

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

COMMISSION

## REPORT

on the

# Development of the Social Situation in the Community in 1972

(Addendum to the "Sixth General Report on the  
Activities of the Communities" in accordance  
with Article 122 of the Treaty of Rome)

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## INTRODUCTION

In many respects the development of the social situation in 1972 has been merely the repetition or continuation of trends which were pinpointed in the previous Social Report. Thus, this year it would be possible to define this development by noting that it: "has been dominated by employment problems. Short-term economic and monetary factors have disturbed the rate of expansion and the level of employment. In nearly all the peripheral regions of the Community, structural unemployment has hardly diminished—a fact which raises the question of Community solidarity expressed in the Treaties".<sup>1</sup>

It is true that the level of the full-time unemployed during the year has remained above that reached in 1971, and that structural inadaptations, mainly at regional level, have become further pronounced in certain Member States. At the same time, the unemployment among young people, even those in possession of skills, is a subject for increasing concern.

Nevertheless, the year 1972—precisely because it saw the repetition of certain events, and in particular monetary disturbances, and the persistence, and even the accentuation, of certain imbalances, particularly as regards employment and incomes—cannot be considered as a pure and simple repetition of 1971.

The fact that these phenomena are no longer considered as accidental or transitory, makes them now less tolerable.

Their persistence or repetition confers on them quite another dimension. Certainly, they oblige us to question the outline interpretations of socio-economic phenomena on which economic and social policies are based. Hence we have, for example, the debate on "stagflation", or the more general questions on the final aims and limits of growth. But, more especially, they have at the same time the effect of modifying the behaviour of social and economic agents, not only as *producers* (affected by their working systems and environment), but also—which is something new at this level—as *consumers*.

Up to now social policy has been very largely the uncoordinated sum total of the various reactions of the social body to the results and consequences

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<sup>1</sup> *Report on the Social Situation in the Community in 1971*—Commission, February 1972, Introduction, p. 7.

of other policies. This is now no longer the case. It is now accepted that social policy should be accepted in its own right. Admittedly, the correlations between social policy and other policies have long since been obvious, and in the attempts at planning or programming on the national or Community plane efforts have been made to give a place in the objectives to strictly social aims, but with varying degrees of success. The first Summit Meeting in The Hague, in December 1969, had already advocated close concertation of social policies in the light of an economic and monetary union in process of formation. The third Medium-term Economic Policy Programme, and the Preliminary Guidelines for a Community Social Policy Programme, adopted by the Commission on March 17, 1971, have also helped to bring about this awareness of the interdependence of the various factors.

But what is new, and what confers on the Paris Summit Meeting of October 1972 its most marked and decisive feature for the future of Europe, is the fact that "the Heads of State or Government emphasized that they attached as much importance to vigorous action in the social field as to achievement of economic and monetary union. The Heads of State or Government thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community (Declaration, Chapter 6).

The solemn recognition of the importance of the development of a coherent social policy for the Community is accompanied by an indication of the means to be used—the participation of management and labour—which will help to integrate the social aspects into the general body of Community policies.

The Declaration of the Summit Conference is in no way a statement of limited scope which would concern only the social sector in the strict sense. It will be noted that it also concerns participation in economic decisions, and that the preamble to the Declaration, which faithfully reflects this radical transformation of public opinion referred to above, announces that: "Economic expansion is not an end in itself. Its first aim should be to enable disparities in living conditions to be reduced. It must take place with the participation of all the social partners. It should result in an improvement in the quality of life as well as in standards of living" (Declaration, Preamble (iii)).

We have to keep a sense of proportion and, without losing sight of the general objectives, endeavour to transpose them into terms of realistic and short term objectives. Whether it is a matter of employment, living and working conditions or, again, of the democratization of economic and social life, we must continue to improve knowledge of the facts, since information precedes effective action. We must test the reality of the solutions recommended by introducing operational instruments so that direct Community intervention should normally not be complementary to national intervention.

This does not exclude but, on the contrary, implies (for otherwise the Community could fall apart) the maintenance and safeguarding of overall coherence. As the Commission stressed in the Preliminary Guidelines for a social Policy Programme in the Community: "In order to bring economic measures more closely into line with social targets and ensure that they will be as effective as possible, it is vital that economic policies should not only take full account of social objectives but also that they should be interlinked in a coordinated Community programme. This programme must cover all factors contributing to a harmonious, balanced development and must allow for all the wide structural differences which still exist. Clearly, the options must form the subject of wideranging democratic discussions. This is not merely an ethical or political consideration; the collective processes must be followed and this is inconceivable without effective participation by the people in their formulation and supervision".

### A. *Employment problems*

The supply of information is gradually improving thanks to the various studies, inquiries and reports on the situation and trend of the employment market, the functioning of free movement, and vocational training problems. Yet we must note the obstacles encountered by the development of harmonized statistics at Community level. Migration affords a particularly good illustration here. Not only are the Member States reluctant to undertake a coordination of immigration policies—without which the application of the principle of the free movement of workers is considerably weakened—but there is lack of progress ensuring the acquisition of information on migratory flows.

This lack of knowledge is paradoxical in view of the importance which the planning or programming services rightly attach to the balance of the manpower market. The unsatisfactory level of information regarding employment inevitably has a detrimental affect on forecasting. Much more considerable efforts should be made to improve such forecasting, particularly in view of the possible repercussions on the economy and on human beings of an ill-conceived and ill-directed training policy.

Already the intervention of the new Social Fund requires more systematic and more reliable information on the employment situation according to regions and branches of activity as well as up-to-date forecasts, whose coherence and mutual compatibility would be verified at Community level. Here, very special attention is being paid to the new possibilities opened by information technology, in particular the possibility of creating a coordinated network of computers using harmonized data. In this field, the objective is not only, or even chiefly, to improve and speed up the clearing of job offers and applications,

but to arrive at the most immediate and detailed knowledge possible at Community level of developments and trends on the employment market. A recent memorandum from the French Government suggesting that the Social Fund should help in this field links up with the ideas which are exercising the mind of the Commission.

In fact, it may be feared that the "modernization" in desperate fashion of each national employment market using different and perhaps incompatible systems may well end by making the Community labour market practically opaque, and thus in fact ruling out any active employment policy. If things are taken to extremes, the juxtaposition of increasingly rigid and watertight labour markets would become a major obstacle to the achievement of economic and monetary union.

Only great efforts at the Community level will give any hope of achieving the objective of full and better employment which the Commission, with the support of the European Parliament and all those concerned in social life, places and has always placed in the first rank of priorities and which will retain this rank in the social action programme which the Community is to adopt by January 1, 1974.

This is why the permanent cooperation of the institutes, offices and bodies dealing with employment problems begun under the aegis of the Commission, will be actively followed up. In the coming years an endeavour will be made to render it more systematic and operational.

In addition, the Commission had adopted the "SEDOC" System (European system for the diffusion of job offers and applications in international clearing) which, by means of a conversion table, defines for some 900 significant occupations at the level of the Community employment market a nomenclature of practical equivalences. In addition to ensuring the better functioning of the free movement of labour and of the activities of the coordination office instructed to watch over the implementation of Regulation 1612/68, this system should facilitate the preparatory work for the establishment of a harmonized data bank for the whole employment market.

Similarly, the action programme for a common policy on vocational training submitted to the Council in November 1972 will assume its full meaning only in the perspective of a genuine common employment market.

The new Social Fund began to operate on May 1, 1972 and provided the opportunity for an interesting revision of social policy in this field. With financial resources which, although still modest when compared with the needs, are already considerable, the catalytic effect of the new Social Fund makes a genuinely active employment policy possible.

The readaptation policy carried on in the framework of the European Coal

and Steel Community, and which is continuing, constitutes a promising experiment.

It is not only a matter of supplying Community aid towards solving of particular difficulties existing in various regions or certain sectors. The aid given for the training of people under the new Social Fund and within the framework of the ECSC provisions is an excellent instrument to promote balanced economic development in the light of policies jointly laid down by the Community authorities. It depends on the imagination and will whether those concerned, both at private and public level, profit by the opportunity offered to dovetail programmes of training and vocational readaption into development projects submitted for assessment by the Community authorities. In this way, the Social Fund can be seen as an instrument available to all the policies tending to give the Community a human visage as desired by the Summit.

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The Community institutions have continued to examine important aspects of employment. Those include the employment of women and handicapped persons.

As regards work by women, studies, confrontation and enquiries carried on over the last two years have led to the conclusion that the problem is as much sociological as legal. Equal treatment will not be really possible until the fact of being a woman with special social responsibilities is no longer used as a pretext for inadequate training, interruption of professional careers, under-qualification and lesser chances of advancement. The development of appropriate legislation taking into account the place of women in society and the growth of collective facilities, are closely linked with the chances of the advancement of women at work. The economic interest of such achievement is often less clearly perceived than the social aspects in the strict sense.

As regard migrant workers, their ever-increasing number poses disquieting problems. Apart from the reception of workers in the strict sense, the schooling of the children, housing and cultural and vocational preparation for life in a strange country create large-scale problems. The Commission is of the view that differences of treatment between migrants of various origins must be avoided and, where they exist, must be eliminated. These differences are unacceptable in human terms and calculated to encourage veritable social dumping. The Commission continues to believe that a coordination of migration policies is indispensable and this in the relatively near future and it feels that without this it would be impossible to imagine an active employment policy tending towards full and better employment of all the labour forces of the

Member States. In addition, difference between migration policies is calculated to influence wage structures in a manner prejudicial to social progress.

The situation of *handicapped persons* is no less a subject of concern. Their number is also continuously increasing in the Community as a whole. The Commission is convinced that the objective to be attained is the reintegration of these people into normal active life to the greatest extent possible. The lessons learned indicate that the cost of such reintegration is infinitely less than the considerable economic loss resulting from a passive solution founded on recourse to social security. But a readaption "without any break" between the beginning of the handicap and reintegration into social life, implying close co-operation between the medical bodies and the agencies for professional training and recycling, is the precondition for success. The intervention of the Social Fund for the occupational adaptation and readaptation of handicapped persons is an established achievement. However, it should be better dovetailed into an overall policy which still needs to be defined with the agreement of all the interested parties.

### B. *Living and working conditions*

In this field, in which, in accordance with Article 117 of the Treaty establishing the EEC, there is "need to promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonization while the improvement is being maintained", it is particularly necessary that the existing situation at Community level be clarified as well as trends in the various Member States. Whether it is a matter of income and assets, of social security, including the social transfers which this covers, or rules and regulations governing work, the first need is to know what the real position is.

It is to this end that the Commission's departments, while continuing their efforts to improve statistics, are endeavouring to work out "social indicators. The result of an initial effort in this direction is to be found in the present Report.

It is the same concern for clarification which inspired the elaboration of the European Social Budget adopted in principle by the Council of Ministers on November 9, 1972. At the present stage, the main point is not to define objectives but to give a sufficiently clear view of realities. This is a prior condition for the "harmonization while the improvement is being maintained" which it will be possible to envisage later.

Another field in which the improvement of the quality of life is essential, is the internal environment (in places of work) and the external environment

(in places where people live). The Commission, in addition to presenting a general memorandum, has already started to take concrete measures in this field.

Basing itself in particular on the lessons learned in the framework of the Treaty establishing the European Atomic Energy Community, and also on the research and confrontations that have taken place, in close liaison with management and labour, in the coal and steel industries, the Commission has begun, within the limits of the means placed at its disposal, to move beyond the context of radio-activity on the one hand and the pollution resulting from industrial activity in iron and steel and mining on the other. The efforts made in 1972 were essentially directed to working out methods for tackling the problems posed by the major pollutants (lead, mercury, sulphurdioxide, carbon monoxide, etc...). The point is to define harmonized reference indicators concerning pollution and nuisances, with a view to evaluating the danger these represent by means of standardized measurements. This is the prerequisite for the determination of genuine basic norms fixed by common accord at Community level. The need to avoid dumping on quality, that is say to a levelling downwards imposed by the needs of competitiveness, calls for the definition of common rules of conduct in the most extensive areas possible, but in any case at the level of the Community. It is true that in some of its aspects this policy goes beyond the context of social policy, but it is too closely linked with the latter to be left out of a social report.

As regards the free movements of workers, 1972 witnessed the implementation of the revised regulations on the social security of migrant workers, which resulted in considerable improvements. It should be pointed out that very important work was carried out as part of the preparations for the enlargement of the Communities to enable these regulations to be rapidly extended to the new member countries. Furthermore, the seventh scheme of financial aid to ECSC housing is in full operation. A noteworthy development of these activities is planned, particularly in favour of migrant workers.

### *C. Democratization of economic and social life*

Apart from their interest *per se*, the measures relating to the democratization of economic and social life are, in the last analysis, as was recognized by the Paris Summit, one of the essential conditions for the effective achievement of economic and monetary union.

Apart from the proposal for a statute for the European joint-stock company (*société anonyme*), the Commission submitted in November 1972 a further proposal for a directive which provides for worker's representation in the governing bodies of such companies.

There is, in addition, the need to organise and develop the dialogue between the Community institutions and the two sides of industry. Apart from the Advisory Committees attached to the Commission, which bring together the representatives of all the parties concerned and play a very important role in the definition of objectives and the control of day-to-day administration, the importance of the Standing Committee on Employment should be stressed. After two years of operation, this Committee, which is a centre for concerted action between the Council, the Governments, the Commission and the employers' and workers' organization, has proved a valuable instrument for the definition of employment policy. Without changing the institutional balance laid down by the Treaties, it lends a valuable political dimension to the preparation of concrete measures. It helps in a flexible and informal manner, to develop a Community will.

The sectoral mixed or joint committees, which develop first in the steel and coal sector and then in agriculture, fishing and transport, have received a new boost from the Summit Conference. The Commission desires concerted action at sectoral level, covering both economic and social problems, in which all aspects of the future of the branch concerned could be debated freely and frankly and would make rapid progress. It will do everything in its power to promote this aim.

The conclusion of European collective bargaining agreements would contribute, while fully respecting the autonomy of both sides of industry, to the achievement of equalization in an upward direction. It would make it possible for Community rules and regulations to be applied but only on a complementary basis, in order to avoid social dumping and ensure that the measures adopted by common accord are respected.

This Social Report concerns the year 1972, and thus essentially deals with the Six founder countries. However, a special chapter has been added which makes a first tentative comparison between the situation in the Community of Six and in the three acceding countries. These show fairly important differences in procedures. However, it is clear that the main trends of social policy are sufficiently convergent to ensure that the enlargement of the Communities will in no way impede the achievement of the objectives of the Paris Summit in the social sector.

**A — Outline of activities  
by the Commission of the European Communities  
in the social field in 1972**

## GENERAL

1. An increasing tendency to consider social policy in an overall context, as opposed to the too generally compartmentalized view, could be said to have marked the Commission's activities in 1972 and the impulse given to them through the prospects afforded by the enlargement of the Community. Many questions were thus examined in the light of the participation of the acceding countries. This was particularly the case with the Regulation implementing social security provisions for migrant workers, effective from 1 October 1972.<sup>1</sup> For this a large amount of adaptation work had to be undertaken to enable the social security legislation of the acceding countries to be brought into line with Community rules from April 1973 and to enable the reformed Social Fund to start operating in these countries as soon as possible.

The most important decisions are undoubtedly those concerning the implementing procedures, which have become effective, for the reform of the European Social Fund.<sup>2</sup> The Commission had the opportunity to present its first proposals for specific decisions connected with common policies or situations in the Community—for agriculture, and the textiles and clothing industries. In both these cases it was a matter of tackling the sectoral problems by intervening systematically and in good time but with due regard for the background of general economic policy. On 9 November the Council adopted decisions on measures for agriculture and textiles.

This concern governed all the work connected with employment, which, once again, had top priority. For emphasis was placed on an active policy to facilitate continuity of employment without hindering the mobility necessary for economic and social progress. Nevertheless, particular problems like juvenile employment and different aspects of female employment have not failed to receive attention. In order to reduce geographical imbalances in the labour market, the idea was also mooted of having closer links between movements of labour in the Community and the development even of those regions where there is a surplus of demand for employment, through integrated schemes uniting both economic and social aspects and based, in particular, on vocational training and the assisted placement of workers. This is the setting for the preparation of a new action programme for vocational training entitled "First measures to implement a common policy of vocational training" and for the achievement of a European system of distributing codified informa-

<sup>1</sup> *OJ* No. L 74, 27 March 1972.

<sup>2</sup> *OJ* No. L 101, 28 April 1972.

tion on employment supply and demand (SEDOC). Furthermore, the reformed Social Fund has already proved to be a first-rate instrument for assuring the success of an overall policy.

Obviously this desire for a more integrated and consequently more dynamic concept of social needs will be favoured by the establishment of a "European social budget". A proposed programme concerning this has been put before the Council by the Commission.

2. In addition, safeguarding the environment has become a major matter of concern. The Commission's action programme provides for, among others, measures concerning the protection of health and the environment at the level of undertakings and regions. During the year the Commission paid special attention to the problem of handicapped workers, apart from continuing work on industrial health and medicine.

Finally, mention should be made of a point of internal organization which has a bearing on the desire to associate the two sides of industry more closely with Community policy. This is the creation, within the Directorate-General for Social Affairs, of a department designed more especially to develop and coordinate the activities of the Joint Committees which were established to deal with the social problems of the different sectors.

## SOCIAL ASPECTS OF THE COMMON AND COMMUNITY POLICIES

3. For several years now the Commission has been convinced of the need to ensure close coherence between the economic and social fields in the integration process. This concern was especially marked at the Summit Conference in Paris, where one of the subjects discussed was economic and monetary union and social progress. The Commission, which was itself involved in developing the themes of the Conference, reiterated many times that economic and monetary union must help to achieve the main social objectives of the Community. This standpoint was endorsed by the declaration by the Heads of State or Government that "they attached as much importance to vigorous action in the social field as to the achievement of the economic and monetary union". The Conference invited the Community institutions to draw up by 1 January 1974, a programme of action which should aim in particular at carrying out a coordinated policy for employment and vocational training and improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating the conclusion of collective agreements at European level and at strengthening and coordinating measures

of consumer protection. The opening of this broad prospect certainly constitutes an event in the Community's history as regards social affairs. The first practical step was taken by the Council on 9 November, namely to call a tripartite Conference—Governments, Commission and both sides of industry of the nine countries—in the spring of 1973 to prepare the new social programme.

4. In 1972 activities connected with the various common and Community policies were more closely correlated with the social policy. In the short and medium-term economic policies, employment questions rank among the most important. Even though increased economic activity may enable the level of employment to rise, it still remains necessary to try to achieve a better balance on the labour market through structural measures. In this connection the Commission believes it would be preferable to step up the activities designed to remedy regional imbalances and to adjust vocational training and readaptation to the requirements of those sectors in which demand will grow.

On the other hand, the very marked increase in prices has made the damping-down of inflationary trends a major necessity. To remedy inflation, a whole series of measures is called for. One of these is the achievement of regulated growth of prices and incomes, which requires a collective effort to attain greater coherence in the economic and social fields. A special effort should be made to improve the position of the worst-off. Activity undertaken as part of the short and medium-term economic policies has increased, as appears from the Annual Report on the economic situation of the Community in 1972 and from prosecution of the Third Medium-term Economic Policy Programme.

Concern for improving the quality of life led the Commission to submit a memorandum to the Council on Community policy in environmental matters. This memorandum covers three plans: one for the introduction of a programme to reduce pollution and nuisance; one for the exchange of information with a view to harmonizing the urgent steps to be taken in environmental questions; and one dealing with the pollution of the Rhine.

With a view to achieving greater democratization of economic and social life the Commission, in its draft proposal for a fifth Directive on the harmonization of company law, provided for the introduction into all limited companies of an organizational system which would comprise a managing body and a supervisory body, with the participation of workers in the constitution of the supervisory body. This draft does not insist on uniformity but leaves the Member States free to choose between two models, both of which, despite the differences between them, give workers the same guarantees.

Social aspects also played an important role in the development of an industrial policy and a regional policy at Community level. Proof of this was

given at the conference on "Industry and Society in the European Community" which took place in Venice from 20 to 22 April 1972. The subjects discussed at this Conference included industrial development and the reduction of social and regional disparities and the multinational activities of enterprises.

Work undertaken with regard to agriculture, sea fishing, transport, and the coal and steel industries is dealt with later under industrial relations.

## ACTIVITIES IN CONNECTION WITH EMPLOYMENT

5. The Commission put the first conclusions from the Italian memorandum on employment policy of 24 June 1971 before the Standing Committee on Employment on 27 April 1972 and before the Council on 12 June 1972. It emphasized the need to view employment problems in the setting of general economic policy and structural, regional and social policies. The conclusions of the Council meeting of 12 June 1972 complied at many points both with the suggestions of the Italian Government and those of the Commission. The latter is preparing proposals which will touch in particular on the following fields: support through Community action for the efforts made by the Italian authorities to improve the efficiency of their employment services, the revival of Community assistance in filling vacancies, aid from the European Social Fund for vocational training for migrant workers, and establishment of the machinery provided for in Regulation (EEC) No. 1612/68 for matching employment applications and vacancies. Finally a group of independent experts set up by the Commission has just brought out a draft programme for the practical achievement of a Community employment policy. After the draft has been examined by the Commission, it will be put before the Council.

6. At its meetings in 1972 the Standing Committee on Employment discussed the drafts and reports from the Commission concerning: implementation of the reformed Social Fund; the programme of work to improve the quality of employment statistics; the situation and trends of employment in the Community, and mass layoffs.

7. A report on the employment situation was distributed by the Commission. Drawn up in May, it is a summary of the major changes since November 1971 and the measures taken, and it outlines the trends in the coming months.

As regards employment forecasting, the Commission drew its conclusions from the in-training period organized at Erlangen.<sup>1</sup> These conclusions form

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<sup>1</sup> *Fifth General Report*, sec. 227.

the basis of a draft action programme which will be proposed to the Council, after due consultation with experts. The exchanges of information and experiences between the employment services in the Member States continued, with special reference to the use of computers in the employment field. The aspects dealt with mainly concerned harmonization of the criteria for job applications and vacancies and for establishment of the labour market.

The third report on the activities of the employment services in the Member States was sent to the Council and the Standing Committee on Employment. In the report the Commission outlined the measures taken by the Member States and put forward suggestions for developing the in-training periods and seminars which it organizes for the staff of these services.

Following the Council debates on the reports dealing with juvenile employment and unemployment, the Commission's conclusions will be examined by the Standing Committee on Employment. These conclusions suggest that priority must be given to: better information about employment prospects; access to jobs; various forms of aid; particularly from the European Social Fund; and the changeover from school to working life. The Commission will submit to the Council a final memorandum containing suggestions for possible action.

As regards employment and working conditions for women, the Commission helped in carrying out a survey on working conditions for women in paid employment in the private sector of the six Community countries. The Commission's contribution was possible due to the studies it had carried out and the many contacts it had made, particularly in 1972 at meetings with representatives of womens' organizations, the two sides of industry and government experts. The results of the survey will be widely distributed. Furthermore, the Commission elaborated its ideas and suggestions on the situation and prepared guidelines for an action programme. These will be submitted to the Standing Committee on Employment for an opinion before the Commission makes its final proposals to the Council.

## ACTIVITIES IN CONNECTION WITH VOCATIONAL GUIDANCE AND TRAINING

8. In accordance with the General Guidelines for a Community Programme on Vocational Training the Commission finalized its new action programme<sup>1</sup>

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<sup>1</sup> *Fifth General Report*, sec. 226.

entitled "First measures to implement a common policy of vocational training". The draft, which was adopted by the Commission on 25 October, was forwarded to the Council on 6 November 1972 to be adopted by mutual agreement. This initiative—limited still—will have to be integrated in more general action for vocational betterment in conformity with the general guidelines already referred to and with the provisions to be taken under the overall action programme for social matters which the Community institutions must adopt by 1 January 1974 as required by the decisions taken at the Conference of Heads of State or Government on 19 and 20 October 1972. This programme takes particular note of the efforts made in Community countries to enable people to develop their own personality and make a career for themselves in an economy undergoing constant evolution. The programme likewise underlines the development of a Community employment policy in which vocational training will be called upon to play an increasingly important role in connection with the hopes raised by the prospective utilization of the reformed European Social Fund. Furthermore, it points out the new conditions created by the enlargement of the Community and by the implementation of the Medium-term Economic Policy Programme and the common policies for agriculture, sea fishing, transport, industry, etc.

The programme includes activities concerning three groups of problems where Community action can assist in informing, studying certain key aspects, and encouraging collaboration between Governments and the areas concerned. These groups are: trends in vocational training policies, structures and organization; adaptation of training methods; priority for the training of certain categories of people, certain sectors and certain regions.

9. In conjunction with the Advisory Committee on Vocational Training, the Commission undertook or continued studies on training methods, the approximation of training levels, the training of workers leaving agriculture, and the provision of a legal framework for vocational training. Three seminars for training cadres were organized. They concerned the training of staff engaged in commerce (10 to 14 April), handicapped workers (5 to 10 June), and migrant workers (2 to 6 October). In addition a sixth seminar was organized on in-service training for African cadres on 15 and 16 June.

The working party of experts set up last year<sup>1</sup> met in 20 June to discuss the promotion and coordination of research into vocational training. Having established a list of the priority problems, it is now using this basis to define a number of pilot projects for Community cooperation.

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<sup>1</sup> *Fifth General Report, sec. 226.*

On 9 June a European Centre for Progress and Training in Agricultural and Rural Areas (CEPFAR) was established through joint efforts by the Commission and the employers and trade unions.

On the ECSC side the Vocational Training Committee agreed at its meeting on 2 June to concentrate more especially on the problems posed by the refresher and retraining of adult workers. Furthermore, the Commission published the third volume (steel works) of its manual on new processes in iron and steel production. Finally, the Commission adopted and published its fourth report on vocational guidance activities in the Member States, covering the years 1968 to 1970.

## THE SOCIAL FUND, READAPTATION, REDEVELOPMENT AND REEMPLOYMENT

### *European Social Fund*

10. The European Social Fund, as reformed by Council Decision of 1 February 1971,<sup>1</sup> became operational from 1 May 1972.<sup>2</sup> In September 1972 the Commission published a memorandum relating to the submission of applications for assistance from the Fund,<sup>3</sup> this being a practical measure to supplement its administrative and financial rules. The Commission should be in a position to determine in January 1973 the maximum amount of assistance from the Fund for four of the types of aid set out in Council Regulation (EEC) No. 2397/71 (Article 2) of 8 November 1971.<sup>4</sup>

In July 1972 the Commission proposed that the Council should start applying Article 4 of the Decision of 1 February 1971. Under the common agricultural policy the Fund could help to finance schemes designed to aid retraining and reemployment of people leaving the land to work in other sectors. Under the Community's commercial policy, the Fund could be instrumental in helping to solve the employment problems created by the reorganization of the textile and clothing industry. As the Council took no decisions on this until 9 November 1972, no applications for assistance under Article 4 could be made in the 1972 financial year. It must be stressed that the Council reserved the right to decide later on the part of the Commission's

<sup>1</sup> OJ No. L 28, 4 February 1971, p. 15, and *Fifth General Report*, sec. 229.

<sup>2</sup> OJ No. L 101, 28 April 1972, p. 3, and *EC Bulletin*, No. 1-72, sec. 33.

<sup>3</sup> OJ No. C 96, 20 September 1972.

<sup>4</sup> OJ No. L 249, 10 November 1971.

initial proposals not adopted on 9 November 1972, subject to being able to have at its disposal supplementary documentation enabling an examination to be undertaken in good time. The main points are possible action by the Fund in the clothing industry and the provision of aid to maintain agriculture workers' income for six months following the training period.

However, some applications were filed under Article 5 of the Decision of 1 February 1971. They are listed in Table 1.

In this initial phase, applications for assistance mainly relate to vocational training schemes, usually from a body governed by public law. However, some of the applications have come from bodies governed by private law, which is sufficient justification for correspondingly broadening the scope of the European Social Fund. The measures concerned are designed to assist regions in difficulty, industries faced with demands made by technical progress, groups of undertakings experiencing basic changes in the conditions of production or marketing of their products, and handicapped workers.

**TABLE 1**  
**Reformed Social Fund: Applications under Article 5**

Country	Number of applications	Number of recipients <sup>1</sup>	Total cost (u.a.)	Assistance requested from Fund (u.a.)
Germany (FR)	12	—	182 775 454	89 885 328
Belgium	2	—	13 765 198	6 882 599
France	4	19 700	42 988 958	21 494 479
Italy	22	51 030	84 760 160	38 307 030
Luxembourg	2	650	46 000	23 000
Netherlands	3	3 000	3 987 071	1 921 933

<sup>1</sup> Forecasts

After obtaining the opinion of the Social Fund Committee the Commission granted 15 applications, and made available to the Member States appropriations totalling 50 062 289 u.a., of which about 37 million u.a. for schemes to be undertaken in regions where the development lag or the decline of the major industries causes serious, protracted disequilibrium in the employment situation, 6.5 million u.a. for schemes to keep the training of workers abreast

of technical progress, and 6.5 million u.a. for schemes concerning handicapped persons.

11. Side by side with this, the original Fund remained active under Article 125 of the EEC Treaty, in accordance with Article 12 of the general implementing Regulation No. 2396/71.<sup>1</sup>

Reimbursements totalled 54 085 657 u.a., allocated as shown in Table 2.

**TABLE 2**  
**Original Fund: assistance granted in 1972**

Country	For retraining	For resettlement	Total
Germany (FR)	21 312 512	634 681	21 947 193
Belgium	1 478 606	106	1 478 712
France	6 368 633	243 239	6 611 872
Italy	23 238 541	—	23 238 541
Luxembourg	2 741	—	2 741
Netherlands	1 520 999	5 599	1 526 598
EEC	53 922 032	883 625	54 805 657

The total amount applied for in 1972 was approximately 62.5 million u.a. Of this,

Germany asked for	32.8	million u.a.,
Belgium for	1.6	million u.a.,
France for	6.5	million u.a.,
Italy for	19.8	million u.a.,
Luxembourg for	0.003	million u.a.,
Netherlands for	1.8	million u.a.

In the above total amount only 0.8 million u.a. was for resettlement projects.

For the 1973 financial year the European Social Fund has been allocated a budget of 240 million u.a. Of this, 60 million u.a. is for the activities of the original Fund, 70 million u.a., is for assistance to be granted under Article 4 and 110 million u.a. is for assistance under Article 5. With respect to the last

<sup>1</sup> OJ No. L 249, 10 November 1971.

two types of assistance, it will also be possible to make appropriations in 1973 for the 1974 and 1975 financial years to the amount of 94 million u.a. (Article 4) and 90 million u.a. (Article 5).

The sum of 750 000 u.a. has been allocated for carrying out studies and pilot schemes.

As regards Community aid for redundant workers from the Italian sulphur mines,<sup>1</sup> a total of 345 714 u.a. was paid to the Italian Government during the 1972 financial year for miners discharged before 31 December 1970.

### *Readaptation and reemployment of workers*

12. In 1972 there was no overall increase in the credits available for readaptation: 15 million u.a. as compared with 16 million u.a. in 1971. There was a pick-up of readaptation schemes in the iron and steel industry, particularly in Lorraine (Table 3).

With respect to the methods of readaptation, a new sort of aid was instituted in the Federal Republic for those coal miners affected by cutbacks in employment during the five years preceding their retirement. Likewise, in France aid for vocational training was stepped up to facilitate reemployment outside the coal industry, with extension of the payment period where necessary.

### *Redevelopment and reemployment*

13. In 1972 only a few applications for redevelopment loans under Article 56(2a) of the ECSC Treaty were received. They concerned investment projects to create 590 jobs in the coal or iron and steel areas of France, the Netherlands or Italy. The decisions taken to grant loans or interest subsidies essentially referred to applications made earlier. The Commission therefore helped to create 6 700 new jobs; for 2 810 of these, priority will be given to former miners and steelworkers (Table 4).

Judging from inspections carried out periodically at enterprises in receipt of redevelopment loans, it can be said that, in general, they have fulfilled their obligations to reemploy ex-ECSC workers. However, it must be noted that they encountered difficulties in areas where the collieries are still in need of skilled manpower, especially in the Ruhr and Dutch Limburg. On the other hand there were no problems in meeting those obligations in areas where small collieries have been closed down for good. This was especially the case in

<sup>1</sup> OJ No. 246, 31 December 1966, and *Fifth General Report*, sec. 230.

**TABLE 3**  
**Readaptation of Workers**

Country	Coal industry		Iron and steel industry		Iron-ore mines		Total	
	Workers aided	Amount furnished (in EMA u.a.)	Workers aided	Amount furnished (in EMA u.a.)	Workers aided	Amount furnished (in EMA u.a.)	Workers aided	Amount furnished (in EMA u.a.)
Germany (FR)	8 853	2 947 087.42	1 582	162 568.31	61	24 590.16	10 496	3 134 245.89
Belgium	—	40 000.—	—	—	—	—	—	40 000.—
France	3 672	7 597 867.56	3 589	4 110 500.36	—	144 035.42	7 261	11 852 403.34
Italy	—	—	307	160 000.—	126	200 000.—	433	360 000.—
Luxembourg	—	—	—	—	—	—	—	—
Netherlands	—	—	—	—	—	—	—	—
Community	12 525	10 584 954.98	5 478	4 433 068.67	187	368 625.58	18 190	15 386 649.23

France, where the new undertakings have thus been able to get established with the help of readaptation programmes.

**TABLE 4**  
**Alternative jobs created with Commission financial assistance in 1972**

Country and region	Jobs created	Of these: jobs reserved for miners and steelworkers
Germany (FR)	3 130	1 460
France	3 280	1 100
Italy	210	210
Netherlands	80	40
Total	6 700	2 810

### FREE MOVEMENT OF WORKERS

14. As regards Community provisions on the free movement of workers the Commission considered what measures had to be taken in order to supplement the rules in force (Regulation (EEC) No. 1612/68 and Directive No. 68/360 EEC), and to create a better balance between employment supply and demand in the Community.

To this end the Commission has prepared various proposals including two for Council Regulations, one on conflicts between laws on labour relations and one on the drawing up of uniform statistics for foreign labour in the Community; further, the Commission prepared, after receiving on 12 October 1972 the opinion of the Advisory Committee on the free movement of workers,<sup>1</sup> a proposal for a Council Directive to guarantee the free movement and social protection of workers employed by temporary staff agencies when they work in a client enterprise situated in another Member State.

In the context of measures to promote priority of employment for Community workers the Commission put forward a plan designed to encourage assisted migration. This plan was examined in collaboration with the Advisory Committee on Freedom of Movement for Workers. It seems essential that freedom of movement should be backed up by measures to help in the placement of workers. To develop migration along these lines, it might be useful

<sup>1</sup> Fifth General Report, sec. 235.

to organize vocational training and language courses in the country of origin to start with and afterwards in the host country. Measures have been taken so that at the beginning of 1973 a first group of 800 workers should receive a crash vocational and language course for the purpose of employment in Germany.

Information systems have been substantially improved in order to enable workers to have a clearer idea of the state of affairs when making their decisions. With a view to facilitating Community manpower clearance, on 8 December 1972 the Commission adopted a uniform system for exchange of the information on employment supply and demand used by the Member States' employment services in their relations between each other. This is the "Système européen de diffusion des offres et demandes d'emploi et de compensation internationale" (SEDOC)—a European codification of occupations and the main criteria for describing them. This system, worked out in collaboration with the Technical Committee on Freedom of Movement for Workers, will be put into practice in the six Member States at the beginning of 1973; pending its extension to the acceding countries, the transitional provisions of Article 38 of Regulation (EEC) No. 1612/68 will apply to them.

The Commission, again in agreement with the Technical Committee, adopted on 14 December a codified Community scheme for stepping up exchanges of information on living and working conditions in each State between the specialized departments in the Member States.

The Commission initiated discussion in the Advisory Committee concerning the Member States' immigration policies for workers from third countries. A working party from the Advisory Committee was set up to examine this crucial problem with the Commission.

## HARMONIZATION OF SOCIAL SECURITY ARRANGEMENTS

### *General social security matters and European social budget*

15. This year saw the successful conclusion of the preparatory studies begun by the Commission with a view to drawing up a European social budget, a task which had been given priority by the Council of Ministers on 26 November 1970 in the programme to implement Article 118 of the EEC Treaty. In June 1972 the Commission put before the Council a report on the medium-term forecasts for social security expenditure and financing in the Member States, and in September it submitted a programme of work for the preparation of the

European social budget. Starting in February the Commission submitted to the Council, and subsequently to the European Parliament and the Economic and Social Committee, a survey of trends on financing social security arrangements from 1965 to 1975, and it also began to bring the forecasts included in the study for the 1970 to 1972 period into line with later developments. This forecasting represents an important step towards the preparation of the European social budget. At the Council session of 9 November on social affairs, decisions were taken enabling the Commission, together with the national experts, to begin working out the first European social budget, which will deal with the present content of the social accounts, and will cover 1970/72 in its retrospective part and 1973/75 as regards forecasts.

Various studies on social security questions have been completed: the effect of colliery personnel cutbacks on social security in mining; special social security schemes; relations between the medical profession and social security; consumption of pharmaceuticals under social security; the cost of hospital treatment under social security; an information memorandum regarding the occupational diseases on the European list, and a report on the implementation in the Member States of the recommendations concerning occupational diseases.

Furthermore, the German Government, in order to give effect to the decisions taken by the Heads of State at the The Hague Summit Conference relating to the concertation of social policies, suggested that the Commission should prepare a report on the categories of people eligible for social security, so as to enable the Council to discover what Community action could be undertaken in order to achieve harmonization. The Council adopted this proposal unanimously on 26 November 1970, stating "that it is important that alignment between Member States in the field of social policy should be based on concrete action". The report in question was drawn up by the Commission and sent to the Council on 20 June 1972. It will be examined by the Council so that conclusions can be drawn regarding the appropriate action to take on it. In order to prepare the conclusions the report was examined by the Directors-General of Social Security from the ministries of the Six founder states meeting with the Council Group for Social Matters on 24 October. A meeting was held on 17 November 1972 to enable the Commission to discuss the main activities in social security and the European social budget with the two sides of industry.

### *Social security for migrant workers*

16. The general revision of the regulations on social security arrangements for migrant workers was completed on 21 March when the Council adopted

Regulation (EEC) No. 574/72<sup>1</sup> on the procedures to implement Regulation (EEC) No. 1408/71 (revised Regulation No. 3), adopted on 14 June 1971.<sup>2</sup> The two new Regulations came into force for all six Member States on 1 October 1972. Their introduction, which brought about very considerable improvements, entailed a considerable amount of work for the preparation of the new Community forms needed (documents adopted by the Administrative Committee on Social Security for Migrant Workers).<sup>3</sup> At the same time the Commission, with the aid of the Administrative Committee and experts from the candidate countries examined technical adaptations which needed to be made to Regulation (EEC) No. 574/72 in order to take account of social security legislation in the acceding countries and in order to apply the technical adaptations made to the basic Regulation (EEC) No. 1408/71 in the Accession Treaty.<sup>4</sup> As provided for in Annex II to the Accession Treaty, supplementary adjustments have had to be made to Regulation (EEC) No. 1408/71 to take account of the considerable changes in Danish social security legislation made between 1 June 1971 and 30 June 1972 pursuant to the new regulations.

The bringing into force on 1 April 1973 throughout the enlarged Community of the regulations thus adapted involves the revision of the forms adopted by the Administrative Committee for the purpose of applying the new regulations in the six original Member States from 1 October 1972 to 31 March 1973. Further, it will necessary to reexamine some 60 decisions adopted by the Administrative Committee since 1959 implementing and interpreting Regulations No. 3 and 4, for those decisions lapsed on the entry into force of Regulations (EEC) Nos. 1408/71 and 574/72. While a number of the decisions are no longer applicable, others are still wholly or in part of importance and must therefore be replaced by new decisions.

In 1972 the Court of Justice delivered 5 judgments on the interpretation of Community provisions concerning social security for migrant workers.<sup>5</sup>

### *Industrial relations*

17. In searching for solutions to the problems arising in the course of economic and social development, the Commission has been led to take decisions, with a view to intensifying and rendering more effective discussions and cooperation

<sup>1</sup> *Fifth General Report*, secs. 239 and 240, and *OJ* No. L 74, 27 March 1972.

<sup>2</sup> *Ibid.*, sec. 232 and *OJ* No. L 149, 5 July 1971.

<sup>3</sup> *OJ* No. L 261, 20 November 1972.

<sup>4</sup> *Fifth General Report*, sec. 239 and *OJ* No. L 73, 27 March 1972, pp. 110-114.

<sup>5</sup> Cases 80-71, 1-72, 2-72, 14-72, 15-72, 16-72, 45-72.

between representatives of management and labour in the various industries at Community level, as well as between them and the Commission.

In the agricultural sphere the Council adopted three directives on 17 April 1972. These concerned the modernization of farms, measures to encourage the cessation of farming, provision of socio-economic guidance and the acquisition of occupational skills by persons engaged in agriculture.<sup>1</sup> The Commission also collaborated with government departments and trade organizations in increased efforts to improve safety and health in agriculture. In a report, the two sides of industry affirmed their willingness actively to stimulate the harmonization of working and living conditions for paid agricultural workers. The procedure they have chosen to achieve this entails the conclusion of new Community agreements and their adjustment to trends in the social field on the basis of permanent concerted action, the two sides having decided together that these agreements will serve as directives during their national and regional negotiations.

For sea fishing, the Commission submitted to the Council a proposed regulation on the granting of aid for conversion of the cod-fishing fleet and readaptation of those employed in it. The Commission also continued its efforts to improve safety and health in this sector in collaboration with government departments and the two sides of industry. Possibilities of improving training facilities and the social position of fishermen are also under review. Furthermore, it should be noted that on 7 June 1972 a joint declaration was signed at La Rochelle by the trade organizations for sea fishing concerning the levelling-up of working and living conditions for fishermen.

In the field of transport, the Commission sent the Council a proposed second Regulation on the harmonization of social provisions in road transport, supplementing Council Regulation No. 543/69. The Joint Advisory Committee on Social Problems in Road Haulage prepared an opinion on the equipment of cabs and bunks in lorries, buses and coaches. The Commission is also preparing a regulation on harmonization of the social aspects of inland water transport. As regards the railways, the tripartite Joint Advisory Committee, set up last year, was turned into a bipartite Committee (workers/employers), so that it now has the same structure as the comparable Committees for the other two modes of transport. Consultations have started with this Committee for the purpose of formulating a proposed regulation on the harmonization of social provisions. The Commission also began studies on the social problems peculiar to sea transport, ports, and air transport, three fields not yet covered by the common transport policy. For these the Commission intends to set up joint committees on the lines of those already in existence for the other fields.

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<sup>1</sup> *OJ* No. L 96, 23 April 1972.

Joint Committees on Harmonization of Terms of Employment established by the High Authority of the ECSC for the coal and steel sectors continued their work. Special attention was paid to analysing possible forms of discrimination practised against migrant workers in the coal industry. In the Joint Committee on Harmonization of Terms of Employment (Steel) it was suggested that the possibilities of concluding an outline agreement might be examined (for these sectors, see also sections on vocational training, readaptation of workers and redevelopment, housing, and industrial health and medicine).

Negotiations are under way for the creation of other committees in sectors where specific problems will arise in respect of which the Treaty makes no provision for a common policy. It was in this context that the first joint meeting for the construction industry took place on 25 October 1972. On 13 November 1972 there was a meeting with the representatives of the trade union and employers' organizations. This was devoted to examining the results of the Conference of the Heads of State or Government of the enlarged Community and their implications for a Community social policy.

### *Wages and terms of employment*

18. On 9 November 1972 the Council agreed on the Commission proposal for the institution of a European index of collective bargaining agreements. The Commission consequently started work on the systematic collation and evaluation of collective bargaining agreements in the Member States. In a first phase the collective bargaining agreements in 12 industrial sectors will be taken into consideration one by one when the time comes to renew or alter them. The Commission considers that this instrument will enable it to help make the development of the social situation in the Community easier to grasp.<sup>1</sup>

The Commission pursued its studies on the social problems posed by cross-frontier mergers and combinations and meetings were therefore held with government experts from the Member States and with trade union and employers' organizations.<sup>2</sup>

19. As regards wages the Commission drew up its sixth progress report on equal pay for equal work between men and women (Article 119 of the EEC Treaty). To put things in perspective before the three new States join the Community, the report points not only to the progress made since 1958 in

<sup>1</sup> *Fifth General Report*, sec. 245.

<sup>2</sup> *Ibid.*, sec. 246.

the six member countries, but also to the main gaps and insufficiencies which still persist and which the Commission proposes to abolish by a whole range of concrete measures. One particular study, now approaching completion, could lead to some of these measures being implemented. It concerns the way in which functions are classified and whether this could result in indirect discrimination against women.

Taking the report on wage drift submitted to the Council as a basis, the Commission, with the help of national statistical experts, has embarked on the examination of the indices for trends in contractual and actual wage rates. In addition, the study on incomes and assets in the Community countries was published.

Having completed the purely descriptive list of national incentives to asset formation by workers, the Commission drew its own conclusions, for submission to the Council. Their object is, firstly, to coordinate the various national measures, and secondly to present a number of guidelines and basic choices which could lead to the development at Community level of a coherent and more effective concept of policy on the formation of assets.

In the field of labour law the Commission sent the Council a report on the provisions for the benefit of workers in the event of dismissal, along with its own conclusions on the possibilities of harmonizing these provisions.<sup>1</sup> Following Council discussions of the matter, the Commission drew up a more detailed memorandum on the measures which could be taken at Community level to ensure better protection for workers against the effects of collective dismissal. The Council took note of this memorandum and laid down its own guidelines in the matter. It then put the problem before the Standing Committee on Employment, which examined it at its meeting of 26 October 1972, and then the Commission submitted a proposal for a directive to the Council. The proposal was given an initial examination by the Council at its session of 9 November, but it was decided to consult the Economic and Social Committee and the European Parliament before adoption of the proposal.

## HOUSING

20. A recapitulation of the assistance given over the years down to 31 December 1972 to the building of houses for workers in the ECSC industries shows that in all 122 584 dwellings had been part-financed by that date under the three experimental schemes and the seven major loan-aided schemes, 60%

<sup>1</sup> *Fifth General Report*, sec. 246.

Graph  
ECSC subsidized housing financed and completed

Situation at:

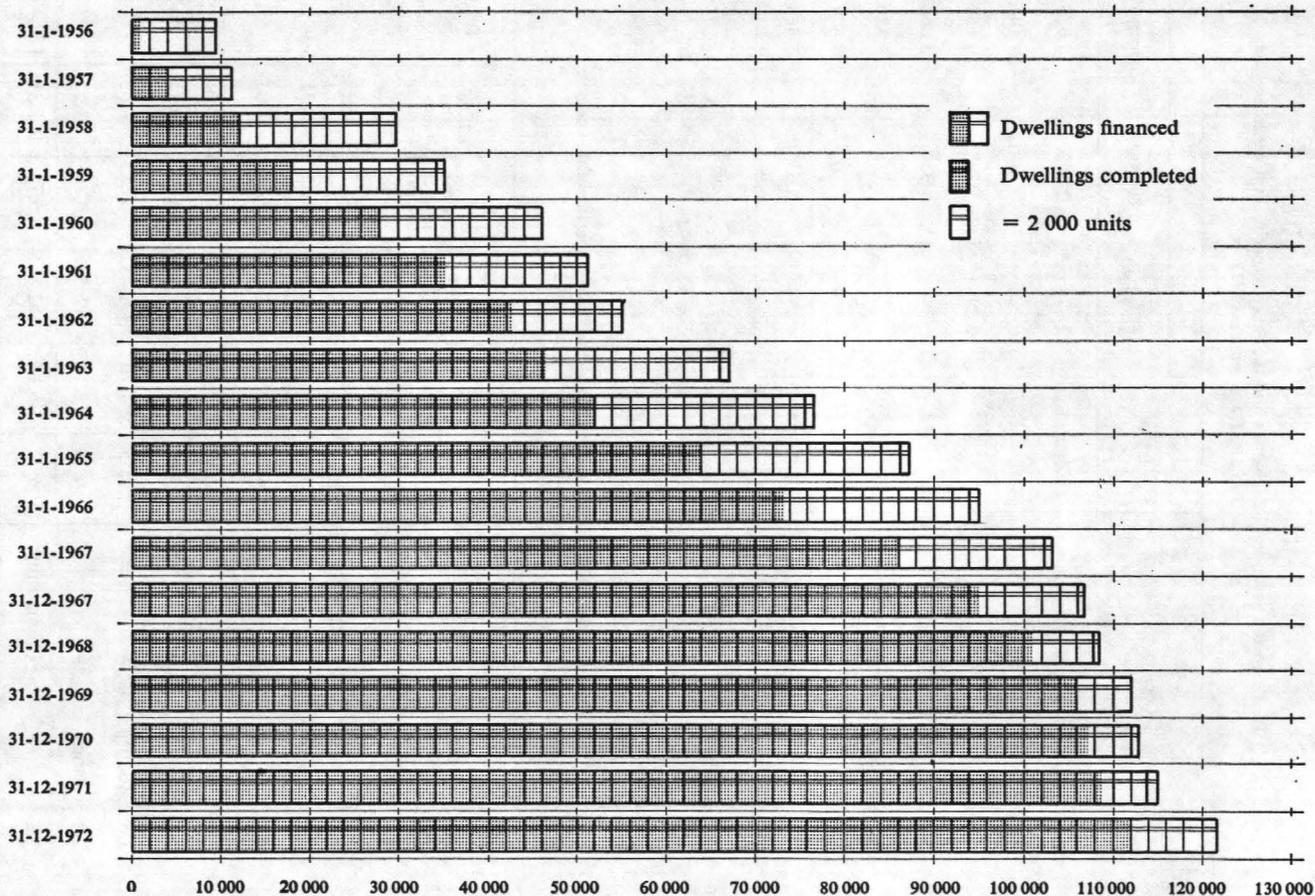


TABLE 5

Work on the seven major schemes and the three experimental schemes  
(situation at 31 December 1972)

Country	Dwellings financed	of which:		
		in preparation	building	completed
Germany (FR)	81 595	2 877	2 642	76 076
Belgium	7 029	—	326	6 703
France	22 855	896	1 798	20 161
Italy	6 164	344	754	5 066
Luxembourg	836	8	8	820
Netherlands	4 105	369	107	3 629
Community	122 584	4 494	5 635	112 455

TABLE 6

Financing of the seven major schemes and the three experimental schemes  
(situation at 31 December 1972)

(million u.a.)

Country	Commission advances		Additional funds mobilized at Commission instigation	amount advanced	Funds from other sources (housing associations etc)	Total cost of accommodation built
	from own resources	from borrowings				
Germany (FR)	53.04	13.24	122.69	188.97	733.31	922.28
Belgium	4.85	20.55	2.30	27.70	28.03	55.73
France	28.59	0.43	8.73	37.75	135.89	173.64
Italy	11.46	8.12	11.18	30.76	29.49	60.25
Luxembourg	2.55	1.70	1.43	5.68	8.02	13.70
Netherlands	6.23	2.14	6.52	14.89	23.57	38.46
Community	106.72	46.18	152.85	305.75	958.31	1 264.06

of them for renting and 40% for owner-occupation. Dwellings completed totalled 112 455.<sup>1</sup>

Scheme VII is on the way to being completed, with a first tranche initially totalling 10 million u.a. from the special reserve of the 1971-1972 budget.<sup>2</sup> On top of the 2 million u.a.<sup>3</sup> which could be earmarked in the 1971 budget, 1 million u.a. was added to the 1972 ESCC operational budget, bringing the total appropriation for the budgeting years 1971 and 1972 to 13 million u.a. The additional sums were used on a priority basis for the housing of migrant workers and of steelworkers at coastal plants. In all this first instalment will have made it possible to contribute to the financing of about 9 000 dwellings and 3 800 beds in hostels for workers living on their own.

On 22 December 1972 the Commission, desirous of advancing its policy to promote housing in accordance with the Paris Treaty, decided to allocate, for the enlarged Community, a total of 20 million u.a. for the second instalment (1973-1974) from the ECSC operational budgets for the same years. This sum is intended to help build housing for steelworkers at coastal plants, in connection with the ECSC restructuration scheme, for migrant workers, and for the purpose of modernizing existing dwellings.

21. As regards accommodation for migrant workers, the Commission has gathered information from the Governments on the progress the Member States have made in implementing the Commission's recommendation on housing for workers and their families moving within the Community.<sup>4</sup> This information made it possible to draw up and distribute a third report, covering the period from 1 January 1969 to 31 December 1970.

## WELFARE AND FAMILY METTERS

22. The Commission's efforts concerning the welfare activities of the six countries have borne mainly on the reception service provided for migrant workers and their families, and on the promotion of their well-being. Among the numerous problems in this field, that of schooling for the children of migrant workers turned out to be of prime importance. A meeting on this subject was organized at Naples on 27 and 30 November. It was attended by about forty social workers and teachers from the six countries and by regional

<sup>1</sup> See Table 5 and 6 and the graph.

<sup>2</sup> *Third General Report*, sec. 347; *Fourth General Report*, sec. 148; *Fifth General Report* sec. 247.

<sup>3</sup> *Fourth General Report*, sec. 148 and *Fifth General Report*, sec. 247.

<sup>4</sup> *OJ* No. 137, 27 July 1965.

delegates responsible for social questions in those regions of Italy which are most affected by emigration. The action taken by the Member States to follow up the Commission's recommendation on welfare activities for the benefit of migrant workers<sup>1</sup> is described in a fourth report<sup>2</sup> dealing with the years 1969 and 1970.

The social problems of old people also received the necessary attention from the Commission, which prepared a general study on the subject establishing the lines along which action should be taken. Furthermore, in connection with the surveys and studies made by the Commission on working conditions for women, discussions took place with trade unions and women's and family organizations concerning the sort of social facilities required (crèches, kindergartens, etc.) to cater for children whose mothers are gainfully employed outside the home.

## COMMON HEALTH AND SAFETY POLICY

### *Handicapped persons*

23. A seminar on vocational training for the handicapped was held at Heidelberg from 5 to 10 June 1972.<sup>3</sup> Furthermore, the working party set up to prepare a long-term Community programme,<sup>4</sup> submitted an interim report in which it analyses the experiences acquired in finding points of departure for rehabilitation and the action leading to them. This report, which has been sent to the Council by the Commission, contains the basic elements for immediate implementation of plans for occupational rehabilitation and for the best use of the handicapped in a free market economy. A documentary account of the results of research encouraged by the ECSC has been prepared,<sup>4</sup> and these results will be discussed in April 1973 at the study sessions on "the traumatology of work: basis for the retraining of accident victims".

### *Industrial medicine*

24. The research programme on chronic respiratory disease<sup>5</sup> is going forward as planned. All the working parties are active (epidemiology, respiratory

<sup>1</sup> Recommendation of 23 July 1962 (OJ No. 75, 16 August 1962).

<sup>2</sup> Doc. V/338/71.

<sup>3</sup> This is one of the three meetings referred to in sec. 9.

<sup>4</sup> *Fifth General Report*, sec. 249.

<sup>5</sup> *Ibid.*, sec. 250.

physiopathology, the standardization of respiratory tests, therapeutics, and the rehabilitation of sufferers from respiratory trouble). In connection with this programme, the Commission is endeavouring to promote and coordinate epidemiological surveys on chronic bronchitis in order to improve knowledge of the causes of this disease. A study has just been completed in one Community country on the social and economic costs of chronic bronchitis. The relevant departments will take note of any useful methodological lessons which could be drawn from it with a view to extending this study to other countries.

Four new studies will help in correlating and imparting the research results obtained from the programme on the physiology and psychology of work. These studies relate to safety training, the evaluation of physically laborious work, ergonomic methods and criteria, ergonomic directives for application when industrial installation projects are conceived and carried out.

The secretariat for Community ergonomic research undertook the distribution of the reports drawn up by the teams working in the coal and steel sectors on job organization. These reports will be sent out to all ECSC enterprises.

25. In 1972 the Consultative Committees laid the foundations for a new research programme, designed to study the problems of adaptation in an industrial environment and ways of improving work as such as much as possible; consultations about this may be held in the early months of 1973. In October a study on the problems raised by organizational changes was undertaken, especially with a view to achieving an enrichment of tasks, which could help in the launching of the new programme.

The working party on ECSC works medical departments drew up a programme of activities which goes well beyond the level of exchanges of information. It covers practical details of medical examinations given to personnel on engagement; means of preventing and reducing noise in enterprises; and the application of information science in industrial medicine.<sup>1</sup>

### *Industrial health*

26. Completion of the second programme on health in mines<sup>2</sup> led to publication of a brochure chronicling the main results achieved in six years of joint activity by twelve specialized institutes. The working parties concerned made

<sup>1</sup> *Fifth General Report*, sec. 249.

<sup>2</sup> *Ibid.*, sec. 252.

great efforts in such fields as the epidemiology of pneumoconiosis, the de-dusting of coal faces and heading machines, pollutants in iron ore mines, etc. The programme also led to study and information sessions being organized in Luxembourg from 11 to 13 October 1972 at which 400 people were present. These sessions showed that the risk of contracting pneumoconiosis in Community collieries had been considerably reduced. Work on carrying out the third programme will begin in 1973.

The decision to allocate 658 000 u.a. to eight new research projects meant the completion of the second programme on the control of air pollution in the iron and steel industry. A brochure recounts the progress made up to 30 June 1972, and a new programme is in preparation to continue the work of the previous one. It will deal with the pollution of air and industrial waste water, and with the various problems connected with the disposal of waste in the iron and steel industry.

During the year the Commission initiated the necessary consultation procedure for granting financial aid under Article 55 of the ECSC Treaty to the "COST 61 a" project for investigating the physico-chemical behaviour of sulphur dioxide in the atmosphere. This research project was the subject of one of the seven cooperation agreements signed on 22 and 23 November 1971 by the governments of the 19 member countries of the European organization for cooperation in scientific and technical research.

Finally, the Commission began a first set of exploratory studies aimed at drawing up an action programme for protecting health on the job in all economic sectors.

### *Industrial safety*

27. The Commission caused a study to be set on foot regarding the measurement of material damage. This will draw on experiments now in progress in the British iron and steel industry, and its object is to enable the risk of accidents to be gauged in a more precise way. At the same time the Commission published a document on the relation between safety and organization of work (reliability and safety—elements in the ergonomics of industrial systems). This publication is based on studies carried out by three research teams working together.

The cooperation between the national safety establishments, begun in 1971,<sup>1</sup> is continuing in the following fields: standardization of safety signs and notices in enterprises and public buildings, production of accident pre-

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<sup>1</sup> *Fifth General Report*, sec. 254.

vention films (film catalogue, coordination and co-production); exchange of information and cooperation in promoting research on the causes of accidents; exchange of experiences of large-scale safety campaigns and the methods applied in carrying them out.

An exchange of information material and the ten case studies carried out in industrial enterprises will enable the Commission to start tackling the problems connected with the reception of migrant workers and their training in safety matters. The eventual goal is to work out methods based on as wide a range of experience as possible.

During 1972, 42 factory inspectors benefited from the in-training programme, which covered protection against noise, safety establishments, protection against fires and explosions, and shipbuilding and repair.

In the agricultural sector, attempts to establish a European code of good practice<sup>1</sup> were continued; thus, safety regulations were laid down for the use of powered agricultural machinery, rotary cultivators and rotary hoes.

In mining, the first phase of a research programme on trigger barriers and the rescue of trapped miners was completed.

### *Steel Industry Safety and Health Commission*

28. The Steel Industry Safety and Health Commission met at Amsterdam on 15 and 16 June 1972 and accepted the conclusions of its working parties on:

- (i) Installations for the distribution and use of oxygen (managing bodies of these installations, lubrication and degreasing, intermediate storage tanks);
- (ii) Tapping of pig-iron at blast furnaces (construction of floors, preparing the tapping, use of machines for taphole sealing and unsealing);
- (iii) The adoption and use of measures to protect personnel.

The SISHC recommended the distribution of a document on accident prevention policy brought out by the British Steel Corporation, considering this to be of interest to the industry.

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<sup>1</sup> *Fifth General Report*, sec. 254.

## *Mines Safety and Health Commission*

29. In 1972 the Mines Safety and Health Commission approved the following documents:

- (i) An amendment to the recommendation of 20 April 1960 concerning the use of sprinklers for fire-fighting in mines;
- (ii) In the electricity field, a report and its conclusions on the high tension caused by lightning, a report with recommendations and conclusions on the use of electrical equipment for safe use in firedamp conditions for tensions of over 1 100 volts;
- (iii) The eighth report on the organization of rescue operations.

The newly established working parties began their studies on accidents<sup>1</sup> connected with sudden releases of firedamp and heavy discharges, and on the problems of the mutual recognition of safety certificates for electrical equipment to be used underground.

From 26 to 28 September 1972 information sessions were organized at Gardanne, at the request of the miners' trade unions, dealing with the reactions of miners to mechanization and its effect on safety. The MSHC continued to support the preparation and carrying out of safety campaigns in Community collieries.

The board of the Paul Finet Foundation met for the fifteenth time on 30 June.

Since it was set up in 1965, the Foundation has made (by end 1972) 2 342 grants, totalling Bfrs. 18 126 349 to the children of workers in the ECSC industries who died as a result of occupational accidents or diseases.

## *Health and Safety (Euratom)*

30. In the field of radiation protection, Community policy on the special danger of radioactivity is put into practice mainly via Regulations, technical harmonization, research and studies and training in radiological protection.

New provisions were drawn up by West Germany, France and Italy to improve on existing legislation resulting from the application of Directives fixing the Euratom Basic Standards. A particularly important proposal for a Regulation on the drawing up of general principles for protection against X-rays was sent to the Commission by the West German Government under

<sup>1</sup> *Fifth General Report, sec. 258.*

Article 33 of the Euratom Treaty, and an opinion was duly given by the Commission. An opinion was also given by the Commission on three draft decrees communicated by the French Government. These concern amendments to the Decree of 11 December 1963 relating to nuclear installations, a regulation governing the discharge of liquid and gaseous radioactive waste from basic nuclear installations, and finally the protection of workers against ionizing radiations in basic nuclear installations. Italy sent the Commission two draft decrees on the amount of radioactive material being used in the installations covered by the decree of 13 February 1964, and on the procedure for authorizing the use of radioactive isotopes. The Commission also gave an opinion on these. In Belgium two royal decrees came into force concerning a general military ruling on protection against the danger of ionizing radiation, and the amendments of Table A in the Annex to the Royal Decree of 28 February 1963. The Commission gave an opinion on both these documents.

The consultation procedure on the proposed general revision of the radiation protection standards continued in 1972. It was brought into perspective by the Commission and received the opinion of the Economic and Social Committee (from which certain suggestions were extracted and included), after which the Commission sent the final proposals to the Council for decision after consultation with the European Parliament. At the moment the Commission is using explanatory studies as a basis for examining, at expert level, the prospects of applying the guiding principles for standards to other areas of risk similar to ionizing radiation, such as laser and maser radiation and microwaves.

The harmonization of methods and techniques employed in personal dosimetry continued in collaboration with specialized national laboratories, with the aim of improving the precision and reliability of measurements of photon and neutron doses. Studies have been undertaken which should result in technical recommendations being made in the field of thermoluminescent dosimetry. In addition, a scientific seminar was organized jointly with the Physikalisch-Technische Bundesanstalt in Braunschweig to discuss possible ways in which the inherent effects of exoelectronic emissions could be applied to personal dosimetry.

Studies at present under way include several which are directly related to the application of the Basic Standards on a national level and will serve as a basis for future action. These concern radiation protection in the medical applications of ionizing radiations, medical information and training in radiation protection.

31. Under Article 37 of the Euratom Treaty Member States are obliged to supply the Commission with the technical information relevant to any

plans for disposing of radioactive waste, thus enabling the Commission to determine whether such plans threaten to contaminate the air, water or soil of another Member State. The Commission is giving an opinion on this point after conferring with a working party. To date, the Member States have submitted 55 projects covering 77 different installations. During 1972 the Commission gave an opinion on six projects: Würgassen nuclear power plant (FRG), the FERAB and bituminization plants at Karlsruhe (FRG), the Joint Research Centre at Ispra, Italy, the nuclear power plants at St Laurent des Eaux 2 and Bugey 1, both in France, and Stade nuclear power plant (FRG), as well as the communication of general information on the nuclear power plant at Niederaichbach (FRG). The number of projects submitted for nuclear power plants rose in 1972, accounting for five out of the seven projects proposed. Furthermore this method was often presented as a model of how to handle non-radioactive pollution affecting neighbouring States.

32. The monitoring of background radioactivity in the vicinity of nuclear installations is a subject which continues to receive special attention. As in previous years, measured data sent to the Commission under Articles 35 and 36 has been analysed and published in special manuals covering the Community as a whole. Areas around nuclear sites are gradually coming under a system of monitoring because of the importance they have for controlling radioactive contamination of the environment. A programme of intercomparison was carried out in collaboration with the IAEA in 1972 for the rapid detection of radioactive contamination in milk. It is one of the Commission's aims to draw up a practical guide so that monitoring methods around nuclear installations can be harmonized at Community level. The data file published in 1963 is in the process of being revised and the proceedings of the Symposium on Radioecology held in Rome in September 1971 were published.

An important part of the activities was devoted to exploratory studies on non-radioactive environmental hazards. A Community action programme on the environment was submitted to the Council by the Commission on 24 March. It proposed a joint methodology for the objective evaluation of the dangers which pollution constitutes to health and the environment. This methodology should lead to the drawing up of scientific criteria and environmental quality objectives which could serve as common reference data for the elaboration of health and ecology standards. A common terminology for the different concepts and ideas used in this methodological approach has already been drawn up at Council and Commission level.

The following pollutants are to be examined on a priority basis for their effects on health and the environment: lead, sulphur dioxide, carbon monoxide, nitrogen oxides and pesticides. Consultations took place during the year in an

effort to draw up an inventory of the measuring methods used; a preliminary examination was made of their effect on health. Lead came under special scrutiny; studies went ahead on the health aspect of reducing the lead content in petrol, and four intercomparison programmes were undertaken during the year, involving over 40 laboratories. In April 1972 a seminar was held on the metabolism of lead in the human body. The results were published in report form in September.

A Symposium was held in Amsterdam from 2 to 6 October 1972 on the health problems created by the presence of lead in the environment. It was organized by the Commission in conjunction with the US Environmental Protection Agency and aroused considerable interest throughout the world. The Symposium was attended by about 500 participants from 27 countries and seven international organizations. It pointed in particular to the large gaps in our present knowledge and the differences of opinion existing on the importance of certain levels of lead recorded in man and the environment. The results of the conference were examined at a special meeting of experts, who have created a Community precedent by making a first attempt to lay down criteria for a toxic substance on which no useful reference document is as yet available.

33. The multiannual research programme in the fields of biology and health protection continued as planned with respect to radiation protection problems, such as contamination of the environment and the food chain, radiotoxicology, the irradiation of foodstuffs, dosimetry of humans and the working environment and epidemiological studies on certain groups of people which are particularly exposed. The existence of this programme, approved in 1972, is extremely helpful to the Commission, as the studies provide essential scientific backing for basic and derived radiation protection standards.

**B — Development of the social situation  
in 1972**

## PART I

# TRENDS OF DEVELOPMENT OF THE SOCIAL SITUATION IN THE COMMUNITY\*

## EMPLOYMENT

1. In 1972, increased production and the tendency for the Community employment market to gain in stability grew stronger. However, the level of full-time unemployment remained above the level recorded in 1971. Partial unemployment declined, particularly in Italy and in Germany, where the increase in 1971 had been most marked notably because of the strikes which took place during that period. In addition, there was a further inflow of foreign workers into Germany in 1972.

According to estimates made by the Commission's staff, total unemployment declined slightly in 1972. The number of persons in paid employment, however, increased a little, particularly in the services sector.

In certain member countries, the trend showed more and more clearly the extent to which structures are failing to match needs, particularly at regional level.

School-leavers' unemployment increased in most of the member countries, though not for the same reasons everywhere.

2. The overall outlook for 1973 suggests that economic activity will expand at a faster rate. Consequently, overall employment could well increase once again in most of the Member States. The Commission's staff puts this increase at an average of nearly 0.5%; paid employment (as opposed to self-employment) is expected to increase by about 1%. Moreover, if it can already be predicted that unemployment in the Community should gradually decline, taken as a whole, it is doubtful that the rate of decline will affect all the regions.

3. Employment and unemployment trends over the last two years show that labour problems in the Community as a whole have changed little in nature.

They are mainly problems of structural disequilibrium, with unemployment and a labour shortage existing at the same time, without it being possible to offset the one against the other to any great extent, despite stronger economic and social measures. Unemployment in overall terms has tended to increase, since in the Community taken as a whole, it rose, according to the Commission's estimates, on average from 1.3 million in 1970 to 1.4 million in 1971 and to 1.6 million in 1972. Labour shortages, particularly from the quality point of view, arise either because of a lack of specific skills, or because the work is unattractive to labour which is in theory available (disagreeable, dangerous or poorly paid work). There is no doubt that there is a labour shortage—the total volume of unfilled vacancies remains large, despite a falling trend: on average about 1 050 000 jobs in 1970, against 900 000 jobs in 1971 and 750 000 jobs in 1972.

The effect of regional disequilibrium on employment in the Community, as well as the remedies envisaged, are the subject of a study undertaken by the Permanent Committee and the Council.<sup>1</sup>

4. To cope with these problems, the Governments have sought to strengthen short—and particularly medium—term measures designed to narrow down systematically the current and foreseeable discrepancies between resources and real and potential labour needs. A description of the main measures taken or contemplated by the Member States to absorb unemployment and establish an improved structural pattern of employment for the industries, occupations and regions taken as a whole is given in the Commission's thirteenth Annual Report on labour problems in the Community.

However, manpower problems in the form they have taken in recent years cannot be solved without a diversified set of measures coordinated at national level and at Community level.

For short-term measures will be quite insufficient alone to dispel, in the Community taken as a whole, the persistent qualitative disequilibria in the employment market and in the occupational and regional structure of the labour force. Structural measures are needed, and these should be related to the medium-and long-term trend of Community labour resources and to the overall labour needs for all economic activities, broken down among the various industries, industrial branches and regions.

Conversely, the distribution and the nature of economic activities should be tailored to manpower available and to quantitative and qualitative growth objectives defined at Community level by appropriate methods. The Community

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<sup>1</sup> See the chapter concerning the activities of the Commission.

action programme, for implementation in the second stage of the Economic and Monetary Union, entails fuller coordination of national and Community objectives and resources in applying an active employment policy, carefully worked out and conducted at the right level. Coordination of general economic policy, regional policy, specific economic policies (industry, including very small firms, technology, agriculture, commerce, etc.) and social policy in the strict sense are needed to establish the "coordinated overall programme at Community level" referred to in the "Preliminary guidelines for a Community social policy programme".

A relevant factor here is the recent aggravation of the conditions in which certain kinds of workers are working. This matter has already often been raised, but it became more marked in 1972, when unemployment increased in most of the member countries. Young people in particular have not been finding it easy to start work or to change jobs, and elderly workers, handicapped workers and many women wishing to go on working or to start working full time or part time have also found the situation more difficult.

Now, while at the present time greater fluidity on the employment market and an increase in occupational mobility in particular are two key objectives in the Member States, it is nonetheless true that the rate of employment of available domestic labour, real and potential, is marking time at too low a level.

In all the Community countries, facilities, financial as well as technical and administrative, enabling these objectives to be achieved have been strengthened, but it is clear that more must be done in this direction. In the different fields connected directly or indirectly with the problem of achieving general equilibrium on the Community employment market, "convergent" measures must be taken.

The various fields in which the Community is active have already been described in the reports on Community manpower problems, for example in 1970 and in 1971; the report for 1972 recalls that cooperation along these lines, aiming at the achievement of objectives of joint interest, must be given a high priority. Of particular importance are the following:

- (a) improvement of information, at Community level, on employment and unemployment trends;
- (b) improvement of the organization of manpower placing and re-placing techniques, and, more generally, of the organization of all the work of the employment services in the Member States of the Community;
- (c) the development or the gradual implementation, within the framework of the economic and monetary union, of the various common policies;
- (d) the utilisation of the instruments provided under these policies, for example within the European Agricultural Guidance and Guarantee

Fund, the European Investment Bank, the renewed European Social Fund and, as appropriate, the Regional Development Fund. Use of these instruments should facilitate selective investment to the benefit, first, of the activities calling for expansion or conversion, secondly, of the regions in which expansion or restructuring of activities would facilitate the employment or the re-employment of manpower surpluses, and, lastly, of those workers whose living standards are lowest and who enjoy minimum job security.

5. If the Community and national objectives of full and better employment are to be achieved, practical steps to improve the facilities without which rapid progress is impossible must be taken in two specific areas.

The first is the establishment of reliable employment forecasts and the second is the computerisation of data used by employment services.

6. Employment forecasts have a high priority status in the implementation of any employment policy: the complexity of economic and social development is increasing, and employment policy tasks must therefore depend more and more on the medium-and long-term outlook, if the balance of the employment market is to be ensured.

Accordingly, a cooperation arrangement between the Member States and with the Community in this field must be found. It should cover mutual information, an examination of the mutual consistency of national forecasts and the preparation of detailed forecasts and joint strategies to provide employment for labour surpluses.

For this purpose, a long-term programme will have to be worked out, which, at Community level, should show how these objectives can be attained and present deficiencies remedied.

It should include: an improvement of employment statistics and classifications, with a view, in particular, to fuller comparability and the computerisation of job data; a round-up report on forecasting work; the exchange of information; the systematic comparison of employment objectives and markets and of employment policy instruments, and finally joint research projects.

If priorities are to be established in relation with available facilities and with the logical development of the work, they could usefully be written into a work programme which would lead to permanent cooperation based on regular meetings.

7. In view of the growing disequilibria between vacancies and job applications, which are making placings and regional and Community clearing increas-

ingly difficult, and in view of the shortage, both in terms of quality and quantity, of adequate information on employment, particularly of statistics, it looks very much as if the key to further progress must be the introduction and the development of computerised data in the manpower services.

Cooperation among the Member States and coordination of work done in this field must be maintained so that the possibilities of data processing can be fully exploited as a technique enabling more figures and other data to be collated, processed and printed out more accurately, more rapidly and with the necessary shades of meaning.

With respect to placing in particular the speed with which the information concerning an applicant can be screened against a vacancy description is a factor on which the efficiency of placing services largely depends.

Sponsored by the Commission, the work, forming part of continuing cooperation between the Member States, should cover the following points:

- (a) comparison and critical analysis (even unification) of the criteria governing job descriptions and applicants' data;
- (b) fuller consideration of part-time placing and of applicants in search of better jobs;
- (c) increased "turnover";
- (d) influence of certain factors on placing, such as wages distance and means of transport;
- (e) practical problems inherent in the computerisation of administrative services (training of specialised staff, association of the staff in the implementation of data-processing, progressive adaptation of methods in use, psychological problems, adaptation of methods and of techniques);
- (f) the appropriateness of the use of data-processing for certain types of placing.

In the context of facilitating Community clearance of labour, two points should be stressed:

- (a) that the European System of Distribution of vacancies and job applications in international clearing (SEDOC) should be used from 1973 onwards, the system to be expanded in 1973 to cover the enlarged Community;
- (b) that information on foreign labour in the Community will be strengthened by the establishment of homogeneous statistics under a regulation the draft of which has been laid before the Council.

## COMMUNITY ASSISTANCE TO TRANSFERS

8. Article 56 of the ECSC Treaty enabled the Community to contribute to the solution of problems raised with regard to employment in the coal and steel industry. All the industrial conversion and worker readaptation operations prepared by the Member States and implemented with financial assistance from the Community enabled planned transfers to be made in these industries in conditions acceptable to the workers. Action in this field will of course be pursued.

Employment problems are not confined, however, to these two industries, for they arise throughout the production apparatus. It is now possible to contribute to their solution at Community level by using the renewed European Social Fund.

9. As a general instrument for providing assistance, with sums available to it which are not negligible now and should not be less sufficient in the future<sup>1</sup>, the *Social Fund* can provide a prompt and practical response to the most urgent problems.

As they are directly affected by decisions taken by the Community under the common policies, the Council, on a proposal of the Commission, has now decided to allow the Fund to intervene in two new fields: that of farm workers wishing to leave the land and the textile industry.

The scale of *the drift from the land* in the ten coming years is ample justification for long-term Community action to devote every effort to solving the problem of integrating into other industries the workers involved.

Intervention in the *textile* industry is motivated by completely different considerations. The impact of the Community's trade policy, particularly vis-à-vis the developing countries, and the restructuring of this industry (which is tending to substitute capital for manpower) are two factors forcing textile workers either to acquire other skills within the industry or to move. The foreseeable movements will not always necessarily be large in terms of numbers; they will certainly be important in terms of quality, and consequently even more complex.

The Commission had also provided for the intervention of the Social Fund in the garment industry and recommended the establishment of two supplementary forms of aid – maintenance of income after training for six months for farm workers and assistance to information in semi-rural areas for

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<sup>1</sup> Funds appropriated for 1973 will enable the Fund to assist about 70 000 workers.

textile workers. The Council has held over consideration of the proposals and has asked for more documentation.

10. Other overall measures are to be decided upon later – either in cooperation between the Member States, the Council and the Commission, or at the initiative of the Commission, once studies or pilot experiments have been carried out.

Apart from operations accompanying the common policies, the Social Fund also has authority to respond to the large numbers of applications for assistance filed by public or private organizations, where their purpose is to dispel employment disequilibria within a firm, a group of firms or a region in difficulty. No sooner had the Fund been activated than applications of this kind were immediately received.

This is an indication of the interest that has been aroused in the Fund; it will however be possible to give significant data only when the first annual report is submitted.

## FREE MOVEMENT OF WORKERS

11. The migratory movements of manpower, both from other parts of the Community and from outside the Community, are related to the general employment trends described above (complete statistics are not available) and seem to confirm a tendency for the trend in the foreign labour needs of the various Community member countries to lose momentum or even to decline. Early in 1972, during the annual examination which the Technical Committee for the Free Movement of Persons devotes to the foreseeable development of labour markets with respect to foreign labour, a tentative overall estimate for 1972 put at 450 000<sup>1</sup> the number of foreign workers needed to replace workers leaving their jobs and to meet new needs. This estimate is well below the number of such hirings for 1971—more than 750 000.

However, it can already be observed that the number of foreign workers who have found employment in the Community in 1972 (new entrants) will be around 600 000.

<sup>1</sup> Belgium	7 000 to 10 000
Germany	300 000
France	120 000
Luxembourg	4 000 to 5 000
Netherlands	18 000

12. But the data are not complete, so that there is no way of assessing how far these foreign labour needs were met from Community manpower available.<sup>1</sup>

13. Apart from the quantitative aspect of intra-Community manpower movements, a number of facts ascertained led the Community to make a special study of the general problem of the free movement of manpower. Although the advantages of free movement of labour are not denied, the following facts must be recorded.

Most of the movements are still forced changes from regions suffering from structural unemployment to industrialized areas, and are mainly due to the demand for labour, i.e. to the structure of the jobs and to the current economic situation.

In addition, while immigration from outside the Community is mainly based on officially organized recruiting, *95% of Community labour movements are spontaneous*; the result is that a number of advantages connected with organized migration (guaranteed housing, fixed-duration contracts, reception, etc.) are denied to the Community workers; this is, in a sense, the price of freedom of movement.

14. For this reason *freedom of movement must be made part of an active employment policy pursued at Community level*. This means that it must be accompanied by measures similar to those taken under the national policies (creation of jobs in the areas where they are needed, assistance to mobility, guidance, information and reception arrangements, effective machinery to bring workers and employers into contact and to clear vacancies against job applications, etc). This also means, because these moves are mostly temporary and also in order to ensure that the workers concerned draw the fullest benefit from them, that the moves should be preceded by linguistic and occupational *pre-training* in the area the workers come from, and the actual sojourn in the host country must as far as possible be used to achieve social betterment of these workers through training and further training, of a kind that will be helpful to them when they later return to work in their region of origin.

15. Devised along these lines, a free movement policy, as part of an overall employment policy, will meet its human, social and economic objectives.

Since these considerations are also largely valid for migrations from outside the Community, which involve large numbers of workers, the Commission

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<sup>1</sup> The fifth annual report on "Freedom of movement of manpower and the labour markets in the Community-1973" will review this question. Community workers accounted for about 25% of new foreign-worker hirings in 1971.

believes that *the Member States' migration policies should be coordinated at Community level.*

## VOCATIONAL TRAINING

16. A brief review of activities in the member countries shows that a range of measures has been taken or planned of a kind which can later be fitted into a common occupational training policy, although at the present time there is very little in the way of mutual consistency between these measures.

17. But at Community level, 1972 was a year in which important new steps were taken towards the progressive implementation of this policy. The General Guidelines for the development of a new joint work programme with regard to occupational training, adopted by the Council on 26 July 1972, were the main contribution in this area.

In close cooperation with the Consultative Committee for occupational training, the Commission drafted, in the course of 1972, a work plan entitled "First measures for the implementation of a common occupational training policy", which has just been laid before the Council.

18. This measure still far from comprehensive, is to be dovetailed into a more general drive to improve occupational training under the Council's General Guidelines, and in accordance with arrangements to be made as part of an overall social action programme, which the Community Institutions are to adopt before 1 January 1974 pursuant to the decisions of the Conference of Heads of State or Government of 19 and 20 October 1972.

In the context of these "first measures", the policy-makers will be concentrating on the following practical activities:

- (i) Exchanges of information and experience on the objectives of the Member States' training policies and reforms in hand in this field;
- (ii) Exchanges of information on the structures, financing and cost of occupational training;
- (iii) Cooperation in the field of research on the development of the occupations and on occupational training;
- (iv) Proposals for the harmonisation of levels of training and for the mutual recognition of certificates, degrees and diplomas;

- (v) Cooperation in the matter of educational and occupational guidance;
- (vi) Promotion of a system of permanent training;
- (vii) Cooperation with regard to the development of a modern training technology and methodology;
- (viii) Implementation of specific and priority training measures for certain categories of persons, certain industries and certain regions.

The working methods to be used must consist first and foremost in the promotion of cooperation between the Member States and in the organization of systematic exchanges of information, including information on experience gained. It is apparently only through this indirect method and through the consequent fuller knowledge of changes in the laws, regulations and in teaching practices in the various countries of the Community that the current process of alignment with regard to policy aims and reforms can at present be speeded up.

In fact, the process began long ago, but so far has not attracted enough attention. However, a review of the main laws adopted in recent years on the reorganization of occupational training in certain Community countries shows that objectives aimed at have become remarkably similar. This fact is definitely a very encouraging one, given the many efforts made in parallel at Community level to achieve the widest harmonization in this field.

19. If the objectives of occupational training policy in the various countries are brought closer together, it will also be easier to render the results of training comparable, i.e. the qualifications and the certificates, degrees and diplomas in the various occupations and at the various levels, even if the structures and the methods are not uniform.

This is the key to the common occupational training strategy in the current phase of the Community's development. Another encouraging factor favouring this strategy must be noticed. This is the interdependence, which has long been emphasised, between general education and occupational and technical training.

20. In recent years, the Labour and Social Affairs Ministers of the Community have assumed responsibility for the common occupational training policy within the framework of employment policy. Since the first meeting of the Education Ministers in November 1971, cooperation has been developed with regard to general education, to which occupational training is related to varying extents in the various Member States. The participation of the Education Ministers in the working out of a common occupational training policy is a development that can only be welcomed.

21. In addition to these items on the credit side of the development of training policy in the Community, some activities which have brought new and substantial encouragement in specific areas of training must also be recorded. These are European seminars organized for those responsible for training handicapped persons, migrants workers, monitors and persons in the commercial sector. These seminars are designed to contribute, inter alia, to facilitating the research work of those responsible for occupational training and to rendering the assistance given by the European Social Fund as effective as possible.

22. Lastly, in connection with the enlargement of the Community, study work carried out in the United Kingdom on EEC training policy with particular reference to its impact on British training policy must be mentioned.

The report released when this work was completed constitutes the most up-to-date analysis of the situation in the Community; it also shows the correlations between action at Community level and its impact in the various countries.

## INDUSTRIAL RELATIONS

23. At Community level, *the Summit Meeting of Heads of State or Government* of the Community member countries attracted a great deal of interest among employers' and workers' organizations organized at European level, which submitted comments to the Commission and to the Governments of the Member States.

In November 1972, the Commission held a discussion with the representatives of these organizations on the consequences of the results of the Summit for Community social policy, with a view to establishing how men and managements could be associated more closely with the social and economic policy decisions taken by the Community, particularly with regard to action programmes to be drafted and the gradual development of the economic and monetary union.

24. With the *enlargement of the Community* close at hand, the workers' and employers' organizations, including the CFTU and the Employers' Liaison Committee, have made, at European level, internal arrangements to meet the requirements which the enlargement to 9 countries is generating.

The enlargement, which will give the Community a new dimension and set new tasks and obligations for the trade union and business organizations, could also provide an opportunity to review the scope for mutual cooperation.

25. At its second congress, held from 16 to 19 May 1972, the WCL (EO) expressed its desire to embark upon negotiations with a view to the establishment of a unitary trade union structure at European level, while respecting national trade union arrangements.

The ECFTU, though accepting the principle of closer cooperation at European level, recommends a more general solution, which will also help to solve the problems posed by the existence of a large number of trade unions within the countries.

26. The growing number of *multi-national companies*, and of *international combinations and mergers*, and the risks which the mergers can entail for the social well-being of wage-earners employed in the firms concerned, remains a subject of great concern for the workers' organizations. This is reflected in the resolutions and the trade unions' resolutions and statements and is often discussed at European and international level. The 10th world ICFTU Congress decided to set up a working group to study trends and the development of the process of multi-national concentration, with a view to eliciting fuller information on organization, decision structures and the political, economic and social influence of these firms.

However, the management of the multi-national companies contest that these enterprises pose specific problems and stress that their policy consists of adapting to national practices and they consider industrial relations as a matter exclusive to the daughter companies. This point of view has been notably expressed at a meeting of employers' experts organized by OECD from 21 to 23 June 1972, and at a meeting concerning the relations of multinational companies to social policy organized by the ILO from 26 October to 4 November 1972.

On 18 and 19 October 1972, the ECFTU organized a conference, on "the scope for worker influence in the multi-national company", to which were invited the trade-union representatives of 13 European countries. Those taking part took the view that an important role should be assigned to the EEC, which possesses legal bases allowing of the development of a legal system which could be extended to the fields of activity in which the multi-national companies operate, especially the creation of rights of information, consultation and participation for the workers and their organizations, whenever the corporation concerned has its headquarters in an EEC Member State.

The European Organization of the WCL at its 2nd Congress, made an analysis in depth of this problem, and drew up guidelines for a trade union strategy in this field for the future:

27. In its proposals relating to a "statute" for a European joint stock company and its proposals for the harmonization of company law under Article 54 III g

of the EEC Treaty, which provide for *worker participation in supervisory boards*, the Commission believes that it has created the legal framework meeting to a great extent trade union demands for fuller information, consultation and participation in the supervision of company management.

Its proposition for a directive relating to the harmonization of rules on collective dismissals and its work on the social consequences of mergers and combinations should also be mentioned.

28. The Commission is now working out rules, instruments and procedures for ensuring that the activities of multi-national companies comply with the political, economic and social policies adopted not only in the host countries but at Community level. The two sides of industry were associated with this work for the first time at a conference in Venice entitled "Industry and the Company in the European Community". Consultations will be extended and stepped up with a view to bridging the gap between the process of corporate internationalization and the "jurisdiction" of the unions and official policy-makers, which is still largely confined to the framework of each country, despite the growing efforts of workers' organizations to set up world-wide trade-union councils for each international company.

29. The trade-union and employers' organizations established at European level have also shown concern as to *growing inflationary trends*. They all feel that a thorough analysis of the factors underlying these trends should be carried out by the Community bodies, so that action taken strikes to the root of the causes and is not brought to bear only on the effects. They stress that a policy combating inflation can only succeed if it is based on an economic and monetary policy concerted between the Community Member States.

As practical measures, the ECFTU calls for the establishment of a consultative joint price board which would render opinions on price increases.

On prices, the UNICE recommends an attitude which, while maintaining full freedom for both sides of industry with regard to wage negotiations, would favour the smoother development of wages by providing an incentive for the various kinds of unions to refer to real growth and to the business outlook when formulating claims.

#### *Relations between governments and the two sides of industry*

30. In 1972, the upward price movement and inflationary trends—the main agenda items at the tripartite talks held between governments, trade-union organizations and employers' organizations at national level—provided new incentives for those concerned to develop and *render more effective agreement*

*and concertation between the parties involved* in most of the Community countries. This trend towards tripartite consultation, either through institutionalized bodies or by ad hoc contacts, is tending more and more to go beyond the traditional subject-matter of pay to cover other matters important to the development of the well-being of the population and the improvement of its social and cultural environment.

31. In *France*, for example, the Government decided to set up several working parties enabling it to consult the workers' and employers' organizations on a number of problems which so far have not been covered by joint consultations. We may mention here the "social perspective" working parties. After studying problems concerning young workers, frontier workers, occupational guidance of adults, and free movement of persons within the EEC, these working parties will try to establish in the context of longer-term studies, a number of reform schemes. Another working party has been given the task of seeking ways and means of promoting an improvement in working conditions as a whole. Its research will cover health and safety, human engineering and the elimination of piece work.

In *Italy*, where bilateral talks on main social reforms between the Government, and the workers' and employers' organizations continue, the Parliament has introduced a bill to extend and increase the responsibilities of the National Council of the Economy and of Labour. The aim of the bill is to amplify the Councils' powers by authorising it to participate in the economic planning and to render, at Government request, opinions on trade-union conflicts.

32. In *Germany*, the talks organized as part of concerted action continued mainly covering the relevant economic situation, the price trend and the wage trend, monetary measures and budgetary policy. A series of talks on social policy, presided over by the Federal Minister for Labour and Social Affairs, was devoted to the cost of leave for training and its effects on the labour market, to the problems related to a pension reform and to the trend in the rate of social benefits.

In the *Netherlands*, throughout the year, the two sides of industry and the Government endeavoured to find solutions acceptable to all in the fight against inflation. The parties concerned took the view that the agreements reached in 1971 had not been properly complied with, despite the goodwill of the parties; no agreement was found on what instruments should be used to solve this problem. At the end of the year, the parties decided to implement a "central agreement"<sup>1</sup>.

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<sup>1</sup> See paragraph 56.

## *Relations between employers and workers*

### *Collective bargaining*

33. During 1972, the climate of relations between the employers' and workers' organizations varied widely from country to country. Broadly speaking, however, the employers' organizations felt that the room for manoeuvre available to them in negotiations had been appreciably narrowed down because of the business situation, and this made for a sharper confrontation between two sides of industry.

Between the national employers' confederations and the national trade-union councils, differing opinions on social and economic trends and the establishment of reforms in this field are the main areas in which feelings have been running higher than in the past.

34. In *Italy*, in particular, the social and economic situation is much affected by the strained relations between the two sides. Early in the year, however, unions and managements continued their meetings at interconfederal level; these were meetings which had been resumed in 1971, after a lapse of several years, to analyse the overall situation of the Italian economy, which is a source of great concern for the parties involved. In the course of these meetings, the Confindustria delegation presented, on 14 January 1972, a memorandum listing general economic policy measures which should ensure full employment, the gradual satisfaction of the most urgent social needs and the solution of territorial disequilibria in the Italian economy and disequilibria within individual industries.

However, the joint reply made by the three trade-union national groupings—CGIL, CISL, and UIL—is tantamount to a rejection of the measures suggested by Confindustria. The union organizations stress the need for a thorough reorganization of the machinery governing the economic development of Italian society. They also believe that Confindustria's suggestions fall short of what is needed for the promotion of the structural development of agriculture, the economic development of the Mezzogiorno and the build-up of employment.

35. In *Germany*, too, the social climate would seem to have suffered from the early dissolution of the Bundestag and the organization of general elections before the normal date; the two parties concerned accuse each other of having violated the neutrality between the political parties which is traditional for the employers' and workers' organizations.

This controversy, almost wholly confined to the federations did not, however, influence the collective bargaining climate in the industrial sectors.

36. As in other countries, collective agreements in Germany are tending more and more to go beyond the traditional framework, and the talks now also cover questions relating to the quality of life, safety at work and the improvement of employment conditions.

This point applies in particular, for 1972, to the situation in *Italy*, where the trade-union organizations are concentrating more and more in their negotiations on improving conditions of work and work performance.

37. In *Luxembourg*, a collective agreement for the workers in the iron and steel industry—which plays a preponderant role in the country's economy—was concluded after prolonged bargaining between the two sides. This agreement, which will often serve as a model for collective agreements in other branches of the economy, particularly in the mechanical engineering industry and in chemicals, is the result of a compromise reached through the National Conciliation Office. Thus, despite very hard bargaining, there were no strikes in the Grand Duchy in 1972.

In the *Netherlands*, in the report of the Committee of Economic Experts, and in the commentaries of the S.E.R. on this subject, the points expressed in the central plan particularly have played an important role in the course of collective bargaining in the private sector. This does not ignore that in a number of cases, the negotiations were long and hard. Therefore in the building and metallurgy fields the new collective agreements could only be reached after strikes.

In *Belgium*, 76 national parity commissions concluded, during 1972, more than 600 collective agreements. These agreements, as well as traditional points, concern participation in travelling costs, workers' representation, vocational training and rules regarding young workers.

#### *Workers' representation*

38. In all the Community Countries, those concerned are seeking new instruments with which the rights of the workers' representatives in the firm can be strengthened, enabling them to obtain fuller economic and social information, better facilities for their work and increased scope for consultation and concertation. This will help to improve the climate of relations between employers and workers.

39. In *Germany*, the three political parties in the Bundestag presented once again, just before the elections, their plans concerning fuller co-determination. These plans include an increase in the number of workers' representatives on the supervisory boards of joint stock companies. The suggestions range from

seven representatives of the share-holders and five workers' representatives (CDU) to equal representation on both sides of the table (SPD). All the political parties involved have written a reform of co-determination law into their plans for the near future.

In Germany, the new law on the organization of work in enterprises entered into operation on 19 January 1972. It particularly foresees the following improvements: the extension and the protection of the individual worker's rights, the extension of the rights of participation, cooperation, enterprise works' council for social and economic matters as well as for personnel management, the assurance of trade-union rights within enterprises, the improvement of protection and facilities enjoyed by the workers' council as well as the extension of the rights and the representation of young workers.

40. Meanwhile, further progress has been made in extending co-determination to public departments: the law on employees' representation for the Land of Lower Saxony, which was adopted in 1972, includes one-third participation of workers' representatives in the supervisory boards of public commercial services (electricity, tramways, water, savings banks, credit establishments, insurance, etc...).

41. In *Luxembourg*, on the other hand, the Economic and Social Committee examined a Government *mémoire* concerning the introduction of the institutional co-determination of workers and of joint works committees, but was unable to adopt an agreed and coordinated opinion with practical proposals on corporate co-determination at institutional level. The executive powers must now draft a bill taking hold of the options which have been suggested.

42. Much the same happened in the *Netherlands*, where the Economic and Social Council failed to reach a final position on worker membership of the supervisory boards of firms employing less than a hundred workers. This opinion had been requested on 23 April 1971.

On the question of the functioning and the facilities to be granted to works committees, the Netherlands Economic and Social Committee did, however, render a number of important opinions concerning:

- (a) The granting to works committee members of the right to appeal against employer's decisions believed to be unjust or arbitrary;
- (b) Payment for the training of works committee members, the funds to be found by the firms concerned.

43. In *Belgium*, the collective bargaining agreement No. 9 coordinating national agreements and collective agreements on works committees adopted

at the National Labour Council meeting held on 9 March 1972, deals with the work to be carried out by works committees with special problems concerning the operation and the composition of these committees, and with the facilities which must be accorded to workers' representatives on these committees.

45. In *Italy*, the gradual replacement of internal committees by works councils (consigli di fabbrica) continued in 1972. Thanks to arrangements negotiated in certain important industries such as chemicals, petroleum, telecommunications, etc, the works councils are now recognized as trade union representative bodies within the firm, thus constituting a new factor in the area of collective bargaining. They have authority to exercise a right of consultation and, in certain cases, control.

#### *Trade union unification*

46. As at European level, the trade union organizations are seeking new ways to achieve better and closer cooperation to strengthen their positions in collective bargaining and to make their action more effective. In *Italy*, for example, the three large central trade union organizations—CGIL, CISL and UIL—continued in 1972 their discussions on trade union unification at interconfederal level and within the various industries.

However, after the important decisions adopted jointly by the General Councils of the three central organizations in November 1971 in Florence, the move towards trade union unification was halted in the middle of 1972, difficulties having arisen as to the way unification should be pursued and the timing of the various measures.

But the three central organizations did agree to sponsor—as a transitional measure, though this was not to be an obstacle to the achievement of the final objective—the creation of a federation between them and at different levels (national, regional, and provincial, horizontal and vertical). This confederation is being given powers of decisions on contractual policy, social reform policies, economic policies and the international aspects of such policies. The federation has 15 officers and a Board of Directors the members of which are drawn from the general councils of the three central organizations. The latter have approved the “federal pact” of 24 July 1972.

47. In the *Netherlands*, the three main trade union central organizations—the NVV, the CNV and the NKV—have been conducting talks throughout the year with a view to the unification of their organizations. The directing bodies of the three organizations took positive decisions concerning their unification, to be realised in three stages and to be completed before the end of 1973.

## LABOUR CONDITIONS AND LAW

48. The main features of the economic situation have been not only consumer price inflation but also the harmful social repercussions of the economic and technical development process on employment, and the stagnation, at least in some countries, of productive activity. Against this background, the authorities and the trade union and employers' organizations have been mainly concerned with measures to guarantee job security.

In this connection, the following tendencies can be discerned:

- (a) industrial firms are being awarded subsidies in certain sectors in some countries of the Community, enabling them to implement their reorganization and conversion plans only on the condition that no jobs are deleted.

For example, in Italy, the Law of 1 December 1971 (No. 1101) provides for the granting of such financial assistance to industrial and small firms in the textile industry, but these firms are required to organize conversion training courses for all workers made redundant or put on short time as a result of the reorganization.

- (b) awarding redundant workers allowances—which have been increased and which are now paid for longer periods—would seem to be in line with social requirements (minimum resources enabling the worker's family to meet essential needs) and with economic objectives (by preventing the redundancy of a growing number of workers from curbing productive activity by undermining demand).

In Italy, the reasoning behind the Law of 8 August 1972 (No. 457) creating a "wages integration fund" for farm workers and the Law of 8 August 1972 (No. 464) foreseeing the possibility to award wages integration for longer periods than the ceiling previously fixed by the Law 1115, and extending the benefit equally to workers in industrial firms in reconversion cases; the integration of wages is, moreover, awarded to employees. Law No. 464 recognises also that workers—the manual workers as well as the employees—who have been discharged following a sectorial or local economic crisis, or a restructuring or reorganization of the firm, have a priority right of placement.

In Germany, about 9 million workers from a very wide range of industries (metalworking, chemicals, iron and steel, textiles, paper, printing, timber, food and public services including postal services and the railways) can, once they have reached a certain age and achieved a certain degree of seniority in the firm, claim compensation where they became redundant because of rationalisation or the introduction of new techniques. The

amounts range from 1 to 9 times their monthly income (in public service, the allowances range up to 12 months income).

- (c) The possibility of completing economic measures by the introduction of new legal requirements regarding dismissal have been envisaged in certain countries. In France, the Government taking account of the positions taken by the trade unions on the reforms that it would be desirable to produce a law on dismissals, have undertaken a study concerning this. A draft law relative to the annulment of work contracts of undetermined length has been adopted by the Council of Ministers, than sent for an opinion to the Economic and Social Committee prior to its deposition before Parliament.

In 1972, there were improvements not only within the countries, but also at Community level; having submitted a report on arrangements to help dismissed workers, with its findings on the scope for harmonizing these arrangements,<sup>1</sup> the Commission laid before the Council, on 9 November 1972, a proposed directive concerning the approximation of Member States' legislation on collective dismissals.

49. With regard to working conditions in general, it was felt throughout the Community, that the problem should be tackled and solutions sought in a wider framework. This approach is related to the objective of achieving a better "quality of life" and to attempts to introduce far-reaching improvements in the ways in which work is now being organized in firms.

But the drive to achieve a general improvement in the working environment and the conditions in which the workers carry out their duties has however been most vigorous in Italy. The collective agreements signed in 1972 such as those for the chemical, the pottery and the rubber industries, included measures designed to cut down or eliminate altogether unpleasantness and the hazards which work organization entails for the health of the workers. It is thus, at the initiative of the works Committees, that "committees for the workplace environment", with inspection powers have been foreseen as well as recording of physical and chemical data on the working environment, and statistics of periodical medical examinations, and the introduction of a personal health book and a personal hazard book.

50. On the question of working hours, progress towards the target of a 40-hour week continued and even gathered momentum in 1972, mainly through renewed collective agreements. This was true throughout the Community and for

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<sup>1</sup> *Fifth General Report* (sec. 246)

individual industries and production branches. On the basis of the foreseeable development of collective bargaining in this field in coming years and of the deadlines set in social programming agreements signed in previous years, it can now be stated that the 40-hour week will probably be the week worked by almost all workers by 1975.

The Commission welcomes the change, which represents a steady and progressive improvement in what is perhaps the most important working condition for workers in paid employments. It has also noted with satisfaction a trend, discernible in all the Community countries, to curtail overtime, with the twofold objective of effectively shortening the working week and also of increasing numbers employed.

Moreover, to provide at least a partial response to the requirements arising for certain categories of workers, for example, mothers, and to cope with the constraints deriving from the mode of life in the very large urban agglomerations, the working day has been adjusted by the introduction in a growing number of firms in the Community of a work schedule called "mobile", "free", or "modulated" according to case.

51. In the matter of paid holidays, the main trend in 1972 for the Community taken as a whole is shown by the conclusion of collective agreements awarding a fourth week.

52. As part of work on permanent education and continuous occupational training, training leave, has assumed particular importance: a growing number of workers have been put in a position, under collective agreements or statutory rules, to qualify for arrangements enabling them to improve their occupational qualifications or to even their general education.

53. In 1972, the process of bringing conditions for manual workers closer to those for white-collar employees continued. It is mainly a matter of extending to manual workers some or all of the advantages previously granted to workers paid by the month, including monthly pay itself.

The Commission welcomes these changes, and believes that collective bargaining will in all likelihood add a depth and strength to this process by gradually bringing about full parity of social protection as between office workers and manual workers.

While the process seems to have been more marked in France—where "mensualisation" agreements cover 80% of private-sector manual workers, against 75% as at 31 December 1971, and where the employers' and workers' organizations seem, at least at national level, to be complying with the original arrangements and time-schedules—and in Italy, it is apparently less strong in

Belgium and in the Netherlands. In Luxembourg, all the problems "mensualisation" would raise are now being examined.

54. It would seem that everywhere the most satisfactory progress made has been with regard to paid holidays, sickness allowances, and retirement severance payments.

As no complete census has been made in this field, there is no way of knowing at the present time exactly how many manual workers are now being paid by the month, or how many will be paid in this way in the future.

### WAGES AND ASSET-OWNERSHIP

55. The main feature of the trend of short-term economic policies in all the member countries in 1972 was the persistence and even the strengthening of inflationary trends, and this factor inevitably dominated wage policy problems and events. The first point to note is that the Governments, in their search for the best ways of curbing inflationary pressure, avoided direct control or actual wage and price freezes. This was because freezes of this kind appear to be effective only in the very short term but also because of the implications and limitations this kind of measure has from both the psychological and the social and political points of view. However, in this kind of business climate, absolute freedom of action for consumers, manufacturers and distributors, combined with a tendency for them to anticipate inflation, can have serious disadvantages, and it therefore became clear that *the best method was to seek concertation, whether within an institution or not, between the authorities and the representatives of the unions, managements and consumers*. Concertation was, indeed, the approach which the Commission had recommended both in its "Preliminary Guidelines for a Community social policy" and in its "Annual report on the economic situation of the Community for 1972-1973", a report adopted by the Council as part of the work carried out towards the achievement of an economic and monetary union by stages. The same approach was also confirmed in a resolution adopted by the Council on 31 October 1972 for co-ordination at European level of the fight against inflation.

56. In this context, it would seem that experience in the *Netherlands*, where inflation has been fastest, is the most significant. On 4 August 1971, the Netherlands Government had abrogated its "wage restraint" decision, partly in response to advice from the Economic and Social Council, which felt that an

improvement of the climate between workers and managements and between these two parties and the Government should be sought in this way. By restoring freedom of negotiation for new collective agreements, the authorities wished to leave responsibility for prices and wages to the private sector. But trends in the second half of 1971 and the first quarter of 1972 forced the problem to the fore again. In its semi-annual report, published on 19 May 1972, the Economic and Social Council found that an integrated policy on the budget, consumer expenditure and incomes was needed if the difficulties encountered and efforts to curb inflation were to be overcome. On the more specific question of income trends, the Council stressed the case for negotiating, before the renewal of the collective agreements for 1973, a "social contract" between the public authorities, the employers and the workers. The contract would establish an acceptable approach to the budget and fix objectives for "nominal" wages and the incomes of the self-employed. The Government accepted these findings and incorporated them into its social programme, endorsing the view that if the persistent inflation was to be properly dealt with, the only possible solution was a common approach to the problems by the authorities and all those active in economic life. Eventually, in view of the many difficulties arising, the draft tripartite "social contract" was replaced by a "central agreement" negotiated on a parity basis within the Labour Foundation. This agreement takes account of certain assurances given by the Government with regard to employment and to social expenditure, particularly on new housing and education. Under the "central agreement", the increase in the total wage bill, including all social expenditures, should be 12.5% in 1973 over 1972, and the annual average increase in consumer prices 5.75%. In fact, the margin of negotiation left to the collective agreements for wage increases per worker would be, in addition to an offsetting, without upper limit of the price increase, but with a threshold of 0.75% at the most 3.5%, including any other improvements in working conditions where such improvements entailed additional costs for the firms.

57. Other Community countries also embarked upon, or stepped up, through appropriate procedures, their discussion with the various representatives on the possible and desirable trend of wages and prices, having due regard to the main economic guidelines.

In *Germany*, the "concerted action" meetings were continued in 1972; the general framework of these was created by the annual economic report presented early in 1972 by the Federal Government, in accordance with the Stability and Growth Law. Examining the annual opinion rendered by the Committee of Experts on the basis of an analysis of general economic trends in 1972, the report selected a number of objectives in the field of economic and social policy, indicating the main short-time economic policy measures needed to achieve these objectives. In the framework of medium-term projections

extended until 1976, the report forecast for 1972 a real increase of 2 to 3% in the gross national product, of 7.5 to 8.5% in private consumer expenditure, of 10.5% in public expenditure, of 3.5 to 4.5% in productive investment, of 7 to 8% in actual remuneration per person in paid employment and of 4.5% in consumer prices. The Confederation of German Trade Unions (Deutscher Gewerkschaftsbund, DGB) also stressed the importance, in its projections of policy goals for the period 1972 to 1976, of an economic policy guaranteeing employment, stabilizing the level of prices, allowing of satisfactory economic growth and balanced external trade, and enabling a fairer pattern of incomes and of asset-ownership to be achieved. In the course of a "concerted action" meeting, at which the Minister of Economic Affairs and Finance took the chair, the DGB pointed out that inflation was more a matter of structures than of current business trends, and therefore called for a more active policy regard to competition, the protection of the consumer and the drive against land speculation. The association of German employers (Bund Deutscher Arbeitgeber, BDA) particularly in view of its own economic assessments, felt that price stabilization depended on a moderation of the cost trend, and that the increase in the share of national income accruing to persons in paid employment could never really be obtained other than through a policy on asset-ownership. It was decided to set up a working party to study the problems raised by long-term trends in incomes and asset-ownership. The findings of this working party will be discussed at a forthcoming "concerted action" meeting.

In this context, the example of *Italy* is also interesting: the new five-year plan, covering the wage trend over the last ten years, reached the conclusion that if economic stability and higher real wages are to be achieved, the experience of the past suggests that collective agreements should be so framed as to enable wage increases agreed to be spread out more evenly in time, i.e. throughout the lifetime of the agreement. The view was expressed in the plan that future pay increases, granted by stages, should be agreed on at the time of the major renewal of collective agreements scheduled for the end of 1972. And it was indeed with an eye to this deadline that consultations were undertaken by the authorities with the representatives of both sides of industry, and particularly with those of the unions. A certain degree of agreement was obtained early in September, the workers' organizations accepting a "dialogue" with the Government on all economic and social problems. This agreement, and the intervention of the Labour Minister, seems to have relaxed the atmosphere and made possible the conclusion in the autumn of 1972 of a number of important collective agreements. At the end of the year, certain wage negotiations proved to be more difficult.

58. In *France* and in *Belgium*, general contacts and consultations continued both within and outside institutions. The institutions concerned were, for

example, in France, the Economic and Social Council and the Commission on the Accounts and Economic Budgets of the Nation, and in Belgium, the Central Council of the Economy, the National Labour Council and the National Growth Committee. More direct and more specific meetings were held between the Government and both sides of industry. In this general context, particular attention was given, in the two countries, to prices, and, in France, to low wages. This last problem was dealt with in France by the High Commission on collective agreements.

59. But there is another trend in wage policy in the Community countries, already noted in the last two reports, which has again merited emphasis in 1972. The problem is, given the upward movement of consumer prices, particularly of food, that both employers and managements on the one hand and the authorities on the other are anxious to *protect the purchasing power of the poorest workers by increasing low wages more substantially than the rest*. This view is, incidentally, in line with one of the "preliminary guidelines" endorsed by the Commission for its "Community social policy programme", in which it is stated that "a substantial proportion of the growth increment must be used to improve the living standards of the least favoured groups". The action taken by the French and the Netherlands governments to strengthen the legal protection of women workers by measures in line with the equal pay principle (Article 119 of the Treaty of Rome) is also relevant in this context.

60. *France*, the country in which the wage range would seem to be one of the widest in the Community, is also the country in which action to improve low wages was probably the most noteworthy in 1972: in the field in which government intervention is the most direct, the "SMIC" (minimum wage) was increased three times in 1972 and amounted to FF 4.55 per hour on 1 November 1972, as compared to FF 3.94 on 1 December 1971 which, for a forty-two hour week (the present basis for the Netherlands and Luxembourg minimum statutory wage), corresponds to a minimum monthly wage of FF 838. This rate is still some distance from the minimum of FF 1 000 per month which was one of the major union claims in 1972. But the Government has decided in principle to raise the SMIC by more than the average trend of wages; besides, a new law of 23 December 1972 has introduced a form of "mensualisation" of the SMIC under which workers will have a guaranteed income based on 40 hours of work per week, should hours be reduced or there be a temporary slackening in their workload. In addition, the Government has encouraged the employers to open negotiations to speed up the increase in low wages and the CNPF (Confederation of French Industry) decided on 19 September 1972 to recommend to its federations to discuss with the unions the fixing of guarantees of resources at levels adapted to the situation of each industry. Apart

from the affirmation of this principle, the agreements already reached in certain industries have included a more rapid increase of low wages, either by changing the differentials for the lowest wages, or by providing for differing percentage increases or equal increases in absolute terms. These devices are designed to avoid the measures taken spreading over all wages, so that the old pay scales are simply restored again at a higher level. A law designed to give effect to the principle of equal pay has entered into force on 22 December 1972. One provision is the unenforceability of any clause in an agreement conflicting with this principle and another sets out control and sanctions procedures.

61. The higher SMIC increases in 1972 bring the French minimum wage nearer the minimum wage paid in the Netherlands and in Luxembourg, the two other Community countries in which there is a statutory minimum wage applicable across a number of industries.

In the *Netherlands*, the Law on the minimum wage and minimum holiday pay was amended on 26 January 1972 with retroactive effect to 1 January 1972. The minimum statutory wage will now be adapted twice a year on 1 January and on 1 July, to changes in negotiated wages. This wage, which on 1 July 1971 was Fl. 177.90 per week, for an average working week of about 42 hours (Fl. 770.90 per month), was first increased on 1 January 1972 and subsequently raised on 1 July 1972 to Fl. 198.60 per week (or Fl. 860.60 per month). More generally, the Government, in its guidelines for the preparation of a "social contract", indicated that the general curtailment of income increases could in no circumstances be imposed on the weakest groups of society. In addition the Economic and Social Council was asked by the Government to render an opinion on the possibility and desirability of introducing the principle of equal pay into Netherlands law.

In *Luxembourg*, the statutory minimum social wage, which was Lfrs. 7 875 per month on 1 January 1972, was fixed at Lfrs. 8 306 as at 1 November 1972. The new collective agreement for manual iron and steel workers, concluded independently of the incidence of the sliding wage scale, for two years, entails three Lfrs. 500 wage increases per month adds certain selective increases for certain classes of poorly paid employed persons (craftsmen).

62. Of the *three countries* in which there is no minimum inter-industry wage guaranteed by statute, it is interesting to note that in *Belgium* one of main claims by the union organizations in their inter-industry agreement programme and submitted on October 1972 to the employers' organizations is for a minimum guaranteed wage of Bfrs. 12 500 gross per month, at the level of the cost-of-living index on January 1972. At the present time, the employers in the Federation of Belgian Industries are opposed to this, pointing to the lower wages paid in France, Luxembourg and the Netherlands and to the additional costs which

such a guarantee would entail and, finally, to the fact that, in Belgium, wages are traditionally negotiated within mixed commissions for each branch and not at interprofessional level.

In *Italy*, many collective agreements have granted equal minimum wage increases for all categories (between Lit. 14 000 and Lit. 20 000 per month), or narrowed the range of qualifications by eliminating lower categories. In some services industries, the agreements have also established a national guaranteed minimum wage. The same goes for farm workers, who have obtained a minimum national wage of Lit. 3 475 per day per unskilled worker.

In *Germany*, the country in which the wage range is one of the narrowest in the Community, the private- and public-sector collective agreements provide for partly above-average increases for low wages. The salary increase granted on 1 January 1972 to public service employees was made up an across-the-board increase of 4% plus a supplementary amount of DM 30 per month.

63. With regard to *policy on asset-ownership, some progress has been made* in the three countries (Germany, France and the Netherlands) which are already the most advanced in this field, and some plans or policy principles have been worked out, which are, in the main, in line with the general guidelines which the Commission is proposing to lay before the Council in the conclusions of its report on the "scheme promoting workers' asset-ownership". On the other hand, there is no evidence that in the other three countries any special attention was being given to these problems in 1972, whether by the authorities or by either side of industry.

64. *Germany*, the country in which a specific asset-ownership policy was first implemented, is undoubtedly the country in which results have been the most impressive. In 1972, the number of workers qualifying under the "DM 624 Law" rose from 15 100 000 to 16 million, about two thirds of all persons in paid employment. At the Berlin Congress, the DGB tackled once again its plan for participation of employees in corporate profits. Under the proposal a percentage of the profits would be syphoned off and paid into regional Funds, which would issue participation certificates to all employees earning less than a given sum. The German employers came out firmly against this scheme: they pointed out that in their view individuals must retain their freedom to invest as they wish and that share-purchasing should therefore not be made compulsory. They believe that it is preferable to encourage profit-sharing on a voluntary basis, and consider that the course taken so far, which has proved very effective, should be pursued further.

In *France*, the implementation of the ordonnance of 17 August 1967 on the "involvement" of employees in the fruits of corporate expansion has continued.

On 1 December 1972, 8 042 participation agreements had been signed, compared with 7 207 on 1 December 1971. They concern 9 035 firms and apply to 3 951 045 employees. The Government has adopted a law\* extending share-holding to 150 000 national bank and insurance employees. With a maximum of one quarter of the capital, the staff will be able to benefit from free distributions of shares and, jointly with certain undertakings, companies or bodies, be entitled to acquire other shares by purchase. These shares will only be negotiable after a certain period to be fixed by decree, and a ceiling will be set under the same terms for the number of shares which the workers concerned may own. In the free distribution of shares, account will be taken of the seniority and the degree of responsibility in the undertaking of each person employed. In addition, one of the nine working parties recently set up by the Minister for Social Affairs is examining various problems raised by the "development of participation". The French National Employers Council (CNPF) presented, as part of the preparatory work for the national congress of enterprises held in October 1972, a number of recommendations relating to the scheme for profit participation. It is suggested that wage-earners earning the lowest wages should receive a more substantial participation; that the five-year freeze period should be shorter, and that a privileged status should be accorded to investments made outside the firm.

In the *Netherlands*, the general Law on bonus-saving has been maintained for 1972 pending the adoption of the law which is to supersede this scheme and set up a system of tax facilities to encourage wage-saving. In addition, there are two other bills designed to amend the "asset-formation Fund" law, which entered into force on 1 July 1971. The bills will facilitate the obtaining of interest-free loans for home-ownership purposes and shorten the period during which the "savings securities" are frozen.

In *Belgium*, Bfrs. 350 million has been paid in by the employers to the "Social and Economic Construction Fund" set up under the 1970 collective agreement, but so far it has not been possible to use these sums because of a dispute on management procedures which has arisen between the unions.

## HOUSING

65. In general, there have been no spectacular changes in 1972 in housing policy in the Member States. The main activity has been the continued im-

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\* Date of entry into force: 4 January 1973.

plementation of plans and programmes covering several years. There have, however, been some developments narrowing down disparities between the situations in the various countries.

For example, 1971 and 1972 saw a remarkable increase in Germany, France and Netherlands in the number of completions, actually exceeding the figures foreseen in the various national programmes. In the Community of the six the figure for 1971 was 1 573 300 or 97 800 more than in 1970, which constitutes an increase of 6.6%. 1964 and 1965 were the last years in which more than 1.5 million new dwellings were completed in the Community. This rate of progress is continuing in Belgium and in Luxembourg as well, as the figures available for the first 9 months of 1972 show. Only in Italy has this not been the case.

66. There is now some scope for adjusting housing policy objectives, and this is being done in the Member States as the housing shortage eases, at least in quantitative terms. More effort can now be devoted to the needs of specific groups of the population, to the needs arising in growth areas, and to improving the quality of new housing, existing housing and its environment.

The rise in living standards in general and the corresponding increase in the housing requirements of the population call for a policy adaptation, and this need is becoming more pressing each year. But it goes without saying that the general improvement in housing, which is the overall policy objective, entails not only the construction of a number of good new houses and flats and the demolition of unfit buildings that cannot be improved, but also the modernisation of old accommodation to adapt it to current requirements.

67. What is being done more and more, as part of work to improve the housing stock, is the systematic improvement of accommodation throughout a given neighbourhood of a city, and this work is concerned both with the actual quality of the housing itself and with the environment. This approach, satisfactory from the point of view of improving the art of living in the home is also economic, since it saves the costs of systematic demolition as well as that of the construction of replacement housing and maintains the existing infrastructure.

It is a disturbing fact that there is a steadily growing gap between the increase of the cost of living in general and the more rapid increase in the cost of housing. This poses major financial problems, not only for households wishing to buy or rent a good house or flat at an appropriate price, but also for Governments seeking to satisfy this need through loans and subsidies.

A disturbing development is that in several cases both building land and building itself are costing more. The cost rise far outstrips inflation and the

increase in the cost-of-living index, and this trend is a source of constant concern for the Governments. To cope with the increase in building costs, the Governments have acted to encourage industrialisation, utilisation of prefabricated parts and the rationalisation of construction methods. So far, such measures have not had sufficient effect.

68. The housing of foreign workers remains a major problem requiring more action on a wider and more effective scale.

It is likely that the planned Community survey on the housing of foreign workers will improve information available in this field. The Commission is considering how it can contribute to the solution of this problem, but is well aware that its resources are limited in comparison with the scale of the requirements. In this framework, measures envisaged to promote assisted migration could help to develop a more favourable housing situation.

## FAMILY MATTERS

69. The great debate now under way on the usefulness of growth reveals a keener awareness of the need for politicians to consider the whole question of man's well-being, which is not only a matter of a higher standard of living and better working conditions. This point was well taken at the European Summit Conference, the final declaration of which reflects the intention to include in the Community Social Programme measures to improve the conditions and the quality of life.

Those framing family policy must, because of its very nature, take this overall view of the individual's needs, which are inseparable from those of the family group of which he is a member. There is a change in this respect in the Member States. Family policy, which was originally mainly concerned with the offsetting of the cost of family responsibilities through the granting of allowances designed to make good the lowering of living standards entailed by the presence of children in the home, is now tending more and more to meet the requirements of emotional and cultural life: the aims now are to help parents in their work of bringing young people up and guiding them towards adulthood and to establish a living framework adapted to the needs of families, particularly with regard to housing and town planning, transport, social facilities, etc.

70. In all the Member States, family living standards suffered from rising prices in 1972, especially in the countries in which family allowances are not

geared to living cost trends. Policy for offsetting the cost of family responsibilities has been reappraised in France and is being completely recast in Germany, but has remained unchanged in the other Community countries.

For in France, in addition to maintenance allowances for children, awarded regardless of the family's income, new benefits are being created to meet specific needs and they are confined to the poorest families, with the introduction of a means test. For example, measures adopted in 1972 will entail the discontinuation of payment of the single-wage or mother-in-the-home allowance to 400 000 households whose resources exceed the ceiling; on the other hand, the allowance will be increased for households below this ceiling, provided there is one dependent child under three years of age or four dependent children altogether.

An allowance for the cost of looking after children during the day-time has been created, but it is awarded only to persons living alone or households receiving less than a certain income ceiling, and this ceiling is very low, so that the number of beneficiaries will probably not exceed 80 000 in 1972. The housing allowance, which was originally paid only to families with children, has been extended to other kinds of beneficiaries, such as households or single persons providing a home for a parent or a grand-parent of more than 65 years of age or for a close relative who is an invalid. The family allowance scheme, which finances all these allowances, thus meets general social requirements and is no longer solely a reflection of population policy.

71. In Germany, political circumstances prevented the adoption in 1972 of the Government's overall reform scheme for the "offsetting of the cost of family responsibilities". This scheme provides for the replacement of the present scheme, which has two kinds of benefit (lower taxes and direct allowances, by a standard allowance scheme), by allowances granted to all families from the birth of the first child onwards, whatever their resources. There is a strong possibility that this new scheme will be adopted. As a matter of fact the Government has already in its middle-term forecast of the "Social Budget" made allowance for this new scheme, by allotting 4 milliard Mark. It should also be mentioned that the family organizations and the German trade-union federation (DGB) have called for certain approximate solutions until the final new scheme will be adopted.

72. The qualitative aspect of a policy designed to ensure the well-being of families is largely a function of the social facilities and collective services available. But finance is a problem to all the Member States. The situation in the Netherlands in this respect is particularly significant. This is a country in which the authorities are pursuing a bold policy to provide social and cultural facilities, but deletions from the budgets due to the general financial situation

have forced the Minister of Cultural Affairs, Leisure and Social Action to differentiate the finance of a number of intended activities which involved that the subsidisations for home-economic courses was abandoned and instead the care-taking for elderly people was reinforced.

73. Special attention has been given in the Member States to the problems connected with day nurseries and pre-school education, problems which have been rendered particularly acute because more and more mothers now go out to work. Efforts have been made to increase the number of establishments whilst ensuring high teaching standards. In Belgium, Germany, France and Italy, this work is covered by general plans.

In Germany, laws have been adopted in four Länder providing between now and 1980 for the virtually complete covering of infant school needs (schools for infants from 3 to 6 years). Legislation in North-Rhine Westphalia embodies particularly modern concepts as to the teaching methods used, aiming at the "socialisation" of the child, and encourages the close association of parents in the working of the school. In Italy, the same spirit underlies a recent law establishing a five-year plan for development of nurseries, the work to be the responsibility of the regions. The transfer of responsibilities to the regions has provided an opportunity for a thorough review of the aims and structure of this type of service. Abandoning the traditional view that the nursery is mainly a health and assistance institution, the regional authorities have accepted the suggestions made by social and trade-union organizations and are now emphasizing the educative role of these establishments, in the management of which the families will participate actively. In this country, the infant schools are being set up slowly; of the 2 500 000 infants, 1 300 000 can find a place.

74. The desire to use modern knowledge of psychology and teaching theory in these establishments takes a practical form in Belgium too, where the "day-care centres for infants" are being encouraged, in France, where the Health and Social Security Ministry has commissioned a study on the health and social implications of the various methods of looking after infants up to three years away from their parents, and in the Netherlands, where certain pilot research undertakings on methods of child-care and education in day-nurseries are being subsidised.

Although all this work shows an increasing awareness of needs, it would be a mistake to imagine that nothing remains to be done. A very revealing study on the working conditions of women in paid employment in the countries of the European Community has just been carried out at the request of the national centre for the sociology of social law of Belgium, with assistance from

the Commission; a preliminary report summarising the findings deplores the “hopeless shortage” of facilities.

75. In the field of family law, several tendencies are discernible in the various Member States. While France is radically changing family relationship rules, for instance by permitting the legitimization of adulterine children, Italy is completing a major reform of family law along the same lines. Germany and Belgium are preparing new measures on child-, marital- and family laws. In four of the countries abortion legislation is being reviewed. In Italy, Germany and Luxembourg, there is a tendency to cut down the number of children housed in assistance institutes (the figure is estimated at 300 000 in Italy) by arrangements to place the children in families and by increasing the scope for adoption.<sup>1</sup>

## SOCIAL SERVICES

76. It is a paradox that our “welfare” society is leaving more and more, and ever more varied, scope for the work of the social services.

For this reason, social services have a great deal to do, in the planning of public facilities for health care, culture, etc.

77. In 1972, as in previous years, certain countries made remarkable efforts (for example, through new laws) to improve the effectiveness of the general legislation on social assistance for all citizens to cover their vital needs, defined, increasingly widely to cover non-material needs as well. In Italy, a radical reform of the whole of this field is planned, taking into account the findings of a parliamentary inquiry on the present situation and the outlook for public and private social assistance.

78. The less favoured sections of the population—including the elderly, the handicapped and migrant workers—have been helped by special measures in all the countries.

With regard to the elderly<sup>2</sup>, the various countries have shown increased interest and stepped up their efforts in this field, though it must be stressed that

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<sup>1</sup> See part II

<sup>2</sup> See Chapter on Social Security for the problems of the retirement age and the general increase in pensions.

many problems created by the ageing of the population (employment, resources, housing, social problems and health) necessitate a comprehensive policy<sup>1</sup>.

The needs of the handicapped, in particular, are gradually being given more consideration and the solutions sought are everywhere concerned with the normal social integration or reintegration of these persons into society whereby better material assistance is also being granted throughout the Community. Nonetheless, this is in a field in which more substantial and better co-ordinated effort is needed.

The scale of the problems raised in the various countries by the presence of several millions of foreign workers has remained a source of concern, for there is no easy solution to them and they are aggravated by a recent tendency for the workers to stay longer abroad and to bring their families to join them.

This has created new needs (family housing, social facilities and care for the families, education, etc.).

79. It should be possible to strengthen social services, which are very active in this field, to enable them to cope with the wide range of tasks, priority being given to efforts to achieve adaptation and social and cultural integration of these workers and their families. Very encouraging developments have been noted. For example, the general increase in funds made available for this work, the very favourable influence on public opinion of initiatives such as the "Immigrants' week"<sup>2</sup> in Belgium and the "Foreign workers'days" organized in several Länder in Germany. We may also mention the increasing awareness of the problems of foreign workers, evidenced by documents such as the "Principles for the social integration of migrant workers and their families" adopted in Germany (April 1972) by the members of the foreign workers coordination group set up within the Federal Ministry of Labour and Social Affairs.

80. However a large number of migrant workers are still living in very bad conditions and their situation is being worsened by the fact that they seek accommodations in overpopulated industrial areas in which prevails a lack of housing. In such a situation social tensions can arise between the native population and the migrant workers.

The problems require the utmost attention on several levels (Commission, Governments and Social partners) to find solutions on national levels as also in the framework of the Community policies.

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<sup>1</sup> The Commission has carried out a study which should contribute to the establishment of the main lines of this policy.

<sup>2</sup> In 1972, the "Immigrants' week" was particularly successful.

In the Netherlands action groups have been formed at different places for the defence of foreign workers' interests, which groups are partly made up by foreign workers. These groups often work in collaboration with local "foundations for migrant workers". However, it happens also that these groups sometimes criticize or attack the activities of the established "foundations for migrant workers", for not working enough in the interest of the migrant workers.

81. It is clear that the migrant workers will have to be given increasing scope for active participation in decisions concerning them: in this context, the establishment of the "European Union of Immigrants' Consultative Councils" is significant. The European Union is a forum for the consultative councils set up in Belgium and for similar councils from other host countries. Its purpose is to promote their development.

The Netherlands have hired "assistant social workers" for the migrant workers from countries of the migratory workers. Approximately one hundred such "social workers" are being active at the "local foundations for migrant workers"; which is about half of the personnel of these foundations, with the exception of the administrative personnel.

In Italy, certain regions have established programmes to help returning migrant workers and the families of emigrants who are still abroad.

82. In general, there is a growing tendency to associate the individuals and the groups of migrants with the decisions and the activities concerning them. The commonest arrangement is that of the "social centres" or the "socio-cultural centres" and the "neighbourhood centres".

In some cases these centres have conducted a campaign to arouse public opinion and attract the attention of the policy-makers. Most difficult for these centres, in the majority of the countries, remains the question of financing which under the present conditions no further development allows, except in the Netherlands where the regulation of the government fundings for the community development enables the openings of new centres.

82(a) The need for trained personnel is steadily growing. To meet this requirement, measures have been adopted in connection with the social service schools (for example, consolidation of the training of young people for the various callings — monitors, advisors, social assistants, etc. — in the social field), and major reforms are being studied.

## SOCIAL SECURITY

83. The large number of new measures added to and rendering more complex, as each year goes by, the fabric of social security include some which are more important not only because of their immediate consequences for those receiving social security protection but also through their significance as pointers to new trends. It is impossible to analyse all the measures taken in the course of the year,<sup>1</sup> but certain key achievements must be mentioned.

84. The *scope* of social security, which, in the six Community countries, originally covered only persons in paid employment, has been gradually extended to other social classes, for example to the self-employed. This trend has been particularly pronounced in the last ten years, so that, in most of the countries, virtually all the population now has social security cover. *Germany* seemed however, to be out of line here, although in this country the right to family allowances had been made general and retirement insurance had been established for farmers. Two laws voted in 1972 have just shown that the Federal Republic is moving along the same lines as the other Community countries. The first measure, of 10 August 1972, establishes sickness insurance for farmers, with health care benefits identical to those available under the general scheme; in addition, in case of hospitalization, the farmer will receive substantial compensation, either through the provision of a replacement, or through the reimbursement of the cost of hiring a replacement from outside his family. But the second measure is particularly significant. As part of the pension reform law (discussed below), it entitles those classes of the population not yet protected to join the general retirement insurance scheme. It offers the self-employed a choice between two different schemes. Either they can apply for admission to the statutory scheme for persons in paid employment, where they must accept all the obligations as well as benefiting from the advantages (including the counting of periods ranking as insurance qualifying periods), or they adopt the formula provided for all those citizens who are not compulsorily insured (for example, housewives). These citizens are entitled to take out retirement insurance as freely insured persons, choosing the class of subscription which is convenient to them, membership of the scheme in this way also giving them access to sickness insurance and to rehabilitation benefits. To assure a sufficient pension to already aged people, wide possibilities have been offered to them to pay contributions for the earlier periods. Although not compulsory, this does constitute an important step towards *protection extended to the entire population*. This is

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<sup>1</sup> For the list of these measures see Part II. The measures for updating the benefits have not been taken into account.

an interesting development at a time when the Community is about to be enlarged to include countries which already have this kind of arrangement.

85. The tendency for protection to become general is not, however, complete, since there are certain contingencies or certain special social groups not covered.<sup>1</sup> The Commission therefore submitted to the Council in the course of the year a document listing the categories of persons protected against the various contingencies in each Member State. The document had been requested by the Council itself, which had agreed, at its meeting of 26 November 1970, that, as part of social policy concertation work between the Member States, the initial effort in the field of social security should be concerned with an examination of this question in order to establish what areas are still uncovered. The Council will decide what action should be taken on the findings set out in the study.

86. As to the *nature and level of benefits*, there seem to be *three main aspects* of the current trend: in the first place, further efforts, within the framework of the present schemes, to improve benefits; secondly, an adaptation of protection to changing needs; thirdly, a tendency to eliminate or narrow down the disparities in the degree and nature of protection granted as between different types of insured persons.

87. The first of these tendencies was most noticeable in 1972 in the field of pensions. In *Belgium*, the Government decided to raise gradually the level of benefits of the various pension schemes with a view to ensuring a minimum of Bfrs. 90 000 per year as at 1 January 1973 for a retired manual worker's household and a sum of Bfrs. 75 000 per year as at 1 January 1975 for a self-employed person's household (the means test being discontinued at that date). Income guaranteed to the elderly and to handicapped persons is also being gradually increased.

In *Germany*, the Law of 16 October on the reform of pensions introduces the principle of the flexible retirement age. Under this principle, a worker who has 35 years' insurance cover may draw his pension at the age of his choice from 63 years onwards (62 years if he is gravely handicapped or an invalid). If he retires at this age, he suffers no financial penalization. If, on the other hand, he delays his pension entitlement beyond this age, the amount will be increased to compensate for the reduction in the payment period. The reform arrangement includes other measures, one of which is the institution of a minimum pension based on an invented salary for retired persons who have

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<sup>1</sup> In 1972, certain neglected areas were brought under protection. For example, in Italy, social security was extended to domestic servants.

accounted for 25 years' compulsory subscription (excluding assimilated periods), so that the wage referred to for the calculation of their pension cannot be lower than 75% of the average general wage. In *France*, arrangements have been made to implement the Law of 31 December 1971 raising gradually to 50% of the wage (in 1975) the value of the pension drawn at the age of 65 and relaxing the conditions for the award of the early old-age pension for unfitness (which does not have to be complete or definitive). It has also been decided that, for the calculation of retirement pensions, the 10 best years (and no longer the 10 last years) would be the years referred to. Also, as at 1 October 1972, minimum allowances to aged persons were substantially increased, being raised from FF 3 650 to FF 4 500 per year, the income ceiling for entitlement purposes rising from FF 7 725 (for a household) to FF 9 000 for a household and from FF 5 150 to FF 6000 for single people.

In *Italy*, too, minimum pensions have been increased: since 1 July 1972, pensions may not be less than Lit. 30 000 per month for pensioned employees under 65 and than Lit. 32 000 per month for pensioned employees of 65 or over; it is raised from Lit. 12 000 to Lit. 18 000 per month for those entitled to the social pension, war injured and civil invalids (Law of 11 August 1972). As at the same date, the pension for self-employed workers was raised to Lit. 24 000 per month (Decree of 12 May 1972). In *Luxembourg* and in *the Netherlands*, the object has been to improve ordinary pensions: a Luxembourg law of 30 March 1972 adjusts the pensions to the level of the wages or incomes of 1970 (an increase of 15%), and a Netherlands law of 17 February 1972 provides that from now on the automatic review of benefits shall take place twice a year, on 1 January and 1 July. A pension increase has been decided in the Netherlands, the purpose being to raise the net income of pensioners (household rate) to the level of the income corresponding to the minimum wage. It is necessary to add that in *Luxembourg* the adaptation of pensions and yearly incomes to the cost of living has been made, since 1st May 1972, when the cost of living index varies by 2.5% each half year.<sup>1</sup>

88. This very brief survey can be summarized under two heads: there is a policy of improving the rules applying to the conditions for the calculation of the "normal" pension, but there is also, and perhaps most important, a special drive to help the elderly as such by guaranteeing a "minimum" income or pension.

This last point is typical of the present trend of social security: beyond the logical development of the schemes, another tendency is emerging, *that of*

<sup>1</sup> Moreover the Luxembourg law of 29 June 1972 has increased the ceilings of the incomes guaranteed, by the National Solidarity Fund, after enquiry into their resources, for persons who have been resident in Luxembourg for at least 15 years and who are resident at the time of the claim and during the payment period.

*adapting protection standards to the specific needs of certain groups affected more than others by social and economic changes.* In its "Preliminary guidelines for a Community social policy programme", the Commission has already stressed some of these specific problems in the employment area. They are discernible too in the area of social security, where it would seem that to a growing extent, and this is a welcome development, specific needs are being taken into consideration. A few examples will illustrate this trend.

With regard to the *elderly*, it will suffice to recall, in addition to the information given above, that the right to a minimum income guaranteed, with a means test, in *Belgium, France, Italy*, and in *Luxembourg*, and it must be noted that, except in France and Luxembourg, this guarantee derives from quite recent laws. The objective is achieved in the Netherlands within the national insurance scheme. The right to a minimum income is amplified in Italy (Law of 11 August 1972) by the right to health assistance.

89. The protection of *handicapped persons* is also a matter of concern at the present time for national policy-makers. There are benefits for the handicapped in several countries. In 1972, a new benefit was created in *Belgium*, by a decree of 15 June 1972, in the form of an annual compensation payment of Bfrs. 6 000 to pay for the assistance of a third party, for seriously handicapped persons (100% permanent disablement). In *France*, decree adopted on 29 January 1972 amended by the decrees of 29 December spelt out the implementing procedures for two new allowances, the first established for under-age handicapped persons, at 15% of the monthly basis for family allowances, the second for adult handicapped persons, the monthly figure being fixed at FF 100. The two benefits are granted for permanent disablement of at least 80%, with means test. Handicapped persons qualifying for this allowance are also made members of the voluntary sickness insurance and maternity scheme, the subscription being paid from the social assistance.

90. The development of the *status of women* in society has also been considered from the social security angle.

In *Germany*, as we have seen above, retirement insurance is now available to women who do not work: this is one step along the road to the recognition of the right of women to their own social security. Moreover, the establishment of a minimum pension will be of greatest benefit to women pensioners, since this is usually lower than that paid to men. Lastly, because of the staff shortage in the health care and education institutions, a law adopted on 17 April 1972 is designed to encourage part-time employment by establishing that the relevant social security contributions shall be paid by the employer.

In *France*, the Law of 3 January 1972 has created an allowance to cover nursery and Kindergarten costs, or payment for care at a home of a recognised

child minder for households in which the wife goes out to work and for persons living alone and also working. This allowance, which is a reimbursement of costs actually incurred, up to a ceiling, is granted against the means test where there is one dependent child under three years of age. The same law provides that the institutions paying family benefits will pay, for mothers and women drawing the increased renovated single-wage allowance, an old-age insurance subscription to the general social security scheme. At the same time, the single-wage allowance is "modulated" in relation with incomes: where there are one, or several, children under 3 years, or 4 dependent children ceases altogether above a certain means ceiling and is increased (doubled) under a certain income figure. Another measure is to enter into force on 1 January 1973. It concerns widows, who in future will qualify for the "reversion" pension at the age of 55, instead of 65, and will then be covered by sickness insurance.

In *Italy*, protection for pregnant women has been improved: women in paid employment are entitled to five months maternity leave, two months of which is before the birth, with 80% pay, and will be entitled, from 1 January 1973 onwards, to extend this period for a further six months at 30% of the wage. If they are self-employed, they will receive a confinement allowance of Lit. 50 000. The Law of 6 December 1971 lays down a plan for financing communal nurseries: the funds will be financed by the central government and by the yield on a 1% increase in subscriptions due under the retirement insurance scheme.

Lastly, in *the Netherlands*, an interministerial report has been drafted on the financial situation of divorced women. This report includes proposals designed to ensure that alimony is paid to the persons concerned if necessary through the establishment of a social insurance scheme. Since 15 July 1972, contraceptive devices have been covered by sickness insurance.

91. Another problem is that of *elderly persons out of work*. In *France*, the Law of 5 July 1972 provides that the central government will contribute to the financing of the resources guarantee scheme set up by the national inter-industry agreement of 27 March 1972 to assist job-seekers over 59. This agreement creates a pre-retirement arrangement which will rise to 70% of the last wage by 1974, provided that the pensioner has been a member of a social security scheme for at least 15 years.

92. The third trend discernible in social security changes bears witness to the increased determination of those responsible to achieve *equivalence of guarantees* granted as between the various kinds of insured persons. This is the problem posed by a claim which, though not new, remains topical: parity of treatment for the beneficiaries of social protection.

There is concrete evidence, in certain measures adopted in 1972, that this objective is no longer a long-term one.

In *Belgium*, the pensions of the self-employed have been raised to Bfrs. 60 000 per year for a household as part of a plan which is to raise this figure to Bfrs. 75 000 (indexed) per year by 1 January 1975, without means test, and family allowances for the second child have been increased in the course of the year, the aim being to achieve equality between the scheme for persons in paid employment and the scheme for the self-employed by 1 July 1975.

In *Germany*, the two new laws (sickness insurance for farmers and retirement insurance for persons other than persons in paid employment) provide for the same benefits as those available under the general scheme.

In *France*, the Law of 3 July 1972 is a reform of retirement insurance for artisan, industrial and commercial occupations, in that it brings these arrangements nearer to the general scheme, the benefits being, as from 1 January 1973, calculated and paid in the same way as for this scheme (subject to adaptation), each occupation group being free, in addition, to establish a complementary scheme.

In *Italy*, the decree increasing the minimum pension for the self-employed also provides that from 1 July 1975 onwards this minimum will be the same as the minimum under the scheme for persons in paid employment.

In *Luxembourg*, a law of 23 March 1972 continues work towards full harmonization of the rules concerning divorce, remarriage, the qualifying age for the orphans' pension, the minimum pension, the amount of a special increase allocated for disablement and early death in the scheme for non-professional self-employed with the rules for the scheme for persons in paid employment. The adjustment to the level of wages and incomes for 1970 is also valid for these schemes.

Lastly, in the *Netherlands*, where parity has already practically been achieved within the national insurance scheme, the Economic and Social Council has endorsed the creation of a new national disablement insurance. In addition, a law of 29 June 1972 empowers the Minister of Social Affairs to make membership of a (complementary) pension scheme organized on a voluntary basis by a given occupation compulsory at the request of those pursuing that occupation: it is believed that this rule will enable doctors, dentists, chemists, etc. to organize professional pension schemes, such schemes being already well developed in the Netherlands for persons in paid employment.

93. All this work—extending protection to new social categories, improving benefits in the various schemes and coping with specific needs—has to be *financed*. It is hardly necessary to stress once again in this report, as in the past, the importance of the “spontaneous” growth of expenditure, particularly for

health care. It is true that new sources of funds can be tapped by raising social charges as taxes, but there are limits to this approach too, especially with regard to social security contributions, since the purpose of social security is not only to offset loss of earnings in a number of contingencies, but also to cover the fundamental needs of all the members of the Community. Accordingly, there is a tendency to make qualification for a number of new benefits dependent on proof of need: it is striking how many recent improvements are dependent on a means test, and it looks as if the extension of this tendency is changing the whole approach to social security.

94. These are *some of the main features* of social security trends in the Community in 1972. The Commission recalls in this connection that it has already suggested as part of the preliminary guidelines for a community social policy programme, that a "joint investigation of the effectiveness of expenditure in relation with objectives pursued would almost certainly enable the responsible bodies to carry out much more easily, within the countries, a systematic comparison of problems and prospects, so as to define policy goals concentrating on certain new insurable contingencies created by economic and social developments". The interest in the specific needs of certain social groups shows that decisions have already been taken along the lines recommended by the Commission, although some of the measures apparently lack boldness. However, an organized comparison at Community level of policy goals has still not been carried out, though some useful work has been done, such as the Council of Ministers' examination of deficiencies in the scope of the regulations, or the decision to hold meetings between social security Director-Generals to study certain problems, such as action to be taken on Commission studies or topical questions like flexibility of the retirement age. But the most appropriate framework within which to carry out a comparative examination of problems and prospects could well be provided by the European social budget, which the Commission has selected as a priority objective. A work programme for the drafting of this budget has already been laid before the Council, and the Commission hopes that the proposals which it has made will enable a project which, as to principle, is already generally endorsed, to be accepted with minimum delay.

95. Lastly, the Commission takes advantage of the opportunity arising from this summary examination of social security trends in 1972 to recall that as from 1 October of this year new regulations relating to the application of social security schemes to workers in paid employment and to their families moving from country to country within the Community have entered into force.<sup>1</sup>

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<sup>1</sup> EEC regulations No. 1408/71 of 14 June 1971 and No. 574/72 of 21 March 1972.

The importance of these regulations can be illustrated by two figures: at the present time more than two million persons benefit from them—persons in paid employment in all industries; ranging from labourers to managers, and pensioners, widows and orphans and members of migrants' families; the sums transferred from one country to another under these regulations are estimated at more than 150 million units of account.

## INDUSTRIAL SAFETY, MEDICINE AND HYGIENE

96. An impartial observer examining the measures taken by the Member States in 1972 in the area of industrial safety, hygiene and medicine cannot fail to be impressed by the number and diversity—in regard both to the subjects covered and their legal nature chosen—of such measures, as well as their technical complexity and the administrative effort which they generally imply. In this respect, 1972 is in no way different from previous years.

These measures are bound to remain varied and complex in future. All the bodies concerned with safety, regardless of the level of their responsibilities, are and always will be obliged to take into account as quickly and efficiently as possible, the development of science and technology, new working means and methods and changes which have occurred in general concepts and human attitudes. The safety engineer and industrial doctor in the enterprise must take immediate decisions almost every day; a regional authority can act relatively quickly. On the other hand national measures are tied to slower procedures; the same goes for Community measures. No responsible body can expect a decision to be taken at a higher level, without running the risk of jeopardizing its own responsibility. The most effective action to increase safety will therefore be pursued at the level of the place of work. In this sense, the downward shift in responsibility for preventive measures—which has also been noted recently in *Italy*—is to be welcomed.

97. There can be no justification for claiming that the level of safety achieved in the Community may be measured primarily by the state of harmonization of national legal or administrative provisions. However, the lack of a common overall approach from which parallel national measures could be developed is noticeable. In addition there is no doubt that many safety and health problems can only be solved today in a common context.

One particularly important aspect is the technical protection of machinery and appliances which the *Benelux* countries are currently attempting to modernise and extend, following in this respect the lead already given by the

*Federal Republic of Germany* since the entry into force of its law on technical equipment.<sup>1</sup> Having regard to the development of machines and appliances from the angle both of technical progress and of the impressive range of models available on the market, it appears perfectly reasonable to make the manufacturer responsible for design safety, to ensure:

- (a) the protection of workers in enterprises where the employer and even his experts are not in a good position to recognize and remedy the dangers inherent in new models and, still more important,
- (b) the protection of other users since at present many machine tools and various technical and household appliances are in universal use.

In this way, all users can be given the benefit of safety which in the past could only be achieved in industry. In addition protection can be extended considerably by giving a wider meaning to the notion of "machine and appliance" (e.g. to include working materials, sports equipment etc.).

Why has this possibility not yet been generally used in order to gain better control over the area of household and leisure activities? This area is not accessible to industrial inspectors, doctors and safety engineers but it is responsible for more fatal accidents than industry.

If we reach a situation where only some Member States enforce special requirements for technical products while others are unwilling or unable to follow their example, these highly justified requirements may eventually result in technical barriers to trade. In this case, long and not always successful harmonization procedures must be instituted under Article 100 of the EEC Treaty in an attempt to compensate after the event the lack of a common approach which would have enabled a good many problems to be solved from the outset. This also explains the general desirability of systematic coordination prior to all important legislation.

The "common" measures recently taken by Member States generally have a partial nature and are in most cases either brought about by a legal instrument provided for in the Treaty or inspired by the preparatory work of Commission working parties, e.g. the regulations on dangerous substances and on pressure devices laid down in the *Netherlands* and the protection devices for agricultural tractors stipulated in *Italy*.

The social programme, called for by the Council of Ministers of Social Affairs, will provide a decisive opportunity to adopt a Community concept in the areas of safety and health.

98. In 1972 the Safety Institute of the Federal Republic of *Germany* was transformed into a public Federal *Agency* (Bundesanstalt) with considerably

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<sup>1</sup> See *Social Report for 1968*, section 352.

enlarged powers, in the context of which special emphasis should be placed on its new task of promoting and coordinating research in the area of accident prevention. In this way Germany has followed to some extent the example given by *France* where the INRS, which is a private establishment, has been responsible for similar tasks for some time.

It would be difficult to overestimate the need to obtain a clear picture of and attempt to guide current national research, especially in view of the fact that the essential supervision is not always guaranteed and that clearer concepts have been slow to develop. Relevant national initiatives should be processed as efficiently and rapidly as possible for the benefit of the Community as a whole. Cooperation between the national institutes should therefore be facilitated; this cooperation has already been encouraged by the Commission in regard to research in the areas of industrial safety, hygiene and medicine.

99. Several member states have shown concern—in the widest sense of the term—over the supervision of safety provisions and developments have certainly not yet been completed in this area. *Belgium* has laid down new qualification requirements for authorized experts and for the agencies responsible for supervising electrical equipment. The Government of the Federal Republic of *Germany* has tabled a bill preparing the creation not only of medical services but also of safety services in enterprises; in the case of *France* new regulations have been laid down for the reimbursement and the choice of safety officials in mines and quarries, while the safety and hygiene committees have been reformed.

The concern felt by the individual countries stems from a recognition of the fact that even the best, and most effectively harmonized regulations will have no practical significance unless their enforcement is assured. In this connection the following aspects are vital:

- (a) the *industrial inspectorate*, as the embodiment of State responsibility. In all countries, this inspectorate is short of staff; it will therefore often be necessary to organize supervision in such a way that the inspector is able to free himself generally from technical checks and devote more of his time to coordinating activities. The creation of expert organisations able to provide technical assistance to the inspectorate warrants closer attention; in this context the exchange of experience is of the greatest importance. In the medical sector it is essential to intensify cooperation between the medical inspectorate and company doctors. Perhaps it should be one of the priorities of a modern inspectorate to find new and more efficient ways of studying accidents; computers could be used to good advantage here. An exchange of views on this problem at European level would certainly be useful. Training courses for officials in the industrial

inspectorate which have been organized for several years by the Commission in Member States have certainly contributed towards a better knowledge of these problems of organisation and method.

- (b) Promotion of *an awareness of safety among the persons directly concerned*, i.e. manufacturers of vehicles, machinery and appliances, employers, workers and users in general.

Special attention should always be given to *enterprises*; the emphasis here is increasingly shifting towards the organisation of services responsible for advising employers on matters relating to health and safety, i.e. the medical service, technical safety department, safety committee or safety representative. It is vital to gain the cooperation of workers in this way by giving them a measure of responsibility, while in no way restricting that of the employer. Only when all the persons concerned cease to look upon safety regulations as a burden imposed by the State, as was long the case, and view them instead as an element of order and smooth operation can the effect of such regulations become truly beneficial. In this connection the important role of employers' and workers' organisations should be stressed.

Finally it is interesting to note that some countries are increasingly turning to modern methods of communication to inform the broad masses of the population of problems connected with the protection of life and health and to develop a greater awareness of these problems. In future, the Commission will certainly also need to give this question its close attention.

## HEALTH PROTECTION AND PROTECTION OF THE ENVIRONMENT

### *General*

100. Following the first report on Community environmental policy, a second, defining a number of priorities for action, has been submitted to the Council. It should be noted that the document includes a programme for the reduction of pollution, harm and nuisance and for the conservation of the natural environment, the first stage of which is the establishment of an objective basis for evaluating the dangers to health and the environment arising from pollution.

The heads of State and Government at the Paris Summit Conference of 19-20 October 1972 stressed the importance to the Communities of an environment policy and called on the institutions of the Communities to prepare a programme of action with a detailed timetable by 31 July 1973. The ministers

responsible for conservation policy questions in the Member States of the enlarged Communities met in Bonn on 31 October 1972 to discuss common questions concerning a European policy on the environment. The ministers sketched out the main features of such a policy, in order to facilitate the implementation of the decision taken by the Summit Conference.

The adoption of a common terminology based on a working paper drawn up by the Commission in collaboration with national experts has been a decisive step forward. The Commissions' proposal of a methodological approach to public health and environmental hygiene provides a starting point for laying down common health standards and defining aims regarding the quality of the environment.

*101.* Study of the Commission's report will be continued in the course of the next year. It is, however, already possible to make a joint evaluation of the health or ecological dangers of pollution and other nuisances, thus facilitating the implementation of concrete practical action to prevent or limit pollution. The most difficult part of the methodological approach is the selection of criteria, i.e. possible relationships between exposure to pollution or nuisance and the danger or extent of undesirable or disadvantageous effects which could result therefrom in given circumstances. These effects are being identified by epidemiological or toxicological studies or by observation in humans.

Whilst such criteria exist at the moment for some pollutants, there are none for lead and other elements thought to be toxic, such as mercury, cadmium and pesticides.

*102.* The difficulties encountered in establishing such criteria are numerous. They arise from the complexity of the elements which go to make up the environment and from interaction between pollutants. They also arise from the difficult and delicate problem of interpreting in terms of public health results of measurements and laboratory analyses by means of which human physiological anomalies come to light, although these do not necessarily indicate the presence of noxious elements.

There is no doubt that, for its own purposes, the Community will need to lay down European criteria after meetings and consultations of national experts have been held.

An important factor in the programme of action, according to the method proposed by the Commission, is the determination of qualitative aims which are "the sum of the requirements a specific environment or part of a specific environment must satisfy at any given time, whether in the present or in the future". Also standards for the protection of the environment have been defined as the means of attaining or approaching qualitative aims.

103. Particular attention has been paid to harmonizing methods of evaluating parameters expressing exposure or undesirable effects, to enable comparison to be made between the results of studies and research concerning criteria. In the last year the Commission has initiated several inter-comparative programmes involving dozens of laboratories; the investigation concerned is the measurement of lead content in the blood and the determination of an enzyme which, when in contact with lead, can prove a valuable indicator for the evaluation of lead pollution in the population.

The Commission attaches considerable importance to harmonizing methods and techniques used in sampling and analysing pollutants and in biological tests which indicate levels of human or ecological contamination.

104. In the approach proposed by the Commission can be seen a certain analogy with the principles and methods used for radiation protection; the experience the Commission has gained in this field has no doubt helped in the matter of putting forward criteria and quality standards and also in demonstrating their effectiveness and the possibility of extending them to types of pollution other than radioactivity.

#### *Water pollution*

105. Meetings of experts in this field have been held with the aim of drawing up an inventory of methods of analysis and research on micro-pollutants in water. The problems concerning the pollution of the Rhine are dealt with elsewhere. A seminar is being organised for early in 1973 for the purpose of discussing mercury pollution.

Special attention has been paid to organo-chlorinated compounds present in the environment as a result of the application of pesticides or herbicides. The use of pesticides such as DDT or aldrin is becoming far more strictly regulated in Member States and a meeting of national experts on public health and toxicology, organised in November, gave an indication of the value to the Community of a survey on the present state of impregnation by certain pesticides of human adipose tissues. The programme for such a survey is being drawn up and will give a representative picture of a type of pollution which is a cause of anxiety to those concerned with public health. It is clear that in this field also the establishment of criteria and standards for health is a difficult though urgently needed undertaking.

The implementation of all these actions has been made possible by the entering of a special appropriation in the Chapter on Health Protection to be used for exploratory meetings and consultations which are to be held in 1973

and will enable the actions which, according to the recommendation of the Summit Conference of October 1972, must be submitted to the Council by 31 July 1973, to be specified.

#### *Basic legislation on noise pollution*

106. The gathering of information on noise pollution which as announced in the 1971 Social Report was carried out in 1972. As in the case of the campaign against atmospheric and water pollution, outlined in the Report for the previous year, Member States' legislation against the sources of noise pollution is varied and complex. Remarkable initiatives and efforts have been made by these States in order to obtain rules which cover all the aspects of the problem. However, such is the diversity of the provisions laid down by law or regulation forming part of the anti-noise campaign that there remains a great deal to be done before the national legislation of the various countries in this sphere can be harmonized.

#### *Prevention of contamination of the environment by radiation*

107. The experience gained in applying over 13 years Article 37 of the Euratom Treaty, relating to the inspection of 77 power stations, shows that, although the routine depositing of radioactive gas effluent does not usually present any health problems for neighbouring countries, particular attention should be paid to the depositing of radioactive liquid effluent into international waterways in view of the dangers of increased activity and atmospheric deposits in the case of a serious accident in a nuclear power station. This problem will become all the more urgent with the foreseeable extension of nuclear power in the construction of a large number of nuclear power stations in the next few years.

It should be noted that the procedure instituted by Article 37 is to date one of the few which exist on an international level for the analysis and possible prevention of environmental pollution. As has been suggested on several occasions during discussions at the European Parliament and at international congresses, this procedure could be used as a model for dealing with non-radioactive pollution which is likely to move from one country to another. The considerable achievement in radiation protection and radioecology should be of help to those who in the future will have to seek effective methods of international cooperation on the environment.

### *Health physics regulations*

108. The drawing up of suitable legislation in as complex and difficult a field as that of radiation has necessitated the combined efforts of Member States and the Commission. The number of provisions laid down by law, regulation or administrative action which have been progressively put into force by Member States, in accordance with the directives laying down the Basic Standards on health protection for the population and for workers in industry against the dangers from ionising radiation, are proof of Member States' desire to take concrete measures against this new industrial hazard; the Commission has thus up to now ruled on about sixty draft provisions which Member States communicated to it for its opinion pursuant to Article 33 of the Euratom Treaty. These draft provisions are examined in order to ensure that the values and principles of radiation protection laid down by the Basic Euratom Norms are observed and in order to harmonize them with the provisions already in force. During the period covered by this Report, the Commission issued its opinion on 6 draft decrees, one of which was submitted to it by the Federal Republic of Germany, three by France and two by Italy.<sup>1</sup>

109. Acting within the framework of the research programme which actually implements certain individual provisions of the Basic Norms in national legislation, the Commission has published the results of two research contracts.

The first is a critical analysis of the application of the Basic Euratom Standards to the transportation of artificial and radioactive substances within member countries of the Community.

The second is a comparative analysis of the systems of control applied in the countries of the Community to activities and operations involving nuclear fuels and other radioactive substances which, in accordance with Article 4 of the Euratom Norms, are not subject to the system of advance notification and authorisation. This document thus constitutes a supplement to the study published by the Commission in its Report EUR 4515, d, f, i, n, on the provisions laid down by regulation or administrative action in Member States concerning the system of notification and authorisation applicable to nuclear fuels and other radioactive substances.

110. These two publications constitute important documentation on individual and immediate problems of radiation protection and are aimed not only at those responsible for radiation protection when radioactive substances are being transported and at the authorities responsible for carrying out or super-

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<sup>1</sup> Sec. 30

vising the system of notification and authorisation but also at all those interested in and anxious about promoting safety in nuclear activities.

### *Technical harmonization in health physics*

111. The improvements in the results from dosimetric techniques and their harmonization at Community level shall be the subject of a long-term inter-comparison programme which the Commission is carrying out along with an increasing number of specialised laboratories and institutes in all the Member States. The work carried out in 1972 concerned in the main photon and neutron dosimeters; although the measuring precision of photon dosimeters has now reached a level which would be difficult to improve, the work on neutron dosimetry should be further intensified in order to attain similar performances.

A certain number of measuring instruments for environmental dosimetry have been calibrated by the use of monochromatic X-rays; this new technique has been developed under the Euratom radiation protection research programme, in which 5 research institutes in Germany, France and Italy are participating.

### *The evolution of ambient radioactivity*

112. The two annual reports published by the Directorate for Health Protection "Air—Fall-out—Water" and "Radioactive Contamination of Foodstuffs", allow changes in the levels of radioactive contamination in the biosphere of the Community to be followed. The data used is collected by stations responsible for keeping a check on ambient radioactivity in the Member States. This check is carried out by means of a network of stations which covers the territory of the Community, sampling and measuring radioactivity. The results shown in these reports are taken from data supplied to the Commission in pursuance of Article 36 of the Treaty of Rome. At the present time, radioactive contamination derives almost entirely from the few nuclear weapon tests, but has little or no effect on health.

The Commission also publishes the quarterly bulletin "Ambient radioactivity in the Community countries" which enables changes in the radioactivity of the atmosphere, of fall-out, of surface water, and of milk in the Member States of the Community to be followed more quickly. Furthermore, these bulletins contain the results of radiological checks on the environment carried out by some nuclear installations.

The annual reports and the quarterly bulletins are sent to all interested organisations in the Member States as well as to several international organisations concerned with public health problems.

113. In carrying out the general check on ambient radioactivity, the Member States made a further slight reduction in the number of measuring stations in the network in 1972.

The Community network consists of:

- (i) about 111 stations for measuring *global Beta activity in the atmosphere* (compared with 119 in 1971 and 123 in 1970);
- (ii) 65 stations for measuring *global Beta activity in fall-out* (compared with 66 in 1971 and 81 in 1970);
- (iii) the checking of *global Beta activity in water* (drinking water, surface water sea water, etc.) involves taking a large number of samples and measurements.

In addition, some stations measuring the global Beta activity in the atmosphere and in fall-out also take specific measurements of many artificial radionuclides. Among the radionuclides most often measured are: Beryllium 7, Manganese 54, Zirconium 95 + Niobium 95, Ruthenium 103, Ruthenium 106 + Rhodium 106, Barium 140 + Lanthanum 140, Cerium 144.

Similarly, to obtain more precise information on the evolution of Beta activity due to artificial radio-elements, the global Beta activity in the water samples taken is measured and the amount contributed by Potassium 40, a natural radio-element found in water, is evaluated. In some of the samples taken, certain artificial radionuclides are also measured.

114. Checking the contamination of various foodstuffs is carried out in the Community countries by regular sampling of the staple foods. Priority is given to measuring Strontium 90 and, to a lesser extent, Caesium 137. Generally, the largest proportion is the result of ingestion of milk; for this reason the closest checks are made on this food which also serves as an excellent indicator of any changes in the effect of radioactive contamination on man.

However, it should be pointed out that the measurement programme is being gradually reduced in view of the overall lowering of the levels of contamination in food.

#### *Radioactive contamination of the atmosphere and fall-out in 1971 and 1972*

115. Results available at the present time for 1972 show that the radioactive contamination of the atmosphere (global Beta activity) in the Community

is decreasing in relation to 1971. In 1971, the global Beta radioactivity in the air was on average  $0.22 \text{ pCi/m}^3$ , reaching a maximum of  $0.50 \text{ pCi/m}^3$  in July.

It must be mentioned, however, that the present atmospheric concentrations of Strontium 90 and Caesium 137 correspond to less than 1% of the maximum concentrations permissible for the population according to the Basic Euratom Norms.

The global Beta activity on the ground (fall-out) was  $45 \text{ mCi/km}^2$  in 1971 (compared with  $42 \text{ mCi/km}^2$  in 1970). The data currently available for 1972 indicates a decrease in activity on the ground. In 1971 for the fourth consecutive year since 1968, fall-out of Strontium 90 and Caesium 137 was slightly higher than the previous very low levels.

### *Radioactive contamination of milk in 1970 and 1971*

116. Because of the special nature of measuring contamination in foodstuffs, the results of the contamination of milk are known at a much later date. The average  $\text{pCi}^{90}\text{Sr/gCa}$  in milk in 1970 was  $7.5 \text{ pCi}^{90}\text{Sr/gCa}$ , which represents a reduction of about 1% in relation to 1969. From the data currently available it may be estimated that the average value for 1971 will remain unchanged in relation to 1970. For 1972, the information available is still too incomplete to enable even a preliminary estimate to be made.

The annual average of the contamination of milk by Caesium 137 was about  $20.5 \text{ pCi/l}$  in 1970, compared with  $20.8 \text{ pCi/l}$  in 1969. According to the data currently available, the average value for 1971 will remain unchanged in relation to 1970. In the future, the amount of caesium 137 in milk will be very close to being undetectable by standard measurements.

For 1970, according to calculations made for all foods absorbed, it is estimated that the average doses absorbed by bone tissues were  $8.6 \text{ mrem/year}$  for mineralised structure and  $1.7 \text{ mrem/year}$  for the proportion of the marrow present in the newly formed trabecula during the year. This represents about one third of the doses absorbed in 1963.

### *Research on contamination of the environment*

117. The aim of the contract of Association EURATOM/CEA, concluded in 1961, was to promote studies and research to determine the levels of radioactive contamination of the food chain and the environment.

During 1972, the Association EURATOM/CEA continued its work within the framework of its enlarged programme entitled "Levels of pollution".

The most noteworthy progress made in 1972 was in the following areas:

- (i) in human biology, the study of the metabolism of iodine in adults and in children has been greatly advanced. A preliminary report is being published. The European survey on differences in the function of the thyroid on the basis of geographical location in the countries of the Community is almost complete;
- (ii) in the field of transference of pollution from the environment to man, the following studies have been or are about to be completed;
- (iii) study of the speed of precipitation of atmospheric iodine on grass and its variability in relation to the density of the grass and windspeed;
- (iv) study of the contamination of irrigated plants and soft water organisms by chrome and zinc;
- (v) study of the contribution of the surface fraction of the ground to the contamination of grasslands by  $^{90}\text{Sr}$  and  $^{137}\text{Cs}$  (being published);
- (vi) study of the behaviour of Caesium in soil (being published);
- (vii) study of the transference from heavy metals in the presence of complex forms in tropic marine chains (mollusc chain);
- (viii) study of the transference from heavy metals during the processing of milk products.

*118.* The results obtained over the last ten years have been collected into one edition which is being published.

## PART II

### THE DEVELOPMENT OF THE SOCIAL SITUATION IN THE COUNTRIES OF THE EUROPEAN COMMUNITY

#### EMPLOYMENT

In Germany the pick-up in the business situation has tended to stabilize the employment position, although it has not increased the numbers of those in jobs. The improvement has mainly had the effect of progressively providing more work for those on short time, whose number rose substantially last year. There has nonetheless been an increase in the number of totally unemployed, with the average annual figure currently being put at 260 000; this represents a 1% unemployment rate, as against 0.7% in 1971. As regards unfilled vacancies, their number has tended to diminish.

In France there was a fairly substantial rise in the level of total unemployment, although the difficulty of finding sufficiently skilled workers has become more acute. Production has increased so rapidly that structural inelasticities have influenced endeavours to achieve a balanced labour market.

The number of unfilled vacancies will have increased constantly throughout the course of the year. However, the average number of unemployed in 1972 is likely to be 460 000 (= an unemployment rate of 2%), a figure quite close to the previous year's level. This situation may mainly be attributed to the fact that in certain regions job-seekers do not offer the occupational qualifications required to meet the needs of the economy. In addition, unemployment of young persons in search of their first job has tended to increase, which has led the Government to take measures to encourage, among other things, the mobility of this category.

The very moderate expansion affecting business trends in Italy did not have a favourable effect on the employment situation in 1972. Available figures suggest that the level of total employment dropped by 0.9% and that this fall might have been greater except for the number of workers returning to agriculture at the beginning of the year. Unemployment tended to increase in 1972 and

the yearly average of workless might reach a figure of about 650 000 (= an unemployment rate of more than 6%). The problem of finding work is a particularly difficult one for those seeking employment for the first time and for self-employed persons obliged to give up their profession.

The number of unfilled vacancies in industry again dropped after May. This would seem to confirm, amongst other things, the tendency of companies to concentrate their efforts on rationalizing their means of production.

The increase in the numbers in employment in Luxembourg was about the same as in 1971, if new jobs have been created in the building industry and in various new companies, the trend has been towards a reduction in the iron and steel industry.

Total employment in the Netherlands is expected to show a decline estimated at an annual average of about 1%. The growth in the number of unemployed is therefore expected to be large, despite the fact that there is some slackening of the increase in the total labour force. The yearly average figure for unemployed is put at 115 000, which is equal to about 2.9% unemployment rate. However, the situation varies considerably, according to regions and industries concerned. The number of unfilled vacancies continued to drop throughout the year, although more slowly after May.

Overall prospects for 1973 would seem to point to greater expansion of economic activity. This could mean that the level of total employment might once again be on the increase in most Member States. The Commission's departments estimate that this increase will be of the order of about 0.5% on average; the number in paid employment is expected to increase by about 1%. If, in addition, account is taken of the fact that the labour force is likely to contract slightly, unemployment in the Community may already be expected to begin to diminish progressively.

A consideration of trends in the various countries shows that in Belgium total employment has slowed down more rapidly than the rise in the labour force, and that this goes hand in hand with increasing unemployment. The number of those out of work is expected to pass nearly 86 800, as against 70 875 a year earlier; this represents an unemployment rate of about 2.2%. The number in paid employment is, however, expected to show a slight upward tendency.

The number of unfilled vacancies rose but little during the year; the figure was more than 9 800 in August, a 29% drop on the same month a year earlier.

The total number of those employed in ECSC industries continued to drop during 1971/72, with a total of about 38 700 persons (-3.9%) leaving these industries between 30 June 1971 and 30 June 1972. At the latter date, 965 200 persons were still employed in this sector of the economy.

### *Coalmining*

Coal production and consumption showed a further decrease in 1972. After a drop of 5 million tons, production had risen last year to 156 million tons. The fall in this year's production is estimated at 9 million tons. As a part of the reconversion and retaining measures, 13 pits have been shut down, six in the Ruhr, two in Southern Belgium and five in France.

The total number of persons employed in coalmining in the Community has fallen from 442 500 to 391 800.

The biggest cuts have been made in Germany, where the number of workers in the industry has fallen by 23 800. The number of those leaving was 19 800 in the Ruhr Basin, 1 900 in the Aachen area, 100 in Lower Saxony and 1 100 in the Saar. The German coalmining industry at the end of December 1972 still had 220 600 workers, 118 500 of whom were employed underground.

The total number working in the industry in Belgium dropped by 1 600. As was the case last year, most of the workers were laid off in pits in Southern Belgium (-1 400 workers). At the end of the first half of 1972, Belgium had only 32 183 workers in the coal industry, with 23 717 of these underground.

In France 8 700 workers were laid off, mostly in the Nord-Pas-de-Calais area (-6 200 workers). The total number of those still employed in the industry stood at 104 000 at the end of June 1972; of this number, 53 600 were working underground.

The total number of workers in coalmining in Italy was 1 300 (-200).

The number of workers in the industry in the Netherlands dropped by 2 400. Although the number laid off was greater than in 1971, it was less than in previous years. At the end of June 1972, a total of 21 100 workers were employed in Dutch coal mines, with 5 000 of these underground.

### *Iron ore mines*

The numbers laid off in this branch of industry were greater than in the previous year (-1 200 workers), and at the end of June 1972 the total number employed throughout the Community amounted to only 16 400.

### *Iron and steel industry*

Output of crude steel is expected to reach 111.5 million tons in 1972, as against 103.4 million in 1971 and 109.2 million in 1970. The provisional

estimates currently available would suggest that steel output in all the member countries is likely to be up on the previous year's figure.

The total number employed in the industry throughout the Community on 30 June 1972 was 557 300, i.e. a drop of 6 500 workers as against the previous year's figure. Trends were not, however, alike in all countries. There was a fall in Germany (-10 900), France (-1 100), Belgium (-300) and Luxembourg (also -300), while in Italy the number employed rose by 5 300 persons and in the Netherlands by 500. Important changes also occurred at regional level: whereas in France as a whole the numbers employed in the industry receded, there was a rise in the Nord department. In Italy the increase in the labour force was concentrated in the Centre and South.

## VOCATIONAL TRAINING

### *Belgium*

Reformed secondary education, introduced pursuant to the law of 19 July 1971, has reached (on 1.9.1972) the second year of guidance (fourth year of the secondary course, which begins at 12 years of age) in twenty-four institutions of the French language system; and has reached the first year of guidance<sup>1</sup> in three educational centres of the Dutch language system. The reformed education has, solely in the French language system, been extended to several other establishments in the 1st, 2nd and 3rd years.

Organizing education with a specific aim and transitional education is evidenced by a differentiating between the hours and the curricula. From the point of view of technical education the main problem how to give to the whole of the completed course a content which will guarantee the level of technical ability essential for making the transition to working life. It should also be pointed out that a start has been made on integrating vocational schools in the reformed secondary education system.

Since the dissolution of Parliament caused an earlier project to lapse, pursuant to the law of 7 July 1970 on the general structure of higher education a new bill on higher technical education establishing the courses of study for qualification as "ingénieur industriel" and "gradué" has been submitted to the Legislative Chambers.

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<sup>1</sup> *The Social Situation in the Community in 1971*, sec. 48, and *ibid.* 1970, sec. 49.

A Royal decree of 22 July 1972 laid down the types of special education. This measure makes it possible to implement the law on special education of 6 July 1970, which will have an effect on the vocational training of a category of pupils who deserve all the competent authorities attention.<sup>1</sup>

Numerous applications have been filed pursuant to the law of 19 March 1971 on the equivalence between foreign diplomas and qualifications obtained in Belgium.<sup>2</sup> Each of these applications has been the subject of an individual decision after thorough investigation. The lessons drawn from this work will form the basis for working out general measures.

The National Employment Office has continued its efforts in the field of vocational training and further training for adult workers.<sup>3</sup>

The number of adult workers having completed collective vocational training was 9 144 for the period from 1 January to 31 December 1972: i.e. 6 637 in National Employment Office Centres, 2 077 in centres run in cooperation with enterprises and 430 in authorized centres. Over the same period 630 individual training courses were completed in enterprises and technical schools.

The National Centre for Training and Pedagogic Studies has been responsible for the teacher training of instructors for adult vocational training centres run by the National Employment Office, of instructors and foremen in enterprises and of trainees for developing countries.<sup>4</sup> The training programmes take account of the express wishes of the enterprises, the international bodies concerned and the candidates themselves. Custom-made programmes have been created; they reflect the increasing importance accorded to individual training. To this end, the methods of training instructors have been thought out again in accordance with the latest developments in the psychopedagogy of adult vocational training. Between 1 January and 31 December 1972 540 people completed teacher training.

### *Germany*

With the "proposals for the introduction of urgent measures" adopted on 6 July 1972 by the *Bund-Länder-Kommission für Bildungsplanung* (Joint Committee of the Bund and the Länder for the Planning of Training), following the "Interim report on the general training plan and the draft training budget",

<sup>1</sup> *Ibid.* 1970, sec. 48.

<sup>2</sup> *Ibid.* 1971, sec. 47.

<sup>3</sup> *The Social Situation in the Community in 1971*, sec. 52.

<sup>4</sup> *Ibid.* sec. 53.

there are now two basic documents on training which are binding for the Bund and the Länder. Among the five priority fields for the introduction of urgent measures is "Vocational training up to the end of secondary course II".

In order to achieve improvement of vocational training by closer coordination between training in school and training in the enterprise, the Bund and the Länder adopted in May 1972 a joint protocol which lays down a procedure for harmonizing the Bund's provisions concerning training and the Länder's education programmes.

Pursuant to the law on vocational training seven regulations and three orders laying down the requirements for the master's examination were adopted in 1972.

Within the framework of efforts to bring together occupations requiring systematic training, a regulation adopted pursuant to the law on vocational training abolished 98 outdated occupations. A second regulation is due to abolish a further 100 shortly.

Moreover, a regulation has laid down that training received in school, in particular a year of basic vocational training or a year of attendance at a technical college, should be assimilated to vocational training within the enterprise, thus guaranteeing uniformity of practices regarding equivalence.

The qualifying requirements applicable to the training of instructors in industry and commerce have also been fixed by official ruling.

In the context of the Joint Committee's work on the planning of training, the Bund in 1971 and 1972 adopted budgetary measures favouring pilot experiments in the vocational training field.<sup>1</sup> Among these measures attention must be drawn mainly to the year of basic vocational training, inter-enterprise training, the modular system in vocational schools, the use of teaching materials, rehabilitation in conjunction with introductory vocational training and attempts to integrate vocational and general training. Moreover, the Federal Government, through the intermediary of the *Bundesinstitut für Berufsbildungsforschung* (Federal Institute for Research on Vocational Training) in Berlin, is developing pilot experiments with progressive training in the electrical trades, the training of instructors, crash courses in further vocational training (training leave), the introduction of the modular system in further training and of teaching methods in further vocational training and conversion.

The Federal Commission for Research on vocational Training which advises the Federal Government on the fundamental problems of vocational training decided, in 1972, on new directives, recommendations and opinions

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<sup>1</sup> *The Social Situation in the Community in 1971*, sec. 55.

which concern the development and modernization of vocational training. Especially noteworthy is a recommendation relating to the common policy on vocational training within the plan of the European Communities. In the field of educational planning, priority has been claimed for vocational training.

The role and staff of the Federal Institute for Research on Vocational Training have expanded.<sup>1</sup> It is increasingly active in the publications field. In order to guarantee the high quality of correspondence courses in the field of vocational training, the Institute has introduced supervision of courses and made quality awards for the first time.

In 1972 the Committee of Experts on "Costs and financing of vocational training", set up in 1971, conducted a vast survey in about 1 200 enterprises providing training, in order to determine the costs and quality of out-of-school vocational training.

As part of its efforts to ensure an improvement in the quality and quantity of training opportunities in the field of computer science, the Federal Government has adopted directives on the financing by the Bund of the development of vocational training centres for computer science.

The measures adopted to promote vocational training under the law on the advancement of labour have assumed greater proportions in certain fields. The Federal Employment Institute has allocated the following sums:

	1972 (First half) (DM million)	1971 (DM million)	1970 (DM million)
Aid to training	152.6	300.3	192.0
Further vocational training	157.7	342.4	338.0
Retraining	28.5	53.1	174.6
Refresher courses	13.2	50.5	41.7

Lastly, the law of 15 January 1972 on the organization of labour in enterprises has considerably extended the works council's right of cooperation and co-management in the matter of vocational training.

<sup>1</sup> *Ibid.* sec. 54.

## *France*

In 1972 the following events stood out:

- (i) Implementation of the laws of 16 July 1971 on continuous vocational training;
- (ii) Progressive application of the articles of the Inter-Trade Agreement of 1 July 1970;
- (iii) Development of policy on agreements pursued especially by the Ministry of Social Affairs;
- (iv) Structural modernization of the training machinery, for which the above Ministry is responsible.

On the first of these points, no overall picture can be given yet as regards implementation of the law on continuous vocational training.<sup>1</sup> Its entry into force is too recent and there is still no organized collecting of information on progress made in applying it.

Nevertheless, there has been a marked increase in training projects carried out either within enterprises or with the aid of outside bodies, enabling employers to fulfil their obligations as regards the financial contribution required of them.

The new apprenticeship system came into force on 1 July 1972, bringing about a transformation of the structure of enrolment for this type of training<sup>2</sup>; transitory measures are provided for until 1976. In particular, apprentice training centres to provide the theoretical part of this kind of technological education are being established progressively. Certain difficulties have arisen as a result of the complexity of the texts.

In the field of policy on agreements—seen as one of the essential means employed to meet the needs of workers and the economy—the Ministry for Social Affairs has used two instruments to carry on its work, namely the National Employment Fund and the Fund for Vocational Training and Social Advancement.

The National Employment Fund's contributions have increased considerably both in the field of training agreements and in that of agreements relating to the adaptation to the place of work; in 1971, for example, 55 training agreements involving 3 726 persons were concluded and 174 adaptation agreements covering 15 779 employees were submitted to the Standing Committee of the Higher Committee on Employment. For the first half of 1972, 29 training agreements have already been signed and 131 adaptation files concerning the training of 11 400 employees have been placed before the Standing Committee.

<sup>1</sup> *The Social Situation in the Community in 1971*, sec. 65 and 66.

<sup>2</sup> *Ibid.* sec. 65 and 68.

As for the projects financed from the Fund for Vocational Training and Social Advancement, the Ministry's effort is now centred on a few measures which are of national importance both from the angle of the training itself and the number of employees involved, greater freedom of action being left to the regional authorities in other cases. On 1 January 1972, for example, 38 of the 92 agreements in force, representing a training capacity of 5 166 trainees, were regionalized. There are at present 57 national agreements representing a training capacity of 52 536 trainees.

As for the training of adult workers in particular, the Association for the Vocational Training of Adults (AFPA) has continued to develop its training facilities.<sup>1</sup>

The creation of 150 new sections was authorized in 1972. These were in addition to the 2 380 existing sections, which in 1971 catered for 59 607 trainees, of which 52 112 full-time, 801 part-time, 1 712 on correspondance courses, 1 125 on refresher courses and 3 857 training to be instructors.

Moreover, the AFPA has diversified its activity, in particular in the tertiary sector (hotel industry, tourism, data processing, office work). A tendency towards training at higher levels has also been shown by the creation of sections for technicians in electronics, automation, data processing and building.

Lastly, the AFPA has carried out an intensive modernization programme covering:

- (i) The teaching provided, by the use of more modern materials and by pedagogical research conducted at the level of the central offices and in the regional teaching and technical centres recently established in Toulouse, Lyons and Nantes;
- (ii) The equipment, by improving existing buildings (accommodation, classrooms, playing fields) and in particular by a new approach to the new centres. These centres or "complexes" comprise sections which are able, in juxtaposition, to form a homogeneous whole. The result is an improvement in teaching and learning and a greater return on investments.

### *Italy*

Persuant to Decree No. 10 issued by the President of the Republic on 15 January 1972, all the administrative functions of State bodies, both central and regional, in respect of craft and vocational training and all the functions

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<sup>1</sup> *The Social Situation in the Community in 1971*, sec. 70.

devolving upon the staff of such bodies, with the exception of the functions referred to in Articles 7 and 8, were transferred to the regions with ordinary status as from 1 April last.<sup>1</sup> This transfer—which does not involve the regions with special status, for which the old system remains in force—covers in particular:

1. The system of vocational training courses governed by Law No. 264 of 29 April 1949, subsequently amended on various occasions;
2. The courses of supplementary education for apprentices to which Law No. 25 of 19 January 1955 refers;
3. The vocational guidance and training of victims of industrial accidents and other disabled persons.

Also included in the transferred functions are:

- (a) The technical and administrative supervision of courses, and the granting of subsidies and funds for the latter;
- (b) The payment of subsidies to bodies providing vocational training;
- (c) The purchase, rental, building, extension and running of vocational training centres, with the exception of those designed to fulfil functions which are still the responsibility of the State.

Also transferred to the regions are those tasks which, within the framework of the functions described earlier, were carried out by three public vocational training bodies, namely: the *Istituto nazionale per l'addestramento e il perfezionamento dei lavoratori dell'industria* (INAPLI) (National Institute for the Training and Further Training of Workers in Industry), the *Ente nazionale per l'addestramento dei lavoratori del commercio* (ENALC) (National Office for the Training of Workers in Commerce) and the *Istituto nazionale per l'istruzione e l'addestramento del settore artigiano* (INIASA) (National Institute for Education and training in the Small Industry Sector).

That is why these three bodies are being wound up, their funds transferred to the regions and their staff partly to the regions and partly to the *Istituto nazionale della previdenza sociale* (INPS) (National Institute for Social Security) or other public bodies.

On the other hand, the following tasks are still the responsibility of the State within the meaning of Articles 7 and 8 of the decree in question:

1. The system of conferring occupational qualifications for placement purposes;
2. Supervision of compliance with social legislation;

<sup>1</sup> *The Social Situation in the Community in 1971*, sec. 71.

3. The apprenticeship report system;
4. International relations and agreements, and coordination of requests for aid made to the European Social Fund in order to obtain reimbursement of expenses incurred by the various regions in respect of the vocational retraining of workers;
5. The vocational training of Italian workers abroad;
6. Organizing and financing—by payment of contributions to the regions concerned and in agreement with them—vocational training or readaptation courses in the event of the conversion, reorganization or closure of enterprises or the introduction of industry on a major scale or where an artistic or highly specialized activity is involved for which it is impossible to recruit pupils at regional level;
7. Training and refresher courses—after consultation with the regions concerned—of staff employed in vocational training, with recourse in some cases to pilot schemes;
8. Study, research, documentation and information required for national planning and for coordination in this sector.

Lastly, the Ministry of Labour and Social Security will continue to perform the tasks proper to it in the sector of working and reforestation sites and in the field of the vocational guidance of apprentices and young pupils on vocational courses, with the sole exception of the vocational guidance of victims of industrial accidents and other disabled persons, which, as mentioned above, has been transferred to the regions.

### *Luxembourg*

A draft Grand-Ducal regulation provides for the setting up of a centre for trade instruction in a boarding school for boys in order to enable these young men, from modest social backgrounds, to benefit from a vocational training of practical, rather than theoretical worth.

Two draft Grand-Ducal regulations, carrying out certain aspects of the law of 27 September 1968 relating to the staffing of technical and professional teaching colleges, lay down the duties of teacher of the special courses and teacher of technical and professional education.

A new regulation relating to the pedagogic course, and final examination, for teachers of technical and professional education is also in the pipe-line.

The successful outcome in the transitional examination, set at the end of preparatory ancillary medical studies, created by the law of 23 November 1966, has been up till now the vital enabling factor for graduation to professional

ancillary medical studies. Given the critical shortage of medical staff, it has proved opportune to widen this sole route and to provide for a new legislation permitting a broader recruitment of candidates into nursing training. While awaiting the enactment of new legal provisions, technical and professional education has changed, as from the present time, its preparatory ancillary medical training organization, giving it a more general nature, catering at the same time for these pupils to make a future entry into the social professions (monitors for some types of education, institutes for young people and boarding schools).

Technical and professional education has organized, under an experimental label, a preparatory education for specific social professions. The structure of this education is virtually the same as that for medical ancillary studies, to such a point that the first year of preparatory study is common for both. The legal texts promulgating the creation and organization of this new type education are in course of preparation.

It is suitable here, also to point out that from the scholastic year 1972/73 onwards there will be an endeavour to facilitate the transition from broad primary education to vocational education, by means of preparatory courses in vocational guidance, especially in the building sector. Some classes at the top of primary schools will be thus familiarized, in the school workshops, with the basic work of the specialized practical trades in question (masonry, carpentry, painting).

In the field of collective bargaining, an agreement has been reached between the Minister of National Education and the Chamber of Trades concerning the extension of the articles of apprenticeship following the scholastic results obtained by the apprentice. In this way, all repetition of classes will be followed by an extension in conformity with the contract of apprenticeship of the pupil concerned.

In the hotel trade, the reception of foreign workers has been completed by an accelerated vocational training. The training given includes, as well as a practical education, language courses to facilitate the integration of the workers into the business and the social life. This experiment will probably be extended in 1973. The Centre of Building Trade, aimed principally at accelerating training in the building industry has grown and has trained about 200 foreign workers in 1972, in the different sectors of the trade, but especially in the general construction works.

### *Netherlands*

Vocational training projects in 1972 have aimed mainly at developing the retraining of workers who have been affected by structural developments in

their occupations. The opportunities for training available in the various sectors of the economy have been used for this purpose, with financial support from the authorities.

## LABOUR CONDITIONS AND LAW

### *Measures for the protection of workers in the event of reduction of employment in enterprises*

In Germany, since 1 January 1972, all the staff employees (approximately 825 000) and all the manual workers (approximately 250 000) of the Federal, Länder and local authorities, have been covered by the provisions of an agreement on the protection against the effects of rationalization which compels employers undertaking such an operation to guarantee the workers concerned equivalent or at least acceptable employment, to bear the costs of redevelopment for 12 months and, in the case of dismissal, to grant, in certain circumstances, compensation which may amount to 12 months pay. Moreover, workers with at least 15 years' seniority and over 40 years of age generally cannot be dismissed because of rationalization.

### *Protection for particular groups of workers*

In Germany, the law on the hiring out of manpower entered into force on 12 October 1972. It contains provisions which stipulate prior authorization for the hiring out of manpower, draw the distinction between the system governing workers hired out and the placing of workers, regulate and improve the rights of hired out workers pertaining to working conditions and social insurance and provide for more severe penalties and fines to be imposed on offenders.

In Luxembourg, the law of 28 October 1969 on the protection of children and young persons, has given rise to some difficulties in its application both on the employer's side and the workers' side. The law of 30 July 1972 amending and completing the law of 28 October 1969 has reduced certain rules which were judged to be too rigid concerning the duration of work, Sunday working and rest periods for young workers.

Moreover, the Commission of Experts instituted in 1971 by the Minister for Labour and Social Security in order to study the different problems concerning the protection of female workers, and in particular maternity protec-

tion, presented its report in May 1972. On the basis of the conclusions submitted by this Commission, the Minister for Labour and Social Security has begun work for the elaboration of a first draft of a law concerning protection for maternity and female workers.

In Italy, Presidential Decree No. 1403 of 31 December 1971 prescribed as from 1 July 1972 compulsory social insurance for all workers in domestic service and for cleaners of premises. Part-time workers had previously been excluded.

Furthermore, a working party has been set up in France by the Minister of Social Affairs and has been instructed to study the problems of immigrant workers and the measure that should be adopted in the fields of placement, housing, the promotion of literacy, cultural integration, working conditions and trade union rights.

In addition, the Italian Government indicated its intention to introduce bills in Parliament concerning work at home and work obtained by tendering. It should be emphasized that collective bargaining in Italy has, for its part, already shown a trend towards the elimination of work obtained by tendering (work and the supply of services which form part of, or are directly connected with, the production cycle and are continuous in nature). Initial success has been achieved in the private oil industry in the matter of fuel transport and in the chemical industry with regard to the routine maintenance of plant.

#### *Trade union rights and strikes*

In France, Decree No. 72-174 of 28 February 1972—made in implementation of Law No. 71-501 of 13 July 1971 which amended certain provisions of the labour code relating to collective labour agreements—stipulated the fines to which trade union and professional organizations which have not sent a representative at the summons of the administration are liable.

Two years after the entry into force in Italy of Law No. 30 of 20 May 1970 concerning the "Statute of Workers", sufficient information has not been available fully to ascertain whether this law's objectives have been completely attained. Nevertheless, it has been fairly generally applied and has undoubtedly helped to create within enterprises an atmosphere of respect for human dignity and freedom and to mitigate the conflict between technological and production restraints and the need to protect human values at the place of work. It should be added that some of the provisions of the "Statute", such as the ban on the use of microphones and closed-circuit television installations, etc. for the supervision of work at a distance, the ban on personal spot-checks by manage-

ment, disciplinary sanctions, the regulation of individual dismissals and new principles regarding medical examination, have given rise to very important problems of interpretation.

### *Hours of work*

In Germany, the 40-hours week is already achieved in practice in industry. In the public services it was also agreed in 1972 that the working week, which at present is 42 hours will be reduced to 40 hours from 1 October 1974. The 40-hours week is now already in operation for about 70% of the labour force in the private sector.

In Belgium, the reduction of the working week to 40 hours will become effective on 1 January 1973 in the steel industry, the metal, mechanical and electrical trades, petrol industry and commercial sector (distribution), the electricity and gas industry, department stores (except administration personnel: 41 h.), printing and graphic arts, and the ports.

Moreover the reduction of the working-week to 41 hours will have general effect from 1 January 1973 in the pulp, paper and carton industry, the clothing industry and the textile and hosiery industry.

The reduction of the working-week to 42 hours has been achieved, from 1 January 1973, in the mines (for the underground workers), the quarrying industry, the grocery trade, the furniture and wood working industry, the independent retail trade and the glass industry.

In Italy, in accordance with the time-limits already provided for by the collective agreements concluded during the preceding years, the contractual hours of work in all economic sectors had reached the figure of 40 hours per week during the period between the end of 1972 and the beginning of 1973. Most of the collective agreements already renewed shortly before publication of this report—as also most of the “claim packages” put forward by the trade unions—have in fact consolidated the work schedule at 40 hours per five-day week.

It should be noted that the reduction of hours of work also concerns, although to a lesser extent, workers employed on discontinuous work and that the trend, already achieved in a few branches of the tertiary sector, such as banking for example, to reduce the working week to less than 40 hours has not developed. Furthermore, collective agreements have not only increased overtime rates but have also fixed the maximum number of hours of overtime permitted for a given period. In addition, use of overtime, for instance in the chemical industry, must be checked jointly beforehand by the management of the enterprise and the works council.

In Luxembourg, the Law of 12 November 1971 reforming the legal regulation governing the hiring out of the services of privately employed wage-earners has granted these wage-earners the 40 hour week, the working day being 8 hours. With regard to manual workers, it should be recalled that the Law of 9 December 1970 provided for the introduction of the legal working week of 40 hours as from 1 January 1975. However, there may be noted on the part of enterprises a certain tendency, within the framework of collective bargaining, to anticipate the legal reduction of the working week to 40 hours.

Thus, in pursuance of a programming agreement going back to 1967, the working week for steel workers was reduced by agreement to 40 hours as from 1 January 1972. In all sectors other than the iron and steel industry, the workers have a 42 hour week on average. In addition, the hours of overtime which may be worked without prior permission were reduced to 3 per week in 1972 and will be reduced to 2 as from 1 January 1973.

In France, the collective agreements signed in 1972 have shown a slight tendency towards some further reductions in the length of work, in pursuance of the objective of a 40-hour working-week.

Also in France, a decree dated 14 June 1972 was made in pursuance of the Law of 24 December 1971 relating to the maximum number of hours of work. The objective was to fix a system of waivers which could be allowed either for the maximum average weekly length (50 hours over a period of 12 weeks) or very exceptionally for the absolute weekly maximum (57 hours). In the first case, such waivers may be made for the entire sector upon application from the employers federation concerned, when the representative of the government authorities will give his decision after consulting the workers' organizations concerned. For the application of a waiver in a given enterprise, the employer must obtain the opinion of the works' committee or, failing that, of the staff representatives. Individual waivers may be granted after consultation of the works' committee. In the second case, waivers may only be granted in exceptional circumstances which temporarily give rise to extra work.

This is also the point to mention that at the request of the French Prime Minister, a study group was established on the difficulties posed by reorganizing the hours of daily work which must be overcome to facilitate the institution of a variable or free work schedule.

In the Netherlands, the Economic and Social Council (S.E.R.) undertook, at the request of the Commission for Increasing Productivity (C.O.R.) and with financial intervention from the Government, a study bearing on the experiences of a certain number of firms concerning the employment of part-time workers, and conjoining the problems posed by integrating married women into the organization of production.

### *Annual leave with pay*

In Italy, a certain number of collective agreements renewed in 1972 (thermal establishments, canned vegetable industries etc..) provided for minimum annual leave with pay of 4 weeks for all wage-earners and abolished the distinctions still remaining in this regard between staff employees and manual workers.

In France, it must be recalled that the generalization of the 4th week of paid holidays, already embarked upon the agreement concluded 20 May 1965 between the C.N.P.F. and the F.O. Confederation, has been definitively instituted by the law of 16 May 1969 which made obligatory for employees in all occupations paid holidays of 24 working days.

In Belgium, pursuant to the national all-trades agreement of 1971, two additional days of leave were granted in 1972.

As for leave of absence for training, days off—the number of which varies according to the standard of instruction and which according to the case is remunerated or not—are contractually granted in Italy to studying workers to enable them to follow courses and sit examinations; moreover, in Belgium, a government bill has been drafted to credit any worker wishing to complete his vocational qualifications or broaden his general culture with a certain number of hours.

### *Monthly payment*

In France, since 20 April 1970, the date of the joint employers—trade unions declaration, some sixty national or inter-regional agreements to pay manual workers on a monthly basis have been signed and registered with the Ministry of State for Social Affairs. These texts, a dozen of which have been finalized during 1972 and which concern most of the important industrial branches, have led to the amendment of over 60 national collective agreements and a far greater number of regional or local collective agreements.

Apart from very rare exceptions, the change-over to monthly pay is not the only object of the agreements. An estimated proportion of 80% or 90% of the texts confer the benefit of at least four additional advantages which may be classified in three categories.

- (i) The most frequent advantages, i.e. those which are found in over 75% of the agreements: compensation for loss of pay due to sickness, more generous severance pay than under the statutory rules, retirement bonuses.
- (ii) The moderately frequent advantages found in 50% to 75% of cases are:

the establishment of a period of notice which is reciprocal or longer than the legal period of notice, the establishment of provisions relating to payments in respect of public holidays which are more generous than those prescribed by the decree of 31 May 1946, the establishment of a long-service bonus, the allowance of a number of free hours to enable a worker to seek a new job.

- (iii) The less frequent advantages (in 10% to 30% of cases): special holidays for family events, longer holidays for senior workers, system of additional maternity leave and system of social security (after the entry into force of the decrees of 23 December 1970); the granting of a thirteenth month of pay remains exceptional.

While it is true that some meetings have been arranged for 1973 or 1974 during which it will be possible again to discuss certain methods of reform—the long-service bonus and the period of non-entitlement to benefits in particular, mention should be made, on the other hand, of the signature, particularly in large enterprises, of agreements, which sometimes specify the provisions of national texts but which more and more frequently go further than the general clauses or introduce special advantages for the benefit of their wage-earners.

In Italy, further progress has been made during 1972 in the movement towards the approximation and finally equality between the statutes of manual workers and staff employees, especially with regard to holidays with pay and treatment in the case of industrial accidents and diseases from the point of view of the right to keep one's employment.

In Belgium, the movement towards monthly payment has also continued and was made the subject of an agreement in banks.

In the Netherlands, monthly payment has also progressed in 1972, particularly by the reduction and unification of occupational categories and employee groups, and by the payment by the month. This is especially the case for the metallurgy industry, the paper industry, the dairy industry, garages and coach transport.

In Luxembourg, the question of monthly payment has been raised in the iron and steel industry in the course of collective bargaining which took place at the beginning of 1972. Without reaching agreement in principle on this subject, the parties nevertheless agreed to set up a joint working party for the purpose of studying the problems and difficulties which would be raised by monthly payment. The working party would be instructed to report back to the plenary assembly of both sides of industry due to meet at the end of 1973 in order to renew the collective agreement for the iron and steel industry.

### *Labour jurisdiction and case-law*

In France, a working party created on the initiative of the Minister of Social Affairs has been commissioned to carry out studies relating to the remodelling and renovation of the Labour Code.

In Italy, the Chamber of Deputies passed, in October 1972, a Bill entailing the reform of labour law proceedings. This Bill is now being studied by the Senate.

### CONTRACTUAL WAGES, ACTUAL EARNINGS AND PURCHASING POWER

The calculated trends in minimum contractual wages and actual earnings, nominal and real, can only be grasped through available national statistics. The time involved in collating and publishing them, only allows coverage for the period up to July 1972. Increases amounted to 13.1% in Belgium (Sept. 1971-Sept. 1972, against 10.2% for the 12 preceding months); 11.5% in Italy (November 1971-November 1972, against 10.4%); 11.5% in the Netherlands (July 1971-July 1972, against 12.4%); and 9.2% in Germany (July 1971-July 1972, against 14.7%).

Actual nominal hourly earnings of workers have risen in twelve months, by 13.7% in Belgium (October 1971-October 1972), by 12.9% in Luxembourg (April 1971-April 1972), by 11.7% in the Netherlands (July 1971-July 1972) and in Italy (1st qtr. 1971-1st qtr. 1972), by 11.4% in France (October 1971-October 1972) and by 8.7% in Germany (July 1971-July 1972). Relative to the preceding period, the progression has been of the same order in France (11.4% against 11%), has accelerated a little in Belgium (13.7% against 12.4%), and has more than doubled in Luxembourg (12.9% against 5.2%). By contrast the increase has been observably less rapid in Germany (8.7% against 12.6%) and in Italy (11.7% against 16.4%) and in the Netherlands (11.7% against 14.2%).

Taking account of the rise in the cost of living, the purchasing power of workers' hourly earnings has increased over the periods in question by about 8% in Luxembourg (against only 1% in the preceding period), by 7.5% in Belgium (against 7% in the preceding period), by 6.5% in Italy (against 11%) by 5% in France (against an equal 5%), by 4% in the Netherlands (against 6%) and by 3% in Germany (against 6.5%).

## *Belgium*

The index of contractual hourly wages of workers has climbed by 13.1% between September 1971 and September 1972, against 10.2% during the preceding period. The index for employees' contractual salaries progressed a little less than that for workers but more than that for the preceding year: 12% against 10%.

As regards actual earnings, the "rapid" index of gross hourly earnings of adult male workers in industry, calculated from the findings of a limited quarterly survey, rose from 155.3 in October 1971 to 176.5 in October 1972, that is, an increase of 13.7% against 12.4% for the preceding period.

On the basis of this single indicator available and considering the rise in the consumer price index (+5.7% from October 1971 to October 1972), it appears that the purchasing power of hourly earnings of Belgian workers has increased by 7.6% against 6.8% in the preceding period.

## *Germany*

The increase in the index for contractual hourly wages of manual workers between July 1971 and July 1972 was considerably less than that shown for the previous period (9.2% against 14.7%). The index for contractual monthly salaries of *employees* rose by 9.8% against 11.1%.

As regards the average gross hourly earnings of male industrial workers, the index rose by 8.7% between July 1971 and July 1972 against 12.6% between July 1970 and July 1971, whereas the weekly earnings rose from 300 DM in July 1971 to 323 DM in July 1972, which is an increase of 7.7% against 11.5% for the preceding period. Again over the same period, the gross monthly remuneration of male employees grew by 9.5% against 11.8% (1 560 DM against 1 425 DM).

The rise in the cost of living continued at the same rate (5.6% between July 1971 and July 1972 against 5.7% between July 1970 and July 1971), the gain in purchasing power of hourly earnings of German manual workers was around 3% and for weekly earnings 2% against respectively 6.5% and 5.5% between July 1970 and July 1971. The purchasing power of the real monthly remuneration of male employees rose by 3.7% against 5.8%.

## *France*

The general index of hourly wage rates for workers, published quarterly by the services of the Ministry of Social Affairs, has shown a progression

of 11.4% between 1st October 1971 and 1st October 1972, against 11% over the previous twelve months.

Considering the rise in the cost of living as it appears from changes in the index of "295 articles" (6.5% increase in the average for September-October 1972 in comparison to the average for September-October 1971, against 5.7% during the preceding period), the increase in *purchasing power* during the period under consideration is the same as for the previous year (4.6%).

### *Italy*

The increase in the index of minimum contractual hourly wage rates for workers (excluding family allowances) set up by the Central Institute for Statistics, was greater between November 1971 and November 1972 than during the preceding period in agriculture (21% against 15.4%) and industry (11.5% against 10.4%) and smaller in commerce (12.3% against 13.1%) and transport (8.7% against 10.3%). For employees, the progression of the index of minimum contractual remuneration rates (excluding family allowances) has been, for the same periods more rapid in industry (11.6% against 8.9%) and in commerce (12.7% against 11.0%) and slower in transport (6.7% against 9.9%) and in public administration (1.8% against 9.3%).

The progression in actual earnings has also been less marked, but only the statistics for the first quarter of 1972 are available for the index, established by the Ministry of Labour, of actual gross hourly earnings (excluding family allowances) for workers in industry, building and the electricity, gas and hydraulic sector. According to this index, the increase reached 11.7% in relation to the first quarter of 1971, against 16.4% for the previous period.

In terms of purchasing power and taking account of a rise in the consumer price index of 4.8% between the average of the first quarter of 1971 and the average of the first quarter of 1972, the improvement in real hourly earnings for Italian industrial workers was apparently 6.5% against 11% during the preceding period.

### *Luxembourg*

According to the only statistics to hand, the index of the gross hourly earnings of workers for all the manufacturing industries and building and civil engineering (excluding the extractive industries) rose from 163 in April 1971 to 184 in April 1972 (against 155 in April 1970), that is an increase of 12.9% against 5.2% from April 1970 to April 1971.

If one takes account of the rise in the weighted index for consumer prices, almost equal to that of the preceding period, the progression of the purchasing power of the hourly earnings of Luxembourg workers has been around 8% against only 1% in the course of the twelve preceding months.

### *Netherlands*

The monthly index for contractual hourly wages for adult wage-earners of all categories (private and public sector, workers and employees of both sexes) has climbed by 11.5% between the end of July 1971 and the end of July 1972 (13.3% for male industrial workers) against 12.4% (11.6% for male industrial workers) over the twelve preceding months.

The "rapid" index for hourly gross earnings of adult male wage-earners in industry, commerce, transport, banks and insurance calculated from the findings of a limited survey, shows for the period July 1971 to July 1972 a rise of 11.7% against 14.2% from July 1970 to July 1971.

If one takes account of the evolution of the index of household consumer prices (series for the households of wage earners) which has, during the period in question risen by almost the same rate as in the preceding year (7.3% from July 1971 to July 1972 against 7.5% from July 1970 to July 1971), the real progression in hourly earnings of workers in the sectors mentioned was in the period under review appreciably less strong than that registered for the preceding period (4.1% against 6.2%).

## HOUSING

As already mentioned in Chapter 3 (1), the housing policies of the Member States have not been marked by any spectacular changes in 1972. Nevertheless, a few developments were observed which deserve to be highlighted and these are described very briefly in the pages which follow.

### *Developments in housing policy*

The Belgian Government's growing interest in housing and environmental problems has materialized at the level of executive authority through the

creation in 1972 of two posts of State Secretaries for housing and town and country planning and a ministerial committee for environment.

The new Government, which took office at the beginning of 1972, decided to relaunch housing construction with the aim not only of achieving but also surpassing the targets already fixed within the framework of the 1971/5 plan.

To this end, so far as concerns construction in the Public Sector—the powers of the two National Building Societies (The National Housing Society and the National Society for the promotion of small land ownership) and of the Housing Fund of the Large Families' League were considerably increased by Additional Credit (Supplementary to that envisaged by the 1972 plan). Other measures were adopted with the purpose of encouraging local authorities to act in the field of social housing construction.

In so far as the private sector was concerned, different steps were taken—particularly with regard to financial aid, by the important and related addition of grants and increased credit facilities.

In Germany development in the housing sphere was characterized in 1971 and 1972 by the extremely high number of completed dwellings compared with the preceding years, the highest since 1966. It may be considered that this result stems from the policy formulated in the multiannual programme in 1970 designed to implement the social, regional and modernization programme.

Although the number of completed dwellings is going up, it may be noted that needs are increasing as well. This is most notably the position in regions experiencing migratory movements.

Furthermore, the market shows a growing number of households of one or two persons, increased requirements stimulated by high average incomes and progress in the replacement of slums by new buildings.

The permanent tasks of the German Government as far as housing is concerned, is to improve the quality of both dwellings and living conditions in city areas.

This policy is reflected in the measures taken—for the improvement of old dwellings, the rationalization of construction work—and for the inclusion of housing in the concept of town planning within the framework of regional development. These measures are accompanied by better protection for tenants and improvement in the system of housing allowances.

In France the general direction of the Government's housing policy has not been appreciably modified. The upturn in the number of completed dwellings continued in 1971 and, it would seem, in 1972. The following are the chief

coherent measures carried out in 1972 using the resources earmarked under the VIth Plan:

- (a) Promotion of improvement of the quality of dwellings, not only of the specific quality of each dwelling and particularly housing,<sup>1</sup> but also that of the overall concept and setting of life (green areas and environment). A new effort is being made to develop small blocks of flats and, particularly, individual houses. The amount of public aid has become dependent on the quality level of housing and its environment, i.e. the higher the quality the more the subsidies. Additional loans could be granted to enhance the quality of operations in hand. In the HLM sectors conformity with a specified level of sound proofing also gives the right to an additional grant.
- (b) The reform of public aids to housing initiated in 1971 has continued, *inter alia*, by revision of the bonuses and special loans from the Crédit Foncier which is concerned with approximately 200 000 dwellings per annum and which channels state aid to households in the greatest need of it and ensures continuity of the methods for financing dwellings in relation to the range of incomes. One of the aims of the revision of public aids for housing consisted in unifying the various categories of rented dwellings of a higher standing than that of HLM and in creating a single type of dwelling at a moderate rental within the means of persons able to afford a little more than the ceilings stipulated for HLM dwellings.
- (c) Improvement of the protection of prospective property-owners. Following the Government's continuing concern, numerous measures have been taken in this field, with the aim of ensuring the best possible practical and legal protection of the prospective home owner.

In Italy the housing policy pursued during the period under review was subordinated to the implementation of Law No. 865 on housing, passed on 11 October 1971.

Unfortunately, the substance of this law and, above all, the measures taken in implementation of it have been criticized and have given rise to many arguments owing to certain technical deficiencies and imperfections.

The Government has admitted that revision is necessary and has recently set up a study commission on the subject within the Ministry of Public Works. This commission will examine the problems which have arisen and propose measures to solve them.

In Luxembourg there is no fundamental change notable in the 1972 housing policy. In principle, the construction of housing is a matter of private

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<sup>1</sup> "Social housing" = subsidized housing comparable with the council housing in the UK.

enterprise and the authorities are endeavouring to encourage individual home ownership. In the meantime some councils—on the road towards such expansion—are erecting dwellings destined to be either rented out or sold at cost price to lower-paid workers.

In the Netherlands a Memorandum on Housing was submitted to the Parliament in 1972 in which the Minister responsible set out propositions for fundamental changes to be made in policy in relation to rents and subsidies.

To emphasize the social aspect of financial aid from Public authorities it is proposed to direct this aid in the future towards those specific circumstances in which the persons concerned will be found.

At the same time, a method of calculating rent will be introduced which will take as its basis the theory of the variation in the cost price. This method takes account of developments in the cost of accommodation and would assess an initial rent lower than that imposed by the traditional method which has been applied until now. To make the transition from one system to the other, the rents of considerable numbers of existing tenancies will have to be raised by about 20%.

#### *Completed housings<sup>1</sup> needs and planning*

In Belgium the number of dwellings had reached about 3 570 000 by 31 December 1970.

Even if in 1971 a decline was found in housing construction of 4.5% by reference to 1970 (1970: 44 000; 1971: 42 000), at least the figures available for the first nine months of 1972 enabled one to hope that this regressive trend was stopping. In fact, in the social housing sector alone the number of requests for subsidies for construction purposes was over 14 507 in 1971 and about 40 000 in 1972.

The construction programmes halted in the 3rd plan had been established largely on the basis of a study which put the estimated needs of dwellings onto a regional plan for the period 1971-1975. These programmes forecast the construction of 60 000 dwellings in 1975 of which 20 000 would be social housing.

Taking account of the decline in production of dwellings which followed in 1971, the booster programme prepared by the Government provided for the construction of an additional 3 000 social dwellings.

In Germany the number of completed dwellings amounted to 555 000 in 1971 or 75 700 (16%) more than in 1970. This means that the regular decline noted since 1967 has been stopped.

<sup>1</sup> See Table No. 1.

The rising tendency which began in 1971 has continued in 1972, as the figures for the first nine months of 1972 and the 752 000 units under construction at the beginning of 1972 show. These figures point to an output of over 600 000 dwellings during the period under review. It may be recalled that the Federal Government's multiannual construction programme provides for the building of 500 000 dwellings per year by 1980. The high output could make it possible to speed up the replacement of slums by new dwellings.

However, according to the latest scientific forecasts, the average requirements may be estimated at an annual 535 000 dwellings until 1985. The stock of dwellings amounted to 21 300 000 at 31 December 1971.

In France 475 700 dwellings were completed in 1971, i.e. an increase of 19 400, or more than 4%, over 1970. The figure for the first nine months suggests that the increase has continued in 1972 and that the number of completions could exceed 500 000.

For 1973, 565 000 building starts are anticipated. From the present results it can be assumed that the overall aim of the VIth Plan will probably be exceeded in 1975, i.e. an output of 540 000 dwellings per annum.

The stock of dwellings at 31 December 1971 may be estimated at 19 700 000.

In Italy the number of dwellings completed in 1971, i.e. 360 600, is a reduction compared with the preceding year: 377 200. It appears that an even greater decline is on the horizon for 1972 and that the output will be even farther below the level considered necessary to satisfy the still existing needs.

In Luxembourg 2 400 dwellings were completed in 1971. It is thought that there is, practically speaking, no scarcity of housing, but official estimates nevertheless put the necessary housing requirements at some 2 000 units per year.

In the Netherlands 136 600 units were completed in 1971, which means a considerable increase compared with the preceding year (1970 - 117 300) or over 16%.

The rising output also continued during 1972 and from the figures available it may be hoped that the number of dwellings completed in the period under review could amount to 150 000.

It is pointed out that, according to the Government's policy, an annual output of 135 000 units is necessary to meet the requirements of the 1971-80 period.

The housing stock at 31 December 1971 was 3 905 472.

## *Costs*<sup>1</sup>

In Belgium, the Minister of Public Works who is also responsible for housing announced his intention of taking proper measures to halt the inflation of the prices of building sites. On the other hand, the Government is continuing to promote a policy of industrialization of housing construction, envisaging not only an increase in productivity, but also a stabilization in prices.

The costs of housing construction are also rising in Germany and may be estimated in 1971 at approximately 15% more than in 1970. This increase was not only caused by construction prices proper but also by the improvement in the quality and the size of new dwellings. The figures available for 1972 show a diminution in the rise in prime costs. Mention should be made of the setting up of an interministerial working party on building rationalization, techniques and industrialization whose principal aim is to lower construction costs.

The cost of construction in France, shown by the INSEE index (for the whole country) increased in 1971 by 5.9% compared with the previous year. An almost equal increase is to be anticipated for 1972.

To check rising prices and at the same time promote improved living conditions, the Government has introduced measures in the framework of land policy and in the construction sphere. In this way a contract has been signed in September 1971 with the National Board of Construction promoters, in which a permanent concertation between this board and the Authorities has been established.

In Luxembourg a sharp rise in the Building-costs index has been noted in recent years (1968: 80; 1972: 123 (forecast)). With a view to halting the rise in prices of building sites (a rise which has made itself universally felt) the Government is, by itself taking on the interest rates encouraging local councils to acquire and fit out properties to be disposed of at cost price.

In the Netherlands an appreciable increase in building prices (index at 1 January 1972=173, index at 1 September 1972=181) was observed in the period under review. The Government is trying to cope with this constant increase by measures to promote industrialization and continuity of orders and through a selective policy regarding quality.

## *Rents*

In Germany rents in 1971 increased on the average by 6.3% compared with 1970. The trend in 1972 shows a slightly lower figure. In 1971 housing allowances, from which one million households benefited, totalled DM 1 200 million.

<sup>1</sup> See Tables Nos. 3 and 4.

The trend of rents in France illustrated by the rent index shows an increase of 3.8% between June 1971 and June 1972. At the same time the price index for all manufactured products except clothing and textiles rose by 5.6%. On the other hand one cannot allow the recent signing of a protocol agreement with property-owners to go unmentioned. It had been discussed throughout 1972—and aimed at codifying more precisely the nature of, and the rise in rents.

A very marked increase in the payment of housing allowances is expected for 1972 (and even more so for 1973) owing to the extension of this allowance to cover about one million new beneficiaries as from 1 July 1972: elderly persons, the handicapped and young workers (Decree of 30 June 1972). In 1970 this aid amounted to FF 2 750 million; in 1971 it was 2 900 million, and in 1972 3 300 to 3 500 million (forecast).

In Italy rent policy is based on regulations which will continue to apply until the end of 1973 and which freeze rents for dwellings let before 1969 at predetermined levels leaving those for more recently constructed dwellings uncontrolled. By 1973, before the present system ends, Parliament should be able to adopt new rent regulations.

It may be recalled that in Luxembourg rents fixed by the Law of 14 February 1955 with regard to rented dwellings in the non-State-aided sector, are not indexed. In the case of new dwellings, on the other hand, the legal rent may not exceed 5% of the amount invested.

In the Netherlands, in 1972, general rent control continued to be enforced only in the three western regions. As from 1 April 1972 the rents of existing subsidized dwellings were made the object of a legal increase of 6%. Further, an increase of more than 6% has been applied for the older dwellings as an annual re-adjustment as part of the harmonization (scheme) between them and the rents of recently-built dwellings which had had the advantage of State aid.

### *Slum clearance, improvements in housing*

According to the survey carried out in 1972 by the National Housing Institute in Belgium, about 1 400 000 dwellings, or 40% of the housing stock, need improvement. It should be pointed out that there will have to be increased condemnation of unhygienic dwellings under Belgian housing policy. The national Plan has fixed the number of dwellings to be condemned at an annual 22 700, but at present barely 5 000 are being dealt with yearly.

As for concrete results, the Royal decree of 17 April 1972 considerably increased the number of improvement grants.

On the other hand the Minister of Public Works announced (on 15 June 1972) the creation in his own department of a specialized social service expressly to deal with homeless families. This service would have the task of re-housing families before the demolition of their previous home.

In Germany, under the modernization programme, 50 000 dwellings for which the Federal Government grants loans will be modernized each year. In addition, interest subsidies for loans from the capital market will be granted in 1972 for a period of 5 years. In this connection, an amount of DM 9 million as interest subsidies and DM 18.3 million in the form of loans were envisaged for 1972.

In accordance with what was stipulated in the Law on promotion of urban building (Städtebauförderungsgesetz) a council for urban development was formed in Germany in May 1972. It will serve to promote future work and measures in the field of urban renovation.

Development measures were begun in 1972 under the federal programme by granting to the Länder federal financial aid for improvement measures relating to towns and villages. In the 1972 budget DM 50 million was earmarked, i.e. 1/3 of the total cost of some 300 schemes.

In France, the National Agency for the improvement of housing (ANAH), established by the Decree of 29 September 1971, has started to function in place of the former national fund for the same purpose. The system will be based on very generous lump-sum subsidies according to the nature of the work. The objective of improving an average of 250 000 dwellings will be attainable only when the ANAH's resources are put to use within the framework of appropriate measures.

In the public sector, the Government has decided to encourage the rehabilitation of groups of old buildings, whether managed or not by HLM organizations, by means of savings bank loans. A list of groups of buildings to be rehabilitated will be drawn up and the organizations will be invited to associate the tenants with the choice of steps to be taken (interdepartmental order of 16 June 1972).

Within the framework of the plan for the elimination of unhygienic housing by the standing inter-Ministry group (GIP) many shanty towns have been eliminated and the last of those in the Paris region shall have disappeared by the start of 1973 (the elimination of the last one being effected at the end of 1972).

In Italy, among the goals to be attained within a fairly short period, the Government has emphasized, more particularly in 1972, the pressing need for concrete action to solve the problem of improving old buildings. One third of

the sums devoted to house construction should be used for modernizing and improving dwellings which require this, i.e. about 60% of total dwellings.

In 1972 new rules in the Netherlands came into force concerning public aid for the modernization and improvement of existing dwellings and their immediate surroundings.

### *Town and Country Planning*

In 1972 a modification was made in the preliminary plan for the country development sector in Belgium. This raised the question of the drafting of a document recommending allotments on the ground of national territory fixed on the basis of socio-economic considerations defining the needs of the present decade.

The attempt also related to an enquiry into those zones destined to receive craft industries, and those for distribution in order to make urban areas more habitable. Thus on the one hand the chance was given to businesses which had lost their premises to leave their old habitat—and on the other enabled specific zones to receive new industries which, in the absence of this project, would have come and worsened living conditions there.

In Germany the federal programme for town and country planning (Bundesraumordnungsprogramm), prepared in 1972, provides a framework of guidance for the improvement and development of the federal territory until 1985. This programme was drawn up jointly by the Federal Government and the Länder.

The French Government's concern to improve living conditions finds expression in certain measures in the environment sphere. Prohibition of erecting high-rise buildings in small and medium sized towns is coupled with the obligation to build individual houses as part of the HLM housing programmes.

Implementation of the green areas policy was the subject of a circular of 26 May 1972 by the Director of town and country planning concerning urban green areas.

In Italy the State's powers with regard to town planning were transferred to the regions on 1 April 1972. The regional town planning projects, which are the central factors in the new decision-making process in this field, will henceforth govern the specific application of the national types and will lay down directives concerning local authorities at a lower level. In the short term, the regions may promulgate regional town planning laws applying in advance certain innovating principles characteristic of the new general regulations on town planning, especially on the basis of Law No. 865/1971.

In the Netherlands an interministerial working committee was given the task of enquiring into the solutions to problems resulting from the inequality between demographic expansion on the one hand, and, on the other hand, the delay shown in the construction of centres ripe for redevelopment.

The law of urban modernization is now in the course of preparation. The promotion of fitness for habitation enjoys an ever-increasing importance. Modification of the legislation in this sphere (urban modernization) is under consideration, and refers as much to different aspects of environmental hygiene—as to development around airports and the extent of arterial roads.

### *Housing of migrant workers*

With regard to the construction of dwellings for migrant workers in Belgium a royal order of 16 May 1972 has abolished the nationality requirement in respect of loans for medium-grade dwellings for borrowers who are nationals of one of the Member States. This nationality requirement had previously been abolished in respect of subsidized, low-rent housing.

In Germany the Federal Government (Bund), the Länder and the Federal Labour Office promoted the construction of dwellings for migrant workers. They set aside 10 million DM for this purpose, which enabled the financing of 1 650 family dwellings in 1972. The new rules as regards improvements in the law relating to rented property, control of the rise in rents and protection against cancellation of leases also protected the rights of migrant workers in that sphere.

At 30 September 1971 the Federal Labour Office (Bundesanstalt für Arbeit) had made available DM 425 million in the form of loans to provide 157 293 beds in 2 494 hostels.

In 1972 the public authorities in France again stepped up their activity in the sphere of housing for migrant workers and their families.

Thus, thanks to the combined activity of the social action fund for migrant workers and the Ministry of town and country planning, equipment, housing and tourism, the construction of new centres for workers living alone, of a total capacity of approximately 28 000 beds, will have been financed between 1 January and 31 December 1972.

Similarly, the social action fund is in a position to earmark about 1 800 dwellings to cope with the most difficult cases. For its part, the above-mentioned Ministry financed, in 1972, under the programme for the elimination of insalubrious dwellings, the construction of 3 700 transit quarters and 5 267 permanent dwellings largely for foreign workers.

Under the new arrangements made with regard to the issue of residence and work permits to foreigners, applicable since 16 October 1972, employers are henceforth bound to find accommodation not only for any foreign worker entering France under the aegis of the National Immigration Office but also for those whose position is being regularized. The employer makes a written declaration certifying that such accommodation is in acceptable condition and at a normal price which is an integral part of the employment contract.

In Italy Article 48 of Law No. 865 on housing puts migrant workers on the same footing as all other workers as regards the right to subsidized housing in respect of which the specified contributions have been paid by the person concerned. The responsible public agencies took the necessary measures in 1972 to make this provision operative.

In Luxembourg, the departmental order of 13 February 1971 which provided for the grant of subsidies to individuals constructing dwellings for migrant workers permitted the grant in 1971 of premiums amounting to Lfrs. 6.8 million to make 217 beds available. During the first eight months of 1972 premiums totalling Lfrs. 4.5 million were paid to provide 118 beds.

Since the construction and administration of new homes for migrant workers was taking too long and so not palliating the immediate needs, hostels were made in buildings acquired by the State. It was in this way that in 1972 about 200 beds were made available in hostels to migrant workers.

As Public aid covers only about a third of the requirements on the assumption that only 800 new migrant workers arrive each year; two thirds of the migrant workers have to find accommodation elsewhere.

Generally the workers concerned do not come to Luxembourg to settle permanently but to save as quickly as possible enough money subsequently to set themselves up in their countries of origin. They therefore prefer to live in whatever conditions enabling them to save as much as possible.

In the Netherlands 554 beds were made available in 1971 by the implementation of the financial rules relating to the construction of hostels for migrant workers, and for the conversion of 12 existing buildings. One should also mention the efforts displayed by the regional foundations for the housing of migrants, which are playing an increasingly important role.

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

Country	Dwellings completed	1966	1967	1968	1969	1970	1971	1971 (First 9 months)	1972 (First 9 months)
Belgium	Total number of dwellings	38 060	47 000	47 400	57 030	44 900	43 000 <sup>3</sup>	31 900	38 000 <sup>3</sup>
	Number per 1 000 inhabitants	3.9	4.9	4.9	5.9	4.6	4.4	—	—
	Number of subsidized dwellings	21 500	21 000	25 600	29 240	24 700	26 300 <sup>3</sup>	—	—
	% of total	56.6	44.6	53.9	51.3	55.0	61.0 <sup>3</sup>	—	—
Germany	Total number of dwellings	604 800	549 000	519 900	449 700	478 100	555 000	233 400	276 000
	Number per 1 000 inhabitants	10.1	9.2	8.6	8.3	7.9	9.1	—	—
	Number of subsidized dwellings	203 500	190 200	179 800	183 200	137 100	168 800	—	—
	% of total	33.7	34.7	34.5	36.7	28.7	30.5	—	—
France	Total number of dwellings	414 200	422 500	411 000	427 100	456 300	475 700	328 500	364 500
	Number per 1 000 inhabitants	8.4	8.5	8.2	8.6	8.9	9.3	—	—
	Number of subsidized dwellings	328 800	329 500	325 000	330 000	355 000	383 500	—	—
	% of total	79.4	78.0	79.0	77.3	78.0	78.5	—	—
Italy	Total number of dwellings	289 300	267 900	271 000	283 100	377 200	360 600	265 000	155 000
	Number per 1 000 inhabitants	5.4	5.0	5.0	5.3	7.0	6.7	—	—
	Number of subsidized dwellings	23 600	26 000	26 000	25 000	24 100	22 200	—	—
	% of total	8.8	9.7	9.6	8.8	6.2	6.2	—	—
Luxembourg	Total number of dwellings	2 200	1 800	1 900	1 870	1 700	2 400	1 500	2 800
	Number per 1 000 inhabitants	6.6	5.4	5.8	5.5	5.1	7.0	—	—
	Number of subsidized dwellings	600	700	600	500	700	540	—	—
	% of total	29.3	37.1	29.7	28.4	40.0	22.7	—	—
Netherlands	Total number of dwellings	121 700	127 400	122 800	123 100	117 300	136 600	92 800	105 900
	Number per 1 000 inhabitants	9.8	10.2	9.7	9.6	9.0	10.4	—	—
	Number of subsidized dwellings	87 000	96 000	101 600	104 500	97 100	114 300	—	—
	% of total	71.5	75.3	82.7	84.9	82.8	83.7	—	—
Community	Total number of dwellings	1 470 000	1 415 600	1 374 000	1 391 800	1 475 500	1 573 300	955 100	942 200
	Number per 1 000 inhabitants	8.0	7.7	7.4	7.4	7.8	8.3	—	—
	Number of subsidized dwellings	665 000	663 400	658 600	672 400	638 700	715 640	—	—
	% of total	45.2	46.9	47.9	48.3	43.3	45.5	—	—

<sup>1</sup> Any dwelling, whose cost of construction, purchase or rental is kept at such a level, that it can be rented or purchased by financially less favoured population groups through financial means made available by public authorities (loans, bonuses, subsidies, low interest rates) is regarded as a subsidized dwelling.

<sup>2</sup> Contrary to the figures for previous years, those from 1968 to 1971 refer to dwellings, whose construction was started.

<sup>3</sup> Provisional figures.

TABLE 2

## Gross national product and determination of fixed gross capital in housing

	Year	Belgium	Germany	France	Italy	Netherlands
Fixed gross capital as % of gross national product	1966	22.4	25.7	24.9	18.3	25.6
	1967	22.3	23.1	25.1	19.0	25.6
	1968	20.9	23.1	24.8	19.7	26.1
	1969	20.7	24.2	25.0	20.5	23.9
	1970	22.4	26.4	25.6	21.1	25.0
	1971	21.7	26.7	25.6	19.9	25.0
Fixed gross capital in building, as % of gross national product	1966	13.7	15.0	14.5	11.8	14.2
	1967	14.0	13.4	14.7	12.0	14.9
	1968	13.1	13.3	14.6	12.5	15.3
	1969	12.5	13.1	14.4	13.4	14.1
	1970	13.5	14.3	14.7	13.3	14.2
	1971	13.3	14.8	14.4	12.1	14.7
Fixed gross capital in housing, as % of gross national product	1966	6.2	6.3	7.0	6.0	5.2
	1967	6.1	5.8	6.8	6.0	5.5
	1968	5.6	5.6	6.8	6.4	5.7
	1969	5.4	5.2	6.8	7.2	5.3
	1970	5.8	5.4	6.8	6.9	5.2
	1971	5.1	5.9	6.7	5.9	5.7
Fixed gross capital in housing, as % of total gross fixed capital	1966	27.7	24.4	28.1	32.8	20.4
	1967	27.2	25.3	27.2	31.3	21.5
	1968	26.7	24.1	27.5	32.2	21.6
	1969	26.0	21.5	27.1	35.2	22.0
	1970	25.9	20.5	26.7	32.7	20.9
	1971	23.5	22.0	26.1	29.8	22.8
Fixed gross capital in housing, as % of gross fixed capital in building	1966	45.1	41.9	48.3	50.7	36.6
	1967	43.3	43.5	46.5	49.5	36.9
	1968	42.5	41.8	46.8	50.8	36.9
	1969	43.1	39.6	46.8	53.8	37.3
	1970	43.0	37.8	46.6	51.9	36.8
	1971	38.2	39.9	46.5	49.1	38.8

Source: SOEC.

## FAMILY MATTERS

### *Allowances for dependants*

#### *Belgium*

- (a) On 1 July 1972, an increase in the family allowance for the second child of self-employed workers.
- (b) From 1 October 1972, the families of workers in border areas employed in France are eligible for Belgian family allowances.
- (c) From fiscal year 1972, a dependent child 66% handicapped or more counts as two dependants for the purposes of personal income tax and for estate tax.

#### *Germany*

On 1 January 1972, a rise in the annual income limit for family allowance eligibility for families with two children from DM 13 200 to DM 15 000.

#### *France*

- (a) The Law of 3 January 1972 and the implementing decrees of 29 June 1972 "containing various provisions to improve the situation of families":
  - (i) Reform of the single salary allowance and of the allowance for the mother not gainfully employed;
  - (ii) Introduction of an allowance to cover the cost of having children looked after (monthly allowance Ffrs 194.50 in 1972);
  - (iii) Introduction of an old-age pension insurance for mothers receiving the single salary allowance and the allowance for mothers not gainfully employed;
  - (iv) Extension of the family rent allowance (financed by the system of family allowance) to other beneficiaries: households including a parent aged 65 or over or a disabled close relative, or young couples without children who have been married for less than 5 years.
- (b) Decrees of 29 June 1972 in pursuance of the Law of 16 July 1971 establishing a system of "social security" rent allowances for old or disabled persons and for young people (under 25 years of age) financed by a "National Fund for Rent Assistance" (Fonds national d'aide au logement) set up for this purpose.

- (c) An increase in family allowances of 6% on 1 August 1972 and of a further 4% on 1 January 1973.
- (d) Order of 17 November 1972 establishing a system of loans for young couples (to cover the cost of accommodation and furniture) financed by the family benefits scheme.
- (e) Law of 23 December 1972 raising by one year the age limit concerning obligations under the sickness assurance and family provisions, in favour of young people seeking work at the end of their compulsory schooling.

### *Italy*

On 18 January 1972, entry into force of the Law of 30 December 1971 relating to the protection of working mothers and containing in particular two new measures: the right of a mother to be absent from work in the case of the illness of a child aged less than three and the payment of a daily allowance amounting to 30% of the salary during the six months optional leave (taken in addition to the compulsory leave of two months before and three months after the birth of the child).

### *Luxembourg*

A draft Grand-ducal regulation provides that the monthly family allowance for each child, starting with the third child, be raised from 830 to 1 000 Luxembourg francs (index 100) on 1 January 1973.

### *Netherlands*

The law of 1972, reforming the tax system, gives a certain fiscal economy—however limited—to the working wife.

### *Day nurseries and pre-school establishments*

### *Belgium*

- (a) On 1 January 1972, there were for children aged under three years: 113 day nurseries for 5 015 children of less than 18 months, 47 baby rooms in the day nurseries for 2 648 children, 290 nursery departments for children of 18 months to three years, 3 142 registered baby-minders (maximum five children per baby-minder) 599 registered children's nurseries (nurseries accepting more than five children).

- Between 1 January and 25 September 1972, the National Children's Society (l'Œuvre National de l'Enfance) registered 10 day nurseries and nine nursery departments.
- (b) A grant of Bfrs 500 million from the reserves of the National Office for Family Allowances for Salaried Workers (l'Office national des allocations familiales pour travailleurs salariés) to the "Fund for Local Authority Facilities and Services" (Fonds d'équipement et de services collectifs) set up by the law of 20 July 1971 to develop day nurseries and family welfare services.

### *Germany*

- (a) Number of kindergartens (pre-school educational establishments for children from three to six years) in 1970: 17 493 with 1 160 736 places. The number of children in this age group was 3 081 100, so there were 37 places available for every 100 children.
- (b) Laws relating to kindergartens have been adopted in four Länder: North Rhine-Westphalia, Baden-Wurtemberg, Rhine-Palatinate and Bavaria. The Law (21 December 1971) of the Land North Rhine-Westphalia provides in particular for a "Parents Council" elected by the body of the parents, closely concerned with the running of the establishment and which has to be consulted on the recruitment or dismissal of teaching staff.

### *France*

- (a) Number of day nurseries on 1 January 1971: 697 local authority day nurseries with 31 752 places, 87 "family nurseries" (crèches familiales), with 5 736 places.
- (b) Number of "haltes-garderies", "play-schools" (fulfilling the conditions prescribed by regulation) at 1 January 1971: 499 with 9 987 places.
- (c) The Order of 22 October 1971 regulating the system of "family nurseries" (or "nurseries at home"). This is a system whereby children are looked after at the home of registered baby-minders (a family nursery consists of about 40 baby-minders) and attached to a local authority day nursery, a social centre or a mother and baby clinic and regularly inspected by child welfare workers.
- (d) The "service allowance", created in 1970, which is financed by the family allowance fund for the cost of running certain social services and

establishments, has been fixed at 20% of the cost of activities for 1972. As well as social centres and services of family help, the traditional nurseries, family nurseries, play-schools, homes for unmarried mothers and children's homes are able to benefit from the provision.

### *Italy*

Ministerial Decree of 27 April 1972 by means of which the Ministry of Health distributed among regions the special fund set up by the Law of 6 December 1971 introducing a five-year plan on the development of day nurseries.

### *Netherlands*

There exists a national organization of coordination and advice, the "Working Commission on Child Centres", which is subsidised. By the term "Child centres" is understood:

- (a) the "Kinderdagverblijven": establishments catering for children throughout the work day, who are of an estimated 70 in number;
- (b) the "peuterklassen": establishment receiving children for several hours a day and which are generally open 4½ days a week;
- (c) the "peuterspeelzalen": play schools catering for children of 2 to 4 years old for a few hours, on an occasional basis. Their number grows as much in the rural as in the urban areas.

### *Mothers' help services*

### *Belgium*

At 30 June 1972, there were 116 mothers' help services and services providing help for old people, providing 3 743 mothers' helps and 1 725 "senior citizens' helps". The grants amounted to Bfrs 448 million in 1971.

### *Netherlands*

In 1970, the number of mothers' helps was approximately 5 500, the number of family home helps approximately 7 000 and old peoples home helps who work part time for approximately 12 hours weekly about 40 000. The Ministry for Cultural Affairs, Leisure Activities and Social Affairs intends to increase the latter number to 45 000 by 1975.

## *Marriage and family consulting centres*

### *Belgium*

The number of authorized and subsidized, pre-marital, marital and family guidance centres rose to 58 at 31 December 1972.

### *Germany*

The Federal Government gave 2.1 million DM in grants to promote marriage and family education.

### *France*

Decree of 24 April 1972 (implementing the Law of 25 December 1971) relating to the setting up of information, consultation and family guidance and family planning centres. Implementing orders were made on 3 and 27 November 1972.

### *Netherlands*

Within the framework of the regulations on the family guidance centres, eight information centres have been financed to deal with the psycho-social problems of young people.

## *Urban Social Amenities*

### *Germany*

The "German Council for town development" which has just been set up by virtue of Article 89 of the law to foster urban building will also be concerned with planning a favourable environment for families (playgrounds, etc.).

### *France*

Circular of 15 December 1971 from the Ministry of Public Facilities and Housing (Ministère de l'Équipement et du Logement) regarding social and cultural community activities. This circular provides financial encouragement for construction companies when they build residential community buildings with the aim of promoting social life in communities of more than 50 homes.

## *Italy*

Law No. 865 of 22 October 1971 relating to programmes and the coordination of the public home building sector provides in particular for loans for secondary urban building such as day nurseries, schools, social centres, cultural and medical facilities.

## *Family Law*

### *Belgium*

The Law of 15 May 1972 abolishes the three year delay which was previously imposed before the guilty party in a divorce could re-marry.

The Law of 1 July 1972 amends the legislation relating to divorce by mutual consent. The procedure is made easier and the transfer to the children at the time of the divorce of half of the parents' assets is no longer required.

### *France*

The Law of 3 January 1972 on consanguinity permits the legitimisation of children born of adulterous relationships. The children will be able to initiate paternity actions and to be received into their father's family subject to his wife's consent.

## *Representation of family interests within public bodies*

### *Belgium*

Representatives of family organizations were invited to sit on the working party on the social code for self-employed workers and on the higher Council for Physical Education and Sport (Conseil supérieur de l'Éducation physique et des sports).

### *France*

- (a) Representatives of family associations sit on the departmental committees on professional training, social affairs and employment (Decree of 12 April 1972) as well as on the economic and social committees set up in each region (Law of 5 July 1972).

- (b) The Decree of 28 April 1972 gives one seat on the Higher Council for Tourism (Conseil supérieur du Tourisme) to the President of the National Union of Family Associations (l'Union nationale des associations familiales).

### *Italy*

By virtue of the inter-departmental Decree of 8 January 1972 a "Committee to study the Problems of Workers' Families" was established in the Ministry of Labour and Social Insurance, and is to advise, do research and make proposals. It is made up of departmental representatives and members of the associations concerned with family policy.

## SOCIAL SERVICES

### *Social Aid*

#### *Belgium*

A plan is being worked out for reform of the CAP (Public Assistance Commissions) with the aim of transforming these bodies, hitherto dealing mainly with aid for the needy, into multivalent local and regional social services.

#### *Germany*

A draft "third law amending the federal law on social aid" has been adopted by the Government. This draft, the object of which is to allow for the adaptation of social aid measures to general economic conditions and to social development, contains several notable improvements.

A social code is currently being drawn up with a view to bringing together the numerous existing social laws in a simplified and harmonized form. The draft of the "Generalities" section of this code, which includes social aid, has been completed.

### *Italy*

The radical reform envisaged provides for: a central summit organ for the coordination and orientation of social policy at national level; regional

decentralization with executive responsibilities being conferred upon local authorities; creation of the "local unit"; effective citizen-participation.

### *The Netherlands*

The two Government chambers have adopted proposed legislation relating to structural alteration of the general law on social aid whereby wider powers would be conferred on the central authority with a view to harmonizing further the application of that law (which has hitherto fallen within the scope of the communal authority).

This need for harmonization is evident, particularly as regards caravan-dwellers.

A working party on "Surveys and Statistics" has been set up, with the task of giving opinions to the Division "Social Aid" of the Ministry of Cultural Affairs, Leisure and Social Action. Strongly represented in the core of this working party are the aforementioned Ministry, the Dutch Association of Communes, the Central Statistical Office and the Association of Directors of the Communal Social Services.

Courses have been organized for officials whose job is to give the public advice and guidance on the benefits of the general law on social aid.

### *Social services*

#### *Germany*

The object of the law providing for "promotion of social aid services" of 20 April 1972 must remedy, through various beneficial measures (particularly in the field of national insurance and working conditions), the staff-shortage suffered by social establishments in their medico-social, educational and other work.

#### *The Netherlands*

If a quantitative extension of social services has been impeded by financing difficulties, there has been a qualitative advance: a process of amalgamation and reorganization of the social services is in progress, allowing a more rational approach to, and use of, these services. This amalgamation process is also going on at provincial level, "common institutes for the development of social work", having been either established or planned. At national level, consultations on the establishment of a national institute are already well advanced.

### *Social action for the benefit of old people*

Action of this kind<sup>1</sup> has, in the various countries, been hinged in particular on the principle that an elderly person should, if he so wishes, be able to continue living in his own home and, at the same time, should be guaranteed the possibility of satisfactory accommodation in an old people's home if required. In order to provide these alternatives, efforts have been made, on the one hand to reinforce services provided for the benefit of the aged (e.g. home helps, meals on wheels, service centres, clubs, etc.) and on the other hand to improve living conditions and safety measures in old people's homes.

The following should be stressed in particular:

#### *Belgium*

A special effort is envisaged as regards dwellings provided by the community for the elderly and old people's homes.

Conditions for the granting of subsidies to rest homes and criteria for the drawing up of a national plan have been fixed (Royal Decrees of 2 May 1972).

#### *Germany*

The possible establishment of a "German Centre for Problems of the Aged" is being examined by the "Federal Council for the Aged". The Council has adopted a bill on old people's homes and care of the aged, and sent it to the Bundestag.

The Federal Ministry for Youth, Health and the Family has subsequently developed its "programme of aid for the older generation".

Parallel to the development of "service centres for the aged", pilot experiments have been set in motion involving mobile services (including social, psychiatric, medico-social services, etc.) to alleviate the shortage of staff and premises.

#### *France*

Following the enactment of the Sixth Plan, Parliament has, at the Government's proposal, adopted a "finalized programme" for the maintenance of the aged in their own homes, providing for an adequate network of services and equipment to sustain them. The programme must enable the evasion of

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<sup>1</sup> On account of the subject of this chapter, no allusion will be made to questions concerning pensions, fitting out of work-shops, timetables, working conditions etc.

the placing in homes or in hospitals of 100 000 people throughout the duration of the Plan: it rests on the concerted and coordinated action of the services (domestic and nursing home-helps) and community centres (clubs, restaurants, day-centres).

### *The Netherlands*

The examination by the Second<sup>1</sup> Chamber<sup>2</sup> of the 1970 note on policy for the benefit of the aged, providing for a five-year plan (1970-1974) for aid to persons remaining in their own homes, gave rise to a series of decisions (among others: drawing up of a supplementary note, establishing of a departmental working party, formulation of a standard regulation for coordinated action for these persons' benefit). In spite of the restrictions of the difficult general financial situation, new centres, subsidised by the state, were installed in 1972: aid given to old people has been increased.

A bill amending the law (of 1963) on old people's homes has also been studied by the Second Chamber, its aim being to introduce the necessary improvements, especially as far as care (planning, reception and supervision) and the quality of life are concerned.

### *Social action for the benefit of handicapped*

In conformity with the increases in allowances Decreed in the various countries<sup>1</sup>, the following should be noted:

#### *Germany*

A bill to harmonize re-education benefit and another bill relating to severely handicapped persons became law in May and September 1972 respectively.

The report of the Federal Government following § 126 of the Federal law on social aid must result in a first account of the affects of the legislative regulation on the guarantee of integration of handicapped people: in the first place it must be stated whether the opinion of the medical professions have proved positive.

Numerous private associations are very active in the field of aid for the handicapped, their re-education, and informing the public about them.

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<sup>1</sup> Cf. also the section, "Social Security", p. 149.

## *Italy*

The promotion of re-education centres, schools and specialized staff is going on, pursuant to the standard law of 1971.

## *The Netherlands*

It is envisaged that the financing of "day centres" as well as "residential centres" (replacing residence with the family) will be covered by the general law "Special Sickness Expenses". The development of these centres, whose number is growing from year to year, is thus assured, whereas for specialized social services for the handicapped, financed by the Regulation on State Subsidies, all chances of expansion have been blocked (March 1972) in view of the general financial situation.

### *Social action for the benefit of migrant workers and their families*

## *Germany*

Particular attention has been devoted to the social, educational and vocational integration of young immigrants, needs in this field having intensified. Appropriate bodies have been reinforced or set up; apart from credits allocated on a federal basis, the Guarantee Fund has been granting individual aid, in particular to ensure continuation of vocational training.

Centres have been set up which are run by social workers who apply the "Community social work" method; besides this, numerous centres that were set up when immigration began to provide recreation and social life for foreign workers have been the starting point for a number of new ventures and activities.

The Federal Ministry of Labour and Social Affairs has set in motion a study on social aspects of the employment of foreign workers.

An enquiry is being carried out—by a private association's Specialized Committee on "Community Social Work"—on the structure, aims and activities of all the coordinating bodies that exist in this field.

## *France*

A change in distribution of the credits of the Social Action Fund for foreign workers (FAS) has allowed this body to intensify its social action (15.5% of its credits have been assigned to educational action—compared

to 8.5% in 1970—; 4% to action connected with the reabsorption of shantytowns—compared to 5.6% in 1970).

The nature of relations between the State and private associations concerned with immigrants has been the subject of constructive mutual discussion.

### *Luxembourg*

A non-profit association has been set up for the establishing and running of hostels for immigrants who are on their own. These hostels are equipped with recreational facilities, language classes, etc. It is also planned to maintain social assistance on a permanent basis.

### *The Netherlands*

The National Foundation for Assistance to Foreign Workers and the Foundation for Assistance to Foreign Students, in agreement also with certain refugee organizations, have set up the Foundation known as the "Netherlands Centre for Foreigners", regrouping a number of their activities in order to utilize their resources more effectively.

Both at Government level and within the Foundations concerned with foreign workers, solutions are being sought to the problem of ensuring the latter more constructive results, particularly by relieving them of tasks relating to social services for the individual.

Some Commissions have been created, among which one should make special mention of: the Official Commission, charged with giving opinions to the Ministry of Education and Science on all that concerns the schooling of foreign workers' children, and also the Official Commission with the function of advising the Ministry of Public Health on questions concerning the health of such workers.

### *Training of social workers*

### *Germany*

The German Committee for Public and Private Assistance, in collaboration with, and supported by, the Bund, the Länder, local authorities and private associations (notably the German Foundation "Hilfswerk"), has set up in Frankfurt-am-Main a modern centre for professional training in social work. This centre must allow for better coordination, with a view to

promoting more thorough scientific preparation for social work. Other than courses given by the centre of vocational training of the German Committee and Academy for social work for young people and social work in general, lectures and conferences can be held in this centre.

### *France*

Two objectives characterize this field:

- (i) Free training for para-medical and social careers (in this connection the financial contribution has taken the form of the extension in 1972 of responsibility for students' fees and of aid granted to colleges in the form of administrative subsidies); this effort will be considerably enlarged in 1973 (+ c. 70%).
- (ii) Harmonization and pedagogical improvement of courses for social work (in this connection regional Institutes are being set up; liaison committees for the various categories of social service colleges have been reformed).

### *Italy*

Taking into account the introduction of regional organization and the projected reform of the social services, a radical re-examination of training for the officials required is called for, including training of lower and intermediate grade officials, in view of the expansion envisaged for the basic social services (local unit).

## SOCIAL SECURITY

### Statement of the principal measures taken in the field of Social Security in 1972<sup>1</sup>

#### I. SCOPE OF SOCIAL SECURITY

##### *Germany:*

- (i) Extension of sickness insurance to farmers (Law of 10 August)

<sup>1</sup> Excepting simple increases of benefits or adaptations of social contributions.

- (ii) Opening of retirement insurance to those categories not covered by the wage-earners scheme (Law of 16th October).

*France:*

Extension of voluntary insurance to people who have been in hospital for more than 3 years (Amending Financial Law of 24 December).

*Italy:*

- (i) Extension of Social Security to domestic servants (Decree of 31 December 1971),
- (ii) Affiliation of the clergy to the family allowances scheme (Decree of 11 April).

## II. NATURE AND LEVEL OF BENEFITS OF GENERAL SCHEMES

*Belgium:*

- (i) New list of health benefits (Royal Decree of 13 September);
- (ii) A 5% rise in the level of benefits of the various pension schemes, and income guaranteed to the elderly and to handicapped persons (Law of 3 March and Decrees of 28 February);
- (iii) Reduction of the number of years working underground for qualifying for a miner's pension (Law of 26 June);
- (iv) Payment of family allowances for a supplementary month in September;
- (v) Allowance for attendance to gravely handicapped persons (Royal Decree of 15 June);
- (vi) A 7.96% rise in the pensions of salaried workers from 1 January 1973 (Law of 20 December).

*Germany:*

Reform of pensions (Law of 16 October),

- (i) Flexibility of retirement age after 63 years (62 years for handicapped and invalids);
- (ii) Introduction of a pension based on a minimum income;

- (iii) Advancement of the date for increasing benefits;
- (iv) Extension of the scope (see above).

*France:*

- (i) Implementation of the new pensions legislation (Decrees of 28 January) and handicapped allowances (Decrees of 29 January modified by the decrees of 29 December);
- (ii) New conditions for granting pensions for unfitness (Decrees of 17 May);
- (iii) Raising of minimum allowances to aged persons (Decree of 11 October);
- (iv) Entry into operation of the reform of the single wage allowance, of the allowance for child-minding and of the lodging allowance (Decrees of 29 June);
- (v) Raising of minimum unemployment benefits (Decree of 31 January);
- (vi) Intervention of the public authorities in the financing of the system of guaranteed income for the unemployed of more than 60 years (Law of 5 July);
- (viii) Lowering of the qualifying age for a widow's pension (Decree of 11 December);
- (viii) Elimination of area lowerings of family allowances (Decree of 27 December);
- (ix) Reform of the method of calculating wage-earners' pensions (Decree of 29 December)

*Italy:*

- (i) Increase of the minimum pension for the wage-earners and for the social pension scheme (Decree of 30 June) and for the self-employed scheme (Decree of 12 May);
- (ii) Institution of a contribution designed to finance crèches (Law of 6 December 1971) and improvement of maternity protection.

*Luxembourg:*

- (i) Raising of the maximum wage level allowed for sickness benefits is cash (Rule of 25 April);
- (ii) Adjustment of pensions to the level of 1970 wages (Law of 30 March);

TABLE 3

Contribution rates and ceilings applicable to industrial and commercial employees at 1 January 1973

	Germany		Belgium		France	
	Rate %	Ceiling	Rate %	Ceiling	Rate %	Ceiling
Sickness and maternity	Average: 8 Ee: 4 Er: 4	DM 20 700	5.75 (a) + 3.— (b) Ee: 2.— + 1.20 Er: 3.75 + 1.80	331 800 Bfrs. (a) 200 700 Bfrs. (b)	15.95 Ee: 3.50 Er: 12.45	24 480 FF
Invalidity	18	DM 27 600	14 Ee: 6 Er: 8	—	8.75 Ee: 3 Er: 5.75	24 480 FF
Old-age and survivors'	Ee: 9 Er: 9					
Industrial injuries and occupational diseases	Collective rates according to degree of risks in the various occupational branches. Contribution fixed by the trade cooperative associations and calculated on the basis of the total gross earnings, low earnings having been brought into line with the average adult earnings for the area. Ceiling: DM 36 000 or more.		Insurance premiums or employers contributions are fixed by contract for industrial injuries. Contribution to the Occupational Diseases Fund: 0.75% for all employers (ceiling 200 700 Bfrs.)		Collective, individual or mixed rates according to number employed in the concern and degree of risk. Contribution assessed on total of gross earnings, with ceiling of 24 480 FF.	
Family allowances	—	—	Er: 10.50	200 700 Bfrs.	Er: 10.50	24 480 FF
Unemployment	1.70 Ee: 0.85 Er: 0.85	DM 27 600	2.90 Ee: 1.20 Er: 1.70	200 700 Bfrs.	0.70 Ee: 0.14 Er: 0.56	99 900 FF
Note: Ee = Employee Er = Employer	<i>Sickness:</i> The rate varies according to the regulations of the fund concerned.		<i>Sickness:</i> a = benefits in kind b = cash benefits		<i>Unemployment:</i> System under the collective agreement of 31 December 1958, made generally applicable by the ordinance of 31 July 1967. <i>Sickness:</i> A further contribution of 3% is levied on car insurance premiums.	

Italy		Luxembourg		Netherlands		
Rate %	Ceiling	Rate %	Ceiling	Rate %	Ceiling	
14.61 Ee: 0.15 Er: 14.46	—	6 Ee: 4 Er: 2	292 000 Lfrs. (800 Lfrs. per day)	8.90 (a) 2.60 (b) 7.10 (c) Ee: 4.45 + 1 Er: 4.45 + 2.60 + 6.10	(a) 17 680 Fl. (b) 24 300 Fl. (c) 32 500 Fl.	Sickness and maternity
19.0 Ee: 6.35 Er: 12.65 (Er: 0.1 to 0.2)	—	14  Ee: 7 Er: 7	—	7.80 Ee: 2.55 Er: 5.25	32 500 Fl.	Invalidity
				Ee: 10.40 (old age) 1.60 (survivors')	24 300 Fl.	Old-age and survivors'
Collective rates based on degree of risks in the various occupational branches. The rate, varying between 3% and 5% (average 3.9%), is calculated on total earnings. Also an additional contribution equal to 20% of social security contributions.		Collective rates based on a scale of risks. Contribution fixed by the insurance association and calculated on total gross earnings, with a minimum equal to the minimum earnings of an adult manual worker.		See invalidity		Industrial injuries and occupational diseases
Er: 15	1 200 000 Lit	Er: 3.25	—	Er: 5	24 300 Fl.	Family allowances
Er: 2.30	—	—	—	0.6 (a) + 0.5 (b) Ee: 0.3 + 0.25 Er: 0.3 + 0.25	32 500 Fl.	Unem- ployment
<i>Sickness:</i> including 3.80% pensioners sickness insurance, 2% tuberculosis and 0.58% agricultural solidarity. <i>Old age:</i> including 0.15% (Er) for assistance to orphans, but not including basic contribution (0.1-0.2%). <i>Family allowances:</i> the ceiling for commerce is fixed at Lit. 930 000. <i>Unemployment:</i> not including 0.2% in industry for supplementary earnings, (ceiling as for family allowances).		<i>Family allowances:</i> rate applicable in commerce 2.20%. <i>Unemployment:</i> Financed by the public authorities. <i>Sickness:</i> Rate for the National Sickness Insurance Fund for industrial workers.		<i>Sickness:</i> (a) = benefits in kind (b) = general insurance for serious risks (c) = cash benefits (average rate). <i>Unemployment:</i> (a) = interim allowance: variable rate (b) = unemployment insurance.		<i>Note:</i> Ee = Employee Er = Employer

- (iii) Guaranteed income for aged persons (Law of 29 June);
- (iv) Modification of certain fixed conditions in the constitutive pension scheme (Law of 9 September).

*Netherlands:*

- (i) Bearing of the costs of contraception by the sickness insurance (15 July);
- (ii) Raising of the benefits for "old" invalids so that they are guaranteed the same protection as the invalids benefiting from the new system of incapacity insurance (Royal Decree of 29 July);
- (iii) Adoption of the principle of an automatic raising of social benefits twice a year (Law of 26 January).

### III. EVOLUTION OF SCHEMES OTHER THAN THE GENERAL SCHEMES

*Belgium:*

- (i) Modifications of the system for self-employed workers (Law of 12 July), first applicatory measure being the increase of family allowances for the second child (Royal Decree of 11 August);
- (ii) A 6% rise in the invalidity pension for miners (Royal Decree of 26 June).

*Germany:*

Raising of farmers' pensions (Law of 26 July); more flexible rules for the granting conditions.

*France:*

- (i) Reform of the pensions scheme for non-agricultural non-wage-earners to align it with the wage-earners' scheme (Law of 3 July);
- (ii) Insurance for injury at work for agricultural workers (Law of 25 October);
- (iii) Improvement of the entry conditions and calculation of rights to an old-age pension in the miners' scheme, and an exceptional revaluing of old-age and invalidity benefits in this scheme (Decrees of 20 April and 27 October).

*Italy:*

Progressive harmonization of minimum pensions for self-employed and wage-earning workers (Decree of 12 May).

*Luxembourg:*

Harmonization of conditions for granting pensions in the several schemes (Law of 23 March) and adjustment of the pensions paid to craftsmen and tradesmen to the level of 1970 income (Law of 30 March).

*Netherlands:*

Possibilities of organising the occupational schemes in the different sectors (Law of 29 June).

## INDUSTRIAL SAFETY, MEDICINE AND HYGIENE

*Benelux*

In 1972, the Ministerial Committee of the Benelux States drafted two proposed amendments with a view to adapting the recommendation on acetylene generators and the recommendation on passenger and load lifts on building sites to recent technical developments. The draft regulation on compressed air caissons was also submitted to the Council of Ministers.

In addition, a draft regulation on electric fences for grazing land and a bill ratifying, for the Benelux States, Convention 119 of the International Labour Organization on the protection of machines were also finalized.

*Belgium*

According to the law of 1888, the officials and employees responsible for factory inspection were only admitted to factories classified as dangerous, insanitary or incommensurate. The new law of 16 November 1972 extends free entrance to all workrooms; furthermore it authorizes the above mentioned officials and employees to order the appropriate measures to remedy the deficiencies and to set deadline dates for their execution.

A number of Royal Decrees were issued amending certain provisions of the general legislation on industrial protection. These amendments lay down new requirements for the qualifications of persons and organizations authorised to test electrical equipment. In future; such tests will only be carried out by approved bodies; the sole exception to this rule will be made, under certain conditions, for the supervisory officials of electricity distribution companies. The use of electrical appliances to stun animals on supervised premises is also to be regulated and the protection of accessible components carrying low voltage will no longer be necessary in some cases. In addition, under certain conditions, the use of liquids, mixtures and preparations containing a total of more than 1% by volume carbon tetrachloride, 1,1,2,2-tetrachlorethane and /or pentachlorethane is prohibited.

The Royal Decree of 17 January 1972 requires persons engaged in cutting up carcasses with knives in the butchery trade to wear personal protective clothing such as protective aprons, special gloves and sleeves. The Royal Decree of 4 April 1972 supplements Article 158(b) of the general legislation on industrial protection by a provision rendering compulsory the wearing of shoes with reinforced soles for certain work in the building industry. A regulation of 2 June 1972 lays down a similar requirement, i.e. the wearing of shoes with steel caps and reinforced soles, in a number of listed dangerous occupations. An advice of 25 February 1972 concerning glassworks recommends and enumerates the personal protection equipment to be used in the different branches of this industry.

Royal Decrees of 17 April 1972 and 17 July 1972 amended Article 52 of the general legislation on industrial protection<sup>1</sup> in the area of protection against fire. Their purpose is to reduce the risk of fire in the retail trade and they lay down requirements in particular for the fire-resistance of connecting doors between sales areas and storage rooms.

A Royal Decree of 17 April 1972 incorporated in the general legislation on industrial protection a new chapter containing special provisions for workers under the age of 18. It prohibits the presence of young workers in areas where there is a risk of fire and explosion. It also prohibits, apart from certain exceptions, the employment of young workers on certain dangerous machines or in occupations in which they are exposed to the action of various toxic substances.

The Ministerial Decree of 17 March 1972—departing from Article 768 of the general legislation on industrial protection— allows the use, under certain conditions, of sheeting and tubes manufactured by the LD process (in a converter with pure oxygen) in the production of steam boilers, pressure reservoirs for starting internal combustion engines and containers for gases

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<sup>1</sup> *Report on the social situation in the Community in 1969*, section 275.

which are compressed, liquefied and dissolved under pressure. The Royal Decree of 16 October 1972 adds two new rubrics to the classification of factories: storage of textual waste (as far as not classified in other rubrics) and establishments treating or destroying such waste.

The Royal Decree of 23 May 1972 prescribes actions against nuisances to which workers are exposed, especially actions against noise and air pollution; these prescriptions also include industrial medicine and safety committees in the factories.

The Ministerial Decree of 17 February 1972 completes the conditions and procedures of authorization for laboratories having the duty to make analysis and examinations for factories' medical services.

In order to extend the actions against nuisances, the regulations for packing and labelling of dangerous substances and mixtures are being improved. Special measures for the prevention of intense vibrations, particularly in the use of power engines are also in preparation.

### *Germany*

By a decree of the Federal Minister for Labour and Social Order, the Federal Institute for Industrial Protection became the Federal Agency for Industrial Protection and Accident Research with headquarters in Dortmund from 1 January 1972.

The Federal Agency has the following tasks:

1. To promote industrial protection, accident prevention on the journey to and from work and accident prevention in the home and leisure activities.
2. To encourage training and advanced training in the area of industrial protection.
3. To promote and coordinate accident research.
4. To advise the Federal Minister for Labour and Social Order on the basis of special instructions, in particular in:
  - (i) the preparation of laws, regulations and administrative texts;
  - (ii) the examination of draft accident prevention regulations and generally recognised rules of engineering;
  - (iii) the harmonization of technical texts within the European Communities.

For the furtherance of its activities, the Federal Agency maintains:

- (a) the necessary laboratories and test facilities;
- (b) a data bank;

- (c) a specialised public library;
- (d) a documentation centre.

A bill on industrial doctors and industrial protection experts was laid before the German Bundestag on 28 April 1972. In future, enterprises will be obliged by law to employ industrial doctors and industrial safety experts.

The bill is based on the assumption that a far-reaching improvement in industrial safety can only be achieved if the employer is at all times able to call upon expert advisers in the area of industrial safety and medicine. These advisers must be acquainted with the processes used in the enterprise and have expert knowledge appropriate to the accident and health risks in the enterprise concerned. Industrial doctors and safety experts are also to cooperate closely with the works council. A summary of the number of company doctors in the Federal Republic in recent years is set out below:

	1969	1970	1972
Company doctors, full-time	652	626	685
Company doctors, part-time	1 280	1 190	1 357
Supervisor, industrial doctors	945	901	37

A regulation was issued permitting for the first time the employment of women as drivers of trams, omnibuses and lorries.<sup>1</sup>

Further regulations laid down new provisions for lifts and work with compressed air.

The directive of 10 November 1970 on protection against noise at the place of work was adopted, on a recommendation of the Federal Minister for Labour and Social Order, by industrial authorities at the highest level in the Federal Länder; it is followed by the authorities responsible for industrial protection in their supervision of enterprises. If measurements show or there is reason to assume that a noise level guide value of 90 dB(A) may be exceeded at the place of work, the authority must instruct the employer to arrange check-ups of the employees concerned and these employees must also use personal noise protection devices.

In this case it will have to be examined which technical measures should be taken in the factories in order to reduce the noise in such a way that there is no fear of ear damage.

<sup>1</sup> *Report on the development of the social situation in the Communities in 1969*, section 346.

## *France*

A Law of 31 December 1971 on safety officials responsible for workers in mines and quarries modified the remuneration and procedure for appointing such officials. It also defined their rights in the area of social security and social benefits. Some prescriptions of this law had been specified by two decrees of 14 February 1972. A draft amendment of the regulation of 1 August 1947 on the appointment of safety and hygiene committees to implement accident prevention measures on a permanent basis in the enterprise, is now undergoing further preparation after submission to the appropriate expert committees for examination. Its main aim is to adapt the regulation in question to the development of production techniques and to improve the role of these committees in the context of the policy of consultation of both sides of industry.

A number of decisions and circulars were published to improve the protection of workers in companies using electrical current.

An important circular of 26 November 1971 on the application of the regulation of 12 April 1969<sup>1</sup> relating to the protection of workers against the harmful effects of noise, provides a starting point for a sustained effort to improve the environment at the place of work.

16 new lists and 11 amendments to lists of occupational illnesses giving entitlement to compensation under the social security regulations were compiled in 1972.

On a recommendation of the Department of Hygiene and Industrial Safety, the following international conventions were ratified:

No. 115 on the protection of employees against ionising radiation (ratified on 18 November 1971)

No. 136 concerning protection against hazards of poisoning arising from benzene (ratified on 30 June 1972).

A decree of 4 May 1972 lays down the method of analysing substances covered by the provisions of the regulation of 14 June 1969 on the prohibition of the use of benzol as a solvent. It makes for exact measurement of this substance and therefore ensures application of the regulation under the best possible conditions.

In the field of accident prevention, a Ministerial Decision was taken in the context of social security legislation, on measures to prevent industrial accidents

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<sup>1</sup> *Report on the development of the social situation in the Communities in 1969*, section 278.

and illness in the scrap metal recovery sector. Five recommendations were also issued on the following subjects:

1. Travelling cranes, operated from the ground.
2. Electrochemistry and electrometallurgy.
3. Handling of large containers.
4. Automatic machines and automated units.
5. The use of pesticides based on dimethyl-phosphate.

### *Italy*

1972 was marked by two important events: the premature dissolution of Parliament and the transfer of administrative powers which had previously devolved on the national administration to regional administrations. This resulted in a delay in the enactment of legislation and did not make for a smooth flow of administrative activity in the transitional period. For example, health protection at the place of work is now the responsibility of the regions, while responsibility for health aspects of the prevention of industrial accidents and for industrial hygiene remains with the Ministry of Labour.

In cooperation with the Institute for the Control of Pressure Devices (ANCC) a Ministerial Decree was prepared on the manufacture of such devices. It contains provisions on:

1. methods of calculation for the various components of pressure devices;
2. the characteristics of the materials used;
3. welding.

The purpose of these provisions is to bring the existing regulations for compressed gas containers and steam boilers into line with international experience and knowledge. Additionally, the Ministry of Labour is preparing a regulation on the use of these pressure devices.

Acting on directives of the Ministry of Labour prepared with the cooperation of the trade unions, the industrial supervisory authorities implemented a large number of measures; these include in particular:

- (i) an effective, large-scale programme to examine the enforcement of current regulations on the manufacture and use of pressure devices;
- (ii) publication of uniform criteria for the fitting of protective frames or cabins on agricultural tractors.

This measure is based on Article 182 of the Presidential Decree of 27 April 1955 which, for a variety of reasons, had not yet been implemented in the case

of agricultural tractors. Having regard to the definition of requirements for the design of these protective devices, laid down in publications of various international organisations such as the OECD and ISO, the national manufacturers of agricultural tractors were asked to ensure that their products complied fully with legal requirements. It was further noted that a solution to this problem may emerge from the guidelines issued by the Commission of the European Communities;

(iii) fixing of administrative procedures for granting authorisation for the use of tubular steel scaffolding and notification of these procedures to the manufacturers. The properties of the material to be used, the methods of calculation to be applied and the load tests to be carried out were determined jointly by the Ministry of Labour, the EMPI (the National Accident Prevention Institute) and the CNR (National Research Council).

The authorisations granted to manufacturers of tubular steel scaffolding are valid for scaffolding up to a height of 20 metres. At greater heights, special authorisation must be obtained in each individual case from the responsible civil engineer or architect.

### *Luxembourg*

No new regulations were issued in the area of industrial safety in 1972.

The information campaign on eye accidents organized in 1971 had favourable results in the shape of a noticeable reduction in the incidence of eye injuries.

An intensive information campaign on the prevention of accidents in the building industry was prepared for 1973.

Work continued on revised legislation in respect of dangerous, dirty and uncomfortable working premises.

A bill laying down new arrangements in respect of mining and industrial supervision was also drafted.

As far as industrial medicine is concerned, prescriptions about medical aptitude examinations for young workers are being prepared.

### *Netherlands*

A new decision on mobile conveyor belts, based on the law on dangerous machinery implementing the Benelux agreement, modified existing regulations.

Work continued on a revision of the law on steam boilers and on amendment of the law on insecticides and plant protection compounds. The

“Benelux law on dangerous tools” was laid before Parliament. A regulation implementing the safety law on cleaning and repair work on tankers was prepared. Pursuant to the directive of the Council of Ministers of the European Communities, a regulation was also prepared on the packaging and labelling of dangerous substances.

## PROTECTION OF THE ENVIRONMENT

### *Noise Abatement*

In the Federal Republic of Germany, paragraphs 16ff of the Trading and Industrial Code, (*Gewerbeordnung*), the provisions of which were substantially improved by amendments introduced in 1955, are among the most important of the noise abatement regulations. According to them industrial and other installations for economic use, which could constitute a hazard to the environment, require special permission from the competent authority. Permission can only be granted if a thorough investigation shows that no hazards, serious disadvantages or nuisance may be feared for the neighbourhood or the community in general. Normally permission is conditional on compliance with a number of requirements designed to protect the community in the vicinity of the installation concerned.

Important principles to be followed in the granting of permission are contained in the Technical Manual for Protection against Noise (*Technische Anleitung zum Schutz gegen Lärm*). The reference values given in the Technical Manual vary progressively according to the nature of the environment, industrial, trading mixed, residential, recreational.

The law for protection against construction site noise (*Gesetz zum Schutz gegen Baulärm*) of 1965 contains special requirements for protection against noise. Anyone operating construction machines for economic purposes, either gainfully or otherwise, is required to protect the community, to suppress noise where the state of the art makes it possible to do so and to reduce unavoidable noise to a minimum. The most important general administrative provision on noise abatement in the construction industry so far enacted, the *Allgemeine Verwaltungsvorschrift betreffend Geräuschimmissionen*, contains amongst other things reference values for noise emission, similar to the Technical Manual for Protection against Noise.

For motor vehicles, paragraph 49 of the Road Vehicle Licensing Ordinance (*Strassenverkehrszulassungsordnung*) requires that features should be incorpora-

ted to suppress noise to the extent permitted by the state of the art. Directives lay down noise limit values for the individual types of vehicle, which must not be exceeded.

Noise from aircraft is dealt with by the Air Traffic Law (*Luftverkehrsgesetz*) and its implementing regulations and by the Law for Protection against Aircraft Noise of 1971.

The Federal Government has submitted a bill to Parliament for a federal law on protection against nuisance (*Bundes-Immissionsschutzgesetz*), which is aimed, among other things, at collecting the various clean air and noise abatement regulations together, as far as possible, into one piece of legislation.

In Belgium the provisions governing noise abatement are to be found in a general body of labour legislation enacted in 1946. This legislation requires that official permission be granted for the use of premises involving dangerous, unhealthy or uncongenial work and includes special provisions applicable to certain industries or installations. The Royal Decree of 23 May 1972 introduced some amendments to this legislation, especially with regard to workers employed in places where they are exposed to noise. Other regulations applying to road traffic also comprise provisions for noise abatement. In particular, the regulation of 14 January 1971 on motor vehicles lays down maximum permitted values for noise from such vehicles.

In France, legislation on noise control is extremely diverse. General legislation in this field can be found in the Penal Code which imposes a fine on "persons responsible for or accessory to the causing of offensive or nocturnal noise, disturbance of the peace or assembly which disturbs the quiet of residents". Numerous regulations have been adopted pursuant to this basic provision to cover a diversity of noises: use of musical instruments, bell ringing, animal noise, road traffic noise, etc.

Among the Acts on particular sources of noise, that of 9 December 1971 on classified buildings deserves particular attention. It concerns industrial and commercial premises which present risks or disadvantages as regards either the safety, health or comfort of the surrounding area or public health and even agriculture. This Act protects against all forms of pollution in general and also protects the area surrounding such premises from noise.

As regards road traffic, Interministerial Decree of 25 October 1962 on the measurement of noise emitted by motor vehicles fixes the maximum noise levels for the various categories of vehicle at between 76 and 90 decibels.

For noise produced on sites the Decree of 18 April 1969 established that machinery used on sites must be fitted with devices which reduce noise to a tolerable level. An outline bill is at present being drafted which will provide all

the noise regulations with a framework of reference permitting more coherent action and will give more objective definitions of noise so that it will be easier to check noise levels and to establish responsibility for noise emission. In addition, it will make subject to regulation certain appliances which until now have escaped all supervision, e.g. household appliances, lawnmowers, etc.

In the course of 1972 the following decrees were passed in France:

- (i) Decree of 11 April 1972 (*OJ* of 2 May 1972) limiting the sound level of overhead noise emitted by the internal combustion engines of certain site machinery.
- (ii) Decree of 11 April 1972 (*OJ* of 2 May 1972) limiting the sound level of overhead noise emitted by motor air-compressor groups.
- (iii) Decree of 10 March 1972 concerning EEC, acceptance of permissible sound levels and exhaust systems of motor vehicles.
- (iv) Decree of 13 April 1972 (*OJ* of 9 June 1972) concerning noise from motor vehicles.
- (v) Decree of 13 March 1972 (*OJ* of 20 June 1972) on EEC approval of vehicle sound warnings.
- (vi) Decree of 10 February 1972 on the award of the sound comfort label.
- (vii) Decree of 4 May 1972 (Minister responsible for the protection of nature and the environment). Approved laboratories for measuring site machinery noise.
- (viii) Decree of 18 May 1972: Approved laboratories for measuring noise in the working environment (Ministry of Labour).
- (ix) Decree of 16 March 1972 on the approval of bodies authorised to measure noise in the working environment (Ministry of Labour).
- (x) Decree of 27 December 1972 (*OJ* of 6 January 1973) on the approval of bodies empowered to measure overall noise intensity and to carry out spectral analyses of noise in a working environment.

In Italy, Article 659 of the Penal Code contains a general provision prohibiting the disturbance of people's work or rest by noise from noisy appliances, sound signals and animals. The sole text of the public safety laws (R.D. No. 773 of 18 June 1931) applies to dangerous industrial plant and to noisy and noxious work and lays down that noisy or noxious work must not be carried out during the hours fixed by local regulations. As regards the worker's protection against noise, D.P.R. No. 303 of 19 March 1956 stipulates that appropriate measures be taken as regards work which causes vibrations and noise which are dangerous to workers.

As regards road traffic, D.P.R. No. 393 of 15 June 1959 (Testo unico della circolazione stradale) applies to road traffic noise and specifies the conditions for using sound signalling devices.

In Luxembourg, no noise control legislation exists as yet. The Secretary of State at the Ministry of the Interior has appointed an interministerial commission to prepare a bill on noise control.

Article 561 of the Penal Code, certain articles of the Highway Code and a number of communal regulations make it possible to restrict certain kinds of noise.

In the Netherlands, the Noise and Nuisance Act of 15 May 1972 (*Hinderwet*) lays down measures for preventing risks, annoyance and nuisance caused by industrial noise. The Highway Code contains provisions which limit road traffic noise. Other Acts confer certain intervention powers on the central and communal authorities. Specific measures concerning noise pollution are at present being prepared.

### *Water Pollution*

In 1972 France made a certain number of provisions which complete those appearing in the preceding report.

#### *Circulars which came out in 1972*

- (i) Inter-ministerial circular of 4 July 1972 on accidental water pollution (the organisation of emergency intervention, circulation of information, follow-up measures and punishment of infringements);
- (ii) Circular of 4 July 1972 issued by the Ministry for the Protection of Nature and the Environment discussed in collaboration and concerning rules to which surface treatment plants should be subject in order to prevent water pollution;
- (iii) Circular of 28 June 1972: Article 80 (a) of the standard departmental Health Regulation, on pleasure ports.

#### *Decrees pending counter-signature*

- (a) Inter-ministerial decree for the application of Articles 2 and 6, 1<sup>o</sup> of the law 64-1245 of 16 December 1964 on the procedures for discharge, drainage, outlets, direct or indirect deposits of water or of substances likely to harm the quality of surface or underground water and sea-water within the territorial limits:

- (b) inter-ministerial decree for the application of Articles 40 and 57 of that law, on the protection of underground water.

*Texts being prepared*

- (i) Decree for the application of the 1st decree referred to above (application of Articles 2 and 6, 1° of the law);
- (ii) Decree on the cleanliness of beaches;
- (iii) Decree on hygiene in swimming pools and bathing-places;
- (iv) Revision of texts on hygiene on camp-sites;
- (v) Texts on water supplies (standards—choice of resources, etc.);
- (vi) Addition to the standard departmental Health Regulation, on the improvement of sanitation on pig farms;
- (vii) Procedures concerning the removal of night-soil;
- (viii) Procedures concerning the removal of waste oils.

*Pollution of the environment by pesticides*

Law No. 79-1139 of 22 December 1972 extending the scope of the law validated and amended of 2 November 1943 on the organization of the inspection of pesticides and herbicides used in agriculture (*OJ* of 23 December 1972).

*Health problems arising through lead*

In France, two measures were taken recently: the circular of 6 June 1972 on incineration plants for town refuse; the circular of 4 July 1972 on surface treatments, which includes, in particular, provisions concerning air pollution.

Moreover, important measures are being prepared:

1. Draft decree to entrust inter-ministerial collaboration on matters concerning atmospheric pollution to the Minister Delegate to the Prime Minister responsible for the protection of nature and the environment of 27 January 1972.
2. Draft decree governing the discharge of toxic gases and particles from fixed sources.

This draft decree will regroup the procedures laid down in rules adopted in application of the law of 2 August 1961, concerning air pollution and odours, which amended the law of 19 December 1917, and the law of 10 March 1948 on the use of power. This would in particular repeal the

decree of 17 September 1963 providing for the creation of specially protected zones. This text would introduce two important changes:

- (a) the possibility, depending on meteorological conditions particularly unfavourable to the dispersions of pollutants, of applying measures to limit emissions from certain installations, which could extend to the closure of the installations;
  - (b) the possibility of regulating or prohibiting combustion in installations not intended for that purpose ("uncontrolled combustion").
3. Research for the purpose of laying down health standards for pollutants from motor vehicles (CO, NO<sub>x</sub>) and the pollutants most commonly found in urban atmospheres (SO<sub>2</sub>, dust).

*Report on the lead content in the atmosphere within the Community and the United Kingdom*

*Results of measurements carried out between 1 April 1971 and 31 March 1972*

The results show that for the measurements carried out on a continuous basis: in 45 stations in the Community and the United Kingdom, in heavily trafficked roads, residential roads and rural areas:

- (i) in rural areas the monthly averages are always less than 0.5 µg of lead/m<sup>3</sup>, and the daily maxima less than 1 µg/m<sup>3</sup>.
- (ii) in residential areas composed of small towns the monthly averages are less than 1 µg/m<sup>3</sup> and the daily maxima less than 2 µg/m<sup>3</sup>.
- (iii) in residential areas composed of large urban centres the monthly averages are less than 2 µg/m<sup>3</sup>, although the daily averages may be as high as 8 µg/m<sup>3</sup>.
- (iv) in areas where there is heavy traffic in these large urban centres the monthly averages may be as high as 6.5 µg/m<sup>3</sup>, and the daily figures 10 µg/m<sup>3</sup>.

The results of measurements carried out during hours when there is extremely heavy traffic show that:

- (a) in areas where there is heavy traffic in small towns the monthly averages are less than 3 µg/m<sup>3</sup> with individual figures less than 8 µg/m<sup>3</sup>.
- (b) in similar areas in large urban centres the monthly averages are less than 10 µg/m<sup>3</sup> with individual figures less than 20 µg/m<sup>3</sup>.

### PART III

## GENERAL SURVEY OF THE EVOLUTION OF THE SOCIAL SITUATION IN THE UNITED KINGDOM IRELAND AND DENMARK

In view of the enlargement of the European Communities from six to nine members on 1 January 1973, the Commission has considered it desirable to report in a supplementary chapter on the most important social developments in the new Member States—the United Kingdom, Ireland and Denmark—during 1972, even though these countries did not yet actually belong to the Community in that year. The extent to which it appeared necessary for the purposes of clarification, the Commission has linked the account of social evolution in 1972 to a comparative description of the current social structure in these countries.

In addition, it should be pointed out that the system of “social indicators” given for the first time in the appendix already contains information on the three new member countries and thus permits in their case also a comparison both of evolution since 1958 and of the present situation in nearly every field of social policy.

### 1. POPULATION AND EMPLOYMENT

#### *General*

In the three new Member States the population has increased more slowly in the last thirteen years than in most countries of the Six; this is particularly the case in Ireland, which admittedly has for years shown the highest birth rate of all nine countries, but which was losing a considerable part of its population through extensive emigration.

The number of inhabitants in the United Kingdom in 1971 amounted to 55.7 million; Ireland had about three million and Denmark 4.9 million inhabitants.

At about 48% and 45% respectively the employment rate (proportion of the labour force to the total population) in Denmark and the United Kingdom is higher than in all six original Member States, whereas Ireland with 38% shows a lower rate similar to those of Italy and the Netherlands. The most fundamental cause of the relatively high rate of employment in the first two countries probably relates to the fact that women's employment is more widespread here than in the other member countries.

What distinguishes the structure of the working population in the three new member countries is that the "Agriculture, Forestry and Fisheries" sector employs less than 3% of the working population in the United Kingdom, less than 11% in Denmark but still more than 25% in Ireland, whereas in the first two countries more than half are already employed in the services sector. As a result of the small number of the working population in agriculture, the proportion of self-employed persons and assistant members of the family to the total working population in the United Kingdom is, at 7.5% extensively lower than in all other Community countries, whereas in Ireland, at 30%, it is as high as in Italy.

### *United Kingdom*

In the United Kingdom economic and social developments in 1972 were characterized by the Government's efforts to combat the twin evils of high unemployment and inflationary price increases. In both fields there has been some success.

There is growing evidence that the economy of the United Kingdom was expanding in the second half of 1972. Production continued to expand; but the most dramatic evidence of increasing demand was shown by the development of the figures for unemployment and notified vacancies: thus the seasonally adjusted figure of unemployed for Great Britain was more than 100 000 lower in October and more than 150 000 lower in December 1972 than the peak in March of the same year. During the same period (from March to October resp. December 1972) the seasonally adjusted number of vacancies increased by 39 000 resp. 63 000.

In the United Kingdom workers often have a considerable attachment to their home area and are therefore reluctant to take employment elsewhere. For this reason, in the spring of 1972, the Government announced significant improvements in the financial assistance to workers prepared to move their homes to take up other employment, with additional help for moves to assisted areas. The government also announced plans for extensive improvements in the employment placement services, with the following four objectives:

- (a) to convince employers that it is worth informing the placement service of at least double the number of vacancies notified in recent years;
- (b) to persuade workers in employment who seek a change of job to visit the local employment office as well as using other agencies and methods of finding work;
- (c) to provide an effective placing service not only for unskilled and semi-skilled manual workers, but also for skilled workers, and executive, technical, scientific and professional employees;
- (d) to improve the capacity of the placement service to advise workers about alternative jobs, training facilities and assistance in the case of moving elsewhere and to inform employers of probable changes in the local labour market.

The changes needed to achieve these objectives are: a new management structure for the employment placement services, the separation of employment work from the payment of unemployment benefit, a new network of improved employment placement offices with better trained staff and the introduction of an effective specialized service for executive, technical, scientific and professional workers.

Work on this has been proceeding throughout 1972; a plan setting out the specific action to be taken and changes to be made is almost completed. Changes and developments which were seen to be essential and urgent are already being carried out.

In contrast to the favourable overall trend of unemployment in 1972, the number of unemployed young people has increased compared with a year ago;<sup>1</sup> this is especially true of certain regions and for school leavers, although the majority of the latter have found employment. A more intractable problem is raised by the less well qualified boys and girls of 16 and 17 who became unemployed after having had one or more jobs since leaving school. Their number have risen steadily over the last two years. In the short term, the situation should continue to improve as a result of the raising of the school leaving age to 16 which will considerably reduce the number of young people leaving school to enter employment in 1973. In the longer term, it has been suggested that as a result of technological progress, many of the job opportunities for young people will disappear. In order that this problem may be tackled effectively the National Youth Employment Council set up a Working Party early in 1972 to investigate trends in employment opportunities for young people who are not fully qualified.

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<sup>1</sup> However, towards the end of 1972 the situation was beginning to improve.

In order to reduce unemployment in certain regions with persistent high unemployment rates, the Industry Act of 1972 offers regional development grants for qualifying manufacturing, mining and construction activities, both to firms setting up new establishments in assisted areas and for the modernisation and expansion of existing industry in these areas. Selective assistance, mainly in the form of loans, can be offered for projects which safeguard existing employment or provide additional employment.

### *Ireland*

In Ireland the number of unemployed rose during the second half of 1971 and continued to increase in 1972 for various reasons. At the end of 1971 the number of unemployed was 9 000 above the figure for the year before. In 1972, the number of registered unemployed was about 6 000 above the corresponding figures for 1971: in fact, the increase in business activity during the second half of this year brought an improvement in the unemployment situation. The increase in unemployment is attributable mainly to the reduction in emigration and, as far as industry is concerned, to increased competition on home and world markets. In addition, the difficulties in Northern Ireland have had an adverse effect on the tourist industry and on the establishment of foreign-sponsored industries.

To counteract this adverse trend and to stimulate economic development and increase employment opportunities, an expansionary budget was introduced in April 1972, envisaging a deficit of almost £35 million. There was no increase in taxation and the deficit is financed mainly by borrowing.

During the six months before the budget other efforts were made to stimulate demand and improve the employment situation. These measures related as far as possible to areas where employment could be increased rapidly.

Regional employment policy was put on a more systematic basis with the publication of regional development plans by the Industrial Development Authority. The plans analyse the industrial potential of the nine planning regions and contain job targets in industry for relatively small geographical areas between 1973 and 1977.

### *Denmark*

In the course of 1971 there was a slackening in the rate of increase in domestic demand. In conjunction with the trend of productivity and rather modest recruitment to the labour force, this resulted in increasing unemploy-

ment. Since then, however, there has been an improvement in economic activity, partly as a result of the international state of the market, partly because of increased building investments and, lastly, due to the increased domestic demand for consumer goods. The result was an improvement in the employment situation in 1972. The average number of registered unemployed (unemployed insured under trade union unemployment schemes) still reached just under 40 000 during the first six months of 1972 as against just over 30 000 in the first half of 1971 but, apart from the influence of weather conditions on construction work, the increase is attributable in particular to increased unemployment in other outdoor work.

Whereas it was possible to increase the labour supply by some 30 000 in 1971 as a result of introducing additional opportunities for part-time work (in terms of full-time workers, however, by only 10 000), in 1972 there seems to have been no more recruitment, so that the total labour force remained almost unchanged. However, within the working population—as in previous years—extensive structural adjustments have taken place. Thus, between the end of April 1970 and the beginning of May 1972 the number of the working population in agriculture declined by over 23 000, in manufacturing industry by more than 27 000 and in commerce, transport and “other services” by about 15 000, while during the same two-year period the labour force in the building industry rose by over 8 000, in administration and the liberal professions by around 74 000 and in the rest of industry by 17 000.

Employment did not quite follow this development; this is true in particular of the building industry, where because of increased unemployment in mid-June 1972 over 5 000 fewer persons were employed than in the previous year. As in the previous year, reductions in employment were also recorded particularly in the metal-working industry and in footwear and clothing industries, whereas employment improved in particular enterprises related to the building trade, i.e. the stone, earthenware and glass industries.

In November 1970 the issue of initial work permits to foreign workers was partially stopped, which restricted immigration to a considerable extent. The Circular of 29 May 1972 reduced the possibilities of obtaining exemption from the halt on immigration for foreign workers: such exemptions are now granted only to persons who can show possession of specified occupational skills. On the other hand, the procedures for the issue and renewal of work permits were simplified so that the initial permit for specified work with a particular employer is now granted for twelve months (instead of six as previous) and the second work permit is granted for twelve months without the above mentioned restrictions and without previous submission to the employment authority.

## 2. VOCATIONAL GUIDANCE AND TRAINING

### *United Kingdom*

During the last twelve months there has been a perceptible move towards a "professionalization" of vocational guidance of young people in the United Kingdom. Thus, a referral arrangement was introduced experimentally whereby certain difficult cases are passed on by the careers officers to psychologists, usually belonging to the Department of Employment. If this scheme is found to be useful, it will be consolidated and expanded. The Department of Employment has also started to test out its newly constructed battery of cognitive tests for schoolchildren. According to the success of these tests a decision will be made in 1973 as to whether or not they are to be recommended for use by Local Education Authorities. Interest in the special problems of the socially disadvantaged young people has also increased.

There were no statutory enactments about vocational training in 1972, but a document entitled "Training for the Future: a Plan for Discussion" was published by the Secretary of State for Employment on 1 February of this year. It contains an announcement of the Government's decision on a large-scale expansion of the vocational training scheme and makes proposals about the future role of the Industrial Training Boards.

The Training Opportunities Schemes was introduced with both an economic and a social purpose. Economically, it aims to provide a supply of skilled manpower to meet shortages of skilled labour and, socially, its main purpose is to offer wider opportunities to those who fail to obtain skills immediately after the end of their education, who have mistaken their choice of career etc., or to prepare workers for new employment by offering them wider opportunities to acquire new skills. The Government's aim is to increase the number of people trained annually from 18 000 in 1971 to between 60 000 and 70 000 in 1975 and later to 100 000. Training is provided in Government Training Centres, Colleges of Further Education, Commercial Colleges, employers' establishments, residential training centres and other special training establishments for the disabled.

Training schemes are available both to people already in employment and to people, such as married women, who wish to return to employment. Courses will not be limited to occupations with specific labour shortages, but will also meet the special requirements of individuals. The main demand is expected to be for training in skilled manual and non-manual occupations, but training will also be provided in semi-skilled occupations. The Government hopes that during periods of relative high unemployment workers will take advantage

of the opportunity to retrain, in order to improve their chances of getting a job when the demand for labour increases. In order to achieve better training, courses will be provided in new and expanded Government Training Centres, and there will be greater use of facilities in employers' establishments.

In the proposals for the future role of the industrial training boards, the document mentioned previously suggests the establishment of a National Training Agency which would take over many of the tasks at present carried out by the Department of Employment and which would coordinate the continuing work of the industrial training boards. It is also proposed that the present levy/grant scheme should, in general, cease after 1973 and that the National Training Agency should finance out of public funds continuing financial incentives for key training activities.

The Secretary of State was convinced that the present system of levy/grant was not wholly satisfactory, and he therefore proposed that smaller firms should be wholly exempt from levy and also that the present exemption levels operated by some boards should be raised. He proposed to require boards to exempt from levy after 1973/74 any firm which they were satisfied was carrying out such training as was reasonable to meet the firm's own needs. The levy on the unexempted firms will not exceed one per cent of the payroll.

On 22 November 1972 the Secretary of State announced that he intended to set up a Manpower Services Commission as the body to coordinate the employment and training services and involve employers and employees in these activities. It would consist of about 10 members, representing both sides of industry, local authority and education interests. Under the new system the training boards will continue to be responsible for training within their industries.

In addition to two training assistance schemes already in existence since 1964 and 1971 in assisted areas, a third scheme for the payment of grants to firms in assisted areas for the retraining of workers was introduced in 1972. In order to create additional employment opportunities, the firms are granted weekly sums for the retraining of workers whom they would otherwise have to discharge. These grants, which are for retraining and the improvement of existing occupational skills, are paid for at least two weeks but not more than twenty-six weeks, provided that the worker is not declared redundant on completion of the training. This scheme is intended to be in force for only as long as high unemployment justifies it. It will be reviewed after twelve months.

Lastly, the Government also took short-term measures to improve the poor situation on the labour market for young people, described above. Thus, both in 1971 and 1972/73 various industrial training boards made special efforts to provide additional skilled training places (4 325 in 1971) for school leavers who have been unable to obtain an apprenticeship. The Government is bearing

half the cost. Moreover, the facilities of the Government's Vocational Training Scheme were extended in the summer of 1971 to young people under eighteen, with the result that by autumn 1972 over 900 young people had attended short semi-skilled courses at Colleges of Further Education and employers' establishments under the scheme. Most of these courses were run in areas of high unemployment, such as Scotland, Wales, the North East and the North West. Lastly, the Government has made half a million pounds available for an experimental scheme run by the National Association of Youth Clubs for providing young people with work of social value, especially in the Community project field. In eight areas of high unemployment 550 young people were employed by this scheme at the end of September 1972.

### *Ireland*

In the field of vocational guidance the Government sought to put the guidance service on a more formal and systematic basis and to expand it further, so that vocational guidance and psychological services can gradually be introduced in all schools. The guidance scheme has leaflets describing over 350 careers for free distribution to schools, libraries, youth clubs, etc. for pupils' information.

In this connection, it should be mentioned that the school leaving age has been raised to 15.

The primary responsibility for vocational training in Ireland rests with the enterprises. The State encourages it by a levy/grant scheme and the provision of technical assistance grants for the training of managerial and supervisory personnel. The levy/grant schemes already in existence for most manufacturing industries and the building trade, under which enterprises must pay a prescribed percentage of their payroll into a fund from which grants are made for certain types of training, were renewed in 1972 on the basis of experience in previous years.

Three further training centres where workers are given the opportunity of acquiring new skills were established; this doubled the number of training places available

Irish industry's demand for new skilled labour is traditionally met by recruiting apprentices, whose training period usually lasts five years. In the light of changing needs a review of the whole system of apprentice training was begun in 1970. The discussion continued this year, and concrete results will soon be available.

## *Denmark*

In April 1972 general compulsory education was extended from seven to nine years. The extension will take place by stages in the 1972/73 and 1973/74 school years.

In accordance with a Parliamentary decision of 1969, pupils are to be given the opportunity after nine years of schooling either to continue their education for a tenth year in the primary school or a similar school or to start broad basic vocational training.

The Experimental Vocational Training Act of June 1972 authorizes the Minister of Education to prepare, on an experimental basis, various types of vocational training for young people who after nine years of schooling wish to undergo basic vocational training. These experiments are to be developed during the coming years, in order to replace the present training system completely after 1978/79. Already in 1969 initial experiments of this kind were carried out in the metal-working industry. Experiments in five other fields followed in 1972, and in 1973 it will probably be the turn of agriculture. These experiments all have in common that they start with a base year at school, during which basic information, an introduction to the main field of employment and, where appropriate, some practical training are provided. On completion of the basic training, the trainees undergo vocational training which places the chief emphasis on practical training within the particular field chosen by the trainee. This training is provided partly in enterprises and partly in schools. The period of school attendance during the second part of the training may vary according to the type of employment.

The trainees receive the usual apprentice's wage during the theoretical and practical training. The initial and operating expenses, as well as wages during school attendance, are for the time being paid from State funds.

In June 1971 the Training of Unskilled Workers Act was revised. It is now linked to legislation on retraining. At the same time the allowance paid for loss of earnings was increased.

The number of new trainees is increasing constantly, and is now almost 30 000 a year.

Up to now the training of semi-skilled workers has been restricted to vocational subjects; however, a committee has been set up to consider how far subjects of a more general nature can also be included; the reason for this step was that about 65% of trainees have left primary school after the seventh year and therefore still need further training.

Moreover, in 1971 the Ministry of Labour set up another committee for the purpose of making recommendations for special aid to persons experiencing

difficulties on the labour market and whose permanent employment could be ensured by retraining. However, aid is to be granted only when there is a need for more than just short-term training.

### 3. INDUSTRIAL RELATIONS

#### *General*

In the United Kingdom and Ireland industrial relations are characterized by the presence of a relatively large number of sometimes very small trade unions, organized partly by industry and partly by occupation. The most important unions belong to the Trade Union Congress or the Irish Trade Union Congress; however, the resolutions adopted at the TUC's annual conferences are not binding for individual unions. In the United Kingdom there has been a tendency over the last few years towards a greater concentration of individual unions: the number of unions reduced from 655 in 1961 to 469 at the end of 1971. Overall some 45% to 50% of workers in the United Kingdom and Ireland are organized in trade unions. The corresponding percentage in Denmark is about 70%. One reason for this high level of organization is that unemployment insurance in the latter country is in the hands of the nearly 70 individual unions and these also play a considerable role in finding employment. The individual unions, which are mostly organized on an occupational basis, are united in a central body, the *Landsorganisationen i Danmark* (LO).

In the post-war period, the social climate in the United Kingdom and Ireland has been characterized by numerous, sometimes very serious industrial disputes a large number of them being short-lived unofficial strikes, so that these countries, taking into account the number of working days lost through strikes per 1000 workers employed, are among the European states in which most strikes occur. On the other hand, industrial disputes are relatively rare in Denmark and generally occur only in those years when the most important collective wage agreements, usually concluded for two or three years at a time, run out.

#### *United Kingdom*

In 1971 discussions continued on a number of occasions between the Government and representatives of the central workers' and employers' organi-

zations to discuss important issues relating to economic and social developments particularly through the regular monthly meetings of the National Economic Development Council at which the three sides examine the economic performance of the nation and ways of improving it.

During 1972 a series of meetings took place between the Prime Minister and other Ministers and the central organizations of trade unions (TUC) and employers (CBI) to discuss current issues, particularly, the problems of inflation and industrial relations. In March 1972 separate talks began between the Government and the unions and employers. In July 1972 tripartite talks began under the chairmanship of the Prime Minister to consider how a steady increase in real earnings can be secured without the danger of industrial conflict and a rapid inflationary rise in prices.

In July and August 1972 three further tripartite meetings took place at which a number of problems requiring further work were defined. This work was mainly on the practicability of action to be taken by both management and labour to improve the relative position of the lower paid, consistent with a slowing down of the rate of inflation, and to reduce the rate of price increases during the next twelve months.

On 26 September 1972 the Government put forward to the management and labour organizations proposals aimed at achieving the objectives agreed between them: faster growth in national output and real incomes, improvement in the relative position of low-paid groups and moderation of cost and price inflation. The aim was to achieve an annual increase of 5% in the gross national product over the next two years and the Government suggested limiting the growth of retail prices to 5% and the prices of manufactured goods and nationalized industry charges to 4% over the subsequent twelve months. The amount thus available would permit a maximum £2 increase in wage rates for a normal week equivalent to an increase in actual earnings of £2.60 (8% on average). In addition, a new body was proposed to help the traditionally lower-paid industries to achieve greater efficiency.

The proposals were discussed at several meetings that took place in the second half of October and early November 1972 at which the unions and employers' organizations put forward various counterproposals. A very far ranging discussion took place on the question of statutory prices and incomes control, with the unions putting forward the view that only prices should be subject to control whereas the Government and the employers wanted to see incomes included as well.

On 2 November 1972 the talks were broken off without an agreement having been reached. And on 6 November 1972 the Prime Minister announced in the Commons an immediate standstill on wages, prices and dividends which

is to remain in force for ninety days after enactment of the law and may be extended for a further sixty days. In theory prices and incomes should not thereafter rise above the level of 6 November 1972, since the Government recognizes that strict adherence to this principle may cause difficulties for certain enterprises, provision was made for various exceptions. These exceptions concern mostly products, such as fresh food, where agricultural produce or raw material account for a high proportion of costs, etc. Wholesalers and retailers were expected not to increase their profit margins during the standstill period. Penalties would be imposed for failure to comply with the legislation on limiting prices and incomes.

The Central workers and employers' organizations recently concluded a series of joint discussions on the problems of conciliation and arbitration in industrial disputes; the result was the signing of an agreement establishing a new body independent of the Government to provide a service to industry. This service, which has been in operation since 1 September 1972, is designed to be capable of dealing with all situations arising from disputes. A main aim of this service is to create conciliation and arbitration bodies at national and regional level. This service will come into operation in stages. In the first stage it will concentrate mainly on disputes of major importance which have led or threaten to lead to stoppages of work and involve a large number of workers. Later on a full time director and supporting staff would be appointed and the activities would be extended to all kinds of disputes nationally and regionally. Initially the service will be financed by direct contributions from employers and unions or by fees for services rendered. Later, Government support from public funds is expected, so it will become essentially a public, though independent, service.

Up to the end of 1972 the number of strikes called in the United Kingdom amounted to 2 470 compared with 2 228 in 1971 and 3 906 in 1970. On the other hand, the number of working days lost through strikes, about 23.9 million, exceeded considerably the total numbers of working days lost in 1970 (about eleven million) and 1971 (13.55 million), which were already relatively high. Nearly two-thirds of the working days lost through strikes in 1972 are accounted for by the extensive national stoppages in the coal industry (January/February), the building trade (June/September), and of the dock workers (July/August).

### *Ireland*

In recent years the number of white collar workers belonging to a trade union has increased considerably, so that already more than a third of workers organized in unions are white collar workers. Their remuneration and other terms of employment are determined by collective bargaining.

In virtually all industries and firms trade unions negotiate and conclude collective agreements not only on wages and hours of work, but also on such matters as complementary pension schemes, sick leave and additional payment in the case of sickness and greater security of employment. This also means that the employers consult with trade unions about changes in methods of working and the introduction of productivity and rationalization schemes. This extension of the traditional framework of collective bargaining is due to—among others—the extension of trade union membership, as well as by the fact that improvements in management and an increase in general knowledge and skills together with economic prosperity have stimulated increasing interest in enabling the workers themselves to participate more effectively in the running of the enterprise and in trade union affairs.

The consultation between employers and workers on major economic and social matters has very rapidly proved itself useful. Thus the Employer/Labour Conference is responsible for formulating the last two National Pay Agreements of 1970 and 1972. The agreement concluded in December 1970 was in effect until 1972, but expired for some workers in mid-year 1972. Proposals for a new National Pay Agreement on the part of the Employer/Labour Conference were rejected by the Irish Trade Union Congress in June 1972; however, a revised agreement was then accepted by both sides. This agreement will come into effect for eighteen (or seventeen) months after the termination of the first agreement, in other words, at different times for individual sectors of the economy. This fact stems from the differently concluded wage negotiations of the individual sectors in the post-war years. The conclusion of the 1972 Agreement means that both sides of industry have agreed to a voluntary system of wages and salary determination for a continuous period of some three years.

During 1972, approximately 200 000 man-days were lost through strikes. This is a considerable improvement on previous years and is attributed, in large part, to the general acceptance of the two National Agreements.

### *Denmark*

Since 1938 there exists for those sectors which have no legal provisions on employment conditions (termination of employment, etc.) for unskilled and skilled workers, a special legislation on the legal relationship between employers and workers, which in subsequent years has been regularly extended with a view to steadily improving the workers' conditions of employment. At the request of several labour organizations a committee was set up in the spring of 1972 for the purpose of inquiring what new changes should be introduced. This committee includes representatives of the organizations concerned.

#### 4. LABOUR LAW AND WORKING CONDITIONS

##### *United Kingdom*

The main development in 1972 was the enactment and implementation of the Industrial Relations Act. The most important aims of this Act are the following:

- (i) To improve the voluntary system of industrial relations, principally by drawing up a code of Industrial Relations Practice which sets out standards and guidelines for conduct and defines which actions are to be considered unfair;
- (ii) To establish new rights for the individual worker, mainly in relation to trade union membership and activity, protection against unfair dismissal, improved information about his employment;
- (iii) To maintain the new standards and rights through a new Industrial Tribunal;
- (iv) To introduce a new system of registration for trade unions and employers' associations;
- (v) To introduce new methods of settling disputes over the recognition of trade unions and their bargaining rights and for improving procedures for handling industrial relations, principally with the help of the Commission on Industrial Relations;
- (vi) To provide new protection for the community in emergency situations by giving the Secretary of State for Employment the power to ask the Industrial Court for a restraint period of up to sixty days to give opportunity for settlement by negotiation and to avert an industrial dispute or to hold a strike ballot.

With a few minor exceptions all the provisions of this Act were brought into force by autumn 1972.

The Code of Industrial Relations Practice was published in February 1972. The standards it contains reflect the industrial relations practice in the United Kingdom. It interprets industrial relations as covering not only collective agreements and negotiating arrangements but also the human relations and policies which directly affect the individual worker in the performance of his job. The Code applies wherever people are employed. It recognizes that some of its detailed provisions must be adapted to particular circumstances, while nevertheless remaining consistent with its aims. After several months of operation there is now already evidence that the Code has stimulated many managements to review their personnel and industrial relations practices.

The Code has a semi-legal status. The provisions are not of themselves legally binding. However, they must be taken into account in disputes before the industrial courts and tribunals, for example in cases of unfair dismissal. In particular the Code covers the following fields: responsibilities of management, trade unions and employers' associations, and the individual employee, employment policies, communication and consultation, collective bargaining, workers representation at the place of work, procedures in grievances and industrial disputes and disciplinary procedures. The Code is to be revised periodically.

The Government has made clear that it is only in the long term that the new Industrial Relations Act can achieve the desired aim of improving industrial relations between workers and employers. In the short term it can cause problems of adjustment and this has already happened in 1972. The Government is prepared to discuss with the central workers and employers organizations the possibility of amending the Act if after a reasonable trial period it should appear that any parts of it are damaging to the organizations or the country generally.

The Industrial Court has had to pass judgment in a number of cases, ranging from the Government's application for orders in the rail strike to applications by unions for recognition and applications by employers for orders restraining unions (and others) from pursuing unlawful strikes and boycott actions. In addition, over 3 000 complaints by individual workers have been submitted to industrial tribunals, most of them concerning unfair dismissals.

Finally, it should be mentioned that the Trade Union Congress remains opposed to the Act and has instructed its members not to register under the Act or to use its machinery, except in cases where they must defend their interest when other parties have invoked the Act.

In the field of working conditions the following summary can be drawn up:

Working hours are only regulated by law for certain categories of workers, in particular women and young people (e.g. by the Factories Act 1961). Normal hours of work are also laid down for certain industries in which wages and working conditions are determined by Wage Councils set up under the Wage Councils Act of 1959, but for most industries, normal working hours are fixed in collective agreements. In the United Kingdom the 42 hour week was agreed in most industries in the early sixties; by the end of the sixties, as a result of collective agreements, the 40 hour week was already a reality for the majority of workers. In 1972 the 40 hour week was standard for practically all workers, at least in industry; outside industry, normal working weeks of less than 40 hours had often already been agreed, especially for salaried employees.

In the first half of the sixties the decrease in actual weekly working hours did not keep pace with the collectively agreed reduction. However, in the last

three years as a result of the slackening economic growth in the United Kingdom the gap between actual hours and normal hours has been reduced. With about forty-three hours a week on average, British workers in industry work about as long if not less than their colleagues in most of the original Member States. In this connection it should be mentioned that shift working increased considerably in the United Kingdom during the sixties and that this trend seems likely to continue.

In the sixties annual holidays, for which there is also no general legislation, were extended by collective agreements from the usual two weeks to three weeks (and sometimes more) for over half the workers in industry. In 1972 just under a third of industrial workers still had the right to only two weeks basic holiday, some 5% to between two and three weeks and just under two thirds to at least three weeks. In addition, there are six official holidays and, in some regions, an extra collectively-agreed holiday. Holiday bonuses are not yet customary in the United Kingdom; on the contrary, often only the basic wage is paid during the holiday period, sometimes with the addition of certain allowances.

### *Ireland*

Labour legislation in Ireland has the primary purpose of preventing the employment and working conditions of those workers who are in a weak bargaining position vis-à-vis the employers from falling too far below the standards generally agreed between the two sides of industry. Both the Government and the management and labour organizations are of the opinion that improvements in employment and working conditions should be left in the first instance to free negotiations between management (employers' associations) and labour (unions). Therefore the State establishes only minimum standards, below which the provisions negotiated by the two sides of industry are not allowed to fall.

In 1972 the Government has introduced a bill in Parliament providing for a minimum period of notice of termination of employment.

An example of how working conditions are generally regulated by collective bargaining is the fact that the National Pay Agreement mentioned in the previous section also deals with some aspects of working hours and other working conditions. It is agreed therein, for instance, that demands by trade unions for a 40 hour week and to bring conditions of employment into line with existing standards are not incompatible with the provisions of the Agreement.

Most of the legislation on working hours dates back to the late thirties. Working hours are regulated by separate legislation for individual sectors

(agriculture, mining, industry, transport, shipping, private services, and the public services), while the normal working week is usually fixed at 48 hours and for young people in industry at 40 hours. The Government is seeking to combine the different legislation relating to the non-agricultural sector in a single Act.

Through collective bargaining normal weekly working hours had been reduced to a standard 42 and less by the start of the seventies. At present most workers in the Dublin area and in the main cities (i.e. over one third of all employees) work a five-day, forty-hour week and workers in the other regions have a collectively-agreed working week of forty-two hours (except in agriculture). The actual weekly working hours of workers in industry fell on average by one hour from forty-three to forty-two hours between 1969 and 1971.

Under the current legislation all workers have the right to an annual holiday of at least fourteen consecutive days. However, in the last five years collective bargaining has brought this period up to three weeks for the majority of workers. In addition, workers are legally entitled to six public holidays with pay.

### *Denmark*

For several years efforts have been made in Denmark to improve and modernise the labour legislation in force. In connection with the revision of the Labour Court Act, a committee was appointed in the autumn of 1970 to consider inter alia the personal and technical competence of the Court as well as the use of penalties.

In Summer 1971 another committee was set up to consider whether, in the light of the trend of the labour market during recent years, the Act concerning the settlement of industrial disputes should be amended. The Committee was asked to examine, inter alia, the provisions under which the conciliators can combine draft settlements for various occupational groups and postpone industrial disputes of which notice has been given.

To protect workers from the adverse consequences of works closures in the event of bankruptcy, etc. and to guarantee them both wages and holiday pay, a guarantee fund for employed persons was established by an Act of 13 April 1972. This fund is intended primarily to intervene financially without delay when workers, as a result of their employers' bankruptcy or for other reasons, get into financial difficulties because their normal pay is discontinued. The Fund's expenditure is financed by employers' contributions.

Working hours are not regulated by law in Denmark; rather, they are fixed by outline agreements between both sides of industry. Thus, during the

sixties the normal working week was reduced from 48 hours originally to 45 and 44 hours, then to 43½ hours from 1 June 1968 and to 41¾ hours from 1 September 1970.

In the early sixties a minimum annual holiday of three weeks was negotiated for the majority of workers in Denmark by collective bargaining. Legislation followed this development: after revision of the holiday legislation, since 1964 every worker has been entitled to a holiday of eighteen working days, or one and a half days for each month worked. At the same time holiday pay was legally fixed at 7.25% of annual wages, in other words, holiday pay at the rate of 0.75% of annual wages must also be paid in addition to normal pay. From 1972 onwards the basic annual holiday was increased by three days to twenty-one days by collective bargaining and—with effect from 1 July 1971—holiday pay was raised to a total of 8.5% of annual wages (which means additional holiday pay of about 2% of annual wages). Holiday pay is distributed in the form of monthly holiday savings stamps, which are cashed at the start of the holiday; in this way a change in the place of work has no effect on the entitlement to holiday pay. In addition, Danish workers are legally entitled to nine and a half days of public holidays (Constitution Day is only a half-holiday).

## 5. INCOMES AND WEALTH

### *General*

The rapid economic development of the six original Member States of the European Communities, favoured not least by economic integration, has caused the average real incomes of workers to almost double over the period between 1958 and 1971; the increase in real wages was even greater in Italy, the Netherlands and the Federal Republic of Germany, in other words, in those countries where the level of wages had been relatively low in the late fifties.

By contrast, as far as the three new member countries are concerned the increase in real wages over the same period was greatest in Denmark, the country with a relatively high wage level: the real wages per hour of workers in industry almost doubled here also. The real wages of Irish workers did not rise quite so steeply as in Denmark, while the real increase in earned income in the United Kingdom amounted to only 50% (55% per hour worked in industry). This puts the United Kingdom together with Ireland and Italy among the countries of the enlarged Community where the level both of direct wages and total labour costs is at present lowest.

In the field of workers' capital formation, so far, there have been few concrete measures in the three new member countries. Workers increase their capital mainly through savings deposits, the purchase of life assurance or retirement pension insurance or through building societies.

### *United Kingdom*

During almost the whole period since the last war there has been more or less interest in an incomes policy in the United Kingdom, and successive post-war Governments have accordingly pursued a policy of seeking to influence wage and price trends. For this purpose, several bodies were set up to supervise trends in prices and incomes. The incomes policy pursued in the late sixties under the Labour Government was largely abandoned by the new Conservative Government elected in June 1970. However, the latter made clear the need for moderating the wage demands which had begun to increase at the end of 1969. The Government laid down no formal guidelines for this; however it showed its readiness to discuss an incomes policy on a voluntary basis with the employer's and worker's organizations. This led in July 1972 to the tripartite talks dealt with in section 3 which—after failure to agree on a voluntary basis—finally led on 6 November 1972 to the temporary freeze on prices, incomes and dividends.

Already during 1971 the Government had used its influence to restrain wage increases. Whereas in the first half of 1971 wage settlements of 10% or so were the rule, for some important groups of workers in the public sector increases in wages and salaries of only 8-9% were concluded in the second half of 1971 and the first months of 1972. In the private sector there was less success in restraining the increase in negotiated wage rates, but in some major branches similar rates to those mentioned above for the public sector were agreed.

At the beginning of 1972 workers in the coalmining industry began a strike in support of a large pay claim which continued until the middle of February and caused a widespread disruption of electricity supplies. After a Court of Inquiry had recognized the justice of an unusually large claim, increases costing over 20% on the pay bill were concluded to run for a period of sixteen months.

After a prolonged dispute an increase of 13% was agreed for the railwaymen, considerably more than in the other parts of the public sector. In the private sector wages and salaries were increased by greatly varying rates, but on the whole there was a trend towards a certain restraint.

The TUC has criticized the Government's efforts to reduce collectively agreed wage increases. It has urged on the Government the desirability of negotiating wage-indexing agreements under which employees will be paid full compensation as soon as the cost of living index rises above a specified

threshold. The Government has agreed to discuss this question with the employers and workers, and thus wage indexing was one of the points under discussion in the tripartite talks beginning in July 1972 (cf section 3).

In 1971 the rise in actual earnings was lower than the increase in wage rates. The latter were mostly about 13% and, towards the end of 1971, 12½% higher than in the previous year. In the first half of 1972 the rate of increase fell to between 12% and 12½%, but rose again in the third quarter to 14% and in October even to 17%. On the other hand, at the beginning of 1971 actual earnings at first showed an increase of 14% over the beginning of 1970; this rate fell in the third quarter to 11% and at the end of 1971 and the beginning of 1972 dropped as low as 9%. During 1972 the rates of increase were again somewhat higher: thus actual earnings in the period from June to August 1972 were 11% higher than a year earlier, in September about 14% and reaching over 16% in November 1972.

After the increase in retail prices had reached some 12% in mid-1971, the Confederation of British Industry in July 1971 proposed limiting unavoidable price increases voluntarily to 5% over the next twelve months; nationalized industry followed this initiative, although exceptions were made for coal prices and railway fares. How far British industry followed this initiative is shown by the fact that the annual rate of price increase fell to 9.2% in the fourth quarter of 1971 and then again to 8% and 6.2% in the first two quarters of 1972.

When initiating a period of voluntary price restraint, the Confederation of British Industry was looking for some reciprocal response on wages from trade unions, and in the hope that this might still be forthcoming, the arrangement was extended for three months until October 1972. In absence of such a response, it did not prove possible to continue longer. On the third quarter and the fourth quarter of 1972, the retail price index rose somewhat more steeply (by 6.5% and 7.7%) than in the previous months.

The question of equal pay for men and women was in 1970 the subject of special legislation (Equal Pay Act) which lays down that by the end of 1975 at the latest all differences in collective wage agreements concerning the pay and conditions of employment of men and women performing the same or broadly similar work are to be abolished. A start was made on this in 1971 and 1972, and a study of the national wage agreements for manual workers shows that by the end of March 1972 already more than two thirds of the agreements covering almost 90% of female workers, compared with only a quarter (=20% of female workers) in 1970, had achieved a rate of 80% and over of men's wages and only 5% remained below the 70%, compared with 11% in 1970. It should be mentioned further that the Secretary of State for Employment has the power to require that wage rates for women be raised to 90% of the rates for men doing the same work by the end of 1973.

As far as capital formation by workers is concerned, in recent years progress has been recorded in the United Kingdom mainly in the field of saving through building societies and the purchase of life assurance and superannuation schemes rather than in the form of worker's participation in profits. It even looks as though large enterprises were recently inclined to do away with existing profit-sharing schemes, whereas small and medium-sized enterprises were ready to introduce them. The trade unions are rather suspicious of the schemes for workers' participation in profit, for in their opinion these oblige the employees to greater loyalty towards the enterprise, to the detriment of the unions.

### *Ireland*

Workers' pay in Ireland is largely the subject of agreements between employers and employees. In addition, however, statutory minimum wage rates are laid down for specified groups of employees—such as workers in agriculture or relatively unorganized workers with a weak negotiating position—where this proves expedient.

Wage rates in 1972 were largely influenced by the conclusion of the above mentioned National Pay Agreements in December 1970 and July 1972, which provide for a wage increase in two phases. Under the last agreement increases in wage rate during the first, one-year period are to be as follows:

- (i) 9% on the first £30 of basic weekly pay,
- (ii) 7½% on the next £10 of basic weekly pay,
- (iii) 4% on the remainder of basic weekly pay, or, if the following are greater,
- (iv) £2.50 a week for adult male employees or £2.25 a week for adult female employees.

Where under the 1970 agreement women's wages were raised by more than 90% of the first phase increase for men, the higher percentage also applies for 1972.

This graduation favours a relatively greater increase for the lower wage groups.

In the second phase basic wages and salaries are to be increased by 4% plus a cost-of-living supplement to take account of any increase over 4% in the cost of living.

It remains to be seen how far this agreement can lead to a slowing down of the rapid rise in actual earnings and prices, which showed annual increases of 14.5% and 8% respectively between June 1971 and June 1972.

Lastly, the National Pay Agreement of July 1972 contains provision for the progressive introduction of equal pay for equal work of women and men. A Commission examining the status of women discovered that at the end of 1970 collective agreements still laid down wage and salary rates for women that in manufacturing industry in general were 30% to 40%, in the distributive trades 15% to 25% and in the public service and teaching about 20% lower than the corresponding wages and salaries for men.

Worker's contribution to the formation of capital is not very widespread in Ireland. Only an insignificant number take advantage of the opportunity offered by several firms of acquiring shares in the enterprise. The main kinds of wealth formation are the purchase of private life assurance and especially the formation of private savings capital through savings deposits, etc. Even the promotion by a National Savings Committee of group savings within enterprises has received scant support.

### *Denmark*

In Denmark the individual unions abide closely by the outline agreements concluded every two years on March 1 between the central organizations of employers and workers on improvement in wages and other working conditions. Although the two sides of industry have in principle complete autonomy in negotiating wage rates, the Government can intervene in collective bargaining if it considers this expedient, for example in order to extend collective agreements that have expired or to declare the arbitrator's rejected settlement proposals binding, etc. A further characteristic of wage trends in Denmark is that the agreed wage rates determine the growth of actual earnings to only a small extent (for female employees the influence of standard wage rates is relatively greater than for men); the two other fundamental factors in the growth of actual earnings are the tying of wages to the cost-of-living index and in particular the powerful influence of wage drift, which often determines more than half the increases in earnings.

The latest national wage agreement was concluded on 1 March 1971. With effect from the second year an increase in the minimum wage of 13.50 kr./h. for male and 12.50 kr./h. for female employees was agreed. Graduated allowances are usually added to this basic wage in accordance with the worker's qualifications, and these considerably improve the negotiated increase rates. In the same wage agreement the system of wage indexing was also revised, so that a three points' increase in the cost of living entails a further rise in wage rates of 30 øre an hour for adult workers. The revision always takes place on March 1 and September 1; since it is paid at a flat rate for all employees it benefits the lowest paid income groups most.

According to the latest available statistics the gross hourly earnings of workers in Denmark rose by about 16% between autumn 1970 and autumn 1971, while prices rose by just under 5½%. At the same time nominal hourly wages for women increased by just under 19%.

Already in the sixties women's earnings in general rose more steeply than those of men. This reflects the attempt to put into practice the equality of wages which, in spite of the ratification of ILO Convention 100, has up to now been only incompletely implemented in Denmark. In the 1971 pay agreement, already mentioned several times, steps towards a speedy solution to the problem of equal pay for men and women were also agreed.

A law on profit-sharing by employees was enacted in Denmark in 1957 to promote closer cooperation in economic questions between management and employees. With this in view the Act encourages enterprises to introduce profit-sharing schemes on a voluntary basis, for example, in the form of "social funds" whereby part of the profit of the enterprise is transferred to a fund intended to secure and improve the conditions of the persons employed in the enterprise.

## 6. HOUSING—FAMILY QUESTIONS—SOCIAL SERVICES

### *United Kingdom*

The Housing Finance Act 1972 provides the keystone of present housing policy. Under the previous system of housing finance the Government paid the local authorities a subsidy for every new house they provided for rent. This stimulated house building over a period when it was still essential to provide as many new houses as possible. When the housing shortage was overcome in most parts of the country this system became redundant. But the subsidy bill was mounting, while at the same time insufficient help was going to certain areas, such as London, where immense problems remained. Local authority rents were fixed by local councils on widely differing bases which meant that some tenants who could well afford a reasonable rent pay a relatively low one while others on low incomes could not afford the rent of the houses they needed. No assistance at all was generally available for tenants of private accommodation, many of whom had lower incomes than occupants of council housing.

Those, briefly, are the reasons why the system was radically changed to deal with the various problems in the housing sector. Firstly, under the new

Act the Government subsidies will now be mainly for the benefit of those housing authorities who are still facing major problems of overcrowding and housing shortage. Secondly, it will make for fairness and justice between the tenants of private accommodation and the occupants of public housing by providing for a national system of rent assessment and making financial help available to all who cannot afford the full rent of their house. Rents will be assessed on the same basis which has applied for some time in parts of the private rented sector. For the first time, under the new system a State rent subsidy will be payable also to the tenants of private dwellings. The scheme will be administered by the local authorities. And lastly, the Act provides a pay incentive for the removal of unfit dwellings by making financial assistance available to the authorities.

The policy of the selective help for poorer families and those with special problems was continued and expanded. In addition to the statutory family allowance scheme, in August 1971 a family income supplement was introduced for such families with one or more children, whose head is in full time work and whose income does not exceed a specified amount (£20 a week with one child and £2 for each additional child). The supplement represents half the difference between this amount and the gross family income, up to a maximum of £5. In November 1972, a total of 84 000 families received this additional allowance; this figure is estimated to represent half the families eligible.

In the long term, consideration is being given to a system of tax credits which would replace family allowances and largely supersede family income supplements. The tax credits would normally be set off against tax; but where the credit was greater than the tax, the difference would be paid as an addition to the wage or other income. Such a scheme would improve considerably the position of many low income families by guaranteeing them an additional income related to family size, available automatically without means-testing. In October 1972 the Government published a Green Paper entitled "Proposals for a Tax-Credit System" to initiate a Parliamentary and public discussion on proposals which, although they are essentially a tax reform measure, nevertheless provide a completely new approach to the problem of comparability between those at work and those not at work

In the United Kingdom there is a comprehensive network of personal social services to assist families and individuals belonging to the following four groups in particular: mothers and young children, elderly persons, the mentally and physically handicapped. The services are provided by the local authorities, often in cooperation with voluntary organizations and with the various departments of the National Health Service. Social services for mothers can include, apart from maternity aid, domestic help, day nurseries for children under five and the provision of welfare food including free or cheap milk. Elderly persons

may be provided with home help and other services, day-centres and clubs, recreational workshops and meals and with old people's homes by the local authorities. It is the duty of local councils to help the mentally handicapped both before and after hospital treatment. Arrangements include training centres, occupational centres and residential accommodation. The physically handicapped are also offered advice, to help them overcome the effects of their handicaps, teaching of handicrafts, recreational facilities etc.

### *Ireland*

In 1972 the number of newly completed dwellings will reach about 20 000 (compared to 13 671 the previous year); that is considerably more than originally estimated. A sample survey has been undertaken on the condition of the houses and the costs involved in improving older houses, and the present reconstruction scheme and the level of State grants will be reviewed in the light of the results of this survey. In the interim, the State and local authority grants for housing reconstruction commenced after June 1972 have been increased. Special State grants have also been made available towards the costs of adapting houses to meet the needs of the physically handicapped.

Rising house prices are causing concern. Therefore, in July 1972, the government announced withholding, reducing or refusing grants for the reconstruction of new houses when the prices could not be considered reasonable. Since land prices have been the fastest growing element determining house building costs, a Committee has been established to consider measures for controlling the prices of land for building, etc. Some stabilization has been achieved through the operation of a programme of land requisition and disposal by the Dublin local authorities.

To encourage house ownership, the terms on which sitting tenants can buy their houses from the local authorities were made more generous. And in the sector of private housing the amount of and conditions for local authority loans were extended. A special system through the operation of loan guarantee schemes for the granting of loans was designed to ensure that adequate mortgage facilities are available to all persons wishing to purchase houses.

A characteristic of family life in Ireland is the fact that married women relatively seldom take up employment. Of women in employment, whose share in the total work force is already low compared to the other countries of the Community, only just under every tenth one is married. The birth rate, which is high in spite of the relatively late marriage age (between 22 and 23 live births a year per 1 000 inhabitants compared to an average of between 15 and 16 in the other member countries) may be one of the reasons for this; in any case, the

lack of suitable jobs for married women is not considered in Ireland to be a reason.

The need to consider the special position of families has been recognized in various income distribution schemes. Where applicable, all social welfare payments for married men with and without children were further increased. In addition, allowances for children are provided in the form of tax concessions and direct State paid child allowances, which have been improved considerably in recent years.

### *Denmark*

The provisions on rent subsidies of previous years were replaced by a rent subsidy scheme set up under an Act of 8 March 1967 and designed to enable families, single persons and handicapped and elderly people to acquire dwellings corresponding to their wishes and the size of their family. This is done through cash payments towards the rent.

This rent subsidy scheme, which came into operation on 1 April 1967, was subsequently developed several times, most recently by an Act of 29 March 1972. For a subsidy to be granted the quality of the dwelling must satisfy certain requirements; if these requirements are met, the household's income, the rent and the number of children determine the amount of the subsidy which is calculated according to special tables.

All who satisfy the statutory conditions and file an appropriate application are entitled to rent subsidy, which is calculated and paid out by the local authorities. 60% of the cost is borne by the State and 40% by the local authorities. In the 1971/72 financial year, a total of 400 million kr. was paid out in rent subsidies.

In addition to the rent subsidy scheme, the house-building legislation provided inter-alia loan guarantees and interest guarantees for non-profit-making house-building projects, for certain social and cultural institutions and for assistance towards the payment of contributions to rent.

In 1964 a Social Reform Commission was appointed with the aim of simplifying and improving the administration and financing of social security schemes and achieving better coordination between the general provisions in this field and the present objectives concerning prevention, rehabilitation, security and well-being. This includes plans to concentrate various Acts of a social nature (in the field of public assistance, care of children and young persons, aid to mothers and rehabilitation) in a collective Public Assistance Act to take effect on 1 April 1974.

## 7. SOCIAL SECURITY

### *General*

Social security is considered—not without reason—to be one of the fields in which legislation and the actual social situation in the original Member States of the European Communities differ most from those in the Anglo-Saxon and Scandinavian countries. This is true of the range of application, for example. The latter countries proceed on the basis of covering as many sections of the population as possible by comprehensive national insurance against the most important risks (sickness, old age, disability, etc.). The Continental States on the other hand originally introduced statutory insurance for employed wage and salary earners, especially those with low incomes, to be financed mainly from employers' and employees' contributions, but have gradually extended the protection over the decades to all employees and other earners and to other groups of the population (e.g. students, schoolchildren, housewives, etc.).

In the United Kingdom, Ireland and in Scandinavia the greater share of financing of expenditures for social security including the National Health Service is borne by State funds, about half in the United Kingdom and more than two-thirds in Ireland and Denmark, whereas the contribution by the State and local authorities to the financing of social security in most of the original Member States of the Community amounts to less than a quarter.

A final important difference is that in the new member and Scandinavian countries benefits have hitherto generally been at a flat rate, in other words, unrelated to the beneficiary's level of income before the event insured against; on the other hand most cash payments (except child allowances) made under the schemes of the original Member States are calculated according to the income of the beneficiary.

In the last ten years, however, there has been a certain approaching of the two different social security systems. On the one hand, the countries with national insurance are attempting to change the method of flat-rate payment of benefits by the introduction of additional or entirely earnings-related contribution and benefits; on the Continent, on the other hand, there is a certain tendency to generalize the existing insurance schemes (especially in the Netherlands).

### *United Kingdom*

Social Security in the United Kingdom can be classified as follows:

- (i) National Insurance, which covers all residents in the United Kingdom between the ages of 16 and pension age either as employed persons,

self-employed or non-employed persons; it provides cash benefits for sickness, maternity, invalidity, unemployment, industrial injuries and diseases, disability, retirement and for widowhood and death. Up to 1961 everybody received the same flat-rate compensation for loss of earnings, occasioned by whatever risk. In 1961 an additional old-age pension related to the payment of graduated contributions was introduced, and since 1966 a wage-related supplement is being paid for a period of 26 weeks as an addition to sickness and unemployment benefit for wage earners and on widowhood.

- (ii) Family allowances which are financed wholly by the Exchequer, are payable to families containing two and more children up to the age of 16, but may be extended for full-time students and unpaid apprentices up to the age of 19. The allowances are subjected to tax.
- (iii) Under the National Health Service the whole population is entitled to full medical care of physical as well as mental health (medical and dental treatment, medicines, artificial limbs and organs, false teeth, etc.), free treatment in public hospitals, maternity and convalescent homes for an unlimited period, preventive and special treatment, etc. Certain charges are made in regard to the supply of pharmaceuticals and in connection with the dental and opthalmic services, but there is provision for exemption from them.

Already in 1971 some extensions and improvements were made to existing insurance benefits, such as the introduction of a widow's pension for childless widows between the ages of 40 and 50, which at present benefits about 110 000 widows.

Also since 1971, pensions are payable as a right at age 80 to persons who satisfy certain residence tests and are not entitled to National Insurance Pensions or are entitled to them only at a low rate. An age allowance is now payable to all pensioners at age 80.

Since September 1971 persons who are continuously sick for a period of 26 weeks and qualifying therefore for invalidity benefit are paid an invalidity allowance; this one is also paid to those who fell ill more than five years before reaching the minimum pensionable age.

The pension is graded according to the invalid's age and the date of onset of incapacity for work. Under these provisions 420 000 persons have already become entitled to benefits; in October 1972 the pensions or allowances were raised for the first time.

In addition, in December 1971 an attendance allowance of £4.80 a week became payable to people who are so severely disabled physically or mentally that they have required for 6 months or more frequent attention throughout

the day *and* at night prolonged or repeated attention or required continual supervision to avoid substantial danger to themselves and others. This allowance, largely financed from public funds, was increased in October 1972 to £5.40 a week.

An attendance allowance at the lower rate of £3.60 a week is becoming available in stages to those severely disabled people who require a lot of looking after either by day *or* by night. Since December 1972, eligible persons born between 1908 and 1956 are entitled to this allowance. It will be extended gradually to persons in other age groups.

In August 1972 Parliament passed a Government bill for a review of the various social security benefits. Most of the changes recommended took effect in October 1972, but some will not be fully implemented until the end of 1974. The most important changes are the following:

- (i) A further step towards the introduction of fully earnings-related contributions, designed to achieve a fairer distribution of contribution liability. For the second year running the employees' flat-rate contribution is not increased, while the increase in earnings-related contributions is to be limited to earnings above £18 per week up to a new ceiling of £48 per week;
- (ii) The employer's share of the contribution is increased: his flat-rate contribution is raised, in contrast to that of the employee;
- (iii) In the future the review of benefits is to take place annually, instead of every two years as previously;
- (iv) In order to provide early help for priority groups, increasing use is to be made of a group selective procedure. First, it is proposed to extend the attendance allowance over the next two years to severely handicapped people who require a great deal of care by day or by night: this is likely to add about 270 000 beneficiaries to the existing 85 000.

As for the future development of the British social security system, in view of the comprehensive nature of the State scheme the problem is less one of extending the cover than of improving the level of basic benefits and making additional provision for special groups.

Thus, in September 1971, the Government produced a White Paper, "Strategy for Pensions", which was presented to Parliament in November 1972 as the Social Security Bill. It contains a whole series of changes concerning mainly retirement and widowhood pensions and the structure of the social security system, designed to become operative in April 1975. The main changes are as follows:

- (i) The mixed system of flat-rate and earnings-related contributions is replaced by contributions based solely on earnings. The employer has to

- pay a higher rate than the employee (7.5% and 5.25% respectively are envisaged, including the contribution to the National Health Service and the employers' redundancy fund contribution);
- (ii) In addition to their flat-rate contribution, self-employed persons have to pay income-related contributions (probably 5%) on any revenue over a specified range;
  - (iii) Removal of liability in the case of the non-employed, and the introduction of voluntary contributions for people who would otherwise not qualify for basic pensions;
  - (iv) Eligibility tests for pensions under the basic system to be modified to fit the next contribution structure;
  - (v) An annual review of contributions and benefits under the basic system;
  - (vi) Preservation of rights under occupational insurance schemes on change of employment;
  - (vii) The creation of organisations to exercise functions in connection with occupational insurance schemes and the new reserve scheme.

The new Bill will replace most of the previous social security legislation, even though it incorporates many of the old provisions. It will contain the adjustments necessary for assimilating short-term benefits to the new system. The legislation on industrial accidents will be only slightly changed: the contribution will become an integral part of the new contribution structure, whereas the benefits paid in case of accident remain unchanged.

### *Ireland*

Even though the Irish social security system can be divided into three parts there are two fundamental differences to that of the United Kingdom: firstly, in this country Social Insurance is restricted to employees; secondly—partly since the self-employed comprise a relatively high proportion of active population—National Assistance is very important in this country: in the sixties more people drew benefits from National Assistance than from National Insurance. And cash payments from National Assistance accounted for more than a third of all social security payments. Social Insurance is financed in roughly equal proportion by employers, employees and the State, while National Assistance and the Health Service are almost entirely financed by the State and local authorities.

The main reason for this is the particular demographic structure of Ireland, where a relatively low marriage rate is combined with a high birth rate, heavy emigration (particularly up to the beginning of the sixties) and high

unemployment. All this means that the employed population must support a relatively much greater number of children, single persons, unemployed and old people than in other European countries.

During the last ten years social security coverage and benefits were improved several times. In 1961 a contributory old-age pension scheme was introduced, whereas previously the payment of pensions was subject to a means test. In 1967 an occupational injuries insurance was introduced to pay benefits in case of injury or death as a result of industrial accidents or occupational diseases (previously the employer was obliged to pay compensation), and in 1968 the period during which unemployment benefit could be paid was increased from six to twelve months. Allowances were introduced for persons aged seventy and over requiring full care and attention. And recently an allowance for deserted wives was created in the framework of National Assistance.

In the budget for the current year substantial funds are set aside for raising the various social welfare payments. The increase generally amounts to 10% and—especially for the lower benefits—more. Thus for example the contributory old-age pension for a single person was increased from £5.50 to £6.20 and for a married couple from £9.35 to £10.35 a week.

In general, the old-age pension becomes payable in Ireland at the age of 70. However, at age 65 an early but hitherto smaller pension can be drawn. In order to make retirement at 65 more attractive, the rate of retirement pension was increased to the same level as the old-age pension at 70. In addition, the allowance for dependent children was increased by at least 50%. Also a greater number of pensioners' households than previously are supplied with free electricity, and the free travel on public transport previously available to certain pensioners over 70 is now extended to all persons aged 70 and over. Lastly, a choice of doctor scheme was introduced for persons with low income.

Continuing the policy of the sixties in order to strengthen and to develop the Social Security, the Minister for Social Welfare published, at the end of 1972, the project of the Social Welfare (Pay-Related Benefit) Bill; the purpose of this Bill is to provide within the Social Insurance System a scheme of pay-related benefits during periods of illness and unemployment.

According to this Bill, the existing flat-rate benefit scheme will continue to be payable under the same conditions as at present: in addition, however, as soon as the incapacity for work or unemployment lasts for longer than a fortnight, a supplementary pay-related benefit based on the person's earnings in the previous income tax year will be granted. The payment of this benefit could continue up to 26 weeks after the beginning of incapacity for work or unemployment. The amount of the supplementary benefit will be 40% of the amount by which the person's weekly earnings exceed £14 but do not exceed an upper limit or ceiling which will be fixed by the Minister by regulations.

It is intended that the new scheme will be financed by contributions which will be payable in the current income tax year and that will be paid in equal amounts by employers and employees. The percentage rate will also be fixed by the competent Minister by regulations.

The supplementary pay-related benefit will apply to all insured persons in respect of whom the ordinary rates of flat-rate employment contribution are payable under the existing social insurance scheme, that is to say most persons who are in industrial, commercial and service type employments. Agricultural workers and female domestic employees, for whom special reduced rates of flat-rate employment contribution are payable, will, at present, not be brought within the scope of the pay-related benefit scheme.

### *Denmark*

Although Denmark largely adheres to the principle of protecting the whole population through the social security system, the latter differs from those of the United Kingdom and Ireland in that—apart from the State Health Service—there is no uniform national insurance covering all risks. This means that not all citizens are compulsorily insured against all risks.

The most comprehensive cover is provided by the State pension insurance scheme, which covers all Danish citizens aged 15 and over and who are residents in Denmark or on Danish vessels. Until March 1970 the basic old age pension paid from age 67 was subject to a means test; now all beneficiaries are entitled to the full amount. Invalidity and widow's pensions are also paid. In addition, a State supplementary pension was introduced in 1964 for employees between the ages of 18 and 66. Under this scheme old age pensions and widow's pensions are based on the number of contribution years and the level of contributions paid.

Under the former public health insurance scheme every citizen, whether or not employed and whatever his employment, could become a member of a local sickness fund recognized by the State. Children under 16 years of age were covered by their father's membership; a married woman, on the other hand, had to take out her own insurance. Health insurance provides free medical and dental treatment and hospitalization as long as the insured's income does not exceed a specified amount. The insured must pay part of the cost of medicines (between 25% and 50% according to his need of them). Small appliances are provided free under the insurance, while the costs of larger appliances and artificial limbs, etc. are borne by general taxation in accordance with the law on rehabilitation. Whereas salaried employees have the right to continued payment of their salary for up to 120 days during sickness, workers receive from

the health insurance scheme a flat-rate sickness benefit, two-thirds of which is financed by employers' contributions and one-third by contributions from workers.

With some exceptions, the employer is liable for industrial accidents to persons employed by him; for this reason, he usually concludes insurance contracts with State-recognized accident insurance companies which provide various benefits in kind and cash payments (such as daily allowances, invalidity and surviving dependant's pensions, compensations, burial allowances, etc.) in case of industrial accidents or occupational diseases.

Unemployment insurance is administered by self-governing funds set up by the employees' organizations, and financed by contributions from employers and employees with grants from the State and local authorities. Although membership is voluntary in principle, the close connection with the unions has the result that the great majority of workers, at least in industry, are insured against unemployment.

As part of the tax legislation, every child under 18 years of age who is not yet liable to tax is entitled to a child allowance which, however, is not paid out but is deducted from the father's or mother's income tax. However, if the tax liability is less than the child allowance, the difference is paid by the tax authority.

Lastly, women who carry out paid work for others are paid a maternity allowance as compensation for loss of earnings through absence from work.

In Denmark there has been an attempt over several years to achieve greater concentration in the administration of the various branches of insurance within the State system (at local, regional and national level). Thus it was decided in the Public Health Security Act of 9 June 1971 (later amended by an Act of 7 June 1972) to close down the sickness funds as independent administrative units with effect from 1 April 1973 and transfer their functions to the local and regional bodies. In this context, all persons resident in Denmark automatically have compulsory cover against sickness.

The Daily Cash Benefit (Sickness or Maternity) Act of 7 June 1972 will come into operation on 1 April 1973. This introduces a reform entailing, among other things, a concentration of all the provisions relating to compensation for loss of earnings as a result of incapacity for work. The daily allowance is paid in the case of loss of income through sickness, injury or maternity and at the same rate for all risks. All economically active persons are entitled to it, including the self-employed.

Two periods are to be distinguished: during the first five weeks of absence the sick person (injured person or woman in confinement) receives 90% of their average earnings over the previous four weeks, provided that during those weeks

he (she) was employed for at least forty hours by the employer and is not entitled to continued payment of a full wage. The employer can release himself from this obligation by paying contributions into a special fund. At the start of this arrangement (1 April 1973) daily benefits may not exceed 636 kr. a week; this limit is adjusted on 1 April each year.

At the end of the first five weeks the daily benefits are paid by the local social welfare committee responsible.

Self-employed persons also receive corresponding daily benefit after a period of sickness or injury lasting more than five weeks. On payment of a corresponding contribution, however, they can also ensure that they receive the fully daily benefit or a part of this (a quarter, a half or three quarters). The same applies to persons doing domestic work for themselves and at least one other person, but only for the period after the first week of sickness.

The local social welfare committee also pays daily sickness benefit to persons who are otherwise not entitled to it, including persons other than employees. The Daily cash benefit is paid weekly on the basis of 90% of the protected person's most recent annual income.

## 8. VOCATIONAL SAFETY, OCCUPATIONAL MEDICINE AND HEALTH

### *United Kingdom*

In 1967 proposals for new legislation in the field of safety and health were put forward and led in 1970 to the setting up of a committee under the chairmanship of Lord Robens. This committee was responsible for carrying out a general review of all fields of safety and health with a view to reform of the safety and health legislation for employed persons.

The report published by this committee in July 1972 proposes a fundamental reform of the present system, so as not only to bring under unified management the various agencies responsible for enforcing safety legislation, but also to bring about more effective participation by employers and workpeople in ensuring safety and health at work. It criticises the traditional approach, which relied too heavily on external regulations by Government agencies. The Robens report proposes, on the other hand, that existing trends toward joint consultation on safety measures in industry should be reinforced by the introduction of a statutory duty on employers to consult their work-

people in accordance with a code of practice. It also stresses the contribution that can be made by industry based organizations, particularly in developing voluntary codes of practice, in stimulating discussion and in improving training. To harness these activities, it is proposed that both sides of industry should participate in the management of the new safety organization and submit proposals for new legislation. The committee's report represents the first major independent review of British legislation on safety and health at work since the nineteenth century. The Government welcomed it and promised early action towards achieving its broad objectives.

In the field of occupational health, the Employment Medical Advisory Services Act came into force on 11 May 1972—after lengthy preparatory work beginning in 1964. The Employment Medical Advisory Service, which comes under the Department of Employment, will be concerned from 1 February 1973 with the medical supervision of persons engaged in hazardous or potentially hazardous occupations whether or not they are covered by statutory regulations. It is also responsible for the supervision of young persons, especially those identified by the School Health Service as not unconditionally fit, medical examinations and advise for persons undergoing rehabilitation and training or seeking employment and for giving advice to any organization on the medical aspects of various employment problems. Factory employers will continue to pay fees for the statutory examination, but there will be no other charge either for the employer or the worker. The Service, which is a national service, alone can carry out the epidemiological surveys which are essential for identifying health hazards in industry, particularly those connected with new processes.

The Advisory Service will also organize a system of voluntary and statutory medical examinations in industry, whereby it is hoped to avoid time-consuming general and unselective examination procedure by a selective process under which employees exposed to special dangers are thoroughly supervised. Although this Service all maintain its own pathological laboratory as a central reference laboratory and to develop methods, in general it will make use of the investigatory facilities of the National Health Service.

The new Service will not deal merely with industrial diseases in the narrow sense, but will study man's response to the requirements imposed by work and seek to identify and elucidate the new tensions arising from modern technological society. It should thus help to place men in the right work so that they may use their skills happily and efficiently. It will also advise on the re-ablement of the medically and socially disadvantaged and will moreover work in close collaboration with the National Health Service, the School Health Service, works medical officers, etc.

The new system represents a fundamental change in the traditional approach to occupational medicine. In the first place, the role of the doctor is

limited to purely medical questions, and duties previously carried out by doctors are transferred to chemists and physicists. Secondly, as already stated, the generalized medical examinations are replaced by more thorough, selective ones. On the other hand, the intention is not to duplicate the sort of medical services provided by works medical officers and the National Health Service.

### *Ireland*

Supervision of the extensive legislation relating to the prevention of industrial accidents and occupational diseases is the responsibility of industrial inspectors who regularly visit factories, mines and quarries to ensure minimum standards of safety, health and welfare. The statutory right of workers in Ireland to set up Safety Committees has not yet been sufficiently exercised and progress in this field has been slow.

This is all the more regrettable as the number of industrial accidents, especially those resulting in death, has increased considerably in recent years. Thus, no fewer than 2 930 industrial accidents (of which 32 were fatal) were registered in the year ending on 30 September 1971 compared to 2 338 (of which 15 were fatal) in 1961.

In 1972 a new Dangerous Substances Act was passed, which brought up to date the legislation protecting workers and the general public against dangers from explosives, highly inflammable, combustible, corrosive, noxious and irritant substances.

A voluntary body, the National Industrial Safety Organization, has assumed the task of promoting safety consciousness among workers in industry by means of training courses for foremen and supervisors, seminars, conferences and lectures, the publication of safety information and advisory services on safety techniques. This body is supported by firms' membership subscriptions and State grants.

With regard to office work, the corresponding law of 1958 aims at protecting the health of employees by laying down fixed minimum standards of accommodation, lighting, heating, sanitary facilities, etc.

Increasing automation and the introduction of new techniques, advanced mechanization and new materials bring with them new sources of danger and pose additional problems of industrial safety and the health of workers. Frequent changes in the place of work, the change for example from an agricultural to an industrial activity and from a rural to an urban environment, call for continual adjustment of the worker to his inner and outer environment. Experience has shown that in the larger enterprises management and workers

are tackling these problems in a responsible manner but a lot remains to be done in this field in the smaller firms.

Work commenced in 1971 on an environmental health survey in the manufacturing and service industries with a view to determining the extent to which the health of workers may be adversely affected by chemicals used in production and other processes and by other sources of atmospheric pollution in work places. Medical advice is available to the specially trained industrial inspectors carrying out this survey. In addition to making assessments of the various atmospheric pollutants, the team also measures noise levels in the various industries with a view to advising employers on how best to preserve the general health and welfare of workers.

## 9. ENVIRONMENT

### *United Kingdom*

It has become increasingly apparent that the fight against the remaining industrial pollution and preparation for the future demand a completely new approach to environmental problems in the United Kingdom. For this reason the Department of the Environment was set up in 1970 with responsibility for land use planning, transportation, housing and construction and the major anti-pollution agencies. It has a staff of 78 000 and a budget of £3 000 million a year. This streamlining at national level will be matched by reorganization at local level from 1 April 1974.

As part of a comprehensive environmental programme more vigorous efforts are being made to control and, where possible, diminish man-made pollution of all kinds. In this connection the following action in particular was undertaken during the last twelve months.

Controls over air pollution from industry have been extended by bringing new industries and industrial activities within the scope of the appropriate authority (including parts of the mineral industry, storage and refining of crude petroleum, aluminum smelting and certain processes in the plastic industry). New regulations were enacted concerning emissions of dust and grit from furnaces. And the battle against the remaining problem of smoke pollution in some areas was encouraged by the designation of further smoke control zones.

Tighter controls on pollution from motor vehicles came into effect. From 1 January 1972 the permissible hydrocarbon emission from new cars was cut

by 25%. And under regulations made in June 1972 diesel engined vehicles manufactured after October 1972 may not emit smoke thus meeting the new British standards. The maximum permissible level of lead in petrol is to be reduced in stages from the present 0.84 gm/litre to 0.45 by the end of 1975.

The Government is taking steps to deal with river pollution, and capital investment on sewage treatment in the next five years will be increased by more than 50% over expenditures in the last five years. Large sewage schemes will be undertaken on the rivers Tyne, Tees, Trent, Mersey, Clyde and Forth. The Thames Estuary, which has been fully controlled since 1968, is a good example of what can be achieved: the improvements are so great that many species of fish have returned to stretches where they no longer lived ten years ago.

3 645 acres of land were restored in 1970, 6 170 acres in 1971. In 1972 about £6.6 million was to be spent on this programme, twice as much as in 1970.

The amount of waste is increasing as the population grows and living standards rise. Its composition becomes more complex and often more dangerous. In 1972 the Government introduced the Deposit of Poisonous Waste Act which makes it punishable by heavy penalties to dispose of wastes in such a way that they constitute a hazard for the environment. A notification procedure was also introduced. Particular attention is also being paid to the dumping of wastes at sea. In the past this was regulated by a voluntary scheme run by the Ministry of Agriculture, Fisheries and Food. The United Kingdom was active in drawing up an international convention signed on 15 February 1972 to regulate the dumping of wastes in the North East Atlantic. And lastly, a meeting to discuss a global convention on the dumping of wastes at sea was held in London in the autumn of 1972.

### *Ireland*

The steady increase in urban population and in technologically advanced industry has increased the threat to public health and the environment from pollution, nuisances and similar hazards. There are long-standing regulations prohibiting the deposit of waste in a manner injurious to health or the deposit of waste or deleterious matters in rivers or lakes. Because of growing public concern the enforcement of the regulations in question has been stepped up over recent years.

Under an Act of 1963 local authorities can control plans for the location of industry likely to give rise to a pollution hazard. The Act provides means for controlling air pollution and the quantity and quality of effluent.

Planning legislation is also used to ensure that new development does not give rise to noise nuisance and to control urban expansion so as to minimize

noise nuisance from aircraft near airports. And road traffic legislation makes it possible to control noise from motor vehicles.

A further significant step towards improving public health and the environment was taken in 1970 with the setting up of an Inter-Departmental Committee to examine all the problems—physical, legislative, financial and administrative—related to air and water pollution and to make recommendations. Thus, already in 1971 measures came into force placing restrictions on heavier smoke emissions and prohibiting the emission of smoke, dust, grit, gas and fumes which could constitute a hazard.

In June 1972, Ireland became a signatory to the Oslo Convention for the Prevention of Marine Pollution by Dumping from Ships and Aircraft. At the same time, steps were being taken to provide for the possibility of coastal pollution arising from oil spillages at sea.

C — The development  
of the social situation in figures

For several reasons the Commission has decided to replace the customary layout of the Statistical Appendix to the Social Report by a comprehensive system of "social indicators".

- (i) The previous appendix did not include all social fields. Important matters such as education, industrial relations, standard of living and consumption were not shown there in figures at all.
- (ii) Part of the data was given in absolute figures, which —either because of varying definitions (as in the case of the unemployed) or because of the different currencies (wages) or for other reasons—were not comparable in every case from one country to another. In addition, the limitation to the most recent years did not always make it possible to follow the evolution of the social situation.
- (iii) The enlargement of the Community from six to nine member countries on 1 January 1973 makes statistical comparisons between the Community countries even more difficult. In many fields in which the original Member States have already achieved harmonization of their social statistics, there is at present no comparable data for the new countries. On the other hand, a comparison both of past developments and the present social situation in the old and new partners is of particular interest at the outset of the enlarged Community.

The Commission therefore considered it desirable to replace the previous, in part very detailed statistical appendix by a simplified but more comprehensive system of indicators of the individual social situations in all nine countries. The following considerations were borne in mind.

The system should enable the most direct comparison possible to be made between the social situation in the nine countries of the enlarged Community. Further, the data should show how social development has occurred in the past. For this purpose 1958, the year in which the Community of Six was formed, was taken as a starting-point.

To meet these requirements, the attempt to produce absolute figures was largely abandoned. Only a few characteristic overall figures (population, employment, unemployed, working hours, leisure time, etc...) have been retained. All other data is shown either as percentages (of the population, labour force, workers, gross national product, national income, etc... or of the total) or as index values. This method has also been chosen by the fact that it enables more easily to follow the evolution (vertical columns) as well as comparison of the structure in the various social fields between the countries (horizontal columns). Nevertheless it must be stressed that differences in the collection procedures and definitions still subsist and that therefore a direct comparison between the countries cannot always be considered as being completely valid.

Another reason why the Commission did not consider it necessary to give details of absolute figures for the various social fields, was that most of them had already been published both by the Statistical Office and the Commission of the European Communities itself. Attention is drawn in particular to the "Yearbook of Social Statistics" for 1968 and 1970, the "Social Statistics" series in which are published the results of the harmonized statistics of gross hourly earnings, weekly working hours offered and employed wage and salary earners in industry, the results of sample manpower surveys and of enquiries on labour costs, the social accounts, statistics of industrial accidents, family budgets, etc... and to the Commission's "Comparative tables of working hours in industry".

The indicators are not always based on exact statistical data. In various cases, where statistical surveys are carried out only at long intervals or not at all, estimates or interpolations and actualizations have been made on the basis of available information. It was more difficult to convert data taken from national statistics and differing on account of collection procedures and definitions (as in the example of unemployment figures already given or in the case of statistics of working hours) to make it more comparable. In those cases in which this was just not possible, the main differences are pointed out in appropriate footnotes. However for the sake of easy and speedy information, the Commission has tried to keep footnotes to a minimum.

The Commission considers it less important for the system of social indicators to show exact statistical accuracy than for it to inform those who will have to take the necessary decisions in the field of social policy in a manner that is as easy to grasp and at the time as comprehensive as possible of the state and development of social trends.

The proposed system is a first attempt in this direction. It will doubtless be possible to improve and increase the indicators in the course of time. In particular, efforts will have to be made in future to back up the present data which related largely to objective facts, with indicators which say more about

the well-being of the working man and of the rest of the population, i.e. about the "quality of life". The Commission is well aware that this is no easy task. A number of studies are at present being carried out in this field by organizations such as the United Nations, the Council of Europe and the OECD. The Commission is keeping an interested eye on the progress of these studies, and when the time comes for further elaboration of the "social indicators", due consideration will be given to the results.

Finally, it should be recalled that in 1971 the Commission published "Social Security Indicators" in which an attempt was made to draw up, in the field of social security, indicators of a social nature corresponding to classical economic indicators.

	Year	Belgium	Germany	France	Italy
<b>I. POPULATION, EMPLOYMENT</b>					
<b>1. Population</b>					
(a) Inhabitants (millions) (Annual Average)	1958	9.1	54.3	44.8	49.5
	1969	9.6	60.1	50.3	53.2
	1970	9.7	60.6	50.8	53.6
	1971	9.7	61.3	51.3	53.9
(b) Annual increase (%)	1958/71	0.5	0.9	1.0	0.7
(c) Inhabitants per km <sup>2</sup>	1958	297	218	81	164
	1969	316	242	91	177
	1970	317	244	92	178
	1971	318	247	93	179
(d) Distribution by age groups					
0-14	1958	23.2	21.3	25.9	24.6
15-64		65.0	68.3	62.5	66.4
65 and over		11.8	10.4	11.6	9.0
0-14	1969	23.6	23.2	24.9	25.3
15-64		63.0	63.8	62.3	65.0
65 and over		13.4	13.0	12.8	9.7
0-14	1970	22.8	22.4	24.7	24.5
15-64		63.6	63.7	62.4	64.5
65 and over		13.6	13.9	12.9	11.0
<b>2. Population trends</b>					
(a) Live births per 1 000 inhabitants	1958	17.1	16.7	18.1	17.7
	1969	14.6	15.0	16.7	17.5
	1970	14.6	13.4	16.7	16.6
	1971	14.8	12.6	17.0	17.4
(b) Deaths per 1 000 inhabitants	1958	11.7	11.0	11.2	9.3
	1969	12.4	12.4	11.3	10.1
	1970	12.3	12.1	10.6	9.7
	1971	12.4	11.8	10.6	9.6
(c) Infant mortality	1958	31.3	36.2	31.5	48.2
	1969	21.6	23.2	19.7	30.3
	1970	20.5	23.4	15.2	29.2
	1971	19.8	23.2	14.4	28.3
<b>3. Employment and unemployment</b>					
(a) Labour force as % of total population	1958	39.9	48.1	42.4	44.0
	1969	39.1	43.6	40.7	36.8
	1970	39.6	44.3	41.0	36.6
	1971	41.2	43.2	41.1	36.4
(b) Unemployed as % of civilian labour force (unemployment rate)	1958	3.4	2.9	1.0	(6.2)
	1969	2.3	0.7	1.7	3.4
	1970	2.0	0.6	1.7	3.2
	1971	2.0	0.7	2.2	3.2

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
0.31	11.2	169.1	51.9	2.9	4.5	228.3
0.34	12.9	186.4	55.4	2.9	4.9	249.6
0.34	13.0	188.0	55.5	2.9	4.9	251.4
0.34	13.2	189.6	55.7	3.0	4.9	253.2
0.7	1.3	0.9	0.6	0.3	0.7	0.8
119	322	145	213	41	105	150
130	351	160	228	42	114	165
130	356	161	229	42	115	166
131	360	163	228	42	115	167
.	30.1	24.2	23.2	30.4	26.1	24.4
.	61.1	65.5	65.3	58.8	63.6	65.1
.	8.8	10.3	11.5	10.8	10.3	10.5
22.1	27.4	24.6	23.9	31.1	23.5	24.5
65.4	62.5	63.6	63.4	57.8	64.4	63.5
12.5	10.1	11.8	12.7	11.1	12.1	12.0
20.9	27.2	24.0	24.0	31.1	23.3	24.0
66.5	62.6	63.5	63.2	57.9	64.4	63.4
12.6	10.2	12.5	12.8	11.0	12.3	12.6
16.0	21.2	17.7	16.8	20.9	16.5	17.5
13.6	19.2	16.4	16.6	21.5	14.6	16.5
13.0	18.7	15.7	16.2	21.8	14.4	15.8
13.0	17.2	15.6	16.3	22.8		15.9
11.3	7.6	10.4	11.6	12.0	9.2	10.6
12.4	8.4	11.1	11.9	11.5	9.8	11.3
12.2	8.4	10.8	11.8	11.5	9.8	11.0
12.8	8.4	10.7	11.6	10.6	9.9	10.9
34.7	17.2	36.7	23.4	35.4	22.4	33.5
17.5	13.2	23.4	18.6	20.6	14.8	22.1
17.9	12.7	21.6	18.5	19.2	14.2	20.7
17.7	12.7	21.1	17.8	18.0	.	.
41.5	35.7	43.9	46.8	39.8	(43.8)	44.3
39.7	35.4	40.0	45.8	38.4	47.2	41.4
40.4	35.3	40.2	45.4	38.2	47.3	41.4
41.7	35.2	39.9	45.1	38.0	47.7	41.2
0.0	2.5	(3.4)	1.7	6.4	.	(3.0)
0.0	1.5	1.8	2.0	5.2	1.1	1.9
0.0	1.2	1.6	2.2	6.0	0.7	1.8
0.0	1.5	1.8	2.9	6.0	1.2	2.1

	Year	Belgium	Germany	France	Italy		
(c) Civilian employment	1958	3 464	25 357	18 823	(20 000)		
	(aa) Civilians employed	1969	3 683	26 337	20 154	18 673	
	(in thousands)	1970	3 747	26 765	20 455	18 774	
	1971	3 786	26 673	20 585	18 703		
(bb) Female employment as % <sup>1</sup>	1960	26.4	35.5	35.5	27.7		
	1968	28.4	34.0	36.4	26.1		
	1969	28.8	34.0	36.5	26.5		
	1970	29.1	34.0	37.0	26.3		
	1971	29.6	34.0	36.7	26.5		
(cc) Civilian employment by sectors as % (Annual estimates)	1958	Agriculture	8.1	15.7	23.7	34.9	
		Industry	47.2	47.6	39.0	35.4	
		Transports, services public administration	44.7	36.7	37.3	29.7	
	1969	Agriculture	5.2	9.6	14.9	21.5	
		Industry	44.9	49.1	40.5	43.0	
		Services	49.9	41.3	44.6	35.5	
	1970	Agriculture	4.8	9.0	14.2	19.6	
		Industry	44.7	49.6	40.6	43.7	
		Services	50.5	41.4	45.2	36.7	
	1971	Agriculture	4.4	8.4	13.5	19.5	
		Industry	44.3	49.5	40.5	44.1	
		Services	51.3	42.1	46.0	36.4	
	(dd) Civilian employment by professional status as % (Annual estimates)	1958	Self-employed	18.5	13.1	} 31.6	} 44.9
			Family helpers	5.6	11.0		
			Wage and salary earners	75.9	75.9	68.4	55.1
		1969	Self-employed	16.5	11.1	} 23.1	} 23.8
Family helpers			4.9	7.5			
Wage and salary earners			78.6	81.4	76.9	67.3	

<sup>1</sup> Former 6 member countries: data taken from the Community sample surveys; 3 new member countries: national data that are not comparable to those of the 6.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
133	3 899	71 680	23 656	1 060	1 891	98 290
140	4 493	73 480	24 904	1 065	2 308	101 760
144	4 551	74 380	24 709	1 058	2 332	102 480
148	4 573	74 470	24 329	1 063	2 366	102 230
25.2	22.8	31.9	34.4	(26.5)	31.8	.
25.4	23.3	31.6	36.4	.	.	.
25.8	.	31.9	36.7	.	38.4	.
25.8	.	31.9	36.9	.	39.4	.
26.6	.	31.9	.	.	.	.
(17.9)	12.7	22.6	4.5	38.4	20.1	18.4
(43.3)	41.8	41.6	48.9	22.9	37.5	43.1
(38.8)	45.5	35.8	46.6	38.7	42.4	38.5
11.6	7.6	13.8	2.9	28.5	12.0	11.2
45.7	41.6	44.4	46.9	29.8	38.1	44.8
42.7	50.8	44.8	50.2	41.8	49.9	44.0
10.8	7.3	12.8	2.8	27.5	11.4	10.5
46.7	41.2	44.7	46.6	30.0	38.0	45.0
42.5	51.5	42.5	50.6	42.5	50.6	44.5
10.2	7.0	12.3	2.7	26.5	10.9	10.2
46.9	40.8	44.7	45.7	30.9	37.6	44.6
42.9	52.2	43.0	51.6	42.6	51.5	45.2
17.2	16.9	} 31.9	} 7.5	} 36.3	} 23.6	} 25.9
12.7	6.6					
70.1	76.5	68.1	92.5	63.7	76.4	74.1
13.9	13.1	} 23.5	} 7.3	} 31.8	} 15.9	} 19.6
10.8	4.2					
75.3	82.7	76.5	92.7	68.2	78.8	80.4

	Year	Belgium	Germany	France	Italy
Self employed	1970	15.9	10.9	} 22.2	23.6
Family helpers		4.8	7.0		8.1
Wage and salary earners		79.3	82.1	77.8	68.3
Self employed	1971	15.5	10.7	} 21.4	22.8
Family helpers		4.5	6.6		7.9
Wage and salary earners		80.0	82.7	78.6	69.3
<b>(d) Foreign workers</b>					
(aa) Foreign workers employed (1 000)	1958	.	130	.	.
(Annual average, estimates)	1969	190	1 366	1 180	43
	1970	200	1 807	1 200	39
	1971	209	2 128	1 161	40
	1972	.	2 317	.	.
(bb) as % of wage and salary earners employed	1958	.	0.7	.	.
	1969	6.6	6.4	7.6	0.3
	1970	6.7	8.2	7.5	0.3
	1971	6.9	9.6	7.0	0.3
	1972	.	10.4	.	.
<b>II. EDUCATION, VOCATIONAL TRAINING</b>					
<b>1. Number at school and university</b>					
as % of population aged from 5 to 24	1960/61	59.0	45.4	61.1	43.0
	1970/71	61.7	56.1	60.3	57.3
<b>2. Number of students at university and in higher education</b>					
as % of population aged from 19 to 24	1960/61	8	8	8	6
	1968/69	13	12	16	13
	1969/70	14	13	16	14
	1970/71	15	14	16	15
<b>III. INDUSTRIAL RELATIONS</b>					
<b>1. Degree of organization of workers (as %)</b>					
	1958	60	38	23	55-60
	1969	67	37	22	55-60
	1970	67	37	22	55-60
	1971	67	37	22	55-60

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
13.2 10.4	12.7 4.1	} 22.6	} 7.4	} 31.0	15.0 5.3	} 19.0
76.4	83.2	77.4	92.6	69.0	79.7	81.0
12.6 9.9	12.5 4.0	} 21.9	} 7.5	} 30.1	14.7 5.4	} 18.5
77.5	83.5	78.1	92.5	69.9	79.9	81.5
.	30	.	.	.	.	.
30	103	2 910	.	.	.	.
33	110	3 390	.	.	.	.
38	116	3 690	.	.	.	.
.	115	.	.	.	.	.
.	1.0	.	.	.	.	.
29	2.8	5.2	.	.	.	.
30	2.9	5.9	.	.	.	.
33	3.0	6.3	.	.	.	.
.	3.0	.	.	.	.	.
49.5 53.5	57.4 57.9	50.4 58.1	56.4 63.0	. 68.2	. .	. .
4	9	7	.	.	.	.
6	11	13	13	9	.	.
6	12	14	13	9	.	.
6	13	15	13	9	.	.
60	43	41	43	39	~70	42
55	41	40	46	48	~70	42
55	41	40	47	48	~70	42
55	41	40	.	48	~70	42

	Year	Belgium	Germany	France	Italy
<b>2. Industrial disputes</b>					
Working days lost per 1 000 workers	1958	115	41	88	379
	1960/69	98	15	276	1 145
	1969	56	12	145	3 013
	1970	482	4	109	1 425
	1971	406	203	280	998
<b>IV. WORKING CONDITIONS</b>					
<b>1. Hours of work per week</b>					
(a) Hours of work fixed by legislation	1958	48	48	40 <sup>2</sup>	48
	1969	45	48	40 <sup>2</sup>	48
	1970	45	48	40 <sup>2</sup>	48
	1971	45	48	40 <sup>2</sup>	48
	1972	45	48	40 <sup>3</sup>	48
(b) Hours of work fixed for manual workers in industry by collective agreements in general	1958	45-47	44-45	—	48
	1969	43-44	40-41 <sup>4</sup>	—	42-44
	1970	42-44	40-41	—	42-44
	1971	42-44	40-41	—	40-43
	1972	41-42 <sup>6</sup>	40	—	40-42
(c) Hours of work offered to wage earners in industry (harmonized Community statistics)	1967	43.9	42.6	46.5	44.3
	1969	43.7	44.2	46.1	43.6
	1970	42.9	44.1	45.8	42.5
	1971	42.4	43.3	45.4	42.1
(d) Hours actually worked by wage earners in industry <sup>1</sup>	1958	.	45.7	46.2	.
	1969	.	44.0	45.9	.
	1970	.	44.0	45.5	.
	1971	.	43.2	45.1	.
<b>2. Annual paid holidays (days) (Predominant systems)</b>					
(a) Basic holidays for adults fixed by legisla- tion	1958	12	12	18	—
	1969	18	15-18	24	—
	1970	18	15-18	24	—
	1971	18	15-18	24	12
	1972	18	15-18	24	12

<sup>1</sup> As the definitions of the national statistics are different, the data cannot be compared from one country to another; nevertheless, given the fact that they permit to follow the evolution of the number of hours actually worked since 1958, they have been reproduced. Included under this heading are:

Germany: Hours paid for;

France: Hours actually worked by a worker present during the entire pay period;

United Kingdom/Ireland: Hours actually worked by a worker present during all or part of the pay period.

<sup>2</sup> The number of hours may be greater but may not exceed 60 per week.

<sup>3</sup> The number of hours may be greater but may not exceed 57 per week.

<sup>4</sup> The number of working hours may be increased by 4, 3, 2, 1 hours per week in 1971, 72, 73, 74 respectively, without a special permission.

<sup>5</sup> Manufacturing industries only.

<sup>6</sup> Construction: 43½ hours.

	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
.	13	132	158	187	7	138	
.	20	346	153	610	175	330	
.	6	720	297	1 285	31	585	
.	70	379	480	1 381	55	405	
.	25	400	595	369	11	434	
Employees/ Workers							
44/48	48	40-48	—	48	—	40-48	
44/48	48	40-48	—	48	—	40-48	
44/48	48	40-48	—	48	—	40-48	
44/44 <sup>4</sup>	48	40-48	—	48	—	40-48	
40/44 <sup>4</sup>	48	40-48	—	48	—	40-48	
48	48	44-48	44-45	44	45-48	44-48	
42-44	43½	40-44	40-41	42	42½	40-44	
41-44	42½-43½	40-44	40-41	41-42	42½-41½	40-44	
41-44	42½-43½	40-44	40	40-42	41½	40-44	
40-44	41½-42½	40-44	40	40-42	41½	40-44	
45.9	45.3	44.2	.	.	.	.	
45.2	45.1	44.6	.	.	.	.	
45.1	44.3	44.2	.	.	.	.	
44.5	43.9	43.6	.	.	.	.	
.	.	.	46.2	44.6 <sup>5</sup>	.	.	
.	.	.	44.5	43.1 <sup>5</sup>	.	.	
.	.	.	43.9	42.5 <sup>5</sup>	.	.	
.	.	.	43.0	42.1 <sup>5</sup>	.	.	
8-18	—	.	—	12	12	.	
18-24	10-12	.	—	12	18	.	
18-24	10-12	.	—	12	18	.	
18-24	12½-15	12-24	—	12	18	.	
18-24	15-18	12-24	—	12	18	.	

	Year	Belgium	Germany	France	Italy
(b) Basic holidays for adults laid down in collective agreements	1958	12	12-18	18	12
	1969	18	16-24	24	12-14
	1970	18	16-24	24	12-15
	1971	18	16-24	24	13-18
	1972	20	17-24	24	13-18
(c) Additional holidays allowances	1958	6 daily wages	—	—	—
	1969	18 daily wages	10-30% <sup>1</sup>	—	—
	1970	18 daily wages	15-30% <sup>1</sup>	—	—
	1971	18 daily wages	25-30% <sup>1</sup>	—	—
	1972	18 daily wages	25-30% <sup>1</sup>	—	—
<b>3. Public holidays</b>					
(a) Public holidays paid for and not worked fixed by legislation	1958	10	10-13	1	16
	1969	10	10-13	1	16
	1970	10	10-13	1	16
	1971	10	10-13	1	16
	1972	10	10-13	1	16
(b) Public holidays paid for and not worked fixed by legislation and laid down in collective agreements	1958	10	10-13	4-7	17
	1969	10	10-13	8-10	17
	1970	10	10-13	8-10	17
	1971	10	10-13	8-10	17
	1972	10	10-13	8-10	17
<b>V. INCOMES-LABOUR COSTS</b>					
1. Gross national product per capita in \$	1958	1 154	1 096	1 196	612
	1969	2 414	2 558	2 817	1 566
	1970	2 684	3 089	2 909	1 739
	1971	2 936	3 387	3 176	1 867
<b>2. Average compensation of wage and salary earners (Annual average)</b>					
(a) as % of national income per person employed (wage-quota)	1958	77.9	80.2	81.9	88.0
	1969	76.9	79.4	78.8	81.9
	1970	77.0	80.7	78.4	85.1
	1971	79.2	82.4	79.0	88.3
(b) Increase in nominal terms 1958 = 100	1958	100	100	100	100
	1969	206	223	268	273
	1970	226	256	295	316
	1971	252	288	325	357

<sup>1</sup> This average additional allowance was paid to less than half of the wage and salary earners in 1969 and 1970 and to about half of them in 1971 and 1972.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
8-18	12-15	8-18	12	12	18	8-18
18-24	15-16	12-24	12-18	12-18	18	12-24
18-24	15-18	12-24	12-18	18	18	12-24
18-24	15-19	13-24	12-18	18	18	12-24
18-24	16-20	13-24	.	.	21	12-24
—	6-12 daily wages	.	—	—	—	.
—	6% } yearly wages	.	—	—	0,75% } of	.
—	6% } wages	.	—	—	0,75% } yearly	.
—	6% } wages	.	—	—	0,75% } wages	.
—	6½-8% yearly wages	.	—	—	2,00% } .	.
10	—	.	6	6	9½	.
10	—	.	6	6	9½	.
10	—	.	6	6	9½	.
10	—	.	6	6	9½	.
10	—	.	6	6	9½	.
10	7	4-17	6-7	6	9½	4-17
10	7	7-17	6-7	6	9½	6-17
10	7	7-17	6-7	6	9½	6-17
10	7	7-17	6-7	6	9½	6-17
10	7	7-17	6-7	6	9½	6-17
1 402	845	968	1 252	578	1 101	1 029
2 630	2 228	2 314	2 014	1 225	2 899	2 246
3 004	2 455	2 591	2 198	1 356	3 187	2 501
(3 027)	2 728	2 829	2 421	1 532	3 456	2 736
91.9	76.0	81.6	78.0	87.1	.	80.7
90.4	79.6	80.2	81.9	91.0	83.3	80.1
90.0	81.4	81.4	83.9	93.4	85.1	81.5
.	83.3	83.1	83.4	93.5	.	.
100	100	100	100	100	100	.
180	269	249	192	255	273	.
202	301	284	217	293	303	.
.	342	318	245	332	.	.

	Year	Belgium	Germany	France	Italy
(c) Increase in real terms 1958 = 100	1958	100	100	100	100
	1969	156	173	173	191
	1970	165	191	181	211
	1971	177	205	189	227
<b>3. Increase of average gross hourly earnings of workers in industry</b> October/October (1958 = 100)					
— in nominal terms	1969	204	234	231	235
	1970	230	266	258	291
	1971	259	290	289	334
— in real terms	1969	153	181	147	163
	1970	166	198	156	192
	1971	177	204	165	210
<b>4. Labour costs per hour worked</b>					
(a) of manual workers in industry in \$	1958s	0.85	0.78	0.76	0.65
	1969	1.94	2.00	1.71	1.59
	1971a	2.55	2.82	2.00	2.28
— country with the highest level = 100	1958s	76	70	68	58
	1969	91	94	80	75
	1971a	90	100	71	81
(b) of manual and office workers in industry in \$	1969	2.18	2.26	2.11	1.83
— country with the highest level = 100	1969	94	97	91	79
<b>VI. CONSUMPTION/ STANDARD OF LIVING</b>					
<b>1. Composition of private consumption in %</b>					
	1960				
— food and beverages, tobacco		34.8	38.2	41.7	48.5
— clothing and footwear		9.0	12.8	10.9	9.8
— rents and connected charges		11.8	7.2	6.4	10.4
— fuel and power		4.9	3.3	3.7	3.0

<sup>1</sup> Manufacturing industries: September.

<sup>2</sup> Manufacturing industries, construction, services; fourth quarter.

s: Estimates

a: Actualization of the results 1969.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
100	100	100	100	100	100	.
145	176	177	135	173	159	.
156	189	192	143	183	166	.
.	200	205	148	191	.	.
189	264	.	199	238 <sup>1</sup>	300 <sup>2</sup>	.
215	301	.	228	279 <sup>1</sup>	336 <sup>2</sup>	.
230	347	.	257	324 <sup>1</sup>	382 <sup>2</sup>	.
152	171	.	140	159 <sup>1</sup>	174 <sup>2</sup>	.
165	187	.	149	172 <sup>1</sup>	182 <sup>2</sup>	.
168	199	.	154	183 <sup>1</sup>	196 <sup>2</sup>	.
1.12	0.67	.	.	.	.	.
2.13	1.96	.	.	.	.	.
2.59	2.60	.	.	.	.	.
100	60	.	.	.	.	.
100	92	.	.	.	.	.
92	92	.	.	.	.	.
2.33	2.29	.	.	.	.	.
100	98	.	.	.	.	.
38.8	37.9	.	38.9	52.8	.	.
11.4	12.8	.	10.7	9.8	.	.
11.5	7.8	.	9.2	6.0	.	.
3.9	5.1	.	5.8	4.9	.	.

	Year	Belgium	Germany	France	Italy
— furniture, furnishings, household equipment and operation	1970	11.0	14.0	8.9	6.0
— personal care and health		6.0	4.0	6.8	6.0
— transportation and communication		9.0	8.8	8.6	7.4
— education, entertainment and recreation		4.7	7.0	6.6	6.5
— other goods and services		8.4	4.7	5.6	5.1
— expenditure abroad of residents		0.3	—	0.8	—2.7
— food and beverages, tobacco		31.6	30.3	32.9	42.9
— clothing and footwear		8.2	12.0	9.1	9.4
— rents and connected charges		9.5	11.2	10.2	9.8
— fuel and power		5.0	3.8	3.1	3.3
— furniture, furnishings a.s.o.		13.1	13.2	8.4	5.9
— personal care and health		8.0	4.2	11.2	7.9
— transportation and communication		10.3	12.0	9.8	10.7
— education, entertainment and recreation		4.3	7.0	7.4	6.2
— other goods and services		9.8	6.3	7.8	5.6
— expenditure abroad of residents		0.2	—	0.1	—1.7
<b>2. Amounts of some foodstuffs consumed annually in kg per unit of consumption</b>	1957/59	<sup>1</sup>			
— cereals, rice		93.3	90.5	108.0	142.3
— potatoes		147.0	149.0	114.0	48.0
— sugar		31.2	29.3	29.1	18.2
— meat		56.3	52.0	70.0	23.3
— eggs		14.9	11.8	10.3	8.3
— oils and fats		12.9	19.2	11.2	13.8
— butter		8.4	6.1	6.0	1.3
— fresh milk (litres)	94.2	119.1	94.0	58.0	
	1969/70	<sup>1</sup>			
— cereals, rice		80.6	67.2	80.1	128.3
— potatoes		117.0	102.0	95.7	45.0
— sugar		38.9	32.0	34.2	26.6
— meat		69.7	73.7	86.8	50.9
— eggs		14.3	15.8	13.7	10.8
— oils and fats		22.3	18.6	17.3	20.9
— butter		8.4	7.2	8.2	1.6
— fresh milk (litres)	80.7	77.9	97.2	65.2	

<sup>1</sup> Figures for Belgium include Luxembourg

	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
	9.6	15.0	.	5.3	7.7	.	.
	5.5	5.7	.	3.8	2.0	.	.
	9.4	4.1	.	12.0	9.0	.	.
	4.1	3.9	.	5.7	5.8	.	.
	9.2	7.9	.	7.1	7.1	.	.
	— 3.4	— 0.2	.	1.5	— 5.0	.	.
	31.6	30.3	.	34.6	47.7	.	.
	9.6	10.0	.	9.4	10.2	.	.
	12.3	8.3	.	12.4	6.1	.	.
	5.4	5.0	.	6.2	4.3	.	.
	9.6	15.1	.	5.4	8.3	.	.
	6.8	8.0	.	3.6	2.5	.	.
	11.1	5.7	.	13.5	10.7	.	.
	4.0	4.8	.	6.1	5.9	.	.
	10.8	10.6	.	7.3	7.5	.	.
	— 1.2	2.2	.	— 1.5	— 3.1	.	.
	1						
	.	86.5	110.2	85.3	117	84.1	104.1
	.	90.0	106.2	94.6	136	129.0	104.4
	.	43.2	27.1	51.6	45	48.5	33.3
	.	42.8	48.2	65.5	57	69.4	52.7
	.	11.5	10.5	14.1	18	8.6	11.4
	.	21.0	15.2	15.4	6	18.5	15.2
	.	3.6	4.6	6.7	13	9.4	5.3
	.	168.6	96.5	146.8	202	119.6	109.7
	1						
	.	66.9	88.9	74.2	93.9	69.1	85.3
	.	93.4	84.0	97.9	125.5	79.0	87.5
	.	46.0	32.3	44.9	50.8	47.5	35.6
	.	49.7	68.8	73.4	80.9	61.5	69.8
	.	12.6	13.5	14.8	13.9	11.2	13.7
	.	29.3	19.9	16.2	7.8	20.4	18.9
	.	2.3	5.6	7.2	10.2	7.6	6.0
	.	113.9	82.0	143.4	213.3	121.2	97.9

	Year	Belgium	Germany	France	Italy	
3. (a) Private cars per 1 000 inhabitants	1.1.1958	71	56	89	25	
	1.1.1970	199	199	238	169	
	1.1.1971	213	222	251	190	
	(b) Television sets per 1 000 inhabitants	1.1.1958	14	22	15	14
		1.1.1969	197	250	185	150
		1.1.1970	207	265	201	170
		1.1.1971	216	272	.	181
	(c) Telephones per 1 000 inhabitants	1.1.1958	109	88	79	58
		1.1.1969	191	188	150	144
1.1.1970		200	206	161	157	
1.1.1971		211	225	172	171	
4. Housing						
(a) Completed dwellings per 1 000 inhabitants	1958	.	9.5	6.5	.	
	1969	5.9	8.3	8.6	5.3	
	1970	4.6	7.9	8.9	7.0	
	1971	4.4	9.1	9.3	6.7	
(b) Rent index (1958 = 100)	1969	163 <sup>3</sup>	195	298	216	
	1970	172 <sup>3</sup>	203	320	223	
	1971	.	215	339	227	
	1972	.	226	358	232	
(c) Index of building cost of dwellings (1958 = 100)	1969	191	159	157	205	
	1970	216	182	163	237	
	1971	240	202	173	262	
5. Health						
(a) Doctors per 100 000 inhabitants	1.1.1958	119	130	100	142	
	1.1.1968	155	176	133	175	
	1.1.1970	154	.	.	179	
	1.1.1971	.	.	.	.	
(b) Pharmacists per 100 000 inhabitants	1.1.1969	68	36	63	66	
	1.1.1970	67	33	.	65	
	1.1.1971	.	.	.	.	
(c) Hospital beds <sup>1</sup> per 100 000 inhabitants	1.1.1969	824	1 149	885	1 006	
	1.1.1970	.	1 123	1 071	.	
	1.1.1971	.	.	.	.	

<sup>1</sup> Including clinics, psychiatric hospitals, sanatoriums, nursing homes and old persons' homes.

<sup>2</sup> 31 March.

<sup>3</sup> The index refers only to dwellings built by intervention of the "Société nationale du logement".

<sup>4</sup> England and Wales.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
100	39	55	88	52	62	62
250	179	199	209	129	209	201
269	191	217	215	133	218	216
7	22	17	150	.	25	47
154	208	198	278	135 <sup>2</sup>	248	216
183	221	213	284	141 <sup>2</sup>	250	228
208	.	.	293	147 <sup>2</sup>	266	.
123	119	80	150	46 <sup>2</sup>	211	98
290	228	168	231	93 <sup>2</sup>	309	184
313	241	182	252	98 <sup>2</sup>	322	199
328	260	199	267	106 <sup>2</sup>	339	216
.	8.0	.	5.4	2.1	4.6	.
5.5	9.6	7.4	6.8	4.8	10.2	7.2
5.1	9.0	7.8	6.5	4.6	10.2	7.5
4.0	10.4	8.3	6.5	5.2	10.0	.
.	176	.	.	177	.	.
.	185	.	.	194	.	.
.	200	.	.	214	.	.
.	217	.	.	.	.	.
.	172	.	212 <sup>4</sup>	155	.	.
.	190	.	229 <sup>4</sup>	172	.	.
.	216	.	.	190	.	.
97	114	124	.	105	.	.
101	118	150	126	104	141	144
106	125	152	127	102	134	.
.	.	.	130	100	.	.
50	8	47	30	57	42	43
50	9	46	30	58	37	42
.	.	.	.	55	.	.
1 163	723	1 043	984	1 334	895	1 030
1 265	.	.	974	1 308	881	.
.	.	.	961	1 333	.	.

	Year	Belgium	Germany	France	Italy
<b>VII. SOCIAL SECURITY</b>					
<b>1. Scope</b>					
<b>(a) Medical care</b>					
Persons covered as % of total population	1958	71	84	64	74
	1960	73	85	66	78
	1965	91	87	88	85
	1970	99	90	98	91
<b>(b) Invalidity, old-age and survivors' pensions scheme</b>					
Persons insured as % of civilian labour force	1958	63	84	.	72
	1960	.	88	92	97
	1970	100	.	100	98
	1971	100	.	100	.
<b>(c) Employment injuries scheme</b>					
Persons insured as % of civilian labour force	1958	65	100	.	71
	1966	.	100	.	62
	1970	79	100	90	65
	1971	.	100	.	.
<b>(d) Unemployment insurance</b>					
Persons insured as % of wage and salary earners	1958	79	74	.	60
	1966	83	81	.	74
	1970	81	86	72	71
<b>2. Recipients of benefits</b>					
<b>(a) Sickness</b>					
Average number of days during which benefit was paid	1958	18.9	20.5	.	22.6
	1970	.	.	.	.
	1971	.	.	.	.
<b>(b) Pensions</b>					
— Old-age pensions per 1 000 inhabitants aged 65 (Italy: 60) and over	1958	231	481	.	443
	1969	.	594	.	.
	1970	.	602	.	.
	1971	.	610	.	.
— Invalidity pensions per 1 000 inhabitants	1958	8.7	28.0	.	19.7
	1969	.	27.0	.	.
	1970	.	27.0	.	.
	1971	.	27.3	.	.
— Survivors' pensions per 1 000 inhabitants	1958	24.2	63.3	.	17.9
	1969	.	67.1	.	.
	1970	.	67.7	.	.
	1971	.	68.2	.	.

<sup>1</sup> Free medical treatment.

<sup>2</sup> Free hospital care, treatment by surgeons and specialists and maternity and child care.

<sup>3</sup> Widows aged over 60 years generally receive old age pensions; the division between old-age pensions and survivors' pensions therefore does not correspond to that applying in the other countries.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
84	75	75	100	} resp. 30 <sup>1</sup> and 90 <sup>2</sup>	86 (1956)	.
83	76	77	100		90 (1961)	.
98	76	86	100		94	.
99	76	91	100		.	.
82	100	.	90	58	72	.
.	100	.	86	65	.	.
100	100	.	83	65	.	.
100	100	.	83	65	.	.
81	67	.	92	62	.	.
95	.	.	92	.	.	.
93	72	.	94	69	.	.
.	.	.	95	70	.	.
.	.	.	89	89	.	.
.	76	.	85	91	.	.
.	87	.	82	91	.	.
.	14.1	.	33.3	120.4	28.9	.
.	.	.	34.4	101.6	.	.
.	.	.	.	95.8	.	.
.	783	.	3	529	618	.
.	.	.	3	486	.	.
.	.	.	3	494	.	.
.	.	.	3	94	.	.
.	10.5	.	.	—	12.0	.
.	.	.	.	—	.	.
.	.	.	.	4.0	.	.
.	12.2	.	3	22.8	6.7	.
.	.	.	3	31.4	.	.
.	.	.	3	31.5	.	.
.	.	.	3	33.2	.	.

	Year	Belgium	Germany	France	Italy
<b>(c) Employment injuries, occupational diseases</b>					
— Invalidity pensions per 1 000 inhabitants	1958	15.5	12.9	.	8.3
	1969	.	13.2	.	.
	1970	.	13.2	.	.
	1971	.	12.9	.	.
— Survivors' pensions per 1 000 inhabitants	1958	2.8	3.6	.	1.9
	1969	.	3.6	.	.
	1970	.	3.6	.	.
	1971	.	3.6	.	.
<b>(d) Unemployment insurance</b>					
Average number of unemployed receiving benefits as % of wage and salary earners	1958	7.0	3.4	.	3.0
	1969	.	0.6	.	.
	1970	.	0.5	.	.
	1971	.	0.6	.	.
<b>(e) Family allowances</b>					
Number of children for whom allowances were paid as % of population aged from 0 to 19	1958	72 <sup>5</sup>	10 <sup>5</sup>	.	40 <sup>5</sup>
	1969	76 <sup>5</sup>	28 <sup>5</sup>	83	55 <sup>5</sup>
	1970	83 <sup>5</sup>	29 <sup>5</sup>	84	57 <sup>5</sup>
	1971	.	31 <sup>5</sup>	.	.
<b>3. Expenditures</b>					
<b>According to the international studies of the ILO.<sup>1</sup></b>					
(a) as % of gross national product	1958 <sup>2</sup>	14.5	16.7	13.7	11.8
	1966 <sup>3</sup>	16.4	17.1	15.6	15.6
(b) as % of national income	1958 <sup>2</sup>	17.9	21.3	17.8	14.7
	1966 <sup>3</sup>	20.8	22.2	20.8	19.3
(c) Benefits per scheme as % of national income	1958 <sup>2</sup>				
— social insurance		8.5	13.2	7.2	7.0
— family allowances		2.5	0.3	4.1	2.7
— public employees - civilian and military		3.3	3.3	3.2	2.3
— public health services		0.4	0.1	—	0.2
— public assistance		0.5	1.5	0.9	0.3
— war victims		1.0	1.8	1.4	1.3
<b>Total</b>		<b>16.2</b>	<b>20.2</b>	<b>16.8</b>	<b>13.8</b>

<sup>1</sup> Source: "The Cost of Social Security 1964-1966", ILO, Geneva.

<sup>2</sup> United Kingdom, Ireland and Denmark: 1958/59 fiscal year.

<sup>3</sup> United Kingdom: 1966/67 fiscal year; Ireland and Denmark: 1965/66 fiscal year.

<sup>4</sup> December.

<sup>5</sup> Does not include family allowances paid to public employees.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
.	2.5	.	3.1	.	.	.
.	.	.	3.8	.	.	.
.	.	.	3.8	.	.	.
.	.	.	3.8	.	.	.
.	1.1	.	0.6	.	.	.
.	.	.	0.8	0.0	.	.
.	.	.	0.8	0.0	.	.
.	.	.	0.8	0.0	.	.
0.0	1.7	.	1.4 <sup>4</sup>	5.2	.	.
.	.	.	1.3 <sup>4</sup>	4.0	.	.
.	.	.	1.4 <sup>4</sup>	4.4	.	.
.	.	.	1.9 <sup>4</sup>	4.1	.	.
85	48	.	37	75	.	.
100	89	58	42	83	.	.
100	90	60	42	83	.	.
.	.	.	42	84	.	.
14.3	11.1	.	10.7	9.8	11.6	.
16.3	16.6	.	12.6	10.2	13.2	.
18.7	13.5	.	13.3	11.5	14.4	.
21.0	20.3	.	15.9	12.7	16.7	.
9.9	8.0	.	5.2	4.8	7.3	.
2.2	1.8	.	0.7	1.4	0.6	.
4.4	2.0	.	1.0	1.3	1.3	.
—	—	.	3.7	2.8	2.8	.
0.8	0.7	.	1.3	0.6	1.8	.
0.6	0.1	.	0.5	—	0.1	.
17.9	12.6	.	12.5	10.9	13.9	.

	Year	Belgium	Germany	France	Italy
	<i>1966</i> <sup>1</sup>				
— social insurance		11.1	14.1	10.2	11.3
— family allowances		3.3	0.8	3.7	2.2
— public employees - civilian and military		2.9	3.3	3.5	3.2
— public health services		0.5	0.2	—	0.1
— public assistance		0.5	1.2	1.0	0.3
— war victims		0.6	1.5	1.2	0.8
<b>4. Receipts</b>	Total	18.9	21.1	19.6	17.9
<b>According to the international studies of the I.L.O.</b>					
<b>Nature of receipts - as %</b>	<i>1958</i> <sup>2</sup>				
— contributions from insured persons		18.5	24.6	15.1	10.6
— contributions from employers		42.4	43.7	60.7	65.3
— special taxes allocated to social security		1.2	1.6	4.0	0.1
— participation of the State and other public authorities		30.2	26.9	19.4	16.9
— income from capital		2.4	2.2	0.2	4.6
— other receipts		5.3	1.0	0.6	2.5
	<i>1966</i> <sup>1</sup>				
— contributions from insured persons		21.1	26.4	16.9	14.7
— contributions from employers		45.2	40.4	61.6	60.2
— special taxes allocated to social security		—	1.3	2.6	0.2
— participation of the State and other public authorities		26.9	28.9	17.8	19.9
— income from capital		3.9	2.5	0.2	2.7
— other receipts		2.9	0.5	0.9	2.3
<b>VIII. SOCIAL ACCOUNTS<sup>3</sup></b>					
<b>1. Expenditures</b>					
(a) as % of gross national product	1962	15.5	17.5	16.3	14.3
	1967	16.9	20.2	18.4	17.8
	1969	17.7	19.8	18.3	18.7
	1970	17.1	19.8	18.1	18.9
	1971	18.4	19.7	18.4	20.2

<sup>1</sup> United Kingdom: 1966/67 fiscal year, Ireland and Denmark: 1965/66 fiscal year.

<sup>2</sup> United Kingdom, Ireland and Denmark: 1958/59 fiscal year.

<sup>3</sup> They include: social security plus voluntary benefits from employers plus benefits for war victims plus social assistance.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
13.1	12.6	.	6.6	5.5	7.6	.
2.7	2.6	.	0.5	1.3	1.5	.
4.3	3.2	.	1.3	1.5	1.2	.
—	—	.	4.4	3.3	3.6	.
0.0	0.8	.	1.8	0.6	2.2	.
0.3	0.1	.	0.4	—	0.1	.
20.3	19.3	.	15.0	12.2	16.2	.
19.1	40.5	.	20.3	4.9	15.0	.
50.3	39.0	.	18.5	20.4	10.5	.
—	—	.	—	—	—	.
22.6	14.4	.	58.0	73.7	74.0	.
6.6	6.1	.	1.7	0.8	0.5	.
1.4	0.0	.	1.5	0.2	—	.
23.2	41.2	.	20.7	7.8	16.5	.
40.0	42.6	.	26.1	22.7	11.1	.
—	—	.	—	—	—	.
27.6	10.8	.	49.8	68.8	72.0	.
8.2	5.4	.	2.5	0.6	0.4	.
0.9	0.0	.	0.9	0.1	—	.
15.7	13.8	.	.	.	.	.
19.3	18.9	.	.	.	.	.
17.7	19.8	.	.	.	.	.
17.3	20.4	.	.	.	.	.
.	21.6	.	.	.	.	.

	Year	Belgium	Germany	France	Italy	
(b) as % of national income	1962	19.5	22.8	21.6	17.7	
	1967	21.5	27.2	24.4	22.0	
	1969	22.4	26.0	23.9	23.3	
	1970	21.7	25.6	23.5	23.3	
	1971	23.2	25.6	24.0	24.8	
(c) Benefits per function as % of national income	1962	— Sickness	2.5	5.5	4.2	3.2
		— Old-age, death, survivors	7.4	9.4	6.6	5.4
		— Invalidity	1.0	1.3	0.3	1.2
		— Employment injuries occupational diseases	0.6	0.9	1.0	0.5
		— Unemployment	0.9	0.3	0.1	0.5
		— Family charges	3.6	1.6	5.9	4.0
		— Other <sup>1</sup>	2.4	2.4	2.3	1.9
		Total	18.4	21.4	20.4	16.7
	1971	— Sickness	4.9	7.3	6.0	5.6
		— Old-age, death, survivors	8.2	10.5	8.8	8.1
		— Invalidity	1.0	1.2	0.3	2.7
		— Employment injuries occupational diseases	1.1	1.3	1.0	0.8
		— Unemployment	0.9	0.3	0.3	0.3
		— Family charges	4.0	1.9	4.7	3.0
		— Other <sup>1</sup>	1.3	1.8	1.5	1.6
		Total	21.4	24.3	22.6	22.1
	<b>2. Receipts</b>					
	<b>Nature of receipts - as %</b>					
	1962	— contributions from employers	44.8	48.4	61.0	61.9
		— contributions from insured persons	19.7	24.0	16.8	12.2
— contributions from public authorities		27.1	23.2	21.2	19.8	
— income from capital		4.5	2.1	0.6	2.6	
— other receipts		3.9	2.3	0.4	3.5	

<sup>1</sup> They include: benefits for physical and psychical infirmity, political events, natural catastrophes a.o.

Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
20.0	16.9	.	.	.	.	.
25.3	23.2	.	.	.	.	.
23.7	24.1	.	.	.	.	.
23.0	25.0	.	.	.	.	.
.	26.7	.	.	.	.	.
3.0	4.1	.	.	.	.	.
} 11.0	7.3	.	.	.	.	.
	0.2	.	.	.	.	.
1.6	0.3	.	.	.	.	.
0.0	0.7	.	.	.	.	.
2.5	2.3	.	.	.	.	.
0.9	1.2	.	.	.	.	.
19.0	16.1	.	.	.	.	.
(1970)						
3.8	7.0	.	.	.	.	.
13.5	10.4	.	.	.	.	.
0.0	} 2.2	.	.	.	.	.
1.5		0.8	.	.	.	.
0.0	0.8	.	.	.	.	.
2.6	3.0	.	.	.	.	.
0.7	2.4	.	.	.	.	.
22.1	25.8	.	.	.	.	.
44.1	40.4	.	.	.	.	.
18.5	33.6	.	.	.	.	.
27.7	15.8	.	.	.	.	.
8.0	7.9	.	.	.	.	.
1.7	2.3	.	.	.	.	.

	Year	Belgium	Germany	France	Italy
	<i>1971</i>				
— contributions from employers		47.5	49.7	62.3	56.9
— contributions from insured persons		20.7	26.0	19.2	13.5
— contributions from public authorities		27.4	21.9	16.7	23.4
— income from capital		3.4	2.1	1.0	3.0
— other receipts		1.0	0.3	0.8	3.2

	Luxembourg	Netherlands	Total 6	United Kingdom	Ireland	Denmark	Total 6+3
(1970)							
35.9	44.2	.	.	.	.	.	
24.8	36.2	.	.	.	.	.	
30.8	11.2	.	.	.	.	.	
8.1	} 8.4	.	.	.	.	.	
0.4		.	.	.	.	.	