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COM (78)570

Vol. 1978/0220

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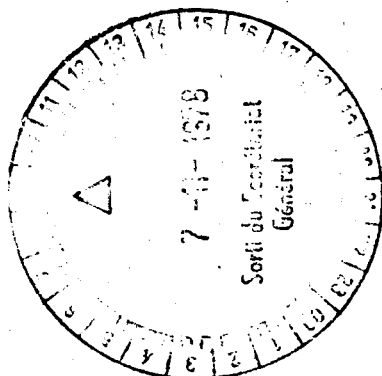
COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 570 final.

Brussels, 31 october 1978

SOCIAL ASPECTS OF THE IRON AND STEEL POLICY

(Communication from the Commission to the Council)



COM(78) 570 final.

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INTRODUCTION

On 9 December 1977, in its Communication to the Council, "Restructuring of the steel industry: methods and organization", the Commission stated its intention of examining the repercussions of restructuring measures on future employment in this industry. The examination of the restructuring programmes has not yet been completed and it will not be possible to prepare an estimate for the number of jobs to be lost until both the Member States and the undertakings have declared their intentions in greater detail.

Nevertheless, it was thought indispensable to begin at once to review the ECSC's means of action in the social field so that subsequent adjustments, or even desirable innovations, can be taken into account when the decisions have to be taken to set in motion the unavoidable restructuring of the iron and steel industry in the Community.

The Commission considers that broad concertation between Member States, producers and trade unions, together with the Commission, with regard to possible ECSC measures for workers affected by restructuring operations, would contribute to the formulation of a restructuring programme in line with the General Objectives - Steel.

This working paper is intended to lead to the concerted establishment of ways and means to step up ECSC efforts for workers affected by the proposed restructuring measures.

The paper contains a stocktaking of the operation and results of present individual aid systems provided for under Article 56(2)(b) of the ECSC Treaty. At the same time, the Commission is examining methods of adapting these aids systems to new social objectives such as reducing hours of work and work sharing.

However, no indication as to which system is likely to have the greatest social impact in the context of the restructuring of the iron and steel industry will be given until the various parties to the concertation have expressed their views.

The Commission considers that the ECSC's means of intervention in the social field should be so organized that ECSC budgetary resources are directed to a greater extent to measures for workers affected by restructuring in the context of the General Objectives - Steel.

On the basis of opinions given during consultations with the parties concerned, the Commission will adopt a communication specifying the options it prefers, the means it expects to mobilize to this end and the procedure it would adopt to ensure success.

CHAPTER I

EMPLOYMENT SITUATION AND OUTLOOK

1. Employment situation

The employment situation has deteriorated since 1975. The work force (workers and employees) declined from 760 000 in December 1975 to 720 000 in December 1977 - a fall of 40 000 in two years^{1,2}.

In respect of employment, the impact of the crisis began to be felt in the second half of 1977. Until then it could be said that a policy of overmanning was followed; but with the hope of an end to the crisis receding and in view of the enormous financial losses sustained by many undertakings, the freeze on recruitment - accompanied by "natural" wastage - combined with short time working (223 000 workers were affected in December 1975 and 172 000 in December 1977)³ and early retirement measures were seen to be inadequate. Consequently, the pace of dismissals has accelerated since September 1977. In addition to the consequences within the sector itself, the possibilities for reemployment are affected as much by the general level of unemployment as by the repercussions on regional economic activity of the redundancies and closures of iron and steel undertakings.

¹ SOEC monthly survey of iron and steel undertakings. Questionnaire 2/32.

² In 1973 and 1977, there were 434 000 and 414 000 steel workers (registered workers only) respectively. The table below gives data concerning the numbers of migrant workers included in those figures.

	Total	Nationals of the nine Member States	From other areas
1967 (**)	53 800	29 700	24 100
1973 (**)	81 300	32 400	48 900
1975 (**)	80 000 (*)	32 400 (*)	48 000 (*)
1977 (**)	65 200	25 300	39 900
(*)	Partly estimated		
(**)	Data for the United Kingdom, Denmark and Ireland are not available		

³ OJ C 97 of 22 April 1977, page 5.

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2. Employment outlook up to 1980

The Commission has made an initial estimate - necessarily approximate and provisional in view of the data at present available - of manpower requirements in 1980, based on the assumption that in terms of ingot-equivalent¹, production in that year will be down by 4.5% on 1973 levels.

- Two productivity assumptions have been used:

3% and 4% (annual average growth rate for 1973-80).

- An assumption relating to reduced working hours per year per registered worker:

the trend noted over 1965-73 (-11.7%) has been extrapolated for 1973-80 giving a reduction of nearly one hour per day for 220 days worked per year.

Further, a convention had to be adopted (as in previous General Objectives - Steel) whereby hours worked by employees are the same as those for manual workers, since the statistics only provide a figure for the latter.

The results of this operation - which could not be applied in Denmark and Ireland² for technical reasons (lack of homogeneous statistical series) - concern the entire labour force (workers and employees) in 1980 for seven Member States (the Original "Six" plus the United Kingdom) and show the reduction in relation to 1977 (latest known figures) in both absolute terms and percentages. The reference year is 1973.

¹The effect of extending the continuous casting process has been partly taken into account in the productivity assumptions.

²In 1977, production in these two countries amounted to 740 000 tonnes, i.e., 0.59% of the crude steel production of the other seven countries.

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Labour force 1973 - 1977 - 1980

Labour force (thousands)			% change, 1977-80	
1973	1977	1980	1977/1980	1977/1980
			in absolute terms	%
			Growth in productivity	4 %
			Average production trend	
		580.8	- 141.7	- 19,6
751.0	722.5			
			Growth in productivity	3 %
			Average production trend	
		624.4	- 98.1	- 13,6
751.0	722.5			

Comments on results

The reduction in the labour force from 1977 to 1980 falls between 100 000 and 140 000 persons according to the assumptions chosen. This approximate and provisional estimate will have to be reconsidered and revised as more precise information is received (production estimates by country and by region, by product, etc.; restructuring plans and programmes to release manpower by area).

These results might turn out quite differently, depending on the general economic situation, productivity trends, reductions in hours worked, or the form taken by work-sharing measures likely to be introduced between now and 1980.

These approximate assumptions regarding reductions in the work force in the iron and steel industry in no way constitute estimates of job losses resulting from the restructuring of the sector.

The Commission will prepare such estimates in the context of the General Objectives - Steel in the light of restructuring programmes transmitted by undertakings and Member States.

However, the potential contribution of the ECSC budget to the social measures envisaged - regardless of which assumption is confirmed by events - should be evaluated at once.

CHAPTER II

REVIEW OF COMMUNITY AID MEASURES

At present, several means of intervention to facilitate the restructuring of the iron and steel industry and the solution of the related conversion problems are available to the Commission.

A. General measures

1. Investment aid

Under Article 54, the Commission can facilitate the implementation of investment programmes by granting loans. In 1976 and 1977, loans granted under this Article amounted to 982.5 million EUA and 713 million EUA respectively.

- If the introduction of new technical processes or equipment should lead to an exceptionally large reduction in labour requirements, or if fundamental changes in market conditions should compel some undertakings permanently to discontinue, curtail or change their activities, the Commission can, pursuant to the provisions in Article 56(1)(b) and (2)(a), facilitate the financing of new and economically sound activities capable of reabsorbing the redundant workers.

- The conversion loans approved by the Commission under Article 56(2)(a) amounted to 126 million EUA in 1977, as against 62 million EUA in 1976 and 64 million EUA in 1975. Most of these loans were for retraining courses for steel workers.

These loans should have made it possible to create -- or protect -- about 15 000 jobs over the three years concerned.

In the same period, payments made under loans granted amounted to 123.6 million EUA (1977: 16.4 million EUA, 1976: 63.1 million EUA, 1975: 44.1 million EUA).

The Commission is at present examining several applications for conversion loans on which a decision will be taken before the end of the year.

- From its foundation in 1975 until the end of 1977, the European Regional Development Fund disbursed about 31 million u.a. for projects in the iron and steel sector (NACE class 22: Production and preliminary processing of metals).
- Further, loans to the iron and steel industry by the European Investment Bank amounted to 197.5 million EUA in 1977.
- Lastly, the ECSC grants low-cost housing loans; for the Community as a whole, these amounted to over 12.5 million EUA in 1976 and 15 million EUA in 1977.

2. Aid for research

Under Article 55 of the ECSC Treaty, the Commission promotes technical and economic research relating to the production and increased use of coal and steel and to occupational safety in the coal and steel industries, in particular by allocating the funds derived from levies provided for in Article 50 of the Treaty.

In 1976 and 1977, financial aid granted under Article 55 amounted to 42.7 million EUA (of which 17.4 million for technical research on steel) and 38.4 million EUA (of which 12.5 million for technical research on steel) respectively.

B. Social measures

The scope of the restructuring measures under way or anticipated is such as to call for a review of the entire range of measures available to the Community in the social sector. This critical review should aim at preserving the social character of the measures while at the same time contributing to the essential restructuring process:

1. The readaptation aid system (Article 56(2)(b) of the ECSC Treaty)
2. Aid in the sphere of safety, hygiene and health protection at work (Article 55 of the ECSC Treaty)
3. Other possible measures under the ECSC Treaty (Articles 56(2)(b) and 95).

1. Readaptation aid

The provisions of Article 56(2)(b) authorize the Commission to grant non-repayable aid as a contribution to the cost of measures for workers affected by the cessation, reduction or transformation of their undertakings' activities.

The purpose of such aid is re-employment in the best possible conditions. The amount and duration of the aid are defined in agreements concluded by the High Authority, and subsequently the Commission, with Member States' Governments.

Aid of this type is granted for a limited period and mainly consists of:

- a tide-over allowance, covering the period of unemployment between dismissal and re-employment;
- financing of vocational retraining for workers obliged to change their job;
- payment of resettlement allowances to facilitate geographical mobility;

- grants to undertakings to ensure income support for workers temporarily laid off during internal restructuring measures.

The period during which aid is granted varies considerably from one country to another, and in certain cases may be as long as three years.

The annex I to this document contains a summary table of the principal types of agreements in force and their main provisions. The situation shown is that in effect in May 1978; it covers the Member States of the European Communities, excluding Denmark and Ireland.

It should be recalled that the provision of non-repayable aid under Article 56(2)(b) is conditional on payment by the State concerned of a special contribution of not less than the amount of that aid, unless an exception is authorized by the Council, acting by a two-thirds majority. The amount and duration of these Community aid measures is laid down in bilateral agreements between the Commission and the Member States.

Three stages may be distinguished in the application of Article 56(2)(b) of the ECSC Treaty since 1954:

- during the first stage, until 1967/68, readaptation aid mainly involved the coal industry. The most widely used form of aid was a short-term tide-over allowance, since the majority of workers could be reemployed in other mines in view of the almost permanent shortage of labour in this industry. Tide-over allowances could also take the form of compensatory allowances granted in the event of reemployment in a lower paid job.

By way of information, it should be pointed out that during the period of widespread short-time working in the Belgian coalmines (1958-60), the High Authority, in application of Article 95 of the ECSC Treaty, decided - with the approval of the Council - to introduce an aid measure for the workers most affected. This measure, which guaranteed greater stability by protecting miners' incomes, was designed to help the Belgian Government in its attempts progressively to adapt production and thereby enable solutions to be sought in a calmer social climate.

- During the second phase, beginning in 1967/68, it became more difficult to reemploy miners owing to the succession of colliery closures. It therefore seemed necessary to adjust the procedures for granting aid to suit this new situation:

- firstly, the duration of Community readaptation aid was extended by several months,
- then, in view of the practical impossibility of reemploying the older miners, a new type of aid was introduced; a lump-sum separation payment over and above the tide-over allowance,
- lastly, it was made possible for the tide-over allowance and the separation payment to be paid into a pension fund, thereby facilitating early retirement.

- The main feature of the third stage is the crisis in the iron and steel industry. Around 1977-78, when the authorities became aware of the seriousness of the crisis and its structural characteristics, several measures were taken to help the workers affected. These measures included, for the first time in this industry (apart from the United Kingdom, where an early retirement scheme has been in force since its accession to the Community), the possibility of replacing the tide-over allowance by a contribution equivalent to the amount involved in financing an early retirement pension.

This trend is reflected in the ECSC budget figures: the total amount of appropriations earmarked for vocational retraining increased from 18 m u.a. in 1967/68 to 25 m EUA in 1976 and 1977, and is expected to reach 60 m EUA in 1978. Since 1977-78, readaptation aid has, for the first time, gone mainly to the iron and steel industry. From about 15% in 1975 and 1976, it rose to 40% in 1977 and 75% in 1978.

2. Aid in the sphere of safety, hygiene and health protection at work

The protection of the health and safety of workers in the iron and steel industry is part of an on-going Commission action to which, despite the present situation, substantial funds are still being allocated.

Three research programmes currently being carried out in Community research institutes and centres (technical control of pollution in the iron and steel industry; ergonomics in the iron and steel industry; health of workers exposed to dust and gas emissions and subject to the effects of constant noise and heat) receive an annual contribution of about 3.3 million ECU. Alongside this research work, constant efforts are being made to provide both sides of industry with information relating to questions of current concern and specific situations in the iron and steel industry.

The topics referred to appear to involve working situations peculiar to the iron and steel industry; they are, however, included in the main issues covered by the action programme on health and safety at work.

The subject of these three research programmes -- like the Commission's decision regarding specific areas for research -- were chosen following discussions and studies by advisory committees consisting of Government experts and representatives of employers and trade unions in the ECSC industries. Regular consultation with workers' representatives is of fundamental importance in selecting research topics in line with practical, specific and priority problems faced by workers.

This consultation procedure, which is always applied to ECSC research projects, ensures the effectiveness of the joint efforts by the Commission and the iron and steel industry to meet workers' needs.

A sum is set aside each year in the operational budget of the ECSC to finance these research programmes.

3. Other possible measures under the ECSC Treaty

So far, reductions in the work force (by more than 60 000 persons between December 1975 and April 1978) have been brought about in the majority of cases partly by halting recruitment and natural wastage, and partly by dismissals combined with early retirement measures.

The economic situation makes it difficult to achieve the first objective of readaptation aid: namely, productive reemployment. As regards aid to vocational retraining, even though it may change the individual's position in the queue of job seekers, it does not solve the problem of job openings on this scale. Vocational training does not in itself create employment.

The present crisis makes it necessary, within the limits of the budgetary resources available, to exploit to the full the inherent possibilities of the ECSC Treaty - in particular Article 56(2)(b) and Article 95, which could provide the legal basis for implementing certain new social measures in the context of restructuring operations.

In view of the present diversity of re-adaptation aids and the manner in which they are applied, a Community approach to national social measures should be developed with a view to arriving at a coherent, common treatment of the instruments available. In this connection, attention should be directed to the problem of making equal access to Community aid under Article 56 compatible with the need to align Community aid with the different national systems (under Article 56(2), the grant of Community aid is subject to payment by the State concerned of a special contribution of not less than the amount of that aid, unless an exception is authorized by the Council, acting by a two thirds majority).

Further, the rate of Community aid should be reconsidered to ensure that the allowance received by steel workers in the less-favoured countries does not fall below a given minimum (threshold allowance).

Lastly, an effort should be made to ensure that social innovations, such as certain forms of worksharing, should be made compatible at Community level. In this connection, the following measures potentially eligible for ECSC financial assistance should be examined:

- lowering of the retirement age,
- restructuring of shift or team work,
- organization of a shorter working week,
- restrictions on overtime,

Implicit in the aims of the Community restructuring policy in the iron and steel sector is the restoration of undertakings' financial equilibrium, through an intensive effort to augment productivity. In view of the need to reduce steel production capacity, it follows that there must be a more than proportional reduction in the factor labour.

Any addition to the wage bill weighs on the financial equilibrium of the iron and steel undertakings unless offset by improved productivity. Accordingly, in every case efforts should be made to implement procedures which do not jeopardize the re-establishment of these undertakings competitiveness.

Nevertheless, in organizing these reductions in the work force, social concerns should be kept to the forefront, taking account of the particular re-employment problems characteristic of the situation in the regions concerned. Moreover social measures should also be developed aimed at avoiding redundancies - which would ease the very heavy financial burden otherwise imposed on the Community - such as work sharing measures.

The distribution between those concerned (Government, undertaking, workers) of any additional costs arising from job protection measures should also be envisaged, and the temporary nature - associated with restructuring requirements - of these measures would be an essential feature.

CHAPTER III

BUDGETARY IMPLICATIONS

With the help of the Member States, the Commission has already adopted exceptional measures to balance the ECSC budget for the current financial year. Of a total of 152 m EUA, 60 m EUA have been allocated to readaptation, compared with 25 m EUA in previous financial years (see Annex 2 -- Extract from the EEC Official Journal No L 351/55 of 31 December 1977).

With respect to requirements, the flat-rate contribution for Community administrative expenditure has been reduced from 18 to 5 m EUA. With respect to resources, the Member States decided to adopt the principle of allocating a special contribution of 32 m EUA to the 1978 Budget and to make the necessary arrangements in good time. This has enabled the Commission to maintain the level of intervention under the heading of ECSC readaptation aid, without at this stage being obliged to reconsider the automatic nature of this aid. It should be borne in mind that under the existing agreements between the Member States and the Commission, ECSC readaptation aid decided on by the Commission is granted automatically.

This guaranteed aid is regarded as a major acknowledged right of the ECSC in the social field, but any new increase in automatic expenditure, either in the framework of existing agreements, or as a result of new measures, would create serious difficulties for budgetary equilibrium.

In fact there is considerable uncertainty with regard to the future budgetary position, due to the inadvisability under present conditions of increasing the rate of the levies which constitute the main source of funds for the ECSC budget. In this context, it should be noted that with a view to mobilizing a supplementary source of funds, the Commission has requested Member States from the beginning of the 1979 financial year to take the necessary steps to transfer to the ECSC budget the receipts from ECSC customs duties, which are estimated at 60 m EUA. This proposal will be discussed in the near future.

With respect to expenditure, it should be recalled that apart from the social aspect of the iron and steel policy, the ECSC budget must contribute to the financing of Community intervention in respect of conversion and restructuring in the iron and steel industry, in addition to normal requirements of the iron and steel sector (research, aid for coking coal) and the coal sector (technical research, interest subsidies) unconnected with the crisis.

Moreover, in response to the consequences of the iron and steel crisis, the Commission has proposed several aid measures to promote the disposal of coal on other markets to offset the negative trend in the coking coal sector. If the Council fails to adopt the measures, the present difficulties in the coal sector will worsen, increasing the need for adaptation aid.

Clearly, the budgetary resources which might be allocated to readaptation aid can only be determined during the budgetary procedure, taking all the abovementioned factors into account.

APPLICATION OF ARTICLE 56 (2)(b) OF THE ECSC TREATY (readaptation)
TO WORKERS IN THE IRON AND STEEL INDUSTRY
(Main provisions of agreements with the Commission)

Type of aid	BELGIUM	GERMANY
1. Income support in the event of unemployment (tideover allowance)	<u>Duration</u> : 14 months + 6 months for workers who are difficult to place in new jobs. <u>Amount</u> : - 100 % of former wage for 2 months (maximum of Bfrs 31 000 per month on 1 January 1978) - 90 % of former wage for 4 months - 80 % of former wage for 4 months - 70 % of former wage for 4 months N.B. : Six months' extension for workers regarded as difficult to place in new jobs, i.e. : 1. manual workers aged 50 or over 2. non-manual workers aged 40 or over 3. physically (30 %) or mentally (20 %) handicapped persons	<u>Duration</u> : 12 months <u>Amount</u> : - single persons : the difference between new net income (unemployment benefit plus any other allowances) and 50 % of former gross income - married workers and others with dependants : the difference between new net income (and 55 % of former gross income)
2. Income support in the event of acceptance of another job (wage supplement)	<u>Duration</u> : 14 months <u>Amount</u> : Supplement to bring earnings up to 100 % of the former wage, disregarding any amount above a given maximum. This maximum is linked to the cost of living and currently amounts to approximately Bfrs 50 000 per month.	<u>Duration</u> : 12 months <u>Amount</u> : - single persons : the difference between new net income and 65 % of former gross income - married workers and others with dependants : the difference between new net income and 70 % of former gross income.
3. Bridging pension	No provision	No provision (only available for mineworkers)
4. Income during vocational training	As in the case of reemployment	All training costs and maintenance allowances during the training period (Unterhaltsgeld) are paid by the national authorities (Bundesanstalt - Federal Labour Office). The Commission only pays an allowance of DM 60 per month to single persons and DM 75 per month to married workers and others with dependants. (see page 1 bis)

Type of aid	BELGIUM	GERMANY
5. Removal and installation expenses	Yes	Yes
6. Daily travel expenses	Yes, in part	Yes, in part
7. Separation allowance	No	Yes
8. Allowance for application expenses	No	Yes
9. Retraining costs	Yes	No (paid by the national authorities - Federal Labour Office).

APPLICATION OF ARTICLE 56 (2) (b) OF THE ECSC TREATY (readaptation)
TO WORKERS IN THE IRON AND STEEL INDUSTRY

Type of aid	FRANCE	ITALY																				
1. Income support in the event of unemployment (tideover allowance)	<u>Duration</u> : 12 months <u>Amount</u> : income support according to the table given below <table><tr><th>Former wage</th><th>First period (2 months)</th><th>Second period (6 months)</th><th>Third period (4 months)</th></tr><tr><td>1. Less than FF 2 230</td><td>90 %</td><td>30 %</td><td>60 %</td></tr><tr><td>2. FF 2 230 to FF 3 350</td><td>80 %</td><td>70 %</td><td>40 %</td></tr><tr><td>3. FF 3 350 to FF 6 690</td><td>60 %</td><td>40 %</td><td>20 %</td></tr><tr><td>4. over FF 6 690</td><td>0 %</td><td>0 %</td><td>0 %</td></tr></table>	Former wage	First period (2 months)	Second period (6 months)	Third period (4 months)	1. Less than FF 2 230	90 %	30 %	60 %	2. FF 2 230 to FF 3 350	80 %	70 %	40 %	3. FF 3 350 to FF 6 690	60 %	40 %	20 %	4. over FF 6 690	0 %	0 %	0 %	<u>Duration</u> : 15 months <u>Amount</u> : 85 % of former wage for 5 months 80 % of former wage for 5 months 70 % of former wage for 5 months Any part of a worker's former wage exceeding Lit 320 000 per month is disregarded
Former wage	First period (2 months)	Second period (6 months)	Third period (4 months)																			
1. Less than FF 2 230	90 %	30 %	60 %																			
2. FF 2 230 to FF 3 350	80 %	70 %	40 %																			
3. FF 3 350 to FF 6 690	60 %	40 %	20 %																			
4. over FF 6 690	0 %	0 %	0 %																			
2. Income support in the event of acceptance of another job (wage supplement)	<u>Duration</u> : 12 months <u>Amount</u> : 60 % of the difference between the workers' new wage and a percent ge of his former wage, calculated as follows : 100 % of that part of the former wage up to a maximum of FF 2 520 + 90 % of that part of the former wage between FF 2 520 and FF 4 170 per month + 75 % of that part of the former wage between FF 4 170 and FF 6 270 per month Any part of the former wage exceeding 55 6 270 per month is disregarded for the purposes of calculating the new income.	<u>Duration</u> : 15 months <u>Amount</u> : The difference between the worker's new wage and 85 % of his former wage, subject to a ceiling (see above) see page 2 bis																				

see page 2 bis

Type of aid	FRANCE	ITALY
3. Bridging pension	No provision	No provision
4. Income during vocational training	<u>Duration</u> : 23 months maximum	As in the case of reemployment
5. Removal and installation expenses	Yes	Yes
6. Daily travel expenses	Yes, in certain cases	Yes, in part
7. Separation allowance	Yes	No
8. Allowance for application expenses	Yes	No
9. Retraining costs	Yes	Yes

APPLICATION OF ARTICLE 56 (2) (b) OF THE ECSC TREATY (readaptation)
TO WORKERS IN THE IRON AND STEEL INDUSTRY

(Main provisions of agreements with the Commission)

ANNEX I - page 3

Type of aid	LUXEMBOURG	NETHERLANDS
1. Income support in the event of unemployment (tideover allowance)	<u>Duration</u> : 12 months <u>Amount</u> : 90 % of former wage for 4 months 80 % of former wage for 4 months 70 % of former wage for 4 months	<u>Duration</u> : 12 - 30 months depending on age and number of years' service (see Article 7 of the annexed Agreement for details) <u>Amount</u> : 80 % of previous wage for 6 months, then 75 % for the remaining period.
2. Income support in the event of acceptance of another job (wage supplement)	<u>Duration</u> : 12 months <u>Amount</u> : The difference between the new wage and 90 % of the former wage	<u>Duration</u> : see above under unemployment <u>Amount</u> : a) supplement amounting to 60 % of the difference between the former wage and the new wage. Depending on age and number of years' service, this supplement is limited to a maximum of 25 - 40 % of the former wage (See Article 11 of the Agreement for details) b) In the event of the worker accepting a job in a different location, a lump-sum payment of Fl 15 - Fl 25.50 per year of service, calculated on the basis of age and number of years' service (see Article 13 of the Agreement for details). The tideover allowance and any wage supplements paid are deducted from this lump-sum.
3. Bridging pension	<u>Duration</u> : 3 years maximum <u>Amount</u> : 85 %, 80 % and 75 % of former wage (subject to ceiling).	No provision

(see Annex page 3 bis)

Type of aid	LUXEMBOURG	NETHERLANDS
4. Income during vocational training	<u>Duration</u> : 18 months <u>Amount</u> : 90 % of former wage	As in the case of unemployment
5. Removal and installation expenses	Yes, for married workers only	Yes
6. Daily travel expenses	Yes, in part	Yes, in part.
7. Separation allowances	No	Yes
8. Allowance for application expenses	No	Yes
9. Retraining costs	Yes	Yes

APPLICATION OF ARTICLE 56 (2) (b) OF THE ECSC TREATY (readaptation)
TO WORKERS IN THE IRON AND STEEL INDUSTRY

(Main provisions of agreements with the Commission)

Type of aid	UNITED KINGDOM	COMMENTS
1. Income support in the event of unemployment (tideover allowance)	<u>Duration</u> : Male workers up to age 55 } 12 Female workers up to age 50 } months <u>Amount</u> : At the end of the period of entitlement to unemployment benefit (6 months), entitlement is extended by a further 6 months? Male workers aged 55 or over } 24 Female workers aged 50 or over } months <u>Amount</u> : At the end of the period of entitlement to unemployment benefit (6 months), 90 % of the former wage is paid for 12 months and 80 % for a further 6 months.	The Commission pays 50 % of the difference between unemployment benefit (which remains entirely the responsibility of the national authorities) and the total income support (tideover allowance)
2. Income support in the event of acceptance of another job (wage supplement)	<u>Duration</u> : Male workers up to age 55 } 18 Female workers up to age 50 } months Male workers aged 55 to 60 } 24 Female workers aged 50 to 55 } months Male workers aged 60 to 65 } 30 Female workers aged 55 to 60 } months <u>Amount</u> : Income support up to 90 % of former wage	
3. Bridging pension	Choice between a tideover allowance (see 1. above) and payment of the tideover allowance to a pension fund	In the case of workers wishing to retire early, the Commission has agreed to the principle of paying to a pension fund the amount it would normally have paid as tideover allowance in the event of unemployment.

Type of aid	UNITED - KINGDOM	COMMENTS
4. Income during vocational training	<u>Duration</u> : 12 months <u>Amount</u> : 100 % of previous age.	
5. Removal and installation expenses	Yes	
6. Daily travel expenses	Yes, in part	Daily travel expenses to a new place of work are partially reimbursed (e.g. 50%) for a limited period or over a specified amount.
7. Separation allowance	Yes	
8. Allowance for application expenses	No	
9. Retraining costs	Yes	

ALLEGATO

BILANCIO OPERATIVO CECA PER IL 1978

(in milioni di UCE)

Fabbisogno	Previsioni	Risorse	Previsioni
Operazioni da finanziare con risorse dell'esercizio (a fondo perduto)		Risorse dell'esercizio	
1. Spese amministrative	5	1. Risorse correnti	
2. Aiuto per il riadattamento (articolo 56)	60	1.1. Gettito del prelievo allo 0,29 %	100
3. Aiuto per la ricerca (articolo 55)	41	1.2. Interessi sugli investimenti e mutui concessi su fondi propri	18
3.1. acciaio	16	1.3. Ammende e maggiorazioni per tardivo pagamento	p.m.
3.2. carbone	16	1.4. Varie	p.m.
3.3. sociale	9	2. Annullamento d'impegni che presumibilmente non daranno luogo a realizzazione	2
4. Aiuto sotto forma di abbuoni d'interesse	40	3. Rivalutazione attivo/passivo	p.m.
4.1. investimenti (articolo 54)	15	4. Residui dell'esercizio 1976	p.m.
4.2. riconversione (articolo 56)	25	5. Contributo speciale a titolo della decisione del Consiglio del 21 dicembre 1977	32
5. Aiuto per il carbone da coke e per il coke siderurgico	6		
	152		152
Operazioni finanziate con mutui su fondi propri		Origine dei fondi propri	
6. Abitazioni sociali	15	6. Ammortamento su mutui abitazioni ciali	7,5
		7. Riserva speciale ed ex fondo pensioni CECA	7,5

RESOLUTION OF THE ECSC CONSULTATIVE COMMITTEE

on the social aspects of the iron and steel policy

(Unanimously adopted at its session of 19 September 1978 though with one abstention)

THE CONSULTATIVE COMMITTEE,

- noting the intention of the Commission of the European Communities to propose, in the context of the new general objectives for steel, a programme for the restructuring of its iron and steel industry;
- concerning itself with the effects that this reorganization could have on the workers;
- welcoming the intention of the Commission to make every effort to ensure that the inevitable readjustments in the iron and steel industry are not carried out at the expense of the workers;
- considering that the primary social objective is to maintain as far as possible the maximum level of employment in the iron and steel industry;
- considering that the measures proposed by the Commission aim to achieve this objective,

welcomes the intention of the Commission of the European Communities to introduce special financial measures for the implementation of the proposed social programme,

recommends that each Member State take corresponding action at national level,

recognizes the indissoluble link between the restructuring of the Community's iron and steel industry and the accompanying implementation of the social aspects of the iron and steel policy,

delegates to its Subcommittee for Labour Problems the task of examining in detail, in liaison with the Commission of the European Communities, all the aspects of the measures to be taken to implement the social programme, *viz:*

- methods of implementing earlier retirement,
- restructuring of shift or team work,
- organization of a shorter working week,
- restrictions on overtime,

requests the Joint Committee on Steel to study the harmonization of the aid granted by the ECSC under the terms of Article 56 of the Treaty. The Consultative Committee further requests the Joint Committee on Steel, in view of the possibility of a European tripartite steel conference, to carry out the necessary preparatory work as quickly as possible;

agrees that the Ninth ECSC Housing Programme for the period 1979/1982 be launched and expresses the wish that 40 million EUA be allocated to the first operational phase covering the period 1979/80.