	42.058.490	39.302.787	223.574
	Resettlement	11.727.891	6.502.194	2.989.207	291.091
	Total	85.637.097	48.560.684	42.291.994	514.665

unit of account = US \$

27. LIST OF PRINCIPAL DOCUMENTS AND PUBLICATIONS

issued by the Directorate-General for Social Affairs

1) FREE MOVEMENT OF WORKERS

Quarterly and annual reports, drawn up in application of Regulation No.15 and, subsequently, Regulation No. 38.

Comparative glossary of trades in which migration is most frequent in the EEC countries (2nd edition, 1965)

Reports which have been drawn up in connection with :

- study sessions on the clearing of job vacancies

(May 1963 and March 1964)

- a study session on the definition of the term "public order" (May 1966)

2) EMPLOYMENT

Annual reports on manpower problems in the Community

The development of employment in the Member States 1954-1958

Employment in agriculture in the EEC countries (1964)

Part I : Structure

Part II : Development and prospects

Unemployment and underemployment - Implementation of a research method - Belgium (1965)

Employment services in the Community countries - A general survey (1967)

3) WORKING HOURS

Legislation on holidays with pay in the Community countries (1962)

Daily, weekly and annual working hours : definitions - analyses of certain national situations (1962)

Comparative tables concerning working hours (1965)

Working hours in the EEC countries, with special reference to the following industries : automobiles, electrical engineering, textiles, man-made fibres, rubber, chemicals (1967)

Sunday working in the EEC countries (1967)

Regulations governing holidays with pay in the EEC countries (1967)

4) WAGES

a) Male and female workers' wages

Reports on the state of application of Article 119 (1962-1963-1964-1967)

Equal pay for men and women - legal situation in the EEC-countries (1961)

Case studies in the six countries (series of reports)

Reports on male and female workers' wages in the framework of collective bargaining agreements for certain branches of industry of the different countries (1961)

Statistics of male and female workers' wages in the EEC countries (1961)

b) Wage and income levels - labour costs

Wages in branches of industry : cotton, rubber, shipbuilding and repairs (1965)

Wages in branches of industry : steel erection, printing, clothing (1966)

Incomes of workers in EEC industries in 1959 (1962)

EEC labour costs (1959 - 1961 - 1962 - 1963 - 1964)

EEC wages (1960 - 1961 - 1963 - 1964)

./.

Harmonized statistics of wages (April 1964 - October 1964
- April 1965 - October 1965)

5) LABOUR RELATIONS

Law and practice of collective bargaining in the EEC countries
(1963)

The settlement of industrial disputes in the EEC countries (1963)

6) LABOUR LAW - PROTECTION OF WORKERS

Comparative study of statutory provisions for the protection of
young workers in EEC member countries (1966)

Welfare of the working mother in the EEC countries (1966)

Ratification and implementation of international agreements
on labour problems by the EEC countries (1959)

7) VOCATIONAL TRAINING

Vocational training of skilled workers in the EEC countries (1963)

Vocational training of juveniles in industry, small industry
and commerce in the EEC countries (1963)

Glossary of vocational training (German glossary published in
1964 - first part of a glossary in the four Community languages)

Two action programmes for a common training policy (1965):

- general programme
- special programme for agriculture

Proceedings of the symposium on vocational training,
Brussels, November 1964 (1967)

8) SOCIAL SECURITY

Study on the current situation in social security in the
EEC countries (1962)

Comparative study of social security benefits in the EEC countries
(1962)

Financing of social security in the EEC countries (1962)

Social security systems in the European Community - Systems other than those applicable to coal and steel workers (1962) loose-leaf edition)

Comparative tables of social security systems in the Member States of the European Communities

- General (last edition: 1966)
- Agriculture (last edition: 1967)

Comparative tables of social security systems in Scandinavia (1962)

Supplementary social security systems in the building industry (1963)

Supplementary social security systems in the EEC countries (1967)

Analysis of the Luxembourg law of 13 May 1964 (loi unique) on the improvement and harmonization of pension schemes (1964)

Analysis of the Italian law No. 903 of 21 July 1965 on the improvement of pension schemes (1965)

Comparative glossary of social security (1962)

Proceedings of the European Conference on Social Security, Brussels, December 1962 (1964)

Social security statistics 1955 - 1960 (1962)

9) SOCIAL SECURITY OF MIGRANT WORKERS

Annual reports on the implementation of the regulations concerning the social security of migrant workers (the latest report covers the year 1965)

Series of guides on the rights of migrant workers

10) SOCIAL SERVICES

Report on the current situation concerning social services for migrant workers in the EEC countries (1960)

Social security and social services in the EEC countries (1962)

11) FAMILY PROBLEMS

Tax relief for families and family allowances - comparative table (1962)

Enquiry into family budgets 1963 - 1964

12) HOUSING

Financing of low-cost housing in the EEC countries (1963)

Rural dwellings in the EEC countries (1964)

Report on the housing conditions of migrant workers in three Community countries (1963)

The cost of loans for the construction of low-cost housing (1966)

Reports presented at the symposium on low-cost housing policy, Brussels, December 1963 (1964)

13) INDUSTRIAL HEALTH AND SAFETY

Reports presented at the symposium on industrial health (1964)

Reports presented at

Reports presented at the seminar on accident prevention (1966)

14) SOCIAL PROBLEMS IN AGRICULTURE

Reports presented at the Consultative Conference on the social aspects of common agricultural policy (1961)

15) SOCIAL PROBLEMS IN TRANSPORT

Reports presented at the Round Table Conference on social problems in transport (1963)

16) AUTOMATION, TECHNICAL PROGRESS

Reports presented at the European Conference on Technical Progress and the Common Market, Brussels, December 1960 (1962)

Reports presented at the seminar on automation in offices (1963)

17) ANNUAL REPORTS ON THE SOCIAL SITUATION IN THE COMMUNITY,

appended to the General Reports on the Activities of the Community in pursuance of Article 122 of the Treaty (the latest report covers the year 1966)

28. RECOMMENDATIONS CONCERNING SOCIAL MATTERS

which have been addressed to the Member States by the EEC Commission

- 1) Equal Pay for Men and Women, dated 20 July 1960
(not published in the Official Gazette of the European Communities)
- 2) Activities of Social Services in favour of migrant workers, dated
20 July 1962 (Official Gazette No. 75 of 16/8/62)
- 3) Adoption of a List on Occupational Diseases, dated 23 July 1962
(Official Gazette No. 80 of 31/8/62)
- 4) Industrial Medical Services, dated 20 July 1962
(Official Gazette No. 80 of 31/8/62)
- 5) Housing of Migrant Workers and their Families, dated 7 July 1965
(Official Gazette No. 137 of 27/7/65)
- 6) Development of Vocational Guidance, dated 18 July 1966
(Official Gazette No. 154 of 24/8/66)
- 7) Conditions for the Payment of Indemnities to Victims of Occupational
Diseases, dated 20 July 1966
(Official Gazette No. 147 of 9/8/66)
- 8) Medical Supervision of Workers Exposed to Special Hazards,
dated 27 July 1966
(Official Gazette No. 151 of 17/8/66)
- 9) Protection of Young Workers, dated 31 January 1967
(Official Gazette No. 25 of 13/2/67).

PART TWO: ADDITIONAL READING

I.

GUIDELINES FOR THE EEC COMMISSIONS'S WORK

IN THE SOCIAL SECTOR

(Memorandum submitted by the Commission to
the Council on 22 December 1966)

INTRODUCTION

The Treaty of Rome was manifestly designed with not only economic, but also social considerations in mind. No other conception would in any case have been possible because of the close interdependence of economic and social problems and developments. Therefore the Commission, in preparing its action programme for the second stage, urged that the Community should have a social policy of its own, emphasizing that the aims of the Treaty could not be fulfilled simply by the establishment of the Common Market but would also require special social measures. The Commission still affirms this need and is making a comprehensive and realistic approach to it, placing the economic and social aspects of development in the general framework of Community activity.

One has only to consider the developments in the Member States, and the social considerations have played a decisive part in the determination of the lines of policy, to realize that the Community too must identify economic expansion with social progress and regard them as one and the same.

2. This is the spirit in which the results of Community social policy to date should be judged and further development conceived. The lessons to be learned from the work done so far, as well as the innovations resulting from the establishment of a first mediumterm economic programme, should be borne in mind, particularly in their social implications.

X

X

X

3. The Commission's work is naturally based on the Treaty of Rome and on the needs which become apparent as it is progressively applied.

4. The Treaty contains a number of specific social provisions, concerning in particular the free movement of workers, social security for migrant workers, the European Social Fund, paid holidays and equal pay for men and women. The emphasis naturally had to be laid on these essential obligations. The Commission gave priority to this work in the first and second stages and intends to continue and develop it in future.

5. At the same time, the common policy on vocational training called for by Article 128 of the Treaty must assume a more practical aspect under the general principles and action programmes already adopted.

6. But other Treaty provisions have a general bearing on the aims of economic integration. Apart from the objects stated in the

preamble and in Article 2, they rest mainly on Articles 117 and 118 on the harmonization of social systems. Since the vague wording of the very exacting articles on this subject has led to differing interpretations, the joint efforts of Member States and the Commission to make them clearer and more efficacious need to be intensified. On the basis of the results already obtained, which may be considered as largely satisfactory, there must now be definite decisions on further measures to be taken for general guidance jointly by the Member States and the Commission, with due regard to the views of both sides of industry.

7. Although the studies made on the various subjects mentioned in Article 118 of the Treaty clearly represent in themselves a certain progress, some of them must nevertheless be taken further by Community action to enable the Commission to fulfil its task of promoting close collaboration between the Member States in order that the essential "convergence" of national social policies may be progressively achieved.

8. It should finally be noted that, aside from certain Treaty articles which require the adoption of specific social measures, the Community's social policy is interwoven in the body of the Treaty. This means that the Commission is obliged to take social factors into account in almost all aspects of Community policy, whether common or other policy and that it can find the legal justification for Community intervention in social matters in other besides those strictly applicable.

9. It is by the foregoing considerations that the Commission's activity during the first and second stages can be evaluated and a

clear idea can be obtained of the work which remains to be done before the end of the transition period if the requirements of the Treaty are to be met.

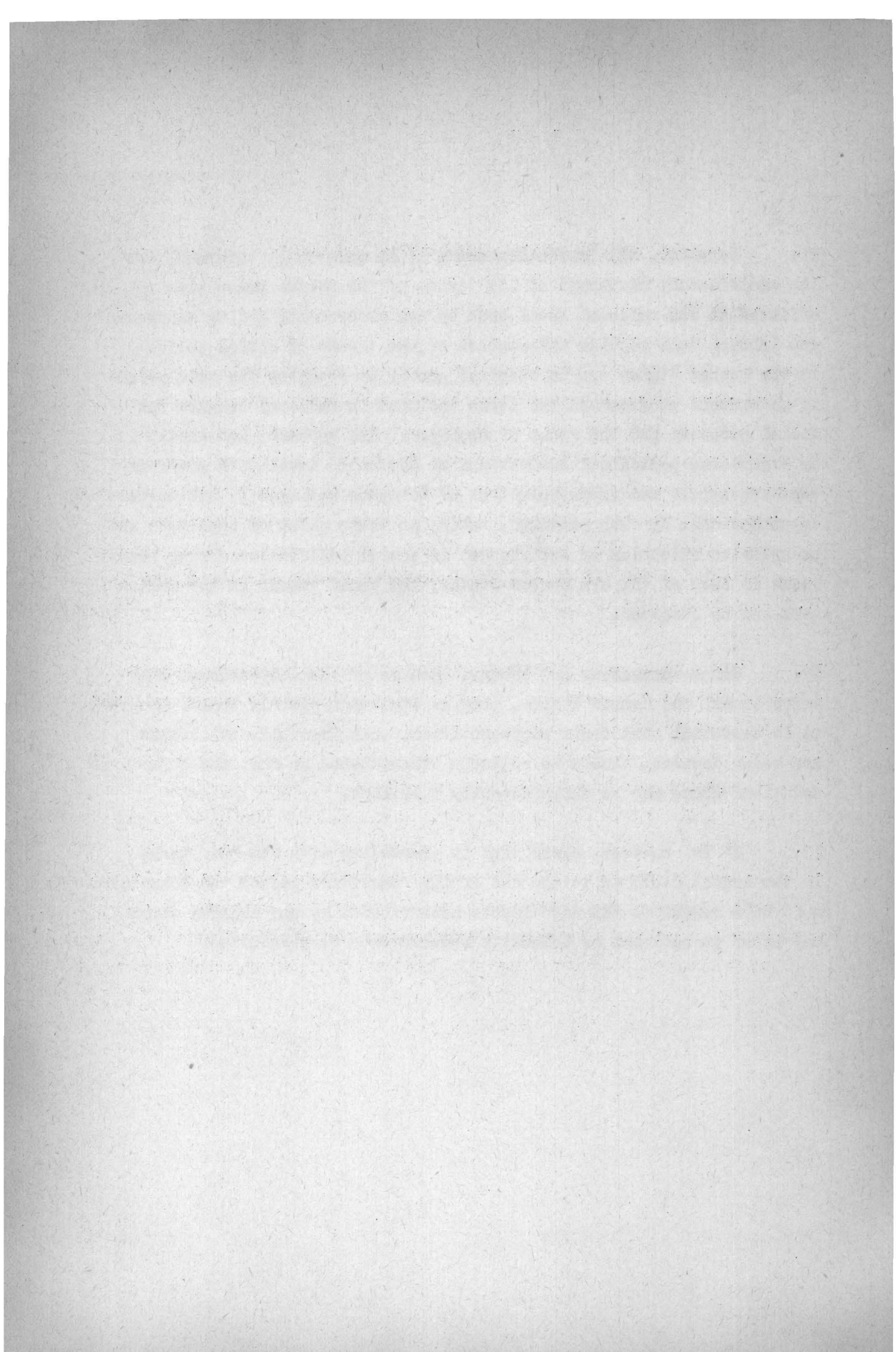
This means that the specific social obligations will have to be fully satisfied - which is unquestionable - but also that further efforts will have to be made by Member States and by the Commission to ensure that no excessive social disparities remain which may affect the establishment of the Common Market and that the progress made with the harmonization of social systems, as a whole is satisfactory, bearing in mind legitimate national peculiarities. The results so far obtained and the measures required for the fulfilment of the programme for the second stage should be considered in this context.

10. In this light too, particular importance should be attached to the Community's first draft medium-term economic programme, which is expected to be adopted by the Council after reference to the European Parliament and the Economic and Social Committee. The establishment of this programme, which will permit the co-ordination of the general economic policies of Member States, has brought to the forefront aspects of social policy which will be decisive in the next five years, such as problems of employment, vocational training, working hours, wages, social security, social institutions and regional differences, for example. The studies made and lines of action approved provide the general framework for national and Community social policies, with due regard of course to other social considerations which are equally important but which for various reasons have not been touched upon in the first programme.

11. Moreover, the Commission needs to be constantly informed, for the satisfactory discharge of its tasks, of the social priorities affirmed at the national level both by the governments and by management and labour. Such regular information on the trends of social policy in the Member States can be obtained partly by studying the main points in government programmes, the items included in national budgets for social purposes and the views of employers and workers, and partly by organizing periodical discussions at Community level with government representatives and representatives of European employers' and workers' organizations. By such meetings, taking as their point of departure the progressive extension of and changes in social legislation during recent years in each of the six Member States, the broad trends in the medium term can be observed.

12. Since management and labour, because of the independence they enjoy in all the Member States, play an important part in social progress, it is essential that their representation, when Community activities are being decided, should be suitably strengthened so that the objectives described above may be satisfactorily fulfilled.

13. It is, however, clear that in proceeding with its main tasks in the social field up to the end of the transition period the Commission must have regard to the adjustments necessitated by any changes which may occur in national or Community requirements or priorities.



A. EMPLOYMENT AND VOCATIONAL TRAINING

I. EMPLOYMENT

14. Further and more effective work must first of all be done to obtain as much knowledge as possible of employment trends. This can be done by periodical surveys of the situation, studying with the co-operation of national governments and both sides of industry recent developments and the short-term outlook, and submitting proposals for appropriate measures or suggesting lines of approach to meet the situations observed or anticipated. Every effort will be made to rationalize and improve the annual report on manpower problems in the Community as well as the other reports touching upon employment problems.

15. These studies of the situation must moreover be supplemented by longer-term forecasts so that measures to balance labour supply and demand may be taken in good time.

16. Hence, in addition to general and quantitative studies, it is essential for detailed structural and qualitative analyses to be made to show the trend of employment by sector class of worker, standard of skill and region. The first studies by sector undertaken by the Commission, on the subject of agriculture and building, will be extended to the main branches of activity in which there will in the next few years be a large increase or reduction in manpower. Together with the regional aspect, the

trend shown will permit the preparation of measures on occupational and geographical mobility which already appear to be one of the fundamental aspects of medium-term employment policy, in view of the significant structural changes which will take place in a labour market characterized in most member countries by shortages of manpower.

Moreover, the employment trends according to skills are essential background for vocational training policies since they allow a medium- and long-term comparison of training facilities and skilled labour requirements.

Aspects of the employment problem concerned with classes of workers must also be clarified by special studies. In addition to the employment of women, at present under investigation, other groups such as the handicapped, the aged and young workers must also be investigated.

17. Finally, the role and efficacy of national employment services must be seen against the exigencies of the present day economy, notably with regard to information on the number and location of vacancies, to permit rapid clearance of offers and applications, and with regard to the development of vocational guidance for adolescents and adults. The Commission will furthermore continue the preparation of a programme for collaboration between Member States embodying exchange of experience, joint action, training and information facilities and the joint discussion of the further development of employment services.

18. In order to take all these factors into account, there should be a joint periodical review of the situation and development of the various aspects of employment problems occurring at the national or Community level.

II. FREE MOVEMENT OF WORKERS

19. Legal obstacles to the free movement of workers have to a large extent been overcome by the Council's decisions in the first and second stages. They must be completely overcome. This is the object of the new measures proposed to the Council pursuant to Article 49 of the Treaty and the measures adopted by the Commission pursuant to Article 48 on the worker's right to remain in the country where he has been employed.

20. But the Commission will have to see that Community provisions, whether in the form of regulations or directives, are applied in practice in the Member States. Hence it will be necessary to arrange closer co-operation with the national authorities and to see that those authorities whose duty it is to ensure through their subsidiary offices that Community requirements are correctly carried out, are more fully informed. The interpretation of these requirements should also be watched to see that they are not to some extent robbed of their substance.

21. In seeking to make the regulations and directives of the Community more effective in practice, the primary objective of the Commission and Member States must be to ensure the widest possible employment prospects. More efforts must be made to improve the machinery for clearance of vacancies and applications. Furthermore, the Community must make more

effort to arrange compressed training courses for workers who wish to emigrate but cannot do so because they have not **the skills** required to fill the jobs available.

22. Finally, since the decline in available manpower in the Community has already led to recruitment of labour from associated or non-member states and since this trend will continue in the coming years, the Member States should in their mutual interest harmonize their policies on recruitment from these countries.

23. The social and human aspects of free movement of workers will of course be the subject of further work by the Commission, with a view to overcoming problems, of adjustment to language customs, administrative and trade practices, etc., as will the human aspect of family unity and the need to promote more stability among migrant workers.

III. SOCIAL SECURITY FOR MIGRANT WORKERS IN THE COMMUNITY

24. In this very technical and complex field the Commission will continue its work of simplification and improvement of procedures and their extension to other classes of workers.

25. The revision will supplement the various regulations made since 1958. A proposal has been made to the Council for a new regulation with annexes concerning special maternity benefits, the provisions of

bilateral agreements which are to remain in force, the classification of disablement pensions, minimum pensions, etc.

Besides this basic regulation the implementing regulation is also to be revised and proposed to the Council as a new regulation.

26. It must be stated here that a simplification of the machinery for co-ordination of national social security schemes can only be attained if at the same time, at least in certain respects, the national insurance schemes themselves are also harmonized.

27. In connection with the widening of freedom of establishment and freedom to supply services, the problem of co-ordinating social security schemes for the self-employed must also be solved.

IV. VOCATIONAL TRAINING

28. Since the training of manpower is a primary factor in economic growth and social progress, the Commission will act in accordance with the already approved general principles and programmes to establish a common system for vocational training. For the Community's work to be realistic, it must be directed towards the main problems confronting the Member States in varying degrees and help to solve these problems. Hence a joint periodical examination of the situation and development of the various aspects of national vocational training policies is essential.

1°) Vocational training of young people

29. One of the most urgent tasks is to complete an inventory of the existing training resources in the Community and see whether they meet the existing or estimated demand in industry for skilled manpower in different sectors and at different levels. A confrontation of the medium- and long-term forecasts or thinking of the Member States at Community level is therefore essential to enable Member States to learn mutually from their experience and find the best methods of assessing demand.

This confrontation should also involve the renovation of certain institutions and their adaptation to economic, technical, social and cultural development. Problems also need to be investigated which arise from certain disparities in the accessibility of training centres, particularly in rural areas. Girls should have greater opportunities for vocational training. Particular attention should be paid to the raising of the school-leaving age and its effect on technical education and apprenticeship facilities, in order to explore the possibilities of preliminary vocational training or an introductory vocational course.

30. There is an acknowledged need for multi-craft training, and consideration must be given to the knowledge and skills it is necessary to impart in order to fit a man for a variety of trades and occupations. The studies at present in progress regarding the alignment of qualifications, with the object of facilitating the free movement of workers, will also be helpful here.

.../...

31. When an inventory has been made of the main training methods used in the Community, the most useful methods can be generalized, possibly by means of Community courses or pilot centres.

32. As one of the obstacles to satisfactory vocational training is shortage of instructors, means must be sought of remedying this situation.

2°) Vocational training of adults

33. Since the vocational training of young people is a lengthy undertaking, more effort should be made in the vocational training of adults, which can serve short- or medium-term needs. Training of adults, which was originally intended for redundant workers, was gradually extended to workers threatened with redundancy in the short or longer term by reason of developments in particular branches or of technical advances. A recent extension in the training of adults gave all the adult workers involved opportunities for upgrading as part of a general policy of social betterment.

34. The existing facilities for rapid training or retraining of adults must be viewed at Community level in relation to the foreseeable demand for labour, having due regard to the swift changes which are taking place in the economy.

The geographical and occupational distribution of training facilities should accord with the anticipated migrations from sector to sector ; special efforts should be made for workers moving from underdeveloped areas, those leaving agriculture, and women, for whom this type of training is particularly suitable, to fit them for work again after a long or short break.

.../...

Finally discussions can be arranged at Community level on upgrading courses and social advancement.

3°) Exchanges of young workers

35. In accordance with the first programme for the promotion of exchanges of young workers in the Community, discussions are held each year with Government representatives to decide the number of workers to be exchanged and the aid to be given by the Member States, and to assess the results achieved in the previous year.

In pursuance of this programme, the Commission will distribute information to the relevant associations and organizations with a view to stimulating interest in these exchanges.

V. VOCATIONAL GUIDANCE

36. The vocational training of young people is considered to be socially and economically beneficial the more facilities for vocational guidance are expanded, taking into account economic requirements, employment prospects and individual skills.

37. As vocational guidance for adults is important for occupational and geographical mobility, employment offices will improve their advisory services, particularly by supplying full information on the type, number and location of vacancies and on the opportunities offered for vocational training, retraining and higher training.

.../...

38. Hence the Commission is proceeding with the agreed programme for co-operation among the Member States on matters of vocational guidance ; there will be exchanges of experience, joint action and joint discussion of the development and efficiency of vocational guidance services.

VI. THE EUROPEAN SOCIAL FUND

39. Widening the scope of the Social Fund is a reflection of the above-mentioned developments in the Member States as regards vocational training and retraining, geographical and occupational mobility, and regional policy.

Activities in this field will of course flow very largely from decisions of the Council already taken, on Commission proposals, to broaden the Fund's sphere of competence.

40. Also, in accordance with Article 126 of the Treaty it will be necessary in the coming years to study in detail the practical lines on which the activity of the Fund should be developed in order to achieve the objectives of Community policy beyond the third stage.

.../...

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
OFFICE OF THE CURATOR
1100 EAST 58TH STREET
CHICAGO, ILLINOIS 60637

STATEMENT OF WORK

The purpose of this statement is to define the scope of work for the project. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year. The project is to be completed by the end of the year.

B- LIVING AND WORKING CONDITIONS

I. GENERAL CONSIDERATIONS

41. Among the tasks allotted to the Commission those concerning living and working conditions are among the most important and the most delicate. The Commission has used every means in its power to facilitate and broaden the essential "close collaboration between Member States" required by Article 118 of the Treaty ; otherwise imperative social needs cannot be truly satisfied in the new Europe. For this purpose those with whom the Commission is first engaged are of course the Governments of the Member States, which are responsible for the social policy of their countries, but also employers' and workers' organizations, which are independently responsible in the six countries for collective bargaining.

42. So far the Commission's prime concern has been to make the development of certain aspects of living and working conditions "transparent", these "social surveys" often resulting in Community measures, usually recommendations.

43. As has already been said in the introduction, however, the findings made while the studies have been in progress and the preparation of the first medium-term economic programme have led to an adjustment of the Commission's approach, since the need became clear to investigate many problems in their general setting, for instance the problem of work for the handicapped, the aged, women, young people, etc. This new approach of the Commission in its work under the terms of Articles 117 and 118 of the Treaty is confirmed by one of the

.../...

general aims set out in the draft medium-term economic programme ; for the Common Market to evolve into an economic union it is essential that regular information be supplied on social developments and the social policies of the Member States and that there should be close collaboration between them in social matters.

44. One of the Commission's first tasks, and one that it has already begun, is indeed to assemble information and documentation on all the legislative, administrative and collective agreement aspects of the Member States' social policies. These essential comparative surveys must be kept up to date and supplemented as far as possible by short- and medium-term trend forecasts.

Moreover, detailed investigations are to be made of certain problems which, because they are very technical or because they have high priority in the Member States and are important for the needs of Community policy, are of particular interest. As examples the following subjects of detailed social studies may be cited : wages, working hours, working conditions, economic effects of social insurance, supplementary insurance, etc. This concern with "transparency", bringing to light disparities and even inconsistencies in the general social situation in the Member States and serving as a basis for comparisons at Community level, cannot be underestimated as a factor of harmonization and as a starting point for "spontaneous" reforms by way of regulations or collective agreements with any formal action by the Community.

45. On certain points the Commission may be able to act on these surveys simply by rendering formal opinions. Clearly however the use of other Community instruments may be appropriate and at times even necessary if it is desired to obtain an approximation of national

.../...

provisions for the better functioning and development of the Common Market. For this purpose the recommendation appears most suitable because of its flexibility ; it is an instrument to which the Commission has already repeatedly had recourse in such matters as social assistance and housing for workers moving within the Community, industrial medicine, occupational diseases, etc. This does not prevent some proposals of the Commission from taking the form of directives as soon as all the conditions warranting action on these lines are satisfied, as for instance in industrial safety. Justification for Community legislation can also be found in the circumstances arising in the execution of common policies, in particular the common agricultural policy and the common transport policy, as well as in the needs which may be felt in giving effect to the medium-term economic policy. The choice of sectors for harmonization must naturally be made after consultation with the Governments and both sides of industry, in close collaboration as stipulated in Article 118.

46. Furthermore, each problem investigated must be seen as part of a general concept in order to obtain the necessary overall view. Thus for instance problems of old age pensions must be viewed in the light of the general problems of the aged and in studies of health insurance due regard must be had to all the other aspects of public health, in particular the hospital facilities available. The Commission will then be able to formulate its proposals in such a way as to show the connection with the other aspects of social policy and general economic policy.

.../...

II. WAGES

47. An important task for the Commission is to keep itself fully informed on the wage situation in the six countries both from the cost angle and the income angle, more particularly on the basis of the statistical surveys carried out by the Statistical offices of the Member States. It should be mentioned that, firstly, a comprehensive survey on wage patterns has ascertained the gross hourly earnings of industrial workers in October 1966 and secondly, that, the surveys on labour costs and worker's incomes covering 1959 to 1964 for 14, 8 or 13 branches will henceforth be in the form of a single survey carried out every three or four years and covering all branches of industry. This survey will be brought up to date by applying the results of the collected statistics on gross hourly earnings of industrial workers appearing in April and October each year. Finally, the work currently in progress on a survey of wages in road transport will probably be extended to other types of transport : inland waterways and railways.

48. It will in addition have to be ascertained whether the statistics obtained by the survey on wage patterns of October 1966 and from those on labour costs and workers' incomes need to be investigated in more detail in the joint working groups, as was done with the results of the first surveys, in order to explain the considerable differences and anomalies occurring. More extensive investigations might cover the influence of various structural factors, such as industrial status (wage-earner or salaried employee), qualification, sex and seniority of the worker, size of the firm, region, etc.

.../...

49. Close study must also be given to certain other matters (which moreover arise in other aspects of the Community's work), such as the varying policies on capital formation and property ownership for workers, sliding-scale wage systems, the level and composition of non-wage incomes and wage drift.

III. WORKING HOURS

50. The surveys carried out in collaboration with experts from the governments and with both sides of industry have provided a better comparative knowledge of the legal provisions and collective agreements and of the actual situation regarding working hours in the most widely differing sectors. But the synoptic tables prepared, if they are to be of the fullest practical use, will need to be kept up to date regularly, particularly by the inclusion of new legal and administrative provisions and collective agreements.

Further efforts should also be made to obtain statistics providing more information and therefore permitting a better comparison of actual working hours in the six countries.

51. It should be possible, after a still more detailed investigation of the law and practice in the Member States and the economic effects and social objectives, to harmonize some of the more especially "protective" aspects of the law on working hours, for instance night work, Sunday work and maximum daily and weekly working hours.

Further investigation might also be useful on the rather more technical subjects of exceptions to and flexibility of normal working weeks in different branches, etc. (1)

.../...

(1) This is for the purpose of applying over-time rates. In some occupations, e.g. shop-assistant, cook in a restaurant, etc., the working week may be 40 hours, but it is known that such employees do not in fact work all these hours, as in industry. So it may be agreed that in these trades over-time rates do not begin to apply until, say, 43 hours have been worked; i.e. a 43-hour working week is said to be "equivalent" to a 40-hour week in industry. (Translator's note).

52. Other matters too may have a particular interest from the point of view of developments in this field in the recent past and the near future, for instance the problem of part-time working, particularly for female labour, the relationship between working hours and productivity, the effects of reduction in agreed working hours on effective working hours, relationship between working hours and industrial safety, etc.

IV. LABOUR RELATIONS

53. The Commission must be able to present to interested parties a general view of the situation and development of the law on individual and collective labour relations in the six countries. To this end, arrangements must be made for regular information on new laws and regulations and the most important clauses in collective agreements. In the last case the basic figures for regular comparisons at Community level must be provided by an appropriate, adequately selective but also representative system. These confrontations between representatives of the Governments and both sides of industry would serve to clarify the most important recent features and the short- and medium-term trends shown.

54. This regular information may also serve for a closer examination of labour relations according to industry by joint committees or working parties representing both sides, the creation of which at the European level for the most important branches or for those presenting specific problems would meet a particular need felt both by workers and by employers. The Commission views with favour the setting up of such Committees and has declared itself ready, while respecting the complete independence of the two sides of industry, to give them all the technical assistance necessary within the means at its disposal. In doing so it merely is continuing action already undertaken.

Discussion in the Committees would certainly have a constructive influence on the development of social policy at Community level, whether or not it led to formal or informal agreements. However, if such agreements should prove possible for certain aspects of working conditions and labour relations which are ripe for agreement, they might serve to give a lead to professional associations and trade unions when joint negotiations were being undertaken at the national or regional level, thus helping to achieve progressive social harmonization in the sphere of collective bargaining.

55. Certain aspects of labour relations have already been or will shortly be investigated, such as the rules of procedure for the settlement of industrial disputes, the sharing of workers in management decisions, legal and practical arrangements for collective bargaining in the Member States, legal problems presented by the territorial scope of collective agreements, exercise of the right to strike and the various measures taken in the case of men being laid off.

V. INDUSTRIAL SAFETY AND HEALTH

56. With the co-operation of the national departments concerned with industrial safety and health, Community regulations have been drafted concerning cartridge-operated stud drivers and dangerous substances. Similarly it is intended to examine other aspects of industrial safety in connection with steel scaffolding, conveyor belts, cranes, hoists, dangerous agricultural machines and various equipment and tools, and to make proposals where appropriate.

57. In industrial health, on which the Commission has already issued two recommendations concerning industrial medical services and medical supervision of workers exposed to special hazards, attention is being paid to certain specific problems such as work in compressed air (caissons, diving-bells, etc.) and work on building sites, aptitude tests at the vocational guidance and placing stages, medical examination on recruitment and engagement of workers from non-member countries, physical fitness in transport, noise abatement in industry and certain aspects of the physical protection of women and young persons engaged in agriculture.

58. The results achieved by the seminar organized by the Commission in June 1966 on the educational and psychological aspects of accident prevention must be treated as the basis for co-operation at Community level to obtain a better understanding of industrial safety problems from the management and labour points of view. Among the many suggestions made at this seminar, those which concerned the standardization and the inspection and testing of personal protective devices as well as the standardization of danger notices must certainly be pursued. The Commission intends to find means of action upon them.

59. The Commission will therefore continue this action concerning industrial health and medicine and on industrial safety; in this latter field the Commission's work may have repercussions beyond its real social importance and be instrumental in the removal of obstacles to free movement, freedom to supply services and free movement of goods arising from the many differences in national regulations.

In addition steps will be taken to organize co-operation between Member States in the event of industrial disasters.

VI. SOCIAL SECURITY

60. The following aspects should be considered in studying problems of social security at Community level : the part played by social security in each country in removing the social inequalities left in the wake of or intensified by economic growth, the possibilities of developing social security at national level having regard to economic progress and balance, the special aspects connected with the achievement of a common market (free movement, common policies, etc.).

If these factors are considered, it should be possible to decide what aims the systems of social security in the EEC should attain in the light of developments within the Community.

61. Inequalities may manifest themselves in two ways: by an increase in differences of income, and hence unequal opportunities to satisfy individual needs, and by the gap between degrees of satisfaction of individual and of collective needs. These are problems arising from the development of public amenities, in particular social amenities, which are in their turn dependent on investment possibilities.

These facts suggest that the contribution of social security towards satisfying these needs should be studied with due regard to these two kinds of inequality, the ways in which they are manifested, and the priorities that should apply.

At Community level aspects common to some or all of the Member States which may require the introduction of minimum standards need to be determined.

62. The first task of the Commission in determining these general lines of action is to complete the work begun during the second stage, in accordance with the national and Community orders of priority decided in consultation with Government representatives and both sides of industry.

The Commission will also try to find ways and means of mitigating the obstacles arising from differing national legislations in order to bring about a better application of regulations on social security for workers moving within the Community.

The Commission will of course continue also the studies already begun of the social security aspects of common policies, notably the common agricultural policy.

63. To establish orders of priority it will be necessary to study the past and future development of the main branches of social security such as sick benefits, family allowances and old age pensions, with particular reference to national budgets and for some countries the sections of the budgets devoted to social purposes.

The studies should include the trend of social security costs and the benefits provided. Up-to-date statistics would need to be kept to follow the trend of certain essential data, broken down by country and within each country, in order to evaluate exactly the social situation and to place the social security phenomenon in its general context : total wages and salaries, total public expenditure, etc.

64. A study should also be made of various factual and legal situations having particular regard to the work begun on medium-term economic policy.

Thus for instance social security aspects can be studied under general headings, such as the handicapped (in particular the problem of procedures for medical treatment of victims of industrial accident) the aged and young people - together with other aspects of the same problem. In this way the effect of the series of measures to be adopted for the benefit of these groups throughout the social security field could be determined, for instance matters of cumulation or non-cumulation of old age pensions and earned income, part-time work for women, etc.

Particular attention will be paid to specific points according to their financial and economic repercussions, for instance deficits in social insurance funds and their financing, administrative costs, etc., keeping up to date the relevant figures for constant evaluation.

Matters closely connected with social security, such as expenditure on medical services, drugs and hospital treatment, will be studied.

65. Finally the Commission will keep the public informed by the regular publication of comparative tables of social security schemes in industry, commerce and agriculture.

VII. PROBLEMS OF HOUSING, SOCIAL SERVICES, FAMILY POLICY AND PUBLIC HEALTH

66. Work relating to housing policy will be continued. Special attention will be paid to the regional aspects and to the limits of ability to pay of the lowest-income categories. Measures will also be proposed for the improvement of rural housing.

67. Special effort will be made to improve knowledge at Community level of the activities of social services on the problems arising in this connection, notably with regard to certain categories such as the handicapped, the aged, women and young people.

68. Exchanges of information on family policies of Member States will continue; studies on standards of living and on family budgets will permit a better assessment to be made of policy regarding family allowances. The problems faced by a growing number of women in reconciling their work with their family responsibilities will also be examined.

69. The most important public health problems common to the Community countries, in particular those of hospital services and air and water pollution, will receive attention.

X

X

X

C - THE SOCIAL ASPECTS OF COMMON AND OTHER POLICIES

70. As already stated in the introduction, the Commission intends to devote even more attention than in the past to the inclusion of social considerations in Community policies. The Community's social policy cannot be restricted to the specific social measures mentioned in the foregoing paragraphs but must be extended to Community

./.

policy as a whole, in order to fulfil one of the chief aims of the Treaty of Rome, namely the improvement of living and working conditions of the people and their levelling in an upward direction.

Hence the development of all Community policies, including common policies (for instance in agriculture and transport), as well as other policies (short-term economic policy, regional policy, policy on sectoral structures, etc.) need to be constantly watched. The Commission must be particularly mindful of the implications for social policy of the definition, general lines and execution of medium-term economic policy.

I. THE COMMON AGRICULTURAL POLICY

71. In agriculture, according to the programme worked out from the results of the Conference on social aspects of the common agricultural policy, special attention is to be paid to attaining social parity with the other sectors. For this purpose it is essential that agriculture should be included in the scope of general measures, account being taken, however, of the special requirements of this sector. When planning economic measures, attention needs to be paid to structural matters to ensure that these measures serve to improve living and working conditions.

Works should first be done on priority matters : working hours, minimum wages, social security, stability in employment, vocational training and housing of seasonal and permanent agricultural workers.

72. In a common policy on the fishing industry the Commission must also exert itself to eliminate socially inadmissible conditions and to bring about social parity with other industries. The efforts of the Commission will be particularly directed to the intensification of vocational training, greater stability of employment and earnings, the harmonization of laws on composition of crews, signing-on conditions, working hours and health, and safety at work on board.

II. COMMON TRANSPORT POLICY

73. In transport, the Commission's activity will be mainly concerned with the preparation of measures to implement the Council decision of 13 May 1965 on the harmonization of certain provisions affecting competition in rail, road and inland water transport. These provisions will concern more particularly the composition of crews, working hours, time off and overtime. Other provisions concern vocational training, medical examination, health and safety. All three types of transport will be included in the wage surveys.

X

X

X

D - SOCIAL STATISTICS

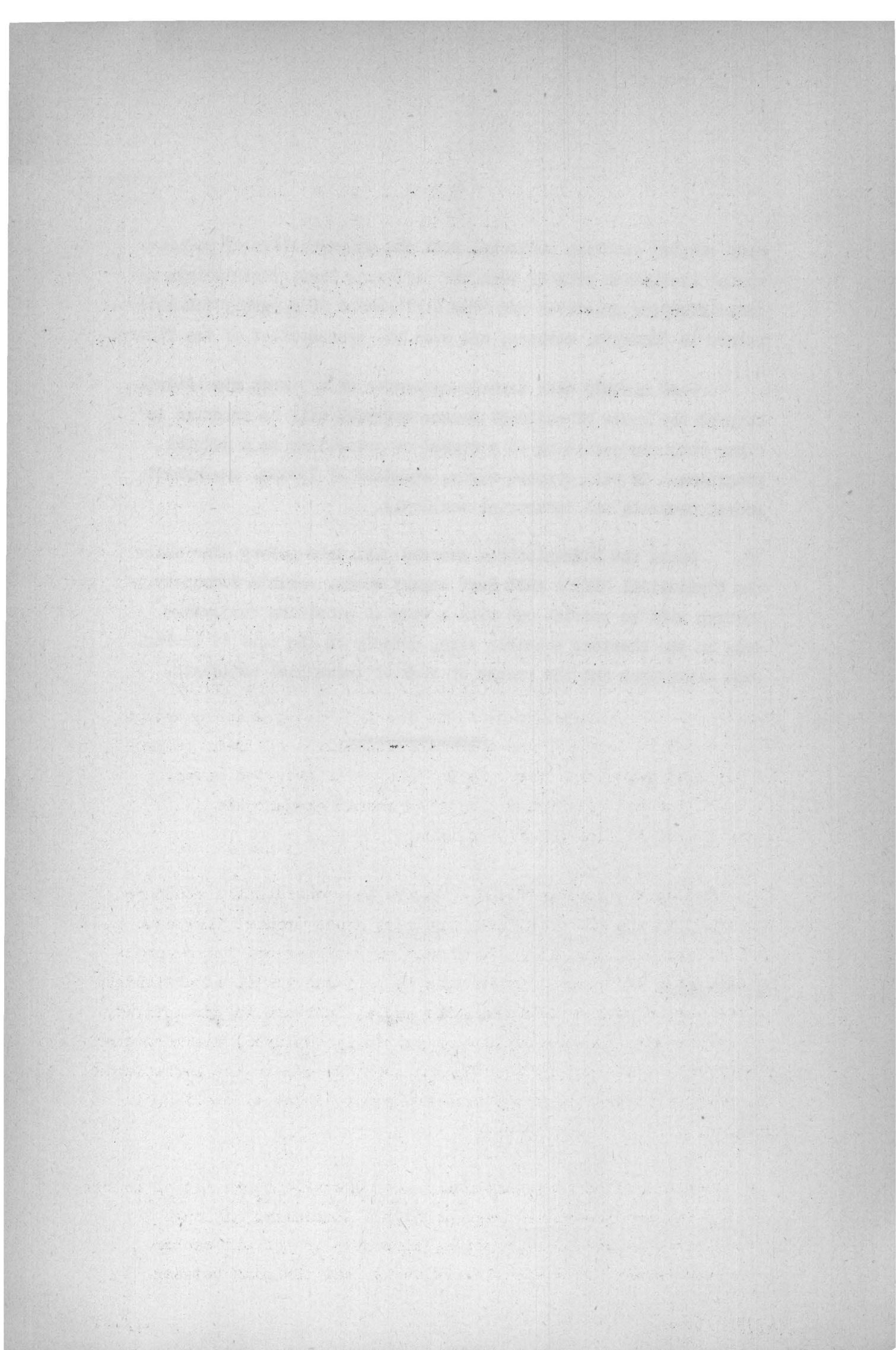
74. The Statistical Office of the European Communities intends to continue and develop its efforts to harmonize social statistics in the coming years. This is essentially a matter of solving the

./.

many complex problems connected with the comparability of national social statistics arising from the differing laws, institutions and administrative practices and from differences of a purely statistical nature in concepts, methods, and even the presentation of the figures.

Work already done towards agreement on a common statistical plan on the basis of national source material will be extended to other subjects according to a system of priorities in a general programme. It will concern wages, standard of living, employment, social security and industrial accidents.

75. Since the harmonization process will take a long time while the Statistical Office must meet urgent needs, certain Community surveys will be carried out with a view to providing comparable data in the shortest possible time, notably on the cost of living, wage structures and the extent of risk of industrial accidents.



II.

SOCIAL DEVELOPMENT IN THE EEC FROM ITS INCEPTION TO THE END OF THE SECOND STAGE (1958-1965)

(Introduction to the Ninth Report on the Social Situation in
the Community)

I. In accordance with the usual practice, this survey refers to the year just past, but as this was the last year of the second stage of the transitional period, it can serve as the occasion for a review of developments in the social field between the date when the Treaty came into force - 1 January 1958 - and the end of the second stage on 31 December 1965.

This introduction constitutes a balance-sheet intended to show what has been achieved in the social field, and on the basis of this balance-sheet it will of course be possible for us to judge how far the policies being followed in the six Member States correspond to the objectives of the Treaty - among which constant improvement in the living and working conditions of their peoples is the most important. The remarks below will show the extent to which the social element and the economic element are contributing to each other's advance.

II. During the period 1958-1965 there was considerable economic expansion in the EEC countries. The real gross product increased by 44%. This was primarily the result of satisfactory improvements in productivity; these in turn were in part due to the establishment of the common market machinery. The annual increase in productivity (gross domestic product per person gainfully employed) was more than 6% in Italy and about 4,5% in Germany and France; in the Netherlands and Belgium it was about 4%, with a clear tendency to speed up in Belgium.

While this economic expansion was general, it was not of course equally in evidence in all regions of the Community. Although a comparative study of regional developments in the six member countries is not yet available, it seems that the gaps between

some of the less developed regions of the Community and certain of its industrialized regions may be as wide as before.

In addition, Community action since 1958 in the field of regional development and industrial conversion has already produced a considerable number of initiatives, such as the study made in Germany of the method of development through nuclei of concentration and the study in Italy on the creation of a "development pole".

These efforts will have to be continued and expanded with an eye to matters such as the changes occurring in certain agricultural regions and in other regions which have long been industrialized.

Nevertheless, it must be remembered that these efforts can only show results gradually; regional policy is by definition a long-term policy.

III. In 1965 private consumption per head in the Community was in terms of volume one third higher than in 1958; this is equivalent to an annual increase of 4.2%. If 1959 is taken as the base year, the annual average rate of increase in the volume of private consumption per head was 5.4% in Italy, 5% in the Netherlands, 4.6% in Germany, 4% in France and 3.8% in Belgium.

IV. This rise in living standards is all the more striking as the labour force increased by only 4% during the period. In relation to total population, which grew more than 10%, the labour force declined, falling from 43.3% in 1958 to 40.7% in 1965.

Fairly considerable changes occurred simultaneously in the structure of the labour force and the structure of employment. There was, for instance, a shift towards the high-productivity sectors: the labour force in agriculture fell by 22% between 1958 and 1965, while numbers employed in industry rose by 13%, and in the services

sector by 15%. This shift was one of the causes of improved production in the economy as a whole.

Another significant change in the structure of the labour force was the relatively strong increase in the number of women workers in certain countries. Manpower shortages and technical progress in particular led to many more married women taking up work; in view of the improvement in their general education and vocational training, it may be assumed that this process will continue in the near future.

V. The Community's labour force increased from 72.4 million in 1958 to 74.6 million in 1965. Unemployment fell considerably, the percentage declining from 3.6% in 1958 to 1.7% in 1965. The monthly average of persons unemployed fell from about 2.75 million in 1958 to 1.5 million in 1965. In one country alone - Italy - the average declined by some threequarters of a million to a million. Most of those at present out of work are not, at least immediately, available for integration into the production process. Of those who have found fresh work, 454 000 had benefited from vocational re-training or resettlement financed by the European Social Fund.

VI. Since 1958 the decline in the size of national manpower reserves has forced certain member countries to make greater calls on foreign labour. The percentage of foreign manpower employed in the total wage-earning population rose from 0.7% in 1958 to 5.4% in 1965 in Germany and from 0.9% to 1.4% in the Netherlands.¹ During this period, too, the number of foreigners employed in these countries has been growing faster than the total numbers in paid employment. As regards the origin of foreign manpower recruited in the Community

¹ The only Community countries for which statistical series on the numbers of foreign workers are available.

since 1958,¹ it may be noted that the number of workers drawn from Member States - the great majority of them from Italy - rose from 155 000 in 1958 to 268 000 in 1965. Until 1963 these workers accounted for a greater proportion of the foreign labour force than workers from non-member countries; the pattern of recruitment then changed in favour of non-member countries up to the end of 1964; In 1965 recruitment from within the Community again picked up fairly sharply. Placement of workers who are nationals of non-member countries increased from 84 000 in 1958 to 578 000 in 1965.

VII. The constant rise in the number of persons in paid employment and the decline in the number of the self-employed is the last structural change which needs to be pointed out here; this decline is closely linked with the fall in total numbers employed in agriculture, to which reference has already been made. In certain countries regulations have been adopted providing subsidies to encourage farmers to leave the land and thus increase productivity in agriculture and, consequently, in the economy at large. At the end of 1965, total numbers in paid employment ranged from 74% to 80% of the total working population in five of the Member States; Italy, with 64%, was below this level.

VIII. The first point to be noted on employer-worker relations is that increasing attention is being paid to general economic and social developments when wages and working conditions are fixed. Only in Belgium and the Netherlands were negotiations between the two sides of industry institutionalized before 1958. Collective bargaining was done through the Joint Boards in Belgium and the Labour Foundation in the Netherlands. Other countries have no comparable institutions in this field; there is, however, co-operation between the Government and the two sides of industry in connection with the approval and the extent of the collective agreements. In Italy the situation is rather unusual in this respect:

.../...

¹ Permanent workers and seasonal workers coming for the first time.

Article 39 of the Constitution lays down that registered trade unions have legal personality and, when represented as integral units with representation proportionate to their membership, may conclude collective agreements ~~universally binding on~~ all persons belonging to the categories to which the contract relates. It should, however, be pointed out that for lack of an implementing law this Article has so far remained a dead letter.

In addition, in France and the Netherlands there is an Economic and Social Council, in Italy the National Council of the Economy and Labour (CNEL), and in Belgium the National Labour Council and the Central Council for the Economy. The composition of these bodies is roughly similar in Italy and in the Netherlands: they have a tripartite structure with representatives of the employers, representatives of the workers, and persons with special competence in economic and social matters. In France, where membership of the Council is much larger than that of the similar institutions mentioned above, its composition is more complex, since it includes other groups than the three just enumerated. In Luxembourg there are several bodies which may be considered as embryonic forms of an economic and social council. In Germany, on the other hand, there are no institutions comparable to the councils of the other countries: co-operation between Government, management and labour is generally through informal contacts.

In the policy governing wage agreements a new trend seems to be emerging: this is to "objectify" the negotiations to a certain extent in that, more than formerly, decisions are based on concrete data. The complexity and interdependence of socio-economic and political phenomena are the basic reason for this evolution. The development of applied economics and applied social science, and the increasing number of technicians and cadres in the workers' and employers' organizations, should also be remembered in this connection.

In several countries collaboration between employers' and workers' organizations of various tendencies is being tightened and sometimes there is even a more far-reaching movement in the direction of concerted action.

Finally, account is increasingly being taken in each of the Member States of what is happening at Community level. Concepts and achievements are more and more on a European scale. The national organizations of workers and employers have set up European secretariats: The European Secretariat of the International Confederation of Free Trade Unions, the European Secretariat of the International Confederation of Christian Trade Unions, the Union of Industries of the European Community, the Committee of Agricultural Organizations in the EEC, the Committee of Commercial Organizations in the countries of the EEC, and the Union of Master-craftsmen of the EEC.

These bodies constitute the official link between the Commission and the employers' and workers' organizations in the Community. It is largely thanks to their secretariats that an increased awareness of the new European dimension is developing in these quarters.

IX. During the years corresponding to the first two stages earned incomes in the Member States increased - both in money terms and in real terms - at a much more rapid pace than in most other industrially developed countries. If we consider the wages of industrial workers - the only ones for whom statistics are available in all Member States - it will be seen that in the Community average gross hourly earnings for the period 1958 to 1965 went up by almost 80%. In Germany, Italy and the Netherlands the increase was almost 90%, in France more than 60%, in Belgium a little more than 50%, and in Luxembourg wages rose by about 40%. Since wage levels at the time the Community was set up were lowest in Italy and the Netherlands and highest in Luxembourg and Belgium, the initial differences between nominal wages in the various Member States have therefore contracted considerably.

Within the several countries there is a tendency for differences in wage levels between the various groups of workers and the various branches of activity to taper off. In this connection mention should be made of the considerable rise in the wages of farm workers, which

.../...

brings them nearer to what workers earn in other branches, and more particularly also of the principle of equal pay laid down in Article 119 of the Rome Treaty, by virtue of which the wages of women workers have often gone up more than those of men.

X. In real terms, of course, the gross incomes of workers have not increased to the same extent as gross hourly earnings - mainly because of the higher cost of living. The increase in the cost of living has differed in the various Member States, ranging from 12% in Luxembourg to 32% in France. For the latter country this is equivalent to an average annual increase of 4%, but Italy and the Netherlands have not been far behind. Workers' incomes have also had to bear relatively greater social security contributions, particularly in Belgium, Italy and the Netherlands and, in a more general way, they have been affected by the incidence of progressive taxation as incomes increased. Finally, the number of hours worked has been shortened in certain countries, especially in Germany and even more in the Netherlands and Italy.

When all these factors are taken into account there was a real average increase of about 40% in the net annual incomes of industrial workers in the Community. The increase per wage earner was highest in Germany (over 50%). It was 25% in Italy and Luxembourg, 30% in Belgium and about 35% in France; in the Netherlands, workers' incomes rose by a little more than 40%. Because of the higher cost of living, therefore, the approximation of the levels of real wages was less appreciable than that of money wages.

Statutory family allowances, which also contribute to the disposable income of the family, were raised several times in all Member States between 1958 and 1965, but in most States the percentage rise was smaller than the corresponding rise in earned incomes. In Germany and the Netherlands, where family allowances were least general and lowest when the Community was established, cash benefits under this head increased more than in the other countries. Here, too, there has been a tendency for differences to be reduced.

.../...

XI. The number of hours actually worked per week fell, particularly in three countries: in Germany there was in the first stage a fall of three hours, then a further fall of one hour, so that the number of hours actually worked was down to about 44 hours in 1965. In the Netherlands, the total went down by $2\frac{1}{2}$ hours, bringing it to about 46 hours per week. Until 1963 the trend was the same in Italy, but here in addition the economic slowdown in 1964 obliged many firms to cut back their activities, so that the average number of hours actually worked per week in industry is estimated to have fallen to about 42 hours in 1965. In the other countries there were no notable changes in the situation. True, in 1965, when it appeared that as a result of this trend the hours actually worked in the other countries were fewer than in France, a movement for the reduction of working time could be noted in that country also, where they totalled more than 46 hours a week, and in certain firms even over 50. On the other hand, France was the only country in which, during the years 1958-1965, the number of public and paid holidays stipulated in collective agreements were increased to a fairly large extent without reduction of pay.

XII. At the same time that the length of the working week was falling annual holidays and holiday pay tended to rise. A considerable extension of holidays without loss of pay was recorded between 1958 and 1965 in Belgium, France and Germany. Employers and workers in Belgium agreed to a third holiday week and in France, for the majority of workers, to a fourth. In Germany the period of paid holidays was increased from two weeks to two weeks and a half, and to three weeks for workers of 35 years and over. More favourable provisions regarding the length of holidays have also been included in collective bargaining agreements in the other countries.

Holiday pay is another point on which social progress has been achieved. In Belgium the amount was increased from one to two weeks' wages and in Germany, also, new clauses increasing holiday pay were

adopted at the end of 1965 for a large proportion of workers. In other countries, particularly Italy, the end-of-year bonus (or "13th month") was raised.

XIII. The considerable demands made by modern science and technology have exerted a growing influence in the various trades and professions. It became increasingly clear during the years 1958-1965 that in all branches of economic life without exception the qualifications needed, and even more the calls on the individual's ability to adapt, have grown steadily. This has obviously had repercussions on education in general and on vocational training in particular.

The spread and intensification of education which resulted from this were reflected primarily in an increase of compulsory and voluntary schooling. In 1958, nine years' compulsory schooling was still the exception, but at present it is tending to spread, and certain countries, with France in the van, will soon have compulsory schooling for as much as 10 years.

During the same period all member countries have been reorganizing their whole educational system with the aim of guiding pupils towards the subjects best suited to them, increasing the choice available and facilitating the transition from one stream to another by integrating the various educational levels into one broad yet homogeneous system. This evolution is encouraged, if not rendered indispensable, by the structural changes in employment and the labour force, changes which lead to greater activity in the social sphere.

The funds allocated to education by the public authorities of the Community countries increased considerably between 1958 and 1965, both in absolute figures and as a percentage of the national income (in absolute figures they even doubled in certain cases). The efforts which the private sector shouldered in support of education and vocational training were also considerable.

XIV. The number of pupils receiving post-primary education rose considerably between 1958 and 1965 in all Community countries. The increase can be attributed to the post-war birth-rate and also to the facilities available to parents to ensure that their children would be adequately prepared for a job in life. Unfortunately, the increase in school staff and in particular the number of secondary teachers has not kept pace with the influx of new pupils and the shortage of qualified staff is one of the main problems in all the Community countries.

One reason for broadening the basis of instruction - this is required by one of the general principles laid down by the Council in the matter of common vocational training policy as well as on other grounds - is to facilitate the transfer of workers to another trade should they become unemployed. Technological progress is also modifying the structure of the trades themselves, so that high demands are constantly made on the workers' ability to adapt. Furthermore, it must be expected that in future many workers will have to change their trade at least once in their lifetime.

XV. When the Community was set up, a great number of insured persons were already covered by social security. Since then their number has continued to grow, though the pace of growth has of course varied with the type of insurance, the category of persons insured and the country.

In 1958, for example, 75% of the Community's total population came under the laws on sickness insurance; in 1963 this percentage was about 85. It must be even higher in 1965, when the reforms introduced in Belgium and Luxembourg are taken into account. The increase in the number of persons insured is very largely accounted for by the self-employed. The laws on sickness insurance were extended to cover traders and artisans in Italy, farmers in France and Luxembourg, elderly persons in France, and all categories of self-employed in Belgium. Old-age insurance was extended to artisans in Italy and to traders, industrialists and members of the liberal professions in Luxembourg,

while in the Netherlands the self-employed were brought under the legislation on widows' and orphans' pensions and on family allowances.

XVI. Although it is possible to measure the progress accomplished in widening the field of social security, there are no figures which give a satisfactory idea of how its effectiveness has progressed, either in the value of the benefits available or in the way the systems of protection are being adapted to the requirements of a rapidly changing society. The whole level of social protection has undoubtedly risen since 1958, either as a result of a complete overhaul of the relevant legislation or simply because benefits have been increased. But for a qualitative appraisal in this field it is not enough to give a description of how the field is organized; it will only be possible after a more sophisticated analysis over a lengthy period. This applies equally to any appreciation of the endeavours being made to harmonize the social systems of the six countries.

In a brief review the most that can be done is to pick out certain points from the statistics. It will be found that the ratios of social security expenditure to gross national product have been converging: in 1958, the percentage was between 10.6% and 14.1% according to country; in 1963 it was between 12.7% and 14%.

This shows that, generally speaking, some harmonization is emerging in the shape of alignment on the higher figure. It may also be noted that between 1958 and 1963 average social security benefits per head increased more strongly in Italy, France and the Netherlands (65-90%) than in the other three countries (30-45%). As with wages, the result here is again a certain degree of harmonization.

XVII. As to the respective importance of the various branches of social security in terms of their cost, it may be noted that in five countries invalidity, old-age and survivors' benefits take first place, while in France this is still held by family allowances.

Nevertheless, some weaker trend in family allowances can be seen in France, and in Italy also. The most striking point, however, is the steady growth in all member countries except the Netherlands of the relative importance of sickness insurance.

XVIII. In the financing of social security, on the other hand, there is a contrast between two groups of countries. In Germany, Belgium and Luxembourg the contribution of the authorities is high (19.3%-24.2% of resources in 1958, 17.6%-22.8% in 1963), while in France, Italy and the Netherlands it is low (7.1%-9.8% in 1958, 6%-10.2% in 1963).

These differences have an effect on the pattern of wage costs. The share of the indirect elements in the total cost of labour is not so large in Germany and Belgium, where central government subsidies to the social security system are highest, nor in the Netherlands, where contributions are shared between employers and workers. It is larger in France and Italy. Surveys of labour costs show no substantial change during the period under consideration.

XIX. Industrial injury is, as before, a major concern of social policy. The statistics on accidents at work and occupational diseases are ample proof of the risks to which today's workers are exposed despite - or perhaps even because of - the development of new techniques.

Among the achievements of recent years, mention should be made of the new provisions setting up industrial health services in Belgium and the Netherlands, the new Belgian, German and French regulations for the protection of machines and plant requiring supervision, the new safety precautions required for the handling of solvents in Italy, and the new measures for the protection of workers on building sites and in agriculture.

XX. The housing shortage facing all Community countries but Belgium and Luxembourg has diminished since 1958. The number of dwelling units completed went up steadily from 1 215 000 in 1958 to 1 580 000 in 1965, but the total number of new dwellings (about 11 million throughout the Community) was not enough to make good the leeway.

The most marked phenomenon in the housing field is certainly the relative decline in the volume of publicly assisted accommodation that is being built. This can be seen in nearly all the countries, though in differing degrees.

Another feature - one that cannot be considered independently of the first - is the improved quality of housing: new units cover a larger area and have more rooms, better sanitary facilities, and central heating. A serious problem has been the constant rise in the price of land. All this has obviously affected building costs and rents.

Over the last few years, housing programmes in the Community countries have come to be seen more and more in the overall context of town and country planning.

As regards housing, nationals of member countries in regular employment in other member countries are on the same legal footing as nationals of the host country, and in most cases financial measures are adopted to facilitate the construction of housing for migrant workers. Nevertheless, the present situation cannot be termed satisfactory.

XXI. It is too early to say what impact these economic and social developments have had on family life, though some general trends can be discerned: the average age of marriage has dropped one or two years, the average size of families has gone down in certain countries, the number of married women at work has risen sharply, workers have much more leisure, more consumer durables are being bought for the home and for recreation, and communal facilities for families are expanding. As a

consumer, however, the citizen feels that not enough attention is paid to his interests, and this has led to the creation or expansion of a great number of consumers' associations; at the instance of trade unions and family organizations, a federation was set up at Community level in 1962.

XXII. Considerable progress has been made with social services between 1958 and 1965, especially in integrating them into social and economic life. In Germany and the Netherlands there has been a complete overhaul of social assistance legislation, and similar reforms are being prepared in other countries.

Certain aspects of social service have been particularly strengthened in recent years. For one thing, increasing stress has been laid on social services in regions where economic and social structures are changing rapidly, with a view to adapting the populace to a new framework for living and to new conditions of employment - especially in industry. Social services for migrant workers have also been expanded appreciably. The vastly increased freedom of workers to take jobs in other Community countries has had a positive influence on co-operation between social security agencies at Community level, with obvious advantages for migrant workers and for the members of their families, whether the latter have stayed behind or have accompanied them to their new homes.

XXIII. While this introduction, being confined to outlining the major trends in the social field, is too narrow in scope to examine all the factors and circumstances that have contributed to these developments, it is easy to see that remarkable progress has been made in these eight years. Since much the same problems have often arisen for the member countries at the same time, the levelling-up of social conditions has been facilitated.

According to Article 117, levelling-up should result not only from the operation of the common market but also from the procedures laid down by the Treaty and the alignment of the member countries'

laws and regulations. Matters have not worked out as simply as this, however, because the operation of the common market has also resulted in existing disparities becoming wider; nor has there been substantial progress with the alignment of laws and regulations, though noteworthy advances have been made in the fields of social security for migrant workers and of equal pay for men and women (required by Article 119).

There is also some doubt about the results produced by the automatic interplay of market forces and what can be put down to the action taken by the Commission, and it is not clear what the direct or indirect incidence of such action on social advance has been. In a sense this is an academic problem because, even if a distinction can be drawn between these influences, they cannot be envisaged separately. The EEC has had its effect on all the social problems that have arisen. In some cases the effect has been direct, in others only indirect, but the latter cases have not on that score been without importance.

Among the actions taken at the initiative of the Commission, mention should be made of the symposia and seminars, the conferences on technical progress, on social policy in agriculture and in transport, on the social services, on housing and on industrial health and safety, the wage surveys and the many reports and studies that have contributed to the diffusion and exchange of ideas in all social fields.

Lastly, in its concern to align conditions throughout the Community, the Commission has kept in touch with governments, trade unions and employers' associations, and this has encouraged and speeded up simultaneous approaches to problems and the search for solutions that would achieve parallel results. Examples of progress in this field are provided by the Community-wide programmes of the trade unions and by the efforts of both sides of industry to set up central offices which can co-ordinate activities and policies at Community level.

The Commission looks to the future with confidence. Thanks to the progress brought about by the Common Market, social problems can no longer be confined within national frontiers or be solved on any other than a Community scale by joint efforts. The Commission will continue to promote close co-operation among the Member States in social matters, thus playing its part in stimulating these developments.

V/1913/66-E

