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Bulletin No. 1497  
1965

AUG 2 1966



# LABOR DIGESTS ON COUNTRIES IN EUROPE



UNITED STATES DEPARTMENT OF LABOR  
W. Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS  
Arthur M. Ross, Commissioner

Other LABOR DIGESTS • Free

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Asia and Australasia (1963) . . . 36 countries  
Western Hemisphere (1964) . . . . 26 countries

**Bulletin No. 1497**  
**1965**

# **LABOR DIGESTS**

## **ON COUNTRIES**

### **IN EUROPE**



**UNITED STATES DEPARTMENT OF LABOR**  
**W. Willard Wirtz, Secretary**

**BUREAU OF LABOR STATISTICS**  
**Arthur M. Ross, Commissioner**

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## PREFACE

The digests on labor conditions in 29 European countries which make up this bulletin were prepared in the spring of 1965 by the Division of Foreign Labor Conditions of the Bureau of Labor Statistics for inclusion in the Directory of Labor Organizations--Europe. The labor organizations section of each digest was contributed by the Division of International Trade Union Organizations of the Bureau of International Labor Affairs.

Source material used in preparing the digests included reports of U.S. Embassies and official publications of the individual countries.

The digests herein appear in the following order:

Albania	Italy
Austria	Luxembourg
Belgium	Malta
Bulgaria	Netherlands
Cyprus	Norway
Czechoslovakia	Poland
Denmark	Portugal
Finland	Rumania
France	Spain
Germany, East	Sweden
Germany, Federal Republic	Switzerland
Greece	U.S.S.R.
Hungary	United Kingdom
Iceland	Yugoslavia
Ireland	





# LABOR DIGEST

No. 64

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN ALBANIA

Albania, situated in southeast Europe between Yugoslavia and Greece, had at the beginning of 1965 a population of about 1.9 million and an area of 11,097 square miles.

### Factors Affecting Labor

Political. Officially called the People's Republic of Albania, the country has been ruled by the Communist-controlled Albanian Labor Party since December 1945. Enver Hoxha has been the Party head since 1941. Albania nominally has a representative form of government, based on the Constitution of 1950. The People's Assembly, declared to be the supreme organ of state power, is elected from a single list of candidates. Although Albania is a signatory of the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and is formally a member of the bloc's Council of Mutual Economic Assistance, it has not participated in meetings of these two organizations since 1961 because it sided with Red China in the latter's doctrinal conflicts with Moscow.

Economic. This economically underdeveloped country, about 75 percent of whose population is engaged in agriculture, has a socialized planned economy, patterned after the Soviet model. In 1965, 82 percent of all agricultural production was in the socialized sector, and 99.5 percent of all industrial production. The main agricultural products are livestock, wheat, corn, tobacco, fruit, and fodder. The main industries are foodstuffs, textiles, timber, and petroleum. The Soviet Union cut off its economic aid to Albania in 1960-61; thereafter, Red China granted it some loans. Annual national income per capita is about US\$200.

Social. The population is predominantly Albanian. The principal religion is Moslem, which is professed by about half the population; two other large religious groups are the Orthodox Christians (over 10 percent of the

population) and the Roman Catholics (over 5 percent). Eight years of free primary education are compulsory for children between the ages of 7 and 16.

## Manpower and Employment

Employment and Unemployment. In 1960, about 45 percent (730,762) of the population were economically active. Of these, about 75 percent were in agriculture and the remaining 25 percent in industry and services. In 1960, there were 234,075 wage and salary earners, or about 32 percent of the labor force. About 33 percent (78,329) were in industry; 17 percent (40,298) in agriculture; 15 percent (34,369) in construction; 7 percent (16,606) in transportation and communication; 7 percent (15,747) in trade; 7 percent (17,458) in education; and the remaining 14 percent (31,268) in the other sectors of the economy. Every local government unit has a labor section where all local persons seeking work must register; no enterprise may hire a worker without the authorization of this labor section.

Productivity, Skills, and Training. The Government has taken measures providing for the education and training of skilled workers. In 1962, over 29,000 persons were receiving training in trade, secondary technical, and higher schools: 12,400 were in trade schools, 12,400 in secondary technical schools, and 4,600 in higher institutions. Labor productivity in industry was claimed to have risen 70.5 percent in the 7-year period 1955-62 and 4.4 percent in 1964.

## Labor Standards

Labor Legislation. The Constitution of 1950 and the Labor Code of April 3, 1956, constitute the basic labor legislation. The Constitution declares work to be the obligation of every able-bodied citizen and guarantees him the right to work with pay (according to the quantity and quality of the work done), to rest days, to pay for time on annual leave, to health protection, and to educational, cultural, and social insurance benefits. The Labor Code prescribes hours of work and annual leave; authorizes work quotas and piece rates; provides for social insurance, labor protection, labor discipline (to discourage absenteeism and negligence), and monetary penalties for damage to factory property; establishes the procedure for settling labor disputes; and prescribes the functions of the trade unions. Special laws regulate short-term, seasonal, and private workers.

Administration and Practice. Various Government agencies, the managements of enterprises, and the Central Council of Trade Unions (Bashkimet Profesionale te Shqiperisne--BPSH) are responsible for implementing labor legislation. The trade unions administer social insurance provisions. Labor inspectors are appointed by the BPSH to check on the enforcement of labor legislation, including safety regulations.

## Wages, Hours, Prices, and Level of Living

The Government controls wage rates and prices. The basic system of wage payment is for piecework, and the Ministries fix workers' production quotas and incentive premiums. In 1962, the average monthly earnings of wage

and salary earners were 5,000 leks (US\$100), but high prices made the living standard low (for example, to buy a pair of men's ordinary leather shoes required about a week's work). After the Soviet Union cut off its aid in 1961, the level of living noticeably declined; whereas there were seven price reductions between 1956 and 1961, in the period 1961-64 there were none.

Most workers have an 8-hour workday and a 48-hour workweek. There are 8 legal holidays in the year. Overtime work, at time-and-a-half pay, is permitted only under circumstances specified in the Labor Code, and for not more than 4 hours in 2 successive days, 8 hours a week, and 180 hours a year. Every worker is entitled to 2 weeks (12 working days) of annual leave with pay after 11 months of continuous employment; additional leave of 1 to 6 weeks is granted to certain specified categories of wage and salary earners.

### Employer Organizations

There is no national organization of enterprise managers in Albania.

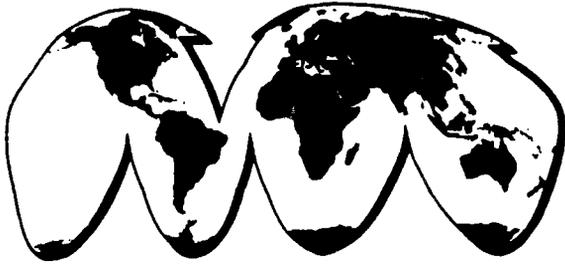
### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the working population. The BPSH claimed 153,000 members in 1962, or about 65 percent of all wage and salary earners. The BPSH is an affiliate of the World Federation of Trade Unions. Several professional associations (journalists, jurists, and writers) may also have some official ties with the BPSH.

### Labor-Management Relations

Collective bargaining in the Western sense does not exist in Albania, as the Government fixes wage rates, hours of work, and working conditions. The collective agreements which are concluded between trade union committees in enterprises and the managements of enterprises have the primary purpose of increasing production and the secondary one of improving the workers' welfare. By unwritten law, the trade unions are not permitted to call strikes. Disputes over contract interpretation, wage payments, dismissals, transfers, and other matters specified by the Labor Code may be submitted to the conciliation boards set up in most enterprises. Appeals may be made to regional trade union bodies and to the BPSH. An appeal may also be made to the public court when a conciliation board cannot arrive at a unanimous decision or is overruled by a higher trade union body, when there is no conciliation board in the enterprise, and in certain other specified cases.





# LABOR DIGEST

No. 65

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN AUSTRIA

Austria, situated in south central Europe, has an area of 32,376 square miles and had a population estimated at 7.2 million in 1964.

### Factors Affecting Labor

Political. Austria is a Federal Republic. Its Constitution of 1920, reinstated in 1945, provides for a bicameral legislature with a lower House (Nationalrat), composed of 165 deputies elected by popular ballot for 4-year terms, and an upper House (Bundersrat), composed of 54 members elected by the legislatures of the nine constituent Provinces. The President, elected by popular vote for a 6-year term, acts as Chief of State; his functions are largely representational. The Chancellor heads the executive functions of the Government. The People's Party and the Socialist Party, nearly equal in strength, have governed as a coalition since 1945.

Economic. The gross national product (GNP), US\$1,068 per capita in 1963, originated as follows: Manufacturing, 38 percent; trade and transportation, 20 percent; agriculture, 10 percent; construction, 9 percent; public services, 9 percent; banking and insurance, 4 percent; utilities, 3 percent; and other services, 7 percent. Industries leading by value of output are metals, foodstuffs, chemicals, and textiles. Nationalized plants produce one-fourth of industrial output. Major imports include foodstuffs, fuels, automobiles, and raw materials for textile and metal manufacturing; exports include iron and steel, lumber, paper and pulp, and machinery. Tourism is a major source of foreign exchange.

Social. Austrians are homogeneous in language and religion: 95 percent speak German, and 89 percent are Roman Catholic. Minorities include 70,000 Slovenes and Croatians, who use their own language in schools and courts. School attendance is compulsory for 9 years, and the adult education system is highly developed.

## Manpower and Employment

Employment and Unemployment. The labor force was 3,369,000, or 48 percent of the population, according to the 1961 census. Of the total, 1,440,000 (43 percent) were engaged in industry and skilled crafts, 1,163,000 (34 percent) in services, and 765,000 (23 percent) in agriculture. Wage and salary earners comprised 71 percent; employers and self-employed, 16 percent; and unpaid family workers, 13 percent of the labor force. Unemployment averaged 3.2 percent of the labor force in 1963. Manpower shortages, which occur in manufacturing and, mainly during the summer, in construction and tourism, are partly offset by hiring foreign workers.

Productivity, Skills, and Training. The productivity of industrial workers increased nearly 32 percent from 1956 to 1963. In 1960, the skills distribution of men in industry was as follows: Skilled, 42 percent; semi-skilled, 34 percent; unskilled, 20 percent; and unclassified, 4 percent. Of the women workers, 14 percent were skilled, 50 percent semiskilled, 32 percent unskilled, and 4 percent unclassified. To become skilled, workers undergo training for several years under apprenticeship programs.

## Labor Standards

Labor Legislation. Labor laws regulate employees' working conditions, protect the right of forming associations and making collective agreements, and provide extensive social insurance coverage. Legislation provides for (a) election of wage and salary earners' representatives to works councils in larger plants and (b) membership of wage and salary earners in Chambers of Labor, as well as membership of firms and small businessmen in Chambers of Business. (Both chambers represent and foster the legislative, economic, and social interests of their respective groups before public bodies.) A draft of a proposed comprehensive Labor Code, which aims to equalize conditions for wage earners and salaried employees and to reduce the workweek to 40 hours, has been under discussion since 1960.

Administration and Practice. The Ministry of Social Administration, as the chief labor agency, operates the Employment Service, the unemployment insurance system, and the Labor Inspection Service. It cooperates with such bodies as the social insurance funds, public health organizations, mediation boards, and Chambers of Labor. The Ministry of Agriculture and Forestry implements certain other labor laws and supervises inspection and mediation services in agriculture.

## Wages, Hours, Prices, and Level of Living

Average gross monthly earnings, including wage supplements, in 1963 were 2,630 Austrian schillings (US\$101.66) for wage earners and S3,960 (US\$153.07) for salaried employees, the take-home pay totaling 82 to 85 percent of gross earnings. Basic pay rates set by national collective agreements are supplemented by local plant agreements and customary bonuses for Christmas, the New Year, and family events. Payments provided by legislation include a monthly housing allowance of S30 (US\$1.16); monthly children's allowances ranging from S155 (US\$5.99) for the first child to S265 (US\$10.24) for the

fifth and each additional child; aid to mothers of three or more children of S175 (US\$6.76) monthly; and a single payment for birth and nursing aid amounting to S1,700 (US\$65.71) for each child. The housing and children's allowances, originally payable monthly, are now payable 14 times a year. Austrian sources estimate that employer contributions to compulsory insurance plans and for other fringe benefits together average between 52 and 65 percent of payrolls.

Legislation provides a standard 8-hour workday, 48-hour workweek; however, through collective bargaining, the average workweek has been reduced generally to 45 hours. There are 12 paid legal holidays, and vacations with pay of 18 to 30 days, depending on length of service and class of worker (wage earner or salaried employee). Legislation stipulates a 25-percent pay differential for overtime, but collective agreements generally provide for a 50-percent differential beyond 48 hours per week. The usual night-shift differential in industry varies from 10 to 30 percent.

Annual average per capita income in 1962 ranged from S13,556 (US\$524) in the agricultural Province of Burgenland to S27,267 (US\$1,054) in Vienna. Hourly wages in industry have increased 47 percent since 1956, consumer prices only 15 percent. Food expenditures for a worker's family averaged 38 percent of consumer spending in 1963, compared with 21 percent in the United States. Labor, management, and Government cooperate through the Price-Wage Commission to control inflationary pressures by acting on applications for wage or price increases.

#### Employer Organizations

Some 400,000 firms and independent businessmen have compulsory membership in the nine provincial Chambers of Business. The chambers, which are subdivided into 130 trade associations for commerce, industry, and crafts, represent the employers in collective bargaining. The chambers are financed through initiation fees, membership dues, and a special chamber tax. Among the voluntary management organizations, the League of Austrian Industrialists is most influential.

#### Labor Organizations

Almost two-thirds of the wage and salary earners are members of the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund--ÖGB), which reported 1,539,586 members at the end of 1964. The ÖGB, which encompasses all organized labor in Austria, is the successor to the separate politically oriented trade union federations which existed before the overthrow of constitutional government in 1934. Its unions are integral parts of the Federation created by statute in 1945. Some of the member unions are organized on an industrial basis, others along craft lines.

The ÖGB comprises elements from the various political parties. By internal agreement, major positions within the ÖGB were allocated to the Socialist Party, the People's Party and, initially, also to the Communist Party. The latter lost representation after its unsuccessful uprising in 1951. Only a very few Communists remain in responsible positions in some affiliated

unions. The strongest group within the ÖGB is Socialist-oriented. Most of the top leaders of the ÖGB are members of Parliament, elected on the ticket of one of the two main political parties.

The ÖGB is a member of the International Confederation of Free Trade Unions (ICFTU). However, at the request of its People's Party faction, it has joined and pays dues to the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC) for approximately 110,000 members.

A semi-official representation is afforded labor through the Chambers of Labor, which are accorded a status similar to that of the Chambers of Business and the Chambers of Agriculture. The Chambers of Labor do not participate in collective bargaining. Bills directly or indirectly affecting labor must be submitted to the chambers for comment and advice. Legislation provides for the establishment of works councils, elected by all wage and salary earners in a given plant irrespective of trade union affiliation. The members of the councils can be dismissed only for cause.

#### Labor-Management Relations

Collective agreements are concluded on the national or provincial level and are binding on all firms in an industry. Limited in content because of extensive labor and social security legislation, they contain minimum provisions usually supplemented by plant agreements. Government mediators and arbitrators are available for difficult bargaining situations but are infrequently used. The 61 labor courts, which include employee and employer representatives, function under the Ministry of Justice and try suits arising from disputes between individual employees and employers.

Strikes are not prohibited by law. The ÖGB refuses financial aid in, and may even oppose, strikes which do not have its approval. Since World War II, strikes have been relatively few and short.



# LABOR DIGEST

No. 66

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN BELGIUM

Belgium lies along the west coast of Europe. It has an area of 11,775 square miles and had a population of 9.4 million in 1964.

### Factors Affecting Labor

Political. Belgium is a constitutional monarchy. The Constitution of 1831, as amended, provides for a bicameral Parliament consisting of a Chamber of Deputies, elected by direct popular vote of all persons 21 years of age and over, and based on proportional representation; and a Senate, whose members are also elected by direct popular vote. Executive authority is vested in the Prime Minister, who is nominated by the King with the approval of Parliament. The present Government is formed by a coalition of the Socialist and Social Christian (Catholic) parties. The Prime Minister, Théo Lefèvre, belongs to the Social Christian Party, and the Foreign Minister, Paul-Henri Spaak, to the Socialist Party.

Economic. In 1963, 39.2 percent of the gross national product (GNP) of US\$14 billion was derived from manufacturing (including mining and construction), 7.0 percent from agriculture, and 53.8 percent from commerce, banking, and insurance. With the exception of coal, the country must import all raw materials needed for its major industries--iron and steel, metal, and textiles--as well as nearly one-third of its food supply. In 1963, per capita GNP was US\$1,490.

Social. The population is predominantly Roman Catholic. The two major ethnic groups are the numerically greater Flemings who speak Flemish, a language related to Dutch, and the French-speaking Walloons. The Flemings are concentrated in the rural north and west, the Walloons in the more industrialized south and east. Both Flemish and French are official languages. Education is compulsory between the ages of 6 and 14. Illiteracy is virtually nonexistent.

## Manpower and Employment

Employment and Unemployment. In 1963, the labor force totaled 3.6 million, or 39 percent of the population. Of these, 3.5 million were employed as follows: 1,236,000 (35 percent) in manufacturing; 866,000 (24 percent) in services; 538,000 (15 percent) in commerce, banking, and insurance; 276,000 (8 percent) in construction; 245,000 (7 percent) in transport; 230,000 (7 percent) in agriculture, forestry, and fishing; 102,000 (3 percent) in mining and quarrying; and 31,000 (1 percent) in electricity, water, gas, and sanitary services. Wage and salary earners numbered 2,756,000 (78 percent); self-employed, 605,000 (17 percent); and unpaid family workers, 164,000 (5 percent). The unemployment rate was 1.8 percent.

Productivity, Skills, and Training. Labor productivity has advanced appreciably in recent years. The Government offers vocational and technical training under the public school system for students between the ages of 12 and 18, and supervises and supports training given by employers, trade unions, and other private organizations. The National Employment Office administers vocational training and retraining courses for the unemployed and others in need of improving their skills. Accelerated vocational training for adults has increased considerably in recent years; more than 4,000 were trained in 1963, compared to 1,500 in 1961. The Ministry for Middle Classes administers a system of apprenticeship training for artisans and others wishing to set themselves up as operators of small or medium-sized retail establishments or as master craftsmen in the handicraft or occupation of their choice.

## Labor Standards

Labor Legislation. The Act of May 21, 1921, guarantees persons the right to join, or refrain from joining, trade unions. The Order of June 9, 1945, regulates the work of the private and public bodies engaged in voluntary conciliation and arbitration of labor disputes. Various aspects of employment conditions, such as hours of work, overtime, holidays, annual leave, and dismissal procedures, are regulated by legislation. The Occupational Safety and Health Act of 1952, as amended, establishes industrial safety rules. Social legislation includes sickness, accident, maternity, unemployment, old-age, invalidity, and survivors' insurance, as well as family allowances.

Administration and Practice. The Ministry of Employment and Labor, the principal Government agency concerned with labor matters, conducts research and statistical studies, enforces labor legislation, concerns itself with the activities of labor organizations, provides mediation services, and supervises employment services and the social insurance system. The National Employment Service handles placements, subsidizes firms hiring long-term unemployed persons, and implements training and retraining programs. The social insurance system is administered by the National Social Security Office.

## Wages, Hours, Prices, and Level of Living

In October 1964, average earnings per hour were 41 Belgian francs (US\$0.82) in manufacturing, BF52 (US\$1.04) in mining, BF44 (US\$0.88) in con-

struction, BF37 (US\$0.74) in food processing, BF35 (US\$0.70) in textiles, BF40 (US\$0.80) in paper and paper products, BF44 (US\$0.88) in chemical products, BF43 (US\$0.86) in nonferrous metals, BF52 (US\$1.04) in metallurgy, BF43 (US\$0.86) in metal processing, and BF49 (US\$0.98) in transportation equipment.

Wage supplements, such as family allowances and paid leave, were estimated at 31 percent of the average hourly earnings of production workers in October 1963. Over 22 percent of these supplementary payments consisted of employers' contributions to social insurance.

The law provides for a standard 8-hour workday and a maximum 45-hour workweek. Actual weekly hours worked averaged 40 to 42 in 1964. A statutory premium of at least 25 percent must be paid for the first 2 hours of overtime, and 50 percent for additional hours. Double time must be paid for work on Sunday and national holidays. The statutory minimum annual leave is 2 weeks. Collective agreements tend to provide for 3 weeks, depending on seniority.

From October 1959 to April 1964, average hourly earnings in all of industry rose from 30.2 francs (US\$0.60) to 39.9 francs (US\$0.80), an increase of 31 percent. The official retail price index, to which all wages and salaries are geared, increased by 18 percent during the same period.

#### Employer Organizations

The majority of employers are organized into industrywide federations affiliated with the Federation of Belgian Industries (FIB), which publishes labor studies and represents the interest of their members vis-a-vis the Government.

#### Labor Organizations

Of the approximately 2.8 million wage and salary earners, more than 60 percent, or 1.7 million, are members of trade unions. There are three national centers, all of them politically oriented.

The strongest federation is the Confederation of Christian Trade Unions (Confederation des Syndicats Chrétiens de Belgique--CSC) with over 812,000 members, or about 47 percent of all organized labor, followed closely by the Belgian General Federation of Labor (Federation Generale du Travail de Belgique--FGTB) with a membership of over 712,000, or about 42 percent of the total trade union membership. The CSC, a prominent member of the International Federation of Christian Trade Unions (Confederation Internationale des Syndicats Chrétiens--CISC), has close links with the Social Christian Party. The FGTB, an affiliate of the International Confederation of Free Trade Unions (ICFTU), is linked to the Socialist Party.

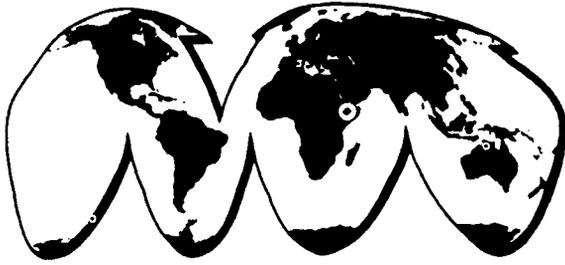
The General Federation of Liberal Unions of Belgium (Centrale Générale des Syndicats Libéraux de Belgique--CGSLB) claims about 102,000 members, or 6 percent of the overall total. It is close to the Liberal Party and a member of a small international of liberal unions, the World Union of Free Trade Unions (WUFTU).

Independent unions have formed the Cartel of Independent Unions of Belgium (Cartel des Syndicats Indépendants de Belgique--CSIB), which represents 52,000 trade union members, or about 3 percent of the total union membership. The CSIB is affiliated with the International Confederation of Supervisory Employees.

#### Labor-Management Relations

Collective bargaining is carried on in most major industries by joint committees of employer and employee representatives. The procedure is regulated by an Order of 1945, intended to standardize collective bargaining practices. At the request of a committee or an organization it represents, a Government order may extend the scope of an agreement negotiated by the committee to cover an entire industry.

Labor disputes may be settled by voluntary conciliation or arbitration either through official bodies set up by the Labor Ministry, through ad hoc committees set up by agreement between labor and management with Government approval, or through permanent bipartite committees which are subcommittees of the joint collective bargaining committees. The latter are most frequently used. Strikes are legally permitted, but the Minister of Labor has intervened in strikes affecting the public welfare. The operation of establishments providing essential services must be continued with at least a skeleton crew. In 1963, 191,347 man-days were lost due to 44 strikes.



# LABOR DIGEST

No. 67

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN BULGARIA

Bulgaria, situated in southeast Europe, had at the beginning of 1965 a population of over 8 million and an area of 42,818 square miles.

### Factors Affecting Labor

Political. Officially called the People's Republic of Bulgaria, the country has been ruled by the Bulgarian Communist Party since 1948, but in effect since September 1944. Bulgaria nominally has a representative form of government, based on the Constitution of 1947. However, the People's Assembly, declared to be the supreme organ of state power, is elected from a single list of candidates. Todor Zhivkov is First Secretary of the Central Committee of the Communist Party and the Premier (head of government). Bulgaria is a signatory of the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and a member of the bloc's Council of Mutual Economic Assistance (CEMA).

Economic. This industrially underdeveloped country, 59 percent of whose population was rural at the beginning of 1964, has a socialized planned economy patterned after the Soviet model. Agriculture is 98 percent collectivized. The main industries are electricity, coal, cement, steel and iron, and chemical fertilizers. The main crops are wheat, corn, tobacco, sugar beets, grapes, and tomatoes. As a member of the CEMA, Bulgaria has been dependent on the Soviet bloc, especially the Soviet Union, for most of its trade (about 80 percent in 1964). Annual national income per capita is about US\$400.

Social. About 88 percent of the population are Bulgarian. The two largest ethnic minorities are the Turks (about 600,000, or 8 percent of the population) and the Gypsies (about 200,000, or over 2 percent). The principal religion is the Eastern Orthodox, which encompasses an estimated 90 percent of the population. The Moslems (mostly Turks) account for about 9 percent of

the population. Eight years of free primary schooling are compulsory for children, from the age of 7.

## Manpower and Employment

Employment and Unemployment. About 4.3 million persons, or approximately 54 percent of the population, were economically active in 1963. About 59 percent were in agriculture, 21 percent in industry (mainly manufacturing, mining, and electricity), and 20 percent in services. There were 1,992,500 wage and salary earners in 1963, or about 46 percent of the labor force. Of these, 854,000 were in industry, 212,000 in construction, 169,000 in transportation and communications, 181,500 in trade, and the remaining 576,000 in the other sectors of the economy. The national employment service assists unemployed workers to find new jobs; it has a board attached to each local government unit.

Productivity, Skills, and Training. The Government sets aside regularly in its annual budget specific sums to be used in promoting educational and training programs, especially in secondary vocational schools and in higher technical and professional schools. In the 1962-63 school year, 134,800 persons were enrolled in secondary vocational and technical schools, and 77,600 were enrolled in higher educational institutions. Bulgaria is lowest in labor productivity among the CEMA countries. In order to increase labor productivity, the Government has stepped up electric power production, the mechanization of industry, and enforcement of labor discipline; it has also reorganized its incentive pay system. Labor productivity in industry was claimed to have risen 156 percent between 1948 and 1962 and approximately 6 percent in 1964.

## Labor Standards

Labor Legislation. The Constitution of 1947 and the Labor Code of November 9, 1951, constitute the basic labor legislation. The Constitution declares work to be the obligation of every able-bodied citizen and guarantees him the right to work with pay (according to the work done), to rest days and paid vacations, to health protection, and to educational, cultural, and social insurance benefits. The Labor Code describes the functions of the trade unions, defines the extent of social insurance, establishes conciliation boards to settle workers' grievances or disputes, and lays down the rules of labor discipline aimed at discouraging absenteeism and tardiness. It gives the trade unions the right to create labor protection boards and inspectors to enforce labor standards. It authorizes various ministries to set up special departmental services for safety engineering.

Administration and Practice. Since the abolition of the Ministry of Labor and Social Welfare in 1951, labor legislation has been administered by various Government agencies and by the trade unions. The Ministry of Health administers workers' health and hygiene legislation, and the Central Council of Trade Unions administers the social insurance provisions. Management is responsible for implementing factory legislation, and the trade unions are responsible for checking on the implementation of all legislation with respect to labor.

## Wages, Hours, Prices, and Level of Living

The Government controls wage rates and prices. In 1964, average gross monthly earnings of all wage and salary earners were about 90 leva (US\$45). Average earnings were highest in construction and lowest in forestry. Supplements to earnings appear in the form of family allowances, low rent, free medical care, sickness benefits, and scholarships to workers. According to official data, real earnings of wage and salary earners more than doubled in the 10-year period 1952-61; however, they dropped 0.5 percent in 1962. The level of living is relatively low; the quality of consumer goods is irregular and generally poor; bread and meat are sometimes scarce. The housing situation is critical in the larger cities and industrial centers (no dweller in Sofia not benefiting from privilege due to a Party or Government position may have more than one room).

The work schedule for most workers is 46 hours a week, 8 hours a day for 5 days a week and 6 hours on Saturday. There are 7 holidays in the year. Overtime work, at time-and-a-quarter pay, is permitted only in certain situations specified by law, and for not more than 2 hours a day, 10 hours a week, and 150 hours a year. All workers are guaranteed a paid annual vacation of 2 to 4 weeks, depending on the number of years of employment and the nature of the job; they are also paid for time on sick leave.

### Employer Organizations

There is no national organization of enterprise managers in Bulgaria.

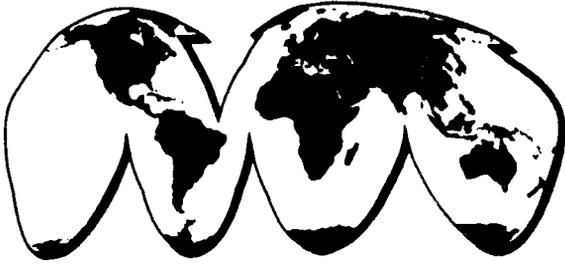
### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the working population. The Bulgarian Central Council of Trade Unions (Tsentralen Suvet na Bulgarskite Profesionalni Suyuzi--TsSPS) claims about 1,500,000 members, or 75 percent of the wage and salary earners. The TsSPS is an affiliate of the World Federation of Trade Unions (WFTU). A number of professional associations, such as artists, journalists, scientific workers, and teachers, may have some official ties with the TsSPS.

### Labor-Management Relations

The trade unions have the legal right to draft labor legislation and regulations and to advise the management during the formulation of production plans, workers' production quotas, and wage rates; they must be consulted on the appointment of plant managers, on the dismissal and transfer of a worker, and on the allocation of the housing construction and certain other funds. Collective bargaining in the Western sense does not exist in Bulgaria, as the Government controls the trade unions and fixes wage rates, hours of work, and working conditions. The collective contracts concluded by trade union committees with the managements of enterprises have the primary purpose of maximizing production and the secondary one of improving the workers' welfare. By unwritten law, the trade unions are not permitted to strike. A labor contract which describes the place and nature of a worker's job must be signed

by every wage and salary earner with the management of the enterprise. A worker cannot be transferred without his consent, except in certain specified situations. Disputes over contract interpretation, payment for damages to factory property, and dismissals or transfers may be taken to the public courts. Other disputes, and disputes over dismissals or transfers, can be submitted to the conciliation board of the trade union committee within the enterprise; if this board fails to reach an agreement, the dispute is examined by the district or city trade union council.



# LABOR DIGEST

No. 68

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations: Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN CYPRUS

Cyprus is a 3,572 square mile island in the northeastern Mediterranean Sea. The population in 1964 was officially estimated at 588,000.

### Factors Affecting Labor

Political. Cyprus became a republic on August 16, 1960. Legislative power is divided between the House of Representatives, with a legal ratio of seven Greek Cypriots to each three Turkish Cypriots, and Greek and Turkish Communal Chambers, which deal with legislation on educational, cultural, and religious affairs for the respective groups. Executive power is vested in the Council of Ministers. The President is by law a Greek Cypriot and the Vice President a Turkish Cypriot. The functions of the Government have been affected by friction between the Greek and Turkish segments of the population.

Economic. Agriculture is the largest single sector of the economy, contributing 24 percent of the gross national product (GNP). Cereals, potatoes, grapes, and citrus fruits are the main crops produced on small owner-operated farms. Manufacturing accounts for 16 percent of the GNP, and consists predominantly of food processing and textiles. Although mining contributes only 8 percent of the GNP, 55 percent of exports are minerals. Other GNP percentages by activity are: Government, 15 percent; trade, 11 percent; transport, 10 percent; and other, 16 percent. A balance-of-trade deficit is counteracted by remittances from emigrants, operation of a British military base, and tourism. A 5-year economic development plan was initiated in 1962.

Social. The population includes 77 percent ethnic Greeks, who adhere to the Greek Orthodox Church, and 18 percent ethnic Turkish Moslems. The Greek and Turkish Cypriot communities are largely separate. Elementary education is compulsory to age 12; the literacy rate is 82 percent. Greek and Turkish are the official languages.

## Manpower and Employment

Employment and Unemployment. The total labor force was estimated to be 243,000 in 1964, including 98,500 in agriculture, forestry, and fishing; 28,200 in commerce and administration; 53,800 in manufacturing and construction; 29,700 in services; 3,600 in mining and quarrying; and 29,200 in other categories.

The monthly average registered unemployed at the end of 1964 was 5,636. Unemployment is mainly seasonal.

Productivity, Skills, and Training. The Ministry of Labour and Social Insurance attributes low productivity in agriculture (index of 135.7 in 1963, 1958=100) to the small size of farms, and in manufacturing (index of 81.2 in 1963, 1958=100), to the lack of skills. Efforts to raise productivity and skills include an apprenticeship program, technical adult education, and new technical and vocational schools.

## Labor Standards

Labor Legislation. Labor legislation includes: (a) a 1962 Basic Agreement, outlining collective bargaining procedures; (b) the Social Insurance Law of 1964, covering every worker for old age, invalidity, death, sickness, maternity, and unemployment; (c) a Factories Law and Building Regulations of 1956, governing safety; and (d) the Minimum Wage Law of 1941, the Employees' Order of 1961, the Mines and Quarries Order of 1961, and the Shop Assistants Law, which cover wages and hours. No one under 13 can be employed. The national health system is modeled after that of the United Kingdom.

Administration and Practice. The Ministry of Labour and Social Insurance administers the labor laws and initiates legal action against violators. Enforcement of legislation is improving.

## Wages, Hours, Prices, and Level of Living

The range of weekly earnings in 1964 was from \$14 for agricultural workers to \$41.70 for refiners (highly skilled workers) in the beverage industry. Women receive a little over one-half the wages of men.

Legal maximum hours are 44 for office, bank, and commercial employees and aboveground mineworkers, and 40 hours for underground mineworkers. Manufacturing hours averaged 40-50 hours a week in 1964, and civil servants averaged 38-44 hours. Paid annual leave varies from 5-15 days in construction to 24-54 days for Government employees.

## Employer Organizations

The Cyprus Employers' Consultative Association coordinates the activities of most of the employers' organizations. The largest are the Nicosia Chamber of Commerce and Industry, the Cyprus Cinematographers' Association, and the Cyprus Building Contractors' Association.

## Labor Organizations

Of the wage and salary earners, 70,586 are members of trade unions. About 54 percent of the trade union members, or 43,589, are organized in the Pancyprian Federation of Labour (The "Old Trade Unions") (Pankypria Ergatiki Omospondia--PEO). This group, which has both Greek and Turkish members, is affiliated with the World Federation of Trade Unions (WFTU). The Cyprus Workers' Confederation ("Free Labour Syndicates") (Synomospondia Ergaton Kyprou--SEK) represents somewhat more than 25 percent of organized labor, or 18,626 members. This group, which has only Greek members, as well as the much smaller Cyprus Federation of Turkish Trade Unions (Kibris Türk İşçi Birlikleri Federasyonu--KTIBF), with 4,456 members, belongs to the International Confederation of Free Trade Unions (ICFTU). The balance of organized labor in the country is divided among three smaller federations and a number of independent unions.

## Labor-Management Relations

Negotiation procedures are outlined in the 1962 Basic Agreement between the Cyprus Employers' Consultative Association and the labor unions. In the event of a breakdown in talks, a case is jointly submitted to the Ministry of Labour and Social Insurance for conciliation, mediation, or, finally, arbitration. Vital industries, such as utilities, are subject to compulsory arbitration. Within the factories are joint labor committees of management and labor. The disputes concern primarily wages, with vacations and bonuses next in importance.





# LABOR DIGEST

No. 69

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN CZECHOSLOVAKIA

Czechoslovakia, a landlocked eastern European country situated between Germany and the U.S.S.R., had a population of over 14 million at the beginning of 1965 and an area of 49,359 square miles.

### Factors Affecting Labor

Political. Officially called the Czechoslovak Socialist Republic, the country has been controlled since 1948 by the Communist Party. Czechoslovakia nominally has a parliamentary system of government, based on the Constitution of 1960. The National Assembly, declared to be the supreme organ of state power, is elected from a single slate of candidates approved by the National Front, which is a coalition of several parties and mass organizations and is controlled by the Communist Party. President Antonin Novotny has been head of the Communist Party since 1953 and head of the state since 1957. Czechoslovakia is a party to the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and is a member of the bloc's Council of Mutual Economic Assistance (CEMA).

Economic. The country is highly industrialized and has a socialized planned economy (patterned after the Soviet model), which in 1963 contributed 99 percent of the national income. Industry (chiefly manufacturing and mining) accounted for 67 percent of the national income (in 1937, 53 percent); agriculture, which was 90-percent collectivized, for 13 percent; construction, 8 percent; and the other sectors, 12 percent. The main industries are coal, electric power, glass, steel, iron, and the manufacture of metalcutting machinery and consumer goods, such as shoes, fabrics, bicycles, television sets, and washing machines. The main crops are fodder, barley, wheat, and potatoes. Czechoslovakia is heavily dependent on the import of raw materials. As a member of the CEMA, it has been dependent on the Soviet bloc, especially the Soviet Union, for most of its trade (over 74 percent in 1963). Annual national income per capita is about US\$800.

Social. The population is predominantly of Slavic stock, made up of Czechs (about 9 million) and Slovaks (about 4 million), whose languages are closely related. The largest minorities are the Hungarians (over 500,000), the Germans (over 100,000), and the Poles (about 70,000). An estimated 75 percent of the population is Roman Catholic. Nine years of free primary schooling are compulsory for children, from the age of 6.

## Manpower and Employment

Employment and Unemployment. In 1963, over 45 percent of the population were economically active. Of these, industry accounted for 38.2 percent; agriculture and forestry, 22.6 percent; public utilities, education, health work, and cultural activities, 13.3 percent; trade and restaurants, 8.5 percent; construction, 8 percent; transportation and communications, 6.3 percent; and banking, insurance, the courts, public administration, and other activities, for the remaining 3.1 percent.

In 1963, there were 6,318,000 economically active persons in the country; 5,233,000, or 83 percent, were wage and salary earners in the socialized sector. The Government is attempting to meet the unsatisfied demands of industry for additional workers by mechanization and more efficient methods. The national system of labor exchanges has the primary task of recruiting labor. Unemployment of white-collar workers would appear to be a continuing problem, which was aggravated in 1964 when some 37,000 office jobs were abolished as an efficiency measure. However, the Government reports that the workers affected were transferred to other jobs, and that most unemployed workers who cannot obtain white-collar jobs are not suitable for such work.

Productivity, Skills, and Training. The Government has vigorously promoted educational and training programs to meet the demands of its economy for trained workers. In 1963, there were 944,202 trained specialists (more than double the number in 1950); of these, 181,041 were specialists with university-level training, and 763,161 were specialists with complete or partial secondary vocational school training. In the school year 1963-64, 302,224 persons were enrolled in vocational secondary schools and 138,754 (including part-time students) in higher educational institutes. In 1963, there were 324,754 apprentices. Labor productivity in industry was reported to have increased about 55 percent in the period 1955-63 and 3.9 percent in 1964. The Central Commission of People's Control and Statistics and its 5,000 subordinate local commissions have the responsibility for reducing production costs and improving the quality of manufactured goods.

## Labor Standards

Legislation. The Constitution of July 11, 1960, declares work to be a primary obligation and guarantees every citizen the right to work with pay (according to the work performed), to rest days and paid vacations, to health protection, and to educational, cultural, and social insurance benefits. Special laws and regulations establish the hours of work and holidays, fix wage rates, set standards of hygiene and safety, regulate the employment of women and young workers, prescribe labor discipline, and provide for the settlement of workers' grievances or disputes. No worker may be discharged except for cause and with the consent of the trade union. The basic trade

union law of May 16, 1946, and the Constitution (section 5) made the Revolutionary Trade Union Movement (ROH) the sole body representing the labor movement in Czechoslovakia. The Central Council of Trade Unions may suggest labor legislation, may issue directives to implement existing labor laws, and must be consulted by ministries which draft new labor legislation.

These legislative provisions, except those relating to the major functions of trade unions, have been incorporated into a Labor Code, effective on January 1, 1966. One of the new provisions in the code gives a worker the right to quit his job after 6 months' notice (in special cases, 1 to 3 months' notice), unless his employer consents to a shorter period.

Administration and Practice. Since the abolition of the Ministry of Labor and Social Welfare in 1951, the administration and enforcement of labor legislation has been the responsibility of various Government agencies, the management of enterprises, and the trade unions. Social welfare and pensions are administered by the National Social Security Office and medical care by the Ministry of Health. The trade unions administer workers' disability insurance and check on the implementation of labor legislation by management (especially in the fields of workers' production quotas, wage and bonus payments, and safety measures).

Wages, Hours, Prices, and Level of Living. The Government controls wage rates and prices. The 1964 gross monthly earnings of the average worker in industry were 1,537 korunas (US\$96). Supplements to earnings are in the form of family allowances, free medical care, sickness benefits, and scholarships to workers. The level of living has risen perceptibly since the end of World War II, but is low by U.S. standards. For example, a man's woolen suit costs the average worker about 3 weeks' work in Prague, compared with about 3 days' work in New York City. According to Czechoslovak official figures, real earnings increased 49.5 percent during the 8-year period 1953-61; however, they declined more than 1 percent in the 2-year period 1962-63. A serious housing shortage persists, and consumer goods and services appear to be in short supply.

Most workers are on an 8-hour workday (6 hours on Saturday) and a 46-hour workweek. There are 7 legal holidays in the year. Overtime, usually at one-and-a-quarter pay if compensatory time is not given, is limited to 4 hours during 2 consecutive workdays, 8 hours a week, and 180 hours a year. Most workers are guaranteed an annual vacation of 2 to 4 weeks, depending on the number of years of employment, the age of the worker, and the nature of the job; underground workers are entitled to an additional week; teachers get 8 weeks. Workers are also paid for sick leave.

### Employer Organizations

There is no national organization of enterprise managers in Czechoslovakia.

### Labor Organizations

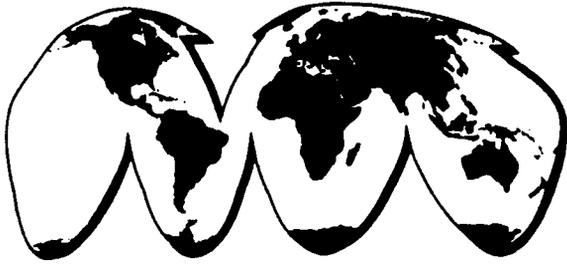
The trade union organization is an arm of the Government, and its primary purpose is implementation of government-party policy with regard to the

working population. The Central Council of Trade Unions (Ustredni Rada Odboru --URO) claims a membership of 5,200,000, which represents practically all of the 5,233,000 wage and salary earners. The URO is an affiliate of the World Federation of Trade Unions (WFTU). Since 1959, a consolidation of affiliates has reduced their number from 16 to 13. A number of professional organizations, such as teachers, printers, scientists, and chemical workers, may have some official ties with the URO.

Within the URO, special consideration is given to the Slovakian areas of Czechoslovakia, for which a distinct regional organization is established.

#### Labor-Management Relations

Collective bargaining in the Western sense does not exist in Czechoslovakia, as the Government fixes wage rates, hours of work, and working conditions. The collective agreements concluded by works committees with management aim, primarily, to further the execution of production plans to the maximum degree and, secondarily, to improve the workers' welfare. By unwritten law, the Czechoslovak trade unions are not permitted to strike, but wildcat strikes of short duration have occurred in protest against dangerous working conditions, inadequate wages, and the introduction of higher work quotas. Every wage and salary earner in Czechoslovakia must sign a labor contract in which his wage or salary rate and job obligations are specified. Disputes over pay, special awards, hours of work, job assignments, and certain other specified matters may be submitted to the works committee for arbitration; the works committee must transmit to a public court the disputes its arbitration commission cannot decide and certain other specified disputes. Disputes in small enterprises without works committees may be taken to the public court.



# LABOR DIGEST

No. 70

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN DENMARK

Denmark proper, i.e., the Jutland Peninsula extending northward from West Germany, plus numerous neighboring islands, has an area of 16,619 square miles, and in 1965 had a population of 4.8 million.

### Factors Affecting Labor

Political. The Government is a constitutional monarchy under King Frederick IX. Executive power rests in the Council of Ministers, which is responsible to the unicameral legislature (Folketing) of 179 members, elected for 4-year terms by universal suffrage. The Social Democratic Party (SPD), supported largely by industrial workers, civil servants, small shopkeepers, and farmers, is the strongest of 14 political parties. The Communist Party is one of the weakest. Only the six largest parties are represented in the Folketing. Jens Otto Krag, head of the SPD, is Premier.

Economic. Denmark is a noted producer of livestock and dairy products, but the estimated contribution of agriculture and fishing to the gross national product (GNP) (without income received from abroad) in 1963 (13 percent) was less than the contributions of manufacturing (30 percent), services (20 percent), or trade and finance (18 percent). Transportation contributed nearly 10 percent; other branches of economic activity (construction, utilities, mining) together contributed about 9 percent. Heavy industry produces machinery, especially diesel engines, and ships. Per capita GNP in 1963 was US\$1,680. About 60 percent of agricultural production and about 25 percent of manufactured goods are exported. Balance of payments is a problem because of extensive imports of fuels, machinery, metals, and textiles.

Social. Well over 90 percent of the population are ethnic Danish. The only sizable minority element consists of about 30,000 Germans in South Jutland. About 95 percent of the people belong to the Evangelical Lutheran

Church. The universal language is Danish. German, French, and English are also taught in many elementary schools. Almost all the adult population is literate. Education at all levels is free and is compulsory for children age 7-14. There are two universities and many institutions for technical and adult education.

## Manpower and Employment

Employment and Unemployment. The labor force in 1964 totaled 2.3 million, or 48 percent of the population. About 600,000 workers were in manufacturing; 450,000 in services; 370,000 in agriculture, fishing, and forestry; 300,000 in commerce; 150,000 in transportation and communications; and 150,000 in construction. In recent years, there has been a marked shift in employment from agriculture to manufacturing. Between 1955 and 1962, the proportion of workers in agriculture and fishing declined from nearly 25 percent of the labor force to 19 percent, while the proportion of workers in manufacturing and construction increased from 36 percent to 39 percent; and by 1965, there were less than 80,000 basic farm workers. Wage and salary earners numbered over 1.5 million in 1960; self-employed, managers, and directors, over 400,000; domestic servants, about 70,000; and family workers, 45,000. The number of wage and salary earners in 1964 was estimated to be 1.6 million. Unemployment was under 2 percent of the labor force in 1964. Despite the scarcity of labor, the policy of both the Government and the labor unions is against the importation of foreign labor.

Productivity, Skills, and Training. Mechanization and improved techniques have raised productivity greatly in the postwar period. Rising productivity is the major cause of a marked increase in the national income (47 percent from 1956 to 1961). The Danish labor force is noted for efficiency, versatility, and good craftsmanship. Apprenticeship training programs and technical and vocational schools maintain high standards and are well attended.

## Labor Standards

Labor Legislation. Advanced social and labor laws fix employers' obligations respecting dismissals, wage and salary payments during illness or military service, and death benefits; set rules for apprenticeship and the employment of women and minors; prescribe safety measures and factory inspections; and provide for 3 weeks' paid annual leave, workmen's compensation, unemployment and health insurance, and pensions. Several laws are designed to implement or reinforce the provisions of labor-management agreements.

Administration and Practice. Administration of labor legislation is mainly the responsibility of the Ministry of Labor. The Ministry of Finance bargains directly with the unions of civil servants. State mediation and conciliation boards and the Permanent Court of Arbitration (Labor Court) deal with disputes. Labor laws are usually well observed.

## Wages, Hours, Prices, and Level of Living

Average gross hourly wages in industry and handicrafts were 9.35 kroner (US\$1.35) in 1965. Wages in the private sector increased 52.6 percent from

1958 to 1962. Agricultural wages are lower, but customarily include room and board. Extensive social security benefits supplement basic wages. There is no minimum-wage law. The general index for consumer prices rose 22.4 percent between 1957 and 1964. There is an escalator clause in the nationwide collective agreement by which, twice a year, nearly all wages and salaries in private industry are adjusted automatically to the cost-of-living index if it goes up 3 points or more. This arrangement has been extended by law to civil servants and social pensioners. Higher wage rates stipulated in collectively bargained agreements, therefore, mostly represent gains in real wages.

An 8-hour day, 45-hour workweek generally prevails in industry, under labor-management agreements. The law forbids more than 8 hours' work in a given day by any one worker in 24-hour operations. Collective agreements in the metal trades in 1964 extended voluntary overtime from 16 to 24 hours per month. A 2-year contract signed by the employers' association and the central labor federation provides for a 44-hour week beginning in 1966.

The Danish standard of living is high, and housing is perhaps the best in Europe. The average daily caloric intake in 1960 was 3,400. Public health facilities are good, and the incidence of disease is low.

#### Employer Organizations

The Danish Employers' Association is a federation of industrial and regional employer associations as well as individual firms. Its members employ about half the nation's wage and salary earners. In 1899, it negotiated a nationwide "September Agreement" with the central labor federation, which laid down in detail the rights and duties of employers and unions and established basic procedures for the peaceful settlement of disputes. This basic agreement, as revised in 1960, sets the pattern for labor-management relations.

#### Labor Organizations

About 65 percent of the estimated 1.6 million wage and salary earners, or 1,060,015, are members of trade unions. Four-fifths, or 833,970, are organized in the Federation of Danish Trade Unions (Landsorganisationen de samvirkende Fagforbund--LO), an affiliate of the International Confederation of Free Trade Unions (ICFTU).

LO affiliates in related industries (occupations) have formed cartels with a view to coordinating their activities in general matters of mutual interest. At present, seven cartels have been formed, including those for metalworkers; lower echelon civil servants; construction workers; workers in the food and drink industry; workers in graphical trades; hotel, restaurant, and related personnel; and woodworkers. Some of these cartels have been joined by non-LO unions.

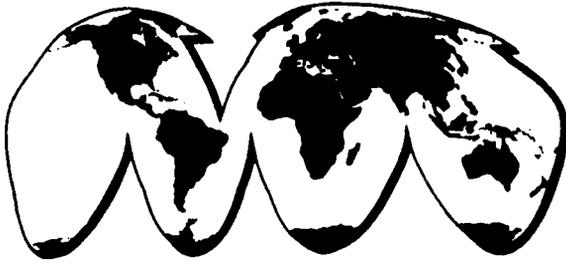
About 14 percent of all trade unionists, or 142,455, are members of the Federation of Civil Servants' and Salaried Employees' Organizations (Faellesraadet for danske Tjenestemand- og Funktionærorganisationer--FTF). Some of its affiliates have also formed cartels, altogether six, for coordinating their activities.

A Council of Danish Supervisors' and Technical Employees' Associations (Faellesrepraesentationen for danske Arbejdsleder- og tekniske Funktionaerforeninger--FAF) coordinates the activities of salaried private employees representing 30,510 trade union members, or 3 percent of the overall total.

#### Labor-Management Relations

The practice of collective bargaining is not only customary, long established, and accepted by all, but legally required. While there is some plant-level bargaining (on the increase since World War II) and industrywide bargaining, major issues are negotiated on the national level between the employers' association and the LO. Elaborate rules have evolved, in which mediation and arbitration have an important place. Nationwide contracts are for a fixed period, usually 2 years; both unions and employers must formulate their demands in advance of the time set for negotiating contract renewals. The Labor Court, whose members are chosen by labor and management, has jurisdiction over breaches of contract and disputed legality of strikes and lockouts. Its decisions are final, and it can levy fines and damages.

Strikes are permissible after established procedures for peaceful settlement have been exhausted. Because of these procedures and prevailing attitudes, strikes, especially prolonged ones, are infrequent. In 1963, there were only 19 work stoppages, involving 6,527 workers and entailing the loss of only 23,600 man-days. In recent years, there have been only three major strikes--those of transport workers in 1956 and 1961, and of metallurgical workers in 1961. The strike in 1956 involved 66,306 workers and caused a loss of over 1 million man-days; those in 1961 involved 153,304 workers and accounted for over 2 million man-days lost.



# LABOR DIGEST

No. 71

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN FINLAND

Finland, situated in northern Europe between the Scandinavian Peninsula and the Union of Soviet Socialist Republics, has an area of 130,120 square miles. Its population was estimated at 4.6 million in 1964.

### Factors Affecting Labor

Political. The Constitution of 1919 provides for a unicameral Parliament, consisting of 200 members elected by universal suffrage for 4-year terms. The Prime Minister and his Cabinet are elected by and are responsible to Parliament. The main political parties are the Agrarians, who won control of the Government in 1958 from the Social Democratic Party which was weakened by a split, and the Finnish People's Democratic League, a Communist front.

Economic. Of the gross national product (GNP) in 1963, 30.4 percent was derived from manufacturing; 20.8 percent from commerce and transportation; 20.1 percent from agriculture, forestry, and fishing; 18.4 percent from services; and 10.3 percent from construction. Per capita GNP was US\$1,278. The value of wood products was about one-third of the nation's total industrial production and three-fourths of total exports. Other major manufactures are machinery, chemicals, textiles, and ships.

Social. The Finns are a homogeneous people; more than 92 percent speak Finnish and belong to the Evangelical Lutheran State Church. Non-Lutherans include about 5.5 percent of the population without church affiliation and 2.5 percent in other groups. About 7 percent of the population are of Swedish origin. There are approximately 6,000 Lapps and Gypsies who are only partially assimilated. Finnish and Swedish are the official languages. Almost all adults in the population are literate; 8 years of school attendance are compulsory.

## Manpower and Employment

Employment and Unemployment. The labor force at the end of 1964 consisted of 2,185,000 persons, or 47.5 percent of the population, including 31 percent in agriculture and forestry, 23 percent in mining and manufacturing, 20 percent in commerce and transportation, 16 percent in services, and 9 percent in construction. Unemployed persons accounted for 1.5 percent of the labor force. Of the employed persons, 42 percent were wage earners, 28 percent were salaried employees, and 30 percent were self-employed or unpaid family helpers.

Productivity, Skills, and Training. Overall productivity in manufacturing, agriculture, and services increased 21 percent in the period 1954-62. Professional, technical, and production workers in industry are generally considered highly competent, but they are in short supply. Most 15- to 19-year-old workers receive on-the-job training; in 1964, about 72,000 students attended vocational schools and 4,000 persons were in apprenticeship training.

## Labor Standards

Labor Legislation. Extensive legislation covers labor-management relations, working conditions, public employment services, and social insurance. The constitutional right of all persons to form associations and the right of workers to employment are implemented by the Collective Agreements Act of 1924 and the Public Employees' Collective Bargaining Act of 1943. A labor court and procedures for mediation in labor-management disputes were provided by law in 1946, and joint production committees in 1949. Hours of work, overtime pay, paid vacations, and working conditions are regulated by numerous laws, according to occupation, age, and sex of employees. The Labor Protection Act of 1958 regulates working conditions and job safety, and includes special provisions for women and young workers. Social security legislation provides insurance coverage for old age, disability, sickness, family welfare, job accidents, and unemployment.

Administration and Practice. The Ministry of Social Affairs is the chief agency for administration of labor affairs, including research and statistics, industrial inspection, welfare, and family allowances; it supervises social insurance operations, the Insurance Court, and the Mediation Service. The semi-judicial Labor Council assists the Ministry in the interpretation of labor laws and in drafting new legislation. Manpower administration, public works programs, and the Public Employment Service functions are under the Ministry of Communications and Public Works. The Labor Court settles disputes arising from collective agreements, if negotiation fails. Compliance with labor and social security laws is relatively good, according to Finnish sources.

## Wages, Hours, Prices, and Level of Living

Rates of pay in industry are usually set by collective agreements. Average hourly wage rates in various industries in 1964 ranged from 2.00 markkas (US\$0.62) to 3.70 markkas (US\$1.15), while monthly salaries were from 343.38 markkas (US\$106.64) for female shop assistants to 1,362 markkas

(US\$423) for male industrial supervisors. Fringe benefits added as much as 12 percent to cash earnings in industry.

The legal limit on hours of work in industry and commerce is 8 per day, 47 per week. Actual hours worked in industry, determined by collective agreements, in recent years have been about 42 weekly. Labor and management have agreed on the gradual introduction of the 40-hour workweek between 1965 and 1970. Extra pay for overtime ranges from 50 percent of normal pay for the first 2 hours to 200 percent on holidays. There are 10 paid public holidays, and the legal minimum paid vacation is 18 days.

While wages and salaries increased by 20 to 34 percent in various industries from 1957 to 1962, consumer prices increased only 15 percent. Purchasing power is equalized throughout the country by a 5-percent difference in wage and salary rates between each of 4 cost-of-living regions, resulting in a maximum difference of 15 percent between regions.

### Employer Organizations

Employers are organized in the Finnish Employers' Confederation (STK), which comprises 28 employers' federations, with about 2,100 member firms employing nearly 300,000 workers, and several smaller confederations of commercial and agricultural employers. The STK develops general employer policy and acts as spokesman for employers before governmental bodies dealing with labor, social, and economic affairs. It can supervise the collective bargaining of its affiliates and has authority to approve or disapprove all collective agreements made by them.

### Labor Organizations

Somewhat less than two-thirds of the 917,700 wage and salary earners are members of trade unions. Since 1958, the free trade union movement, which up to then was represented by the Confederation of Finnish Trade Unions (Suomen Ammattiyhdistysten Keskusliitto--SAK), has been badly split following a secession of a left-wing group called "Skogists" (after the name of its leader) from the Social Democratic Party. Later the SAK came under the control of Skogist trade union leaders, which in turn led to an exodus of anti-Skogist trade unions. Some of these formed a new federation, the Finnish Federation of Trade Unions (Suomen Ammattijärjestö--SAJ); others, intent on keeping their membership together, remained independent. Both the SAK and the SAJ are members of the International Confederation of Free Trade Unions (ICFTU), while some of the independent anti-Skogist trade unions have shown their allegiance to the free trade union movement through membership in International Trade Secretariats. At present, nearly 40 percent of all trade union members, or 233,915, are with the SAK, while nearly 18 percent, or 103,176, belong to the SAJ. The independent unions, which include many former SAK affiliates, claim 94,129 members, or about 16 percent of the trade union membership. Two SAK affiliates are members of Trade Unions Internationals (Trade Departments) of the Communist-controlled World Federation of Trade Unions (WFTU).

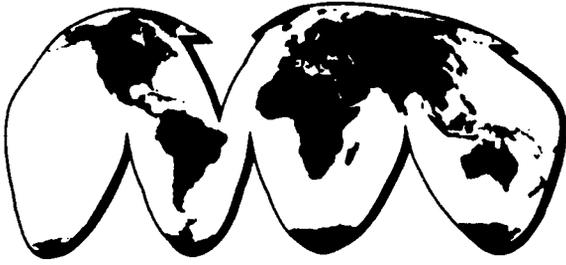
A large number of white-collar workers are organized in the Confederation of Salaried Employees (Toimihenkilö- ja Virkamiesjärjestöjen Keskusliitto

--TVK). With 150,000 members, they represent about one-fourth of the total trade union membership. This confederation has no international ties; it is known for its nonpolitical orientation.

#### Labor-Management Relations

Wages, hours, and working conditions in industry are generally regulated and improved beyond legal requirements by collective bargaining. The ground rules for labor-management relations have, since 1946, been set in basic agreements which contain permanent rules concerning the rights of employers, of workers, and of the unions. Periodic bargaining on wages and working conditions is usually industrywide. Collective bargaining agreements are valid for 1 to 2 years. On the plant level, collective agreements are enforced by shop stewards, who are elected by the workers in a plant.

Strikes are not prohibited by law. The Government and the employer must receive 2 weeks' notice before the start of a work stoppage. Strikes in recent years have generally been caused by failure to agree in collective bargaining on increases in pay rates. A total of 1,380,000 man-days were lost in 1963, but only 66,000 in 1964.



# LABOR DIGEST

No. 72

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN FRANCE

France, located in western Europe, has an area of 212,737 square miles, and had a population of 48.3 million in 1964.

### Factors Affecting Labor

Political. The 1958 Constitution provides for a President, elected for a 7-year term, and a bicameral Parliament, consisting of a Senate (273 Senators) and a National Assembly (482 Deputies). President Charles de Gaulle was elected in 1958. The majority in the Assembly is composed of a coalition of the Gaullist Union for the New Republic and the much smaller Independent Republicans. The French Communist Party remains the largest and best organized party in France, but its parliamentary representation has been reduced in the Gaullist period. Other political groups are the Socialist Party, the much smaller Unified Socialist Party, the Popular Republican Movement, the Radical Socialists, and the National Center of Independents and Peasants.

Economic. France is both a leading industrial country and the largest agricultural producer in western Europe. Manufacturing contributed about 37 percent of the gross national product (GNP) in 1963; services (including government), about 21 percent; trade, finance, and rent from dwellings, about 18 percent; construction, transportation, communications, and utilities, approximately 14 percent; agriculture and forestry, about 9 percent; and mining, less than 2 percent. The main manufacturing industries are metals, machinery, automobiles, chemicals, foods, and textiles. Agricultural production includes grain, corn, potatoes, fruit, vegetables, dairy products, meat, and wines. Per capita GNP was about US\$1,765 in 1964. Planned economic development and extensive control over manpower utilization, currently embodied in a 5-year plan, are established government policies.

Social. Most French are Roman Catholics; about a million belong to Protestant churches. In 1962-63, France received over 750,000 repatriates

from Algeria, less than one-tenth Muslims. About 96 percent of the population 14 years of age and over are literate. Education is compulsory for children aged 6-16, and is free in public primary and secondary schools.

## Manpower and Employment

Employment and Unemployment. The civilian labor force totaled about 18.9 million persons in 1962, and was estimated to have grown to 20.3 million in 1964. Wage and salary earners comprised about 71 percent of the 1962 civilian labor force; employers and self-employed, about 20 percent; and unpaid family workers, about 9 percent. About 37 percent of the labor force were employed in manufacturing and construction; 26 percent in services, transportation, communications, and utilities; 21 percent in agriculture, forestry, and fishing; 14 percent in trade and finance; and less than 2 percent in mining. An estimated 1.1 percent of the labor force were unemployed on the average in 1964. Labor shortages have led to importation of foreign workers--165,000 in 1963.

Productivity, Skills, and Training. Increased productivity has resulted from extensive industrial modernization since World War II. Output per man-hour increased at an average annual rate of 4.4 percent between 1949 and 1962. Shortage of skilled workers and technicians is a major problem. The Government finances vocational and technical training programs. Over 24,000 adult workers were retrained under government-financed programs in 1963. Private industry and professional organizations also support training programs.

## Labor Standards

Labor Legislation. Wages and working conditions, hiring and firing, safety and sanitation, labor education and labor-management relations are regulated extensively by the Labor Code, the Artisans' Code, the Code of Technical Training, the Rural Code, and the Penal Code. Other laws provide for minimum wages related to cost-of-living indexes; family allowances; a basic 40-hour workweek for most workers; 3 weeks' annual vacation for industrial and commercial workers; health, accident, and unemployment insurance; pensions; the open shop; conciliation, mediation, and arbitration procedures; shop stewards and mixed (employer-worker) plant committees; labor participation in many administrative boards; and, in nationalized industries, the power (rarely used) to "requisition" (draft) labor to prevent strikes.

Administration and Practice. The Ministry of Labor is the principal labor agency of the Government. The Ministry of Agriculture has direct responsibility for agricultural labor, the Ministry of Public Works and Transport regulates working conditions for seamen and railwaymen, and the Ministry of Industry has jurisdiction over workers in the other nationalized industries. Interministerial labor commissions and councils have functions relating to law enforcement, employment policy, collective bargaining, and other matters. Law enforcement is included in the functions of the Labor Inspection Service, numerous manpower services and bureaus at departmental and local levels, and certain tripartite (government-management-labor) and mixed (management-labor) commissions.

## Wages, Hours, Prices, and Level of Living

The average hourly wage, including overtime and other premium pay and excluding deductions for social security, in establishments with over 10 workers, was about 3.3 francs (US\$0.67) in 1963. The national average hourly rate in manufacturing in 1963 was 2.7 francs (US\$0.55). France is divided into wage zones corresponding to cost-of-living levels (a system scheduled for termination by the end of 1967). In the highest wage zone (Paris area), hourly earnings of wage earners in the highest paid industry (printing and publishing) averaged 5.3 francs (US\$1.08) in 1963; skilled industrial workers received 40 percent more than unskilled workers, and highly skilled workers 66 percent more. The legal minimum hourly wage for all branches of activity except agriculture was raised in October 1964 to 1.92 francs (US\$0.39) in the Paris zone, and 1.81 francs (US\$0.35) in the lowest zone. Government policy is to hold the line on wages and prices; but labor shortages and labor demands run counter to government stabilization plans.

The basic legal workweek is 40 hours. Overtime is legal up to 20 hours per week; overtime pay for industrial and commercial workers, by law, is 25 percent of base pay (excluding supplements) for the first 8 hours, and 50 percent thereafter. The great majority (88.5 percent) of all wage earners worked more than 40 hours per week; actual weekly hours worked in industry and trade averaged 46.2 in 1964.

The standard of living is rising. Private consumption of goods and services increased about 28 percent during 1959-64. The percentage of the average family income spent for items other than food increased about 7 percent in this period. The purchasing power of workers has apparently increased in recent years. Real wages in 1964 increased 4.5 percent, according to official statistics.

### Employer Organizations

Employer organizations are numerous and influential. The National Council of French Employers (Conseil National du Patronat Français--CNPF) comprises some 150 trade associations and three major federations. In addition, there are other employer organizations and over 100 state-subsidized chambers of commerce. Labor-management negotiations are frequently conducted with an employers' association on the national, regional, or local level, rather than directly with individual company management. The Government is the country's largest single employer.

### Labor Organizations

There is no reliable information available on the number of trade union members. It is conservatively estimated that of the approximately 1,440,000 wage and salary earners in 1946 about 21 percent, or 3,070,000, were members of trade unions. Claimed membership figures may raise this proportion to 20-35 percent.

The strongest trade union federation, the Communist General Confederation of Labor (Confédération Générale du Travail--CGT), an affiliate of the

Communist World Federation of Trade Unions (WFTU), had a membership of more than 6 million after World War II. It has continuously lost members since the exodus of the non-Communist groups which formed the General Confederation of Labor-Workers' Force (Confédération Générale du Travail-Force Ouvrière CGT-FO) in 1947. It is believed that, of the estimated more than 5 million members lost since 1947, the great majority remained unorganized, although many of them may still support the CGT in social-security and other elections. Its present membership is estimated to be 900,000, or about 30 percent of all trade union members. One of its affiliates, the Federation of Workers in Printing Trades, has been provisionally admitted to membership in the International Graphical Federation (IGF), an International Trade Secretariat (ITS), pending ratification by the next IGF congress.

The CGT-FO is a member of the International Confederation of Free Trade Unions (ICFTU). With an estimated 425,000 members, the CGT-FO represents about 14 percent of organized labor.

The French Democratic Confederation of Labor (Confédération Française Démocratique du Travail--CFDT (CFTC)) is a member of the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC). It has an estimated 600,000 members, or 20 percent of the total trade union membership. The CFDT until 1964 was known as the French Confederation of Christian Workers (Confédération Française des Travailleurs Chrétiens--CFTC) and it continues using the initials CFTC in addition to the initials CFDT. The dropping of all denominational references in the title means the end of a long and intense struggle within the Confederation. A dissident group with 80,000 members, centered around the miners' affiliate, left the CFDT in protest against the change of name and constitution and operates under the old title. The CFDT (CFTC) National Union of French Journalists is a member of the ITS-International Federation of Journalists.

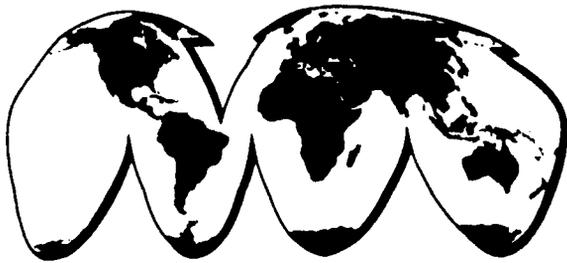
The General Confederation of Supervisory Employees (Confédération Générale des Cadres--CGC) claims 200,000 members, or almost 7 percent of the overall total. It plays a significant role in the trade union movement.

The Federation of Public Education Personnel has been able to attract teachers of different political orientation in one organization. It claims 400,000 members, or about 13 percent of all trade union members.

#### Labor-Management Relations

Collective contracts are reached either by direct negotiation between the parties or with government assistance. Contracts of the latter type may be extended by the Minister of Labor to all employers and workers in a given industry and geographic area. Collective agreements do much to supplement the codes and laws; for example, they have provided about 80 percent of French workers with 4 weeks of paid annual leave instead of the statutory 3 weeks.

In 1963, there were 2,382 strikes, involving 1,147,782 workers in 9,794 establishments and resulting in a loss of 5,991,495 man-days. This was the greatest number of conflicts and of workers involved in strikes since 1957.



# LABOR DIGEST

No. 73

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN EAST GERMANY

The Soviet Zone of Germany calls itself the "German Democratic Republic," and is accorded diplomatic recognition almost exclusively by the Communist countries. Located in north central Europe, the Soviet Zone occupies an area of 41,635 square miles. With East Berlin, it had a population in 1964 of 17 million.

### Factors Affecting Labor

Political. The East German regime functions as the executor of Communist policy in the Soviet Zone. The instrument of communication is the Socialist Unity Party of Germany (SED), now headed by Walter Ulbricht. Virtually every important post in the Government is occupied by an SED member. Theoretically, the regime consists of separate executive, legislative, and judicial branches, with sovereign authority vested in a Parliament (Volkskammer). In actuality, power is wielded by Ulbricht as president of the State Council, the highest Government organ.

Economic. The Soviet Zone of Germany ranks second to the U.S.S.R. as the largest industrial producer among the Communist countries of Europe. The Government controls and administers production, distribution, and allocation of resources for consumption and investment on the basis of annual and long-range economic plans. In 1964, industry contributed nearly 67 percent of the national income. The principal industrial products are basic chemicals, machinery and equipment, transportation equipment, and precision and optical instruments. In contrast to industry, agricultural production has grown slowly, primarily because of opposition to collectivization of farms. Apart from brown coal (lignite) and some nonmetallic metals, the Zone is relatively poor in natural resources.

Social. About 82 percent of the population belong to the Evangelical Lutheran Church, and about 12 percent are Roman Catholic. Most of the

remaining 6 percent have no denomination. A 10-year period of obligatory general education begins at age 6. Illiteracy is negligible.

## Manpower and Employment

Employment and Unemployment. In September 1963, the labor force of 7,645,972 persons amounted to 45 percent of the population. The 6,219,126 wage and salary earners constituted 81.3 percent of the labor force. The remainder were, in addition to apprentices, independent economically active persons such as private employers and professionals. Of the total labor force, 2,784,879 (37 percent) were engaged in industry, 864,364 (11 percent) in commerce, 387,635 (5 percent) in transportation, 1,260,533 (16 percent) in agriculture and forestry, 457,719 (6 percent) in building construction, 395,234 (5 percent) in the crafts (other than the building trades), 132,549 (2 percent) in the postal services, and 1,363,059 (18 percent) in "fields outside material production." A declining labor force, because of the effects of the World Wars on population growth and of the flight of refugees to the West, economic expansion, and the utilization of almost all available manpower have resulted in negligible unemployment.

Productivity, Skills, and Training. According to East German statistics, productivity per industrial worker increased by 46.2 percent from 1958 to 1963, through application of a strict method of wage payment relating earnings of workers to their actual production and making the efficiency of a few outstanding workers the output standard for all. An additional measure taken to improve the efficiency and political orientation of the labor force is "polytechnic education," which provides for (a) a special course on "introduction to socialist production"; (b) several weeks of work in a factory or on a farm, and other practical work in each grade, from the first to the highest school grade; and (c) a pre-university year of practical labor and other obligatory periods of practical work for university students.

Each graduate of the basic 10-year general school must serve as an apprentice and simultaneously study at a part-time trade school (Berufsschule) for at least 2 years, bringing the total obligatory minimum period in any type of school up to 12 years. In addition, technical schools (Fachschulen) teach skilled trades which cannot be learned in the part-time obligatory trade school. A certificate of completion from these schools entitles the holder to enroll in a university or institute of technology to continue study in his special field.

## Labor Standards

Labor Legislation. The 1961 Labor Code regulates matters such as responsibilities of enterprise managements; works collective agreements; wages, hours, and other conditions of employment; vocational training; paid leave; labor discipline; settlement of labor disputes; unionism; protection of workers' health; industrial safety; and social insurance. The code does not mention the right to strike which is guaranteed in the Constitution. To the "unified trade unions," it assigns the function of teaching socialism, of representing the interests of wage and salary earners, and of mobilizing the working class toward greater productivity and fulfillment of the economic

plans. The social insurance system is operated by the Free German Trade Union Federation (Freier Deutscher Gewerkschaftsbund--FDGB) and financed by contributions from enterprises and workers. Its program includes maternity, health, accident, unemployment, old-age, and survivors' insurance.

Administration and Practice. The Committee for Labor and Wages, attached to the Council of Ministers, is responsible for the development of the wage system, output standards, and manpower policy. The Ministry of Education is responsible for vocational education and training, the Ministry of Health for social welfare matters, and the FDGB for control of industrial safety.

### Wages, Hours, Prices, and Level of Living

The Labor Code does not fix minimum wages. Official statistics indicate that the average monthly earnings of wage and salary earners were 592 East German marks in 1963 (US\$27 to US\$37, according to the free market exchange rate). A "wage fund" available to each enterprise is fixed by the long-term economic plans and is based on production quotas and the number of workers employed. Its distribution among the personnel is regulated by agreement between the director of an enterprise and the works trade union committee.

Hours of work are determined in the national economic plan, primarily in the light of the level of labor productivity, and are laid down in each enterprise according to a timetable agreed upon between the director and the appropriate trade union committee. Statutory maximum hours do not exist. Overtime pay, equal to 25 percent of base pay, is paid for work in excess of the regular hours of work; 50 percent is paid for nonscheduled Sunday work and 100 percent for work on public holidays. Overtime work is limited to not more than 4 hours on any 2 consecutive days and 120 hours annually. Workers are entitled to 1 day off per week and paid annual leave of 12 working days.

The general level of living in the Soviet Zone has been going up in recent years but is still below that of West Germany. Shortages of consumer goods continue.

The official price index for goods and services for wage and salary earners' households increased from 96.7 in 1960 to 97.7 in 1962 and fell slightly to 97.6 in 1963 (1958=100). During the same period, the average monthly income grew 6.4 percent, and the index of real wages and salaries in the socialized economic enterprises showed an increase of 5 percent.

### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the working population. Practically all wage and salary earners are members of the FDGB, which claims 6,400,000 members. The FDGB is an affiliate of the World Federation of Trade Unions (WFTU). A number of professional associations, such as artists and scientists, apparently have official ties with the FDGB.

## Labor-Management Relations

The terms and conditions of employment are regulated by law, and no collective bargaining as it is known in the West is permitted. Enterprise contract agreements are concluded annually by enterprise directors and their works trade union committees, in which workers pledge to fulfill the production plan prepared for the enterprise. Disputes committees, elected by the workers under surveillance by the appropriate trade union committee, have jurisdiction over violations of work discipline and disputes. Disputes arising out of the application of labor law and not settled within the enterprise may be settled by a district or regional labor court.

The Labor Code is silent about the right to strike, although such right is guaranteed in the Constitution. Small-scale work stoppages have happened. The Government appears to prefer to settle stoppages on an ad hoc basis.



# LABOR DIGEST

No. 74

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN THE FEDERAL REPUBLIC OF GERMANY

The Federal Republic of Germany (West Germany) is situated in central Europe. Including West Berlin, the country covers an area of about 95,700 square miles and had a population of 58.3 million in 1964.

### Factors Affecting Labor

Political. The Constitution of 1949 provides for a bicameral Federal Parliament which consists of the Federal Council (Bundesrat), composed of voting delegates appointed by the Länder (States) legislatures and some non-voting members from West Berlin; and the Federal Chamber of Deputies (Bundestag), which includes voting members elected by universal suffrage and some nonvoting West Berlin observers. The Federal President, who is elected jointly by both Houses of Parliament for a 5-year term, serves as head of state. Executive powers are exercised by the Chancellor, who is elected by the Federal Parliament. The present coalition government is formed by the Christian Democratic Union (CDU), the Christian Social Union (CSU), and the Free Democratic Party (FDP). The Social Democratic Party (SPD) is the major opposition party. The Chancellor is Dr. Ludwig Erhard (CDU).

Economic. The largest contribution to the gross national product (GNP) in 1963 was made by manufacturing (40.5 percent); services, including government, contributed 22.6 percent; construction, 7.6 percent; commerce, transportation, and communications, 19.5 percent; and the primary industries (agriculture, forestry and fishing, and mining) 9.8 percent. The country ranks third as a steel producer. Foreign trade accounts for about one-third of the GNP. Per capita GNP was US\$1,771 in 1964.

Social. West Germany is densely populated and highly urbanized. About 99 percent of the people are ethnic Germans, roughly one-fourth of them expellees and refugees from former German territories in central and eastern

Europe and from the Soviet Zone of Germany. About 51 percent of the population belong to the Evangelical Lutheran Church, representing a majority in northern Germany, and some 44 percent belong to the Roman Catholic Church, which is dominant in the south. Education is free and compulsory between the ages of 6 and 18. Full-time attendance is required during at least the first 8 school years. Virtually all the people are literate.

## Manpower and Employment

Employment and Unemployment. In 1964, the labor force (including West Berlin) consisted of 27.1 million persons, or a little less than half of the population. Of these, 13,022,000 (48 percent) were engaged in manufacturing; 6,121,000 (22.6 percent) in services; 4,752,000 (17.5 percent) in commerce and transportation; and 3,084,000 (11.3 percent) in agriculture, forestry, and fishing. A total of 169,000 (0.6 percent) were registered as unemployed. The gainfully occupied labor force included 21,547,000 wage and salary earners (79 percent), 3,089,000 employers and self-employed persons (11 percent), and 2,343,000 family helpers (9 percent). To meet manpower shortages, the Federal Republic has recruited foreign workers, who in 1964 represented about 3 percent of all employed persons.

Productivity, Skills, and Training. The labor force is generally well trained and highly productive. Industrial production reached the prewar volume early in 1950 and subsequently increased 183 percent by 1963. All young people who complete only 8 years of full-time compulsory schooling must attend a vocational school, whether employed or apprenticed, through the age of 18, or until the apprenticeship is completed. In 1962, 1,614,035 regular students attended 2,263 vocational schools. Since most of these students do enter into apprenticeship, basic training of adults is rarely needed. Advanced vocational training through a variety of programs is offered adult workers by many enterprises. The Federal Ministry of Labor may grant allowances to trainees undergoing supplementary vocational education, and the public employment service provides retraining for unemployed persons.

## Labor Standards

Labor Legislation. The Lander may enact labor and social security legislation where no Federal provisions exist. Employment relations are basically covered by the Civil Code, which regulates the service contract and is supplemented by the Industrial Code (for industrial laborers), the Commercial Code (commercial clerks), the Crafts Code (artisan apprentices), the Agricultural Labor Code, and a number of other laws. Various aspects of individual labor relations, such as paid leave and protection against discharge, are governed by a considerable number of special statutes or principles established by the Federal Labor Court. Provisions concerning collective contracts are contained in the Collective Agreements Act of 1949, as amended.

The basic laws concerning employee representation in individual enterprises are: The 1951 Law on Codetermination of Employees in Managing Boards and Supervisory Boards of Enterprises in the Mining, Iron, and Steel Industries and its 1956 amendment regulating the right to codetermination in holding companies in these industries; the Enterprise Constitution Law of 1952, which

covers works councils at the enterprise level and codetermination in enterprises not falling under the special provisions for the mining, iron, and steel industries; and the 1955 Law on Staff Representation in the Public Service.

The major Federal social legislation includes the 1961 Law to Promote the Accumulation of Capital by Employees, as amended, which provides tax incentives for certain benefits paid by employers to employees in addition to their regular compensation, provided the benefits are earmarked for use in building up the employees' personal capital; the 1964 Children's Allowance Act, amended in 1965 to add educational allowances; and social insurance laws providing health, accident (workmen's compensation), unemployment, old-age, and survivors' insurance. In addition, there are provisions for public assistance and social aid.

Administration and Practice. At the Federal level, all aspects of manpower and labor affairs are handled by the Ministry of Labor, except for education, which is the exclusive concern of the Länder governments. The administration of Federal labor legislation is also largely delegated to the latter. A tripartite Federal Institute for Labor Placement and Unemployment Insurance operates under the general supervision of the Labor Ministry. Under the Labor Courts Act of 1953, special courts have exclusive jurisdiction in civil suits involving labor matters. The health, accident, and pension branches of the social insurance system are administered by a large number of specialized insurance carriers that are regionally or departmentally decentralized; the executive bodies of these self-governing institutions usually include equal numbers of employers and employees.

#### Wages, Hours, Prices, and Level of Living

Wages are determined by individual or collective bargaining. In 1964, average gross hourly earnings of industrial wage earners were DM3.87 (US\$0.97), and average gross monthly earnings of salaried employees in industry and commerce were DM784 (US\$196). According to the Federal Statistical Office, cash supplementary payments average 44.4 percent of total wages and salaries; legally required contributions to social insurance account for about one-third of these payments.

Legislation provides for a maximum 8-hour workday and a standard 48-hour workweek. Many collective agreements, however, provide for fewer hours. In 1963, weekly hours actually worked by industrial wage earners averaged 40.2. Union policy aims at gradual reduction of the workweek to 40 hours and a 2-day weekend. A statutory premium of 25 percent of regular pay is required for overtime. Collective agreements frequently provide for overtime pay up to 50 percent. The statutory minimum paid annual leave is 15 working days up to age 35, and 18 working days thereafter. Many collective agreements provide for longer leave, based mainly on seniority.

Average wages and salaries rose 168 percent from 1950 to 1963. Average real earnings of all employees rose 104 percent, and average real wages in industry, 110 percent. Private consumption per resident (in constant prices) increased 106 percent, indicating an appreciable improvement in living standards.

## Employer Organizations

Employers' associations handle labor problems, especially collective bargaining, in an industrial or geographic area. The Confederation of German Employers' Associations (BDA) comprises the majority of employers' associations and acts as their spokesman on labor, social, and economic matters.

## Labor Organizations

Of the 21.5 million wage and salary earners, about 8 million, or 37 percent, are members of trade unions. With almost 6.5 million members, or about 81 percent of all organized wage and salary earners, the German Trade Union Federation for the area of the Federal Republic and Berlin (Deutscher Gewerkschaftsbund--DGB) is by far the strongest trade union federation. The DGB is the successor to the separate politically oriented trade union federations which existed before the Hitler era. It has 16 member federations which are integral parts of the central body, created by statute in 1949. Approximately 500,000, or one-third of the white-collar workers, have formed their own independent federation, the German Salaried Employees' Union (Deutsche Angestellten Gewerkschaft--DAG), while most of the other white-collar workers belong to DGB affiliates. The DGB is a member of the International Confederation of Free Trade Unions (ICFTU). The DAG application for ICFTU membership is still pending.

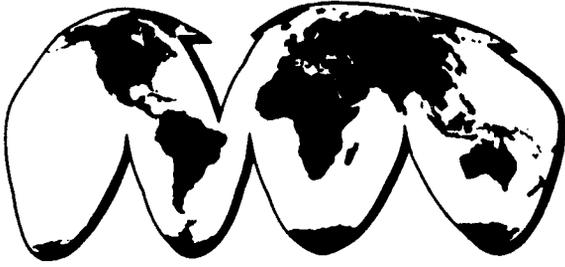
The Confederation of Christian Trade Unions of Germany (Christlicher Gewerkschaftsbund Deutschlands--CGB) numbers 233,000 members. It was formed in 1959 when three small trade union federations amalgamated; it affiliated with the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC) the same year.

The German Association of Civil Service Officials (Deutscher Beamtenbund--DBB) reports 692,279 members.

## Labor-Management Relations

About 17 million wage and salary earners out of a total of approximately 22 million are covered by collective agreements. Under traditional procedure, the regional office of a union and the corresponding employers' association for the industry agree upon wages and conditions of employment. The resulting contracts cover all member employers and employees in the region. The Minister of Labor may extend an agreement to nonmembers in the region. Wages and employment conditions more favorable than those established by the union contract are common, especially in larger firms.

Labor-management relations were comparatively free from serious conflicts for some years following World War II. Growing union demands for higher wages, more fringe benefits, shorter hours, and other changes, and stiffer employer resistance to these demands, have more recently resulted in firmer collective bargaining positions which have led to some serious strikes. The years 1962 (450,000 working days lost) and 1963 (878,000 working days lost) were characterized by high strike activity; however, 1964 showed a postwar low of 16,711 man-days lost through strikes.



# LABOR DIGEST

No. 75

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN GREECE

The Kingdom of Greece is situated in the southernmost part of the Balkan Peninsula. It has a total area of 51,200 square miles, including 13,500 square miles of islands in the Ionian and Aegean Seas. The population was 8,450,000 in mid-1963.

### Factors Affecting Labor

Political. Greece is a constitutional monarchy with a unicameral legislature, whose representatives are elected by universal suffrage for 4-year terms. Executive power is vested in a Cabinet headed by the Prime Minister. The main political parties are the Union of Center (EK), a coalition of smaller parties; and the National Radical Union (ERE).

Economic. The agricultural sector of the economy accounts for 85 percent of total exports and 27 percent of the gross national product (GNP). Cereals, olives, and tobacco are the main crops, while citrus and deciduous fruits are becoming increasingly important. Approximately 26 percent of the GNP comes from manufacturing, mining, and construction; 11 percent from wholesale and retail trades; 8 percent from public administration and defense; and 28 percent from other activities. Although crop production in most areas has been sufficient to meet internal demand, the import of foodstuffs continues to account for a significant part of Greece's trade deficit. A 10-year (1960-70) development program calls for increasing the per capita income, providing for better distribution of income, and reducing unemployment. Per capita income is increasing, but the 1963 estimate of US\$456 is still below the level of the advanced Western European countries.

Social. A total of 96 percent of the population adheres to the Greek Orthodox Church, and 92.8 percent are of Greek extraction. Turks represent 3.8 percent of the population. Modern Greek is the language of the country,

but English and French are widely spoken. About 82 percent of the population are literate. Education is free and compulsory for children between the ages of 6 and 14.

## Manpower and Employment

Employment and Unemployment. In 1961, the total labor force was about 3,663,000, or 44 percent of the total population. Of this number, about 1.95 million (53 percent) were in agriculture; 700,000 (19 percent) were craftsmen, miners, quarrymen, process workers, and general laborers; 360,000 (10 percent) were in clerical and sales occupations; 240,000 (7 percent) were in service occupations and the Armed Forces; 160,000 (4 percent) were in technical, professional, administrative, executive, and managerial occupations; 110,000 (3 percent) were in transportation and communications occupations; and 140,000 (about 4 percent) were in other occupations.

Unemployment and underemployment affect over a fourth of the labor force. It is estimated that 1 million workers, both urban and agricultural, work less than 100 days in a year. This situation, coupled with the opportunity for higher wages in other parts of Europe, has encouraged emigration of skilled workers and young workers. The total number of workers who left Greece in 1963 amounted to 100,000, and 339,000 people have emigrated since 1958. This number is practically equal to the entire natural growth of the population.

Productivity, Skills, and Training. Productivity tends to be low in agriculture due to lack of mechanization, fragmentation of farmland (90 percent held in parcels of less than 12 acres), and limited arability. There are shortages of managerial and technical workers in some areas. A 1958 study found that only 13.5 percent of the total labor force had secondary or university training. Progress is being made, however, to increase the number of workers receiving higher education and advanced training. Assistance for postgraduate training is provided by the State Scholarship Foundation, while vocational training is available through private, governmental, or quasi-governmental programs.

## Labor Standards

Labor Legislation. In June 1964, the Greek Parliament called for the compilation of a labor code. Existing legislation provides for a maximum workweek of 48 hours in 6 days of 8 hours each, applicable to most industry sectors. The extent of overtime is subject to special regulation by the Ministry of Labor. Annual vacations with pay are provided by law, varying from 8 to 12 days for those of at least 1 year's employment, and supplemented by 1 day for every 6 months of employment over 1 year to a maximum of 26 days annually. In general, the employment of minors, defined as persons under the age of 14, is prohibited. Standards of hygiene and safety in industry have been established by legislation. Social insurance is compulsory and administered by the Social Insurance Foundation and the Employment and Unemployment Insurance Fund.

Administration and Practice. Labor law is administered by the Ministry of Labor. The main components of the Ministry are the Directorates General

for Labor and Social Insurance. The Ministry is striving for more efficient implementation of existing labor legislation.

### Wages, Hours, Prices, and Level of Living

The approximate average daily wage for industry in the Athens-Piraeus area ranged in 1963 from \$2.43 to \$2.80 for men, \$1.47 to \$1.76 for women, and \$0.73 to \$1.85 for apprentices. The minimum monthly salary for men in 1964 was \$53.33; for women, \$43.33. Women are paid generally at a lower rate than men. Overtime pay varies according to circumstances, from 25 percent to 100 percent above normal hourly rates. Practice requires a bonus payment of an additional month's salary or its equivalent in daily wages at the end of each year, and a half-month's salary or its equivalent in daily wages at Easter. A comprehensive social insurance program covers about 90 percent of all workers and employees.

The cost-of-living index in 1964 was 110 (1958=100). Wages reportedly have kept up with or ahead of cost-of-living increases.

### Employer Organizations

There are two central employers' organizations--the League of Greek Industrialists, affiliated with the International Organization of Employers, and the General Federation of Greek Traders and Artisans. They negotiate and sign national agreements on behalf of employers.

### Labor Organizations

Organized labor claims 564,325 members. It represents about one-third of the industrial labor force.

About 385,000, or two-thirds of the trade union membership, belong to the General Confederation of Greek Labor (Geniki Synomospondia Ergaton Ellados--GSEE). Frictions between various factions within the GSEE, as well as between the GSEE and the newly elected Government, led in 1964 to legislation which authorized the Government to appoint a provisional administration of the GSEE. Structurally, the GSEE, a member of the International Confederation of Free Trade Unions (ICFTU), is organized on both an industry and an area basis.

The Central Administration of the Unions of Civil Servants (Anotati Diokisis Enosios Demosion Ypallilon--ADEDY) has 85,000 members.

### Labor-Management Relations

Under Greek law, collectively bargained agreements are concluded between one or more employers' organizations and wage earners' organizations, and are then binding on the entire industry. In the event that agreement is not reached through negotiation, the organizations involved may request the intervention of the Ministry of Labor, which, through mediation, will attempt to bring about a settlement. If mediation fails, the dispute is referred to tripartite arbitration panels whose decisions are binding upon both parties. The Minister of Labor may veto any collective bargaining agreements which he deems to be contrary to the "economic or social policy of the Government."





# LABOR DIGEST

No. 76

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN HUNGARY

Hungary, a landlocked country situated in central Europe, at the beginning of 1965 had a population of 10 million and an area of 35,912 square miles.

### Factors Affecting Labor

Political. Under Communist rule since 1947, Hungary calls itself a People's Republic. Its 1949 Constitution is patterned after that of the Soviet Union. The Hungarian Socialist Workers' (Communist) Party controls all political, economic, and social life; it approves the single list of candidates presented to the people for election to the Hungarian Parliament. The Parliament is named the highest authority of the state by the Constitution and nominally elects the executive and administrative bodies (including the Presidential Council of the People's Republic and the Council of Ministers). Premier Janos Kadar has been head of the Government since 1956 and of the Party since 1957. Hungary is a member of the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and of the bloc's Council of Mutual Economic Assistance (CEMA).

Economic. Hungary's planned economy is patterned after that of the Soviet Union. Its socialized sector in 1963 accounted for 98.4 percent of the country's industrial production. Goals for the production of capital and consumer goods, for manpower utilization, and for labor productivity are set in the annual and 5-year economic development plans. Under these economic plans, Hungary has changed from a primarily agricultural country to an industrial-agricultural one; in 1963, industry accounted for 62 percent of the national income. The main industries are chemical fertilizers, coal, steel, bauxite, machinery, and textiles; the main crops are corn, sugar beets, and wheat. Most of the land has been socialized, the farmers becoming established on collective farms. Nonagricultural private enterprises which employ no more than nine workers are permitted to operate, but employers are heavily taxed according to the number of employees.

As a member of the CEMA, the country has been dependent on the Soviet bloc, especially the Soviet Union, for the trade necessary for its economic growth; however, Hungary recently has turned to the West for purchases of major industrial equipment and with proposals for the establishment of joint enterprises with West European firms.

Social. The population is predominantly Hungarian; there are about a half million people of German origin and also small Slovak and Yugoslav minorities (about 100,000 each). The principal religions are Roman Catholicism (over 6 million) and Protestantism (about 3 million). Most of the adult population is literate; school attendance is compulsory and free for children aged 8 to 16.

## Manpower and Employment

Employment and Unemployment. In 1964, there were approximately 4,858,000 economically active persons, about 48 percent of the population. About 32 percent were employed in agriculture; 31 percent in industry; 8.3 percent in public administration (including health and education); 7.5 percent in commerce; 6.3 percent in transportation and communications; 5.8 percent in construction; and the remaining 9.1 percent in other sectors of the national economy.

A system of public employment offices has been established. The regime claims that there is no unemployment in the country; however, seasonal unemployment has occurred. In some economic sectors, underemployment may exist as evidenced by the decree of January 1965, which directed industrial enterprises to reduce their labor force by 3 percent.

Productivity, Skills, and Training. Shortages of skilled manpower, underemployment, and lack of discipline have contributed to the relatively low level of productivity that characterizes Hungarian industry. Productivity reportedly increased at the annual rate of 4.5 percent in the decade 1950-60; in 1964, the increase was 4.6 percent. The Government established an incentive system of wage scales and premiums in 1961, and recently has been introducing higher production quotas for workers and tightening labor discipline. In 1963, production councils were established in all state enterprises to promote efficiency. There are vocational high schools and evening schools in the larger cities and in some densely populated agricultural areas; these schools train workers for all sectors of the economy. Children who reach the age of 14 may conclude a formal contract of apprenticeship with an industrial or commercial establishment. On the college level, there are evening and correspondence courses for students who have full-time jobs. Universities in accepting full-time students give preference to candidates with several years of work experience.

## Labor Standards

Labor Legislation. Labor legislation in Hungary has the fundamental purpose of controlling the labor force so as to achieve the regime's economic objectives. The Labor Code of 1951, as amended in 1953, declares that work is a matter of duty for every able-bodied citizen and that every citizen has

the right to work, to change his job, to an annual vacation, to health protection, and to social insurance benefits. It contains provisions relating to hours of work, days of rest and leave, individual work norms (production quotas), wage rates, the protection of women and young workers, disciplinary penalties against workers, and to a workbook which must be presented by every worker when applying for a job. It also provides for a conciliation committee on the factory level to settle workers' grievances or disputes; appeals can be made to the district court. In December 1964, a decree directed the withholding of bonuses and other benefits in the cases of workers changing jobs without good cause, as defined in the decree.

Administration and Practice. The Ministry of Labor and the National Trade Union Council administer labor legislation. The Ministry of Labor prepares manpower plans, maintains the program for a nationwide labor exchange, supervises the apprenticeship programs, and establishes work norms, wage scales, and overall production quotas. The Trade Union National Council administers social insurance through the National Institute of Social Insurance.

On the local level, the basic party organization and the trade union representatives in a factory or establishment theoretically are responsible for checking on the enforcement of labor legislation. The Party-appointed management of a factory or establishment is responsible for enforcing the rights and the obligations (as to production) of its workers under the Labor Code. The factory or local conciliation committee handles the complaints of workers who feel that their labor rights have been violated. A system of social voluntary courts (with juries) handles disciplinary, work safety, and compensation cases.

#### Wages, Hours, Prices, and Level of Living

The Labor Code prescribes an 8-hour workday and a 48-hour workweek for most workers. There are 7 legal holidays in the year. Overtime is limited to 8 hours a month except in urgent or seasonal work; however, in practice there is evidence of much overtime. All workers are guaranteed paid annual leave of 12 to 24 workdays, depending on years of service and other factors; they are also paid for sick leave.

The Government controls wage rates. In 1964, the average monthly earnings in industry were 1,761 forints (US\$75, at the tourist exchange rate); in construction, 1,816 forints (US\$77.34); in trade, 1,557 forints (US\$66.31); and in state-owned agriculture, 1,509 forints (US\$64.27). The largest supplement is the family monthly allowance, which ranges from 75 forints (US\$3.10) to 720 forints (US\$30.63), depending on the number of children and on whether the father or the mother is the family head. Other supplements are free medical care, disability pensions, and scholarships to workers.

The prices of consumer goods and services are controlled by the Government. The Government claims that increases in productivity raised the real wages of Hungarian workers by 56.4 percent during the period 1949-60, and 5 to 6 percent in 1964. However, by Western standards, consumer goods are expensive. For example, in terms of worktime required, to purchase a low-priced

(1,180 forints) man's woolen suit would require about 3 weeks of work by the average industrial worker. Because of the wartime destruction, the demands of industrialization, and the expected population growth, the Government has adopted a 15-year (1961-75) housing construction program (1 million dwellings) to relieve the critical housing shortage.

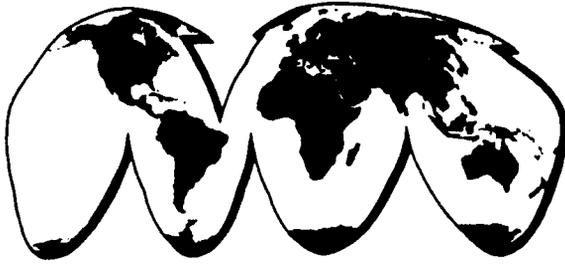
### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the working population. The National Trade Union Council (Szakszervezetek Országos Tanácsa--SZOT) claims 2,824,000 members. The SZOT is an affiliate of the World Federation of Trade Unions (WFTU). A number of professional associations and nonworker groups, such as artists, chemical and construction workers, physicians and printers, are active in the private sector of the economy, but apparently have some official ties with the SZOT.

### Labor-Management Relations

Collective bargaining in the Western sense does not exist in Hungary, for the Government fixes wage rates, hours of work, and working conditions. However, annual agreements are concluded between the managements of various enterprises and their trade unions. These agreements have the primary purpose of stimulating the fulfillment of production plans and the secondary one of improving working and living conditions.

Strikes are not legal; the minimum penalty for inciting a strike is 5 years' imprisonment. Disputes over pay, hours of work, job assignments, and working conditions which are not satisfactorily settled by the conciliation committees within enterprises can be appealed to district conciliation committees; in certain cases, appeals can be made to the public courts.



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No. 77

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## LABOR CONDITIONS IN ICELAND

Iceland is an island located in the north Atlantic Ocean. It has a total area of about 40,000 square miles, and 3,730 miles of coast line. Its population was 187,000 in 1963.

The independent Republic of Iceland has a 60-member bicameral Parliament (*Althing*), elected by direct popular vote on the basis of proportional representation. Its members choose from among themselves the members of the upper House. Executive power is exercised by the Prime Minister, who is selected by the President with the approval of the *Althing*. The present Government is formed by a coalition of the Independence and Social Democratic parties. The Prime Minister is Bjarni Benediktsson of the Independence Party.

The official language is Icelandic; over 96 percent of the population belong to the Evangelical Lutheran Church. Education is compulsory for 8 years, from age 7. There is almost no illiteracy.

Fish and fish products account for over 90 percent of the value of total exports. Livestock and dairying activities, in addition to fishing, provide Icelanders with most of their food needs. Iceland must rely heavily on imports of industrial raw materials and semimanufactured goods for its small-scale manufacturing industries. In 1963, per capita GNP was US\$1,713.

In 1960, the labor force totaled 73,000 persons, or 41 percent of the population. About 19,000 persons (27 percent of the labor force) were in manufacturing; 18,000 (25 percent) in agriculture, forestry, hunting, and fishing; 12,000 (16 percent) in services; 9,000 (12 percent) in commerce; 8,000 (11 percent) in construction; 6,000 (8 percent) in transport, storage, and communications; and 1,000 (1 percent) in electricity, gas, water, and sanitary services. Between 80 and 85 percent of the labor force were wage and salary earners.

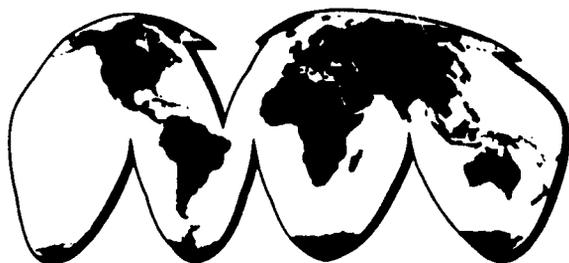
Productivity has increased appreciably in recent years. The Ministry of Education offers vocational and technical instruction to students between the ages of 14 and 18 years. At age 16 these students may become apprentices in the handicrafts. The Ministry directs a system of specialized schools that provide training for almost every trade and occupation in Iceland.

Wages, hours, and other employment conditions are determined through industrywide bargaining between the central organizations of labor and management. The contract terms must be ratified by the local union affiliates concerned. Hours are not regulated by statute. The generally prevailing workweek is 44 hours, and the workday 8 hours. Overtime pay is usually 50 percent of the hourly rate. Average hourly earnings rose from 21.91 kroner (US\$0.51) in 1960 to 36.18 kroner (US\$0.84) in July 1964, an increase of about 65 percent. Wages are geared to the official cost-of-living index, which rose by almost the same ratio during that period. Wages and salaries are supplemented by considerable family and maternity allowances. Social insurance covers old age, health, accident, and disablement.

Of the about 60,000 wage and salary earners, 38,795, or about 65 percent, are members of trade unions. Of the organized workers, over 30,000 (77 percent) are concentrated in the Icelandic Federation of Labor (IFL) (Alihydasamband Islands--ASI). The IFL is a member of the International Confederation of Free Trade Unions (ICFTU). Left-wing Socialists and Communists dominate a coalition elected to top offices of the federation. Unions in the capital, Reykjavik, and its environs have formed a council which represents more than half of the IFL membership.

Three International Trade Secretariats have affiliates in Iceland: The International Federation of Building and Woodworkers, the International Graphical Federation, and the International Transport Workers' Federation.

Labor disputes arising out of collective bargaining may be settled by voluntary conciliation at the Ministry of Social Affairs. Disputes concerning contract violations are subject to compulsory arbitration by the Arbitration Court. Strikes have increased in recent years, especially in connection with demands for higher wages.



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## LABOR CONDITIONS IN IRELAND

The Irish Republic forms the southern part of an island west of Great Britain. It covers an area of 26,599 square miles, and had a population of 2.8 million in 1963.

### Factors Affecting Labor

Political. The Constitution of 1937 provides for a bicameral national Parliament, which consists of a House of Representatives (Dáil Eireann), whose 144 members are elected by popular vote on the basis of proportional representation, and a Senate (Seanad Eireann) of 60 members, elected from panels of candidates with experience in various fields, such as government, industry, and labor. The President serves as head of state. Executive authority is exercised by a Prime Minister and a Cabinet. The leading parties are Fianna Fáil (Republican), Fine Gael, and the Labour Party. Prime Minister Sean F. Lemass belongs to Fianna Fáil.

Economic. The economy is based mainly on agriculture. Livestock and livestock products account for over three-fourths of the gross value of farm output and are the country's most important exports. Manufacturing industries are based primarily on the processing of agricultural products. Other manufacturing industries, notably clothing, textiles and woollens, metals and engineering, automobile assembly, and chemicals, which depend largely upon imports of raw materials, have been built up in recent years. In 1963, industry contributed 30.6 percent; agriculture 21.2 percent; distribution and transport 15.8 percent; finance, insurance, and services 20.9 percent; public administration and defense 5.8 percent; emigrants' remittances 1.9 percent; and other foreign income 3.8 percent of the national income. The per capita gross national product was US\$778 in 1963.

Social. The predominant religion is Roman Catholic. English is the universal language. Since the establishment of the Irish Free State in 1922,

the Government has sought to reestablish Irish (or Gaelic) as an equal language, but has had only limited success. Education is free and compulsory between the ages of 6 and 14. Vocational education is available at a nominal fee and is widely used to age 16.

## Manpower and Employment

Employment and Unemployment. In April 1964, about 1,117,000 persons, or 40 percent of the total population, were in the labor force, including 1,059,000 employed. Of these, 352,000 (33 percent) were in agriculture, 196,000 (18 percent) in manufacturing, 160,000 (15 percent) in trade and finance, 72,000 (7 percent) in building and construction, 54,000 (5 percent) in transport and communication, 41,000 (4 percent) in public administration and defense, and 184,000 (18 percent) in other nonagricultural activities. About 60 percent of all the employed were wage and salary earners. Most of the remainder were self-employed in agriculture, frequently on small holdings. The unemployment rate was 5.5 percent in June 1965.

Productivity, Skills, and Training. A National Apprenticeship Board, established under the Apprenticeship Act of 1959, has prescribed regulations for training in a limited number of trades. Vocational training for young persons is also provided at agricultural and technical schools operated by the Government. The emigration of many skilled workers has contributed to shortages of skilled and semiskilled workers in the building trades, in engineering, and in the metal industries, although some emigrants have been returning to take up jobs in newly established industries.

## Labor Standards

Labor Legislation. The right to organize is regulated by the Trade Union Act of 1941 and the Industrial Relations Act of 1946. The employment conditions of wage and salary earners are regulated by the Conditions of Employment Act of 1936, as amended, and by special legislation concerning agricultural and other specific categories of workers. The Factories Act of 1955 sets standards for industrial safety. The Social Welfare Act of 1952, and the Workmen's Compensation Acts of 1897-1953 provide for health insurance, unemployment insurance, and pension plans for widows and orphans. The Insurance (Intermittent Unemployment) Act of 1942 compensates workers in the painting, civil engineering, and building industries for loss of earnings due to wet weather. The Agricultural Wages Acts of 1936 and 1945 provide agricultural workers with a minimum wage, annual leave with pay, and one half-holiday per week.

Administration and Practice. The Department of Social Welfare operates a free employment service, registers workers for unemployment insurance or assistance, and supervises the national health insurance and social assistance services. The Department of Industry and Commerce licenses trade unions and enforces labor legislation. The Labour Court investigates labor disputes, makes nonbinding recommendations for their settlement, and provides a conciliation and mediation service. Joint industrial councils, authorized by legislation, exist in a variety of industries and provide the usual forum for industrywide collective bargaining.

## Wages, Hours, Prices, and Level of Living

In December 1963, average hourly earnings of workers were 4 shillings 2.5 pence (US\$0.58) in manufacturing; between US\$0.44 and US\$0.60 in agricultural processing; US\$0.57-US\$0.85 in beverages; US\$0.70 in tobacco; US\$0.44-US\$0.56 in textiles; US\$0.35-US\$0.42 in clothing; US\$0.51-US\$0.52 in wood and furniture; US\$0.60-US\$0.72 in paper, printing, and publishing; US\$0.39-US\$0.67 in leather and leather products; US\$0.47-US\$0.74 in chemicals; US\$0.59-US\$0.64 in nonmetallic mineral products; US\$0.52-US\$0.94 in metal products; and US\$0.66 in mining and quarrying. Women's earnings in many industries are from 50 to 60 percent of mens' earnings.

Legislation provides for a maximum 9-hour workday and 48-hour workweek for industrial workers, and an 11-hour day, 48-hour week for retail employees. In practice, the normal workweek in many establishments is substantially below the statutory limits. Collective agreements currently provide for a 42½-hour workweek in Dublin, and a 44- to 45-hour workweek in the Provinces. A statutory minimum premium of 25 percent must be paid for overtime work, but this may be exceeded by collective bargaining agreements.

Average wages have been increasing in recent years. In January 1964, a national agreement boosted industrial wages by 12 percent. Consumer prices rose 9 percent between February 1964 and May 1965.

### Employer Organizations

The majority of large employers and many smaller ones belong to the Federated Union of Employers (FUE). Other employer organizations are the Federation of Master Builders and Contractors of Ireland; the Retail Grocers, Dairies and Allied Trades Association; the Guild of Master Bakers; and the Limerick Employers' Federation. The FUE advises its members on industrial relations matters, represents them in Labor Court procedures, and takes care of their interests vis-a-vis government agencies. The FUE belongs to the International Organization of Employers and to the Council of European Industrial Federations.

### Labor Organizations

The Irish Congress of Trade Unions (ICTU) was formed in 1959 through the merger of the Congress of Irish Unions (CIU) and the Irish Trade Union Congress (ITUC). Some of its affiliates have members both in the Republic of Ireland and in Northern Ireland, which is part of the United Kingdom. The ICTU, which has no international affiliation, represents about 450,000 wage and salary earners. Although no breakdown is available on the distribution of the membership between the Republic of Ireland proper and Northern Ireland, it is estimated that about 75,000 ICTU members are in Northern Ireland.

Eight International Trade Secretariats have affiliates among ICTU unions. They are the International Federation of Commercial, Clerical and Technical Employees; the International Union of Food and Allied Workers' Associations; the International Graphical Federation; the International Federation of Plantation, Agricultural and Allied Workers; the Postal, Telegraph

and Telephone International; the Public Services International; the International Shoe and Leather Workers' Federation; and the International Transport Workers' Federation.

#### Labor-Management Relations

Wages and other conditions of employment are generally determined by collective bargaining. Collective employment agreements may be registered with the Labour Court and become legally binding on all workers and employers in the particular industry concerned. In certain industries, such as tailoring, tobacco, sugar confectionery, and creameries, minimum wages are fixed by the Labour Court on the recommendation of statutory wage boards known as joint labor committees. When collective bargaining breaks down, the court can offer its services for voluntary conciliation and arbitration.

Employer-employee relations are generally harmonious, and most disputes are settled peaceably. Nevertheless, strikes often occur over interpretation of the terms of a national agreement. Wildcat strikes as such are not illegal and are quite frequent. A trade union can be directed by Government order not to support workers who strike in an effort to change a registered employment agreement. In 1964, 545,384 man-days were lost due to 87 strikes, compared with 233,617 in 70 strikes in 1963.



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## LABOR CONDITIONS IN ITALY

Italy is situated in the south of Europe. Including the islands of Sicily and Sardinia, it covers an area of 117,000 square miles, and had a population of 52.4 million at the end of 1964.

### Factors Affecting Labor

Political. Italy is a constitutional republic. The Constitution, which came into force in 1948, established a bicameral Parliament consisting of a Chamber of Deputies and a Senate, both elected by direct popular vote on the basis of proportional representation. Executive power is exercised by the Prime Minister. The present coalition Government is formed by the dominant Christian Democratic and the Republican, Social Democratic, and Socialist parties. The Prime Minister, Aldo Moro, belongs to the Christian Democratic Party, and the President to the Social Democratic Party.

Economic. In 1964, 32 percent of the gross national product (GNP) was derived from industry; 13 percent from agriculture; 7 percent from construction; 26 percent from commerce, transportation, banking, insurance and other services; 11 percent from public administration; and 11 percent from miscellaneous (indirect business taxes, net foreign investment, etc.). Having few natural resources, Italy must import many raw materials and some foods. Major export articles are machinery, vehicles, textiles and fibers, fruit, vegetables, petroleum, and chemical products. In 1964, total GNP was US\$49.5 billion and per capita GNP, US\$950.

Social. The population is predominantly Roman Catholic. The largest ethnic minority groups are 250,000 German-speaking people in the north and 200,000 Slavs in the Trieste area. Education is free and compulsory for children between the ages of 6 and 14. Illiteracy is estimated at less than 10 percent of the population.

## Manpower and Employment

Employment and Unemployment. In May 1964, the labor force totaled 20.4 million, or 40 percent of the population. Of these, 19.6 million were employed--7,950,000 (40.5 percent) in industry; 6,405,000 (32.7 percent) in commerce, transportation, and services; and 5,261,000 (26.8 percent) in agriculture. Of the employed labor force, 12,698,000 (62.8 percent) were wage and salary earners, 4,654,000 (23.0 percent) were self-employed, and 2,864,000 (14.2 percent) were family workers. The unemployment rate was 2.2 percent. In the past 10 years, several million Italians have gone abroad to work, mainly in France, West Germany, and Switzerland.

Productivity, Skills, and Training. Labor productivity has risen appreciably in recent years. Basic vocational training is given to students aged 11 to 14 under the public school system. Thereafter, young persons may either enter into apprenticeship, or they may receive further theoretical and practical training at vocational and technical schools operated by the Ministry of Education and other public bodies and also, under Government supervision, within industry, or by trade unions and other private groups. Currently, almost 70 percent of all vocational trainees (over 1 million in 1963) are apprentices. The law specifies that they must be given paid time off to attend government-financed day classes for theoretical training. The Ministry of Labor and Social Welfare subsidizes and supervises vocational and technical courses given at privately operated training centers or by large industrial establishments for young people (mostly those over 18) and unemployed adults, many of them former agricultural workers in transition to industrial occupations. To adapt the labor force to the needs of a rapidly changing economy, the Government has initiated accelerated (2 to 8 months) training courses for unskilled unemployed and semiskilled workers wishing to improve their qualifications, as well as refresher or advanced courses for skilled workers, and retraining for persons in need of acquiring new skills, including those who intend taking employment abroad.

## Labor Standards

Labor Legislation. Hours of work and overtime pay are regulated by law. The Civil Code of 1942 recognizes the worker's right to paid leave and to advance notice and severance pay in the event of dismissal. Industrial safety regulations are prescribed by law. Wage and salary earners, artisans, and agricultural workers are covered by a comprehensive compulsory social insurance system, including family allowances.

Administration and Practice. The Ministry of Labor and Social Security has jurisdiction in virtually all labor matters including research and statistics, industrial safety, labor organization, collective bargaining, labor law, labor disputes, vocational training, apprenticeship, employment service, labor migration, and social security. The Labor Ministry is represented on committees planning for economic development. The National Social Insurance Institute under the control of the Labor Ministry administers social insurance and public welfare. Sickness insurance is administered by the National Sickness Insurance Institute, and workmen's compensation by the National Employment Accident Insurance Institute.

## Wages, Hours, Prices, and Level of Living

In September 1964, the average hourly earnings of wage earners in all industry were 383 lire (US\$0.61); in mining, 457 lire (US\$0.73); manufacturing, 373 lire (US\$0.60); and electricity, 825 lire (US\$1.32). Within manufacturing, average hourly earnings varied from 246 lire (US\$0.39) in the clothing industry to 462 lire (US\$0.74) in transportation equipment. Wage supplements, including family allowances, special bonuses, paid leave, social insurance contributions, and meal allowances, were estimated to average 74 percent of hourly earnings in 1964.

The law provides for a standard 8-hour workday and 48-hour workweek. A statutory overtime premium of not less than 10 percent of the basic rate must be paid for work exceeding 8 hours a day. Collective agreements frequently provide for substantially higher overtime pay. The length of paid annual leave is determined by collective bargaining--usually 2½ to 3 weeks, depending on seniority.

From 1961 to December 1964, average hourly earnings in all industry rose from 252.39 lire (US\$0.41) to 408.40 lire (US\$0.65), an increase of over 50 percent. The cost-of-living index rose 22.8 percent during the same period. As a percentage of consumer expenditures, Italians spent 47.5 percent on food and beverages; on housing, fuel and electricity, 10.4 percent; clothing, 9.4 percent; transportation and communications, 8.7 percent; durable and non-durable goods (household, maintenance, etc.), 6.3 percent; and 17.7 percent on recreation, medical care, and miscellaneous items.

## Employer Organizations

The majority of employers are organized in industrywide associations affiliated with the General Confederation of Italian Industry (Confindustria). Some large industrial employers are unaffiliated. In agriculture, many employers belong to associations connected with the General Confederation of Italian Agriculture, and in commerce to the Italian General Confederation of Commerce. The confederations represent the interest of their members vis-à-vis the Government, and often negotiate master contracts for their associates.

## Labor Organizations

Of the 12,698,000 wage and salary earners, 6,320,336, or 50 percent, are members of trade unions.

Of the three major trade union federations, the Communist Italian General Confederation of Labor (Confederazione Generale Italiana del Lavoro--CGIL) is the strongest in membership. It claims 3,402,336 members, or 54 percent of all organized labor. Its membership includes also partisans of the Italian Socialist Party (PSI), which at present is a member of the left-of-center Government. A member of its executive committee, Renato Bitossi, is president of the Communist World Federation of Trade Unions (WFTU), with which the CGIL is affiliated. More recently, CGIL policies in the field of East-West relations have shown some change, particularly marked by the CGIL's interest in gaining status in the European Common Market organization.

The anti-Communist Italian Confederation of Labor Unions (Confederazione Italiana Sindacati Lavoratori--CISL), which was established in 1950 as an outgrowth of a secession in 1949 of non-Communist trade unions from the formerly unified CGIL, is the second strongest confederation. CISL is non-political. Its members and officers come from various political non-Communist shades, mostly Demo-Christians, but also from the Italian Social Democratic Party (PSDI) and the Italian Republican Party (PRI). It claims 2 million members, or about 32 percent of all trade union members. The other anti-Communist confederation, the Italian Union of Labor (Unione Italiana del Lavoro--UIL), which is politically close to PSDI and PRI, claims 500,000 members, or about 8 percent of the overall total. Both CISL and UIL are members of the International Confederation of Free Trade Unions (ICFTU). The general secretary of CISL, Dr. Bruno Storti, is president of the ICFTU. Of the other national centers, only the Italian Confederation of National Workers' Unions (Confederazione Italiana del Sindacati Nazionali Lavoratori--CISNAL), often referred to as a neo-Fascist group, which claims 76,000 members, has some importance.

#### Labor-Management Relations

Collective contracts are usually the result of national and industry-wide bargaining. The national contracts, which set minimum wage rates and standard employment and working conditions, form the framework on the basis of which industrywide regional and local contracts are negotiated. In firms with more than 40 employees, shop committees may negotiate supplementary agreements dealing with such matters as job evaluation, premium pay, piece rates, and checkoff of union dues.

Since 1945, a considerable number of agreements between central organizations of unions and employers' associations have regulated major areas of industrial relations, for example, the function and power of factory internal commissions, dismissal procedures, certain social insurance procedures, and technical and administrative problems. These accords have served in lieu of basic labor legislation to regulate labor-management relations.

Labor disputes are often submitted to voluntary conciliation or arbitration. The Ministry of Labor may intervene in strikes affecting the public interest. In 1964, 13,088,620 working days were lost due to labor disputes. A substantial number of strikes were politically motivated.



# LABOR DIGEST

No. 80

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN LUXEMBOURG

The Grand Duchy of Luxembourg, with a land area of 999 square miles and a population estimated at 327,000 in 1963, is one of the smallest countries in Europe. It is a member of the Belgium-Luxembourg Economic Union, the Benelux Customs Union, and the European Coal and Steel, Atomic Energy, and Economic Communities.

The Grand Duchy is a constitutional monarchy, with executive power exercised through a Council of Ministers responsible to the Parliament. Legislative power is vested in a Chamber of Deputies, whose 52 members are elected for 5-year terms by universal suffrage. Legislation passed by the Chamber may be delayed or amended by the Council of State, made up of 15 members appointed for life by the sovereign upon the recommendation of the Prime Minister. The population is predominantly Roman Catholic. French, German, and a local dialect are spoken.

The economy is highly industrialized, with most production concentrated in the metallurgical industries. Agriculture also plays a major role in the economy, especially in the northern part of the country. The civilian labor force, in 1962, included 145,700 persons, of whom 98,400 were wage and salary earners. About one-fourth of these were employed in steel production. Although the number of wage and salary earners employed on farms was small, agriculture accounted for about one-fifth of the civilian labor force in 1962. Foreign workers, recruited in increasing numbers to relieve current labor shortages, made up more than 20 percent of the labor force.

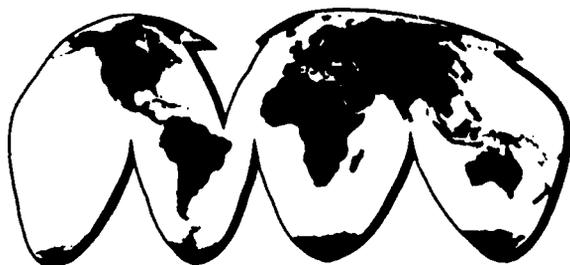
Most collective agreements relate wage increases to changes in the cost-of-living index and provide for a workweek of 42 or 44 hours instead of the 48 hours established by law. Wages in the Luxembourg steel industry are higher than in the other countries of the European Coal and Steel Community; hourly rates averaged 57.73 francs (US\$1.15) in the first 3 months of 1963.

The cost-of-living index rose above 135 during 1963 (1948=100), and the legal minimum wage for adult workers, which is tied to the cost-of-living index, was increased to 26 francs (US\$0.52) per hour or 5,200 francs (US\$104) per month in May 1963. Benefits paid for pensions, family allowances, medical care, and other social security purposes augment significantly the income of workers.

Of the 98,400 wage and salary earners, 67,617, or 69 percent, are members of trade unions. About 30,000, or 45 percent of the trade union members, are organized in the General Confederation of Labor (Confédération Générale du Travail--GGT), an affiliate of the International Confederation of Free Trade Unions (ICFTU). The Confederation of Christian Trade Unions of Luxembourg (Confédération Luxembourgeoise des Syndicats Chrétiens--CLSC), an affiliate of the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC), claims 18,048 members, or 27 percent of the total trade union membership. Although the Free Luxembourg Workers' Federation (Fédération des Syndicats Libres des Travailleurs Luxembourgeois--FSL), an affiliate of the Communist World Federation of Trade Unions (WFTU), has only 2,000 members, or 3 percent of all trade union members, it reportedly attracts a greater number in the election of plant worker committees.

Government and municipal wage and salary earners have formed unions not affiliated to any of the national centers. A Federation of Private Employees claims 9,000 members, or about 14 percent of the total trade union strength.

Labor-management relations are well developed. At least three-fourths of the blue-collar workers are covered by collective contracts, most of them negotiated on an industrywide basis by union contract commissions representing management and the two major union groups, the CGT and the CLSC. Industrial disputes are handled by the National Office of Conciliation's labor-management commission, made up of employer and worker representatives under the chairmanship of a Labor Ministry official.



# LABOR DIGEST

No. 81

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN MALTA

Malta is located at the geographic center of the Mediterranean Sea and has one of the finest harbors in the world. The country's total area is 122 square miles. At the end of 1962, its population was estimated at 330,000.

The State of Malta was established in September 1964 as a member of the British Commonwealth. The Independence Constitution provides for a Governor General, appointed by the British Crown. The British Government is responsible for defense and foreign affairs and is represented in Malta by a High Commissioner. A Legislative Assembly of 50 members is elected by universal suffrage, and the Prime Minister and Cabinet are appointed from among its members.

The Maltese are predominantly of the Roman Catholic faith. The official languages are Maltese and English; Italian is also widely spoken.

Approximately 50 percent of the national income is derived from services to British Armed Forces installations and personnel. As these installations are being curtailed, the Government of Malta is taking steps to alter the structure of the economy by developing industry and tourism. Economic development, however, is difficult because only slightly over 60 square miles of the country are capable of being cultivated, and a shortage of water and natural resources hinder the establishment of new industry. Because of British subsidies, the per capita annual income has been about US\$389, one of the highest in the Mediterranean area. In 1962, agriculture and fishing contributed 3.3 percent of the gross national product, industry (including mining and construction) 10.5 percent, and services 86.2 percent.

The labor force at the end of 1962 was estimated at 86,820 persons, of whom about 14.3 percent were in agriculture and fishing, 41 percent in industry (including mining and construction), and 44.7 percent in services.

An estimated 59 percent of the labor force was composed of wage and salary earners, about 40 percent were employers and self-employed, and about 1 percent unpaid family workers. The private sector accounted for 63.6 percent of all employment, and the Government and defense services for 36.4 percent. Some 6,350 persons (approximately 7 percent of the labor force) were registered as unemployed. There were also a large number of unregistered unemployed.

In 1962, the nine employers' associations had a total membership of 1,868. The two largest were the General Retailers' Union, with some 830 members, and the General Transport Union (about 450 members). The other associations had an average of 60 members.

Of the approximately 50,000 wage and salary earners, some 28,000, or 56 percent, are members of trade unions. The General Workers' Union (GWU), an affiliate of the International Confederation of Free Trade Unions (ICFTU), has 15,648 members, while the Confederation of Malta Trade Unions (CMTU), an affiliate of the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC) claims 10,068 members. Seven International Trade Secretariats (ITS's) have affiliates within the GWU. The principal member union of the CMTU is an affiliate of the ITS-Public Services International.

Resort to conciliation and arbitration (through the Director of Emigration, Labor and Social Welfare, or the Arbitration Tribunal) is provided for by law, and most industrial disputes are settled by this means. Strikes are rare.



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## LABOR CONDITIONS IN THE NETHERLANDS

The Netherlands, situated in northwestern Europe, has a total area of about 13,000 square miles. One-fourth of the country lies below sea level, and land reclamation is a continuing process. At the end of 1964, the population was 12 million, the densest per square mile in the world.

### Factors Affecting Labor

Political. The Netherlands is a constitutional monarchy. Executive power is exercised by the Crown and the Cabinet, which must have the support of the majority in Parliament. The Parliament, called the States General, consists of an upper House (First Chamber) of 75 members elected for 6-year terms by the Provincial legislatures, and a lower House (Second Chamber) of 150 members elected by popular vote for 4-year terms. The elections, conducted on a proportional representation basis, usually result in a coalition government. New legislation must be introduced by the lower House. Queen Juliana has been the reigning sovereign since 1948. The present Government is a coalition of the Catholic People's Party, the Labor Party, and one of the two Protestant parties.

Economic. In 1963, industry and construction accounted for 41 percent of the gross national product (GNP), agriculture for 9 percent. The principal industries--machine construction, metal fabricating, shipbuilding, textiles, chemicals, earthenware and glass, and food processing--depend to a considerable extent on imports of raw materials or semifinished goods. Most industries are privately owned, and government control is largely confined to public utilities, transport, and coal mining. In 1964, the Netherlands exported 29 percent of its total industrial output. Per capita GNP was estimated at US\$1,382 in 1964.

Social. The Dutch are predominantly of Germanic stock. More than 370,000 repatriates from Indonesia, including many of Eurasian origin, immi-

grated since 1945. Dutch is the official language. About 41 percent of the population are Protestants, 39 percent are Roman Catholics, and 20 percent belong to other denominations or are unaffiliated. Education is free and school attendance compulsory between the ages of 6½ and 15. Denominational as well as nondenominational schools are supported by the Government. Illiteracy is almost nonexistent.

## Manpower and Employment

Employment and Unemployment. In 1964, the labor force numbered 4.5 million, of whom 45 percent were employed in industry, 11 percent in agriculture and fishing, 12 percent in public services and education, and 32 percent in private services. About 80 percent, or 3.6 million, were wage and salary earners. Virtually full employment has prevailed in the postwar period, with increasing shortages of workers, both skilled and unskilled. In 1964, when registered unemployment averaged 28,200, or about 0.8 percent of all wage and salary earners, unfilled job openings outnumbered unemployed persons by more than 3 to 1. In January 1965, there were about 51,500 foreign workers resident in the country, mainly from Germany, Italy, Turkey, and Spain, plus 17,000 commuters, chiefly from Belgium and Luxembourg. The Government operates the only employment service in the country at the national and local level, and its activities effectively contribute toward alleviating imbalances in the labor market.

Productivity, Skills, and Training. The labor force is generally well-trained and highly productive. Vocational instruction is offered by a large number of public and private institutions. Management and labor have joint arrangements for apprenticeship training, which is supervised and subsidized by the Government. In 1963, about 68,000 apprentices were in training. The industrial labor productivity index rose by an estimated 37 points between 1958 and 1964 (1958=100).

## Labor Standards

Labor Legislation. Legislation passed in 1927, 1937, and 1945 empowers the Government to give the force of law to collective contracts negotiated between labor and management and to make the terms of such agreements binding throughout an industry. The Industrial Organization Act of 1950 established the tripartite Social-Economic Council to advise the Government on economic and social policy. The Joint Consultative Committees Act of 1950 set up machinery for formal labor-management consultation at the plant level. Protective laws, notably the Labor Act of 1919, regulate the working conditions of women and young workers, and hours of work, rest periods, safety, and hygiene for all workers in industry and agriculture. An extensive system of social insurance provides for health insurance, family allowances, unemployment insurance, workmen's compensation, old-age and disability pensions, and death benefits.

Administration and Practice. Labor legislation is strictly enforced by the Department of Social Affairs and Public Health and its Labor Inspectorate. Working conditions are periodically investigated, and violators are fined. Recommendations for improvement are made by public officials when

indicated. Prevailing safety standards and working conditions are generally at a high level.

### Wages, Hours, Prices, and Level of Living

Wages are usually determined by collective agreement, subject to approval by the bipartite Labor Foundation, the top-level labor-management consultative body. The Foundation is responsible for keeping wages in line with the objectives of national economic policy. In 1964, the Labor Foundation established a general minimum wage of fl. 110 (US\$30.60) per week for adult men employees. As of April 1964, hourly earnings averaged fl. 3.05 (US\$0.85) for men workers in manufacturing and industry, fl. 3.02 (US\$0.84) in metal fabricating, fl. 3.20 (US\$0.89) in construction, and fl. 3.05 (US\$0.85) in mining. Average gross weekly earnings of men workers over 25 in industry were fl. 126.46 (US\$35.13) in October 1964. Social insurance and other supplementary benefits averaged 35 to 40 percent of earnings, at the end of 1964. In addition to paid holidays and a cash holiday bonus equal to 4 percent of annual earnings, employers often provide such additional benefits as cafeterias, recreational facilities, and savings plans.

The maximum legal workweek is 48 hours, but the norm since 1960 has been a 5-day, 45-hour workweek. The average paid annual vacation is 15 working days. Between January 1962 and January 1965, the cost of living increased 12.6 percent and wages 35 percent. Real income increased 29 percent between 1959 and 1965, and 5 percent between 1964 and 1965. Per capita income was US\$1,115 in 1964. The share of workers' wages in the national income rose from 66.5 to 74.5 percent between 1959 and 1964.

### Employer Organizations

The four main employers' organizations are the Netherlands Employers' Federation, the Central Social Employers' Federation, the Catholic Employers' Federation, and the Federation of Protestant-Christian Employers in the Netherlands. They cooperate closely with each other on labor and economic problems. All are affiliated with the International Employers' Association and, together with the organizations of tradespeople and farmers, participate in the deliberations of the Social-Economic Council and the Labor Foundation.

### Labor Organizations

Of the 3.6 million wage and salary earners, 1.4 million, or about 40 percent, are members of trade unions. Political as well as denominational orientation is one of the basic characteristics of the Netherlands trade union movement. Of the three major trade union federations, the strongest is the Netherlands Federation of Trade Unions (Nederlands Verbond van Vakverenigingen--NVV), an affiliate of the International Confederation of Free Trade Unions (ICFTU), with a membership of 526,243, or 36 percent of the total trade union membership. The NVV is close to the Labor Party. The Netherlands Catholic Workers' Federation (Nederlands Katholieke Vakverbond--NKV), formerly known as the Netherlands Catholic Workers' Movement (Nederlandse Katholieke Arbeidersbeweging--KAB), with 407,466 members, or 28 percent of the total trade union membership, has a close relationship to the Catholic

People's Party. The National Federation of Christian Workers (Christelijk Nationaal Vakverbond in Nederland--CNV) with 230,000 members, or 16 percent of the total trade union membership, is close to the two Protestant parties. The three federations cooperate closely, particularly in the field of collective bargaining. Both the NKV and the CNV are affiliated with the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC).

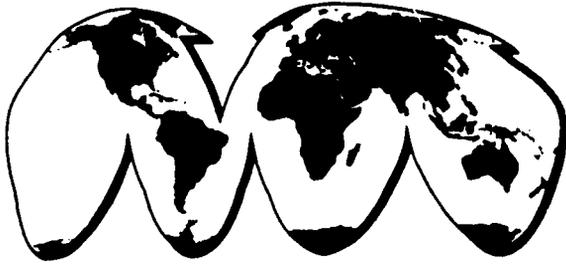
Another small federation, the Federation of Workers' Organizations (Federatie van Worknemers Organisaties--FEWO), representing 16,513 members, is politically as well as denominationally neutral.

The Communist unions, which at one time attracted as many as 33,500 members, have ceased to exist as viable units. One splinter group of transport workers in the Rotterdam port has an estimated 500 members.

#### Labor-Management Relations

Labor and management, beginning with close clandestine collaboration during World War II, have achieved a unique degree of cooperation with each other and with the Government. This is, in part, manifested in the work of the Labor Foundation and the Social-Economic Council. The Foundation has the final power to approve collective agreements, including provisions for wage increases, although emergency powers are reserved to the Government in the event that it deems any increases excessive. The trade unions voluntarily accept wage restraint in the national interest. As of December 1964, some 3 million workers were covered by collective agreements. The duration of contracts is usually for 1 year. The most frequently used method of settling labor disputes not resolved at the plant level is voluntary negotiation between the parties at progressively higher levels, under the auspices of the Labor Foundation. As a last resort, either party may call in a Government arbitrator.

In 1964, a total of 43,862 man-days were lost due to strikes, compared with 38,000 in 1963 and 9,500 in 1962.



# LABOR DIGEST

No. 83

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN NORWAY

Norway is located in the extreme north of Europe and occupies the western part of the Scandinavian Peninsula. It has an area of about 125,000 square miles, and the population was estimated at 3.7 million in 1964.

### Factors Affecting Labor

Political. Norway is a constitutional monarchy. Executive power is vested in the King, at present King Olav V, and his Council of State. Legislative power is exercised by a unicameral Parliament (Storting), composed of 150 members who are elected for 4-year terms by direct vote, on the basis of a system of proportional representation. Of the seven political parties, the Labor Party has been the dominant one, and Norway has had a Labor Party government almost continuously since 1935. A non-Socialist government was in power during August-September 1963. A similar coalition government of the Conservative, Liberal, Center, and Christian People's Parties was established after elections in the fall of 1965.

Economic. In 1961, manufacturing contributed 24.3 percent of the gross national product (GNP); trade and finance, 20 percent; transportation and communications, 17 percent; services, 13.8 percent; agriculture, fishing and forestry, 9.4 percent; construction, 12 percent; and utilities and mining, 3.5 percent. The pulp and paper, canning, chemical, and metallurgical industries provide the chief export commodities. The ship freight earnings of Norway's merchant marine, the third largest in the world, are the greatest single item in the export structure of goods and services. Textiles, ships, lumber, fish, and whale oils are also important products. Per capita GNP 1963 was about US\$1,720.

Social. Norwegians are a homogeneous people except for 20,000 Lapps in the northern part of the country. Norwegian is the official language.

Nearly all Norwegians belong to the state-established Evangelical Lutheran Church of Norway. There is virtually no adult illiteracy. Education is free and compulsory between the ages of 7 and 14. The educational system is in transition to a 9-year compulsory program, with 6 years of primary and 3 years of secondary school.

## Manpower and Employment

Employment and Unemployment. The labor force, according to the census of 1960, numbered over 1.4 million workers, of whom 27 percent were in manufacturing, mining, and electricity and water supply; 20 percent in agriculture, forestry and fishing; 18.5 percent in services; 13 percent in trade and finance; 12 percent in transportation and communications; and 9.5 percent in construction. One-third of the labor force are employed in export industries. Wage and salary earners in 1960 constituted 78 percent of the labor force; employers and self-employed, about 19 percent; and family workers, less than 3 percent. Average registered unemployment was 1.1 percent of the total labor force in 1964.

Productivity, Skills, and Training. A 1945 agreement between the Norwegian Federation of Trade Unions and the Norwegian Employers' Association provides that any factory with over 20 workers must elect a joint labor-management advisory committee, whose function is to promote greater production. Productivity increased 90 percent between 1938 and 1962. The Government, private industry, and trade unions collaborate on vocational training for young people and adults, particularly unemployed and underemployed workers, at a variety of technical, commercial, handicraft, and other schools. In 1960, more than 20 percent of all persons over 14 years of age had some vocational or apprenticeship training. Some industries occasionally experience shortages of skilled workers.

## Labor Standards

Labor Legislation. Minimum standards covering hours of work, overtime and nightwork, dismissal, employment of women and children, and safety and health measures in industrial undertakings are regulated by the Workers' Protection Act of 1956. Separate laws govern employment standards for other categories of wage earners, such as seamen, agricultural workers, and domestic workers. The Labor Disputes Act of 1915, as amended, established legislative procedures for collective bargaining, strikes, and lockouts. An act of 1952 established a system of voluntary arbitration, and set up a National Wages Board. The Full Employment Act of 1947 set forth comprehensive manpower policies which are implemented by the Labor Directorate under the Ministry of Labor and Municipal Affairs. Apprenticeship training is regulated by an act of 1950. A comprehensive compulsory social security system covers health, work injuries, unemployment, old age, and disability. Family allowances are provided for families with two or more children under 16 years of age.

Administration and Practice. The Labor Department, under the Ministry of Labor and Municipal Affairs, enforces labor laws and administers labor policy. The National Wages Board renders binding settlements of disputes voluntarily submitted to it, and acts as a compulsory arbitration board in

disputes passed to it by act of Parliament. Protective labor legislation is generally well observed, and violations are infrequent.

### Wages, Hours, Prices, and Level of Living

The average hourly wage in industry and mining in the fourth quarter of 1964 was 8.54 kroner (US\$1.20) for men, and 6.06 kroner (US\$0.85) for women. The average monthly salary of male office employees on March 1, 1964, was 2,029 kroner (US\$283.38) in wholesale and retail trade and 2,188 kroner (US\$305.59) in banking. There is no legal minimum wage. Wages are not tied automatically to price developments, but most collective agreements permit the contracting parties to reopen wage and salary issues in accordance with fluctuations of the consumer price index.

The law stipulates a maximum 9-hour workday and a 45-hour workweek. Weekly hours worked by male employees in mining and manufacturing averaged 40 in 1963. Among white-collar workers, the average workweek was 38 hours in 1963. Paid holidays vary from 7 to 8 per year, and paid leave of 4 weeks per year is required by law for nearly all workers.

In the period 1959-64, while prices increased 19 percent according to the consumer price index, real wages of workers in industry and mining increased 14 percent for men and 19 percent for women. In food, housing, social security, and health, the standard of living is high. Some housing shortage exists, but almost all housing has electricity and running water.

### Employer Organizations

The Norwegian Employers' Association (Norsk Arbeidsgiverforening--NAF) is by far the largest of several employer organizations. It embraces the great majority of employers, about 8,700 members employing some 300,000 workers in industry and handicrafts, and acts as their official spokesman in collective bargaining. Second largest is the Shipowners' Association, which has about 350 members with some 50,000 employees. Employees in the retail and wholesale business are organized in the Commercial Employers' Association. Several independent associations, covering small groups of employers such as banks and insurance companies, cooperate with the NAF in many respects.

### Labor Organizations

Of the estimated 1.1 million wage and salary earners, about 696,245, or 63 percent, are members of trade unions. The Norwegian Federation of Trade Unions (Landsorganisasjonen i Norge--LO), close to the Norwegian Labor Party and an affiliate of the International Confederation of Free Trade Unions (ICFTU), represents 567,230, or 82 percent of all trade union members.

To counter separation tendencies among white-collar workers, as well as to give a better representation to the specific interests of their growing number, a Confederation of Salaried Employees of Norway (Funksjonaerssambandet i Norge--FSN) within the LO was established in 1953 to coordinate the activities of 21 unions with 142,227 members, or more than one-fourth of the LO membership. An organization of government personnel within the LO, the

Cartel of State Civil Servants (Statstjenestemannskartellet), formed in 1937, represents 20 unions with 104,033 members.

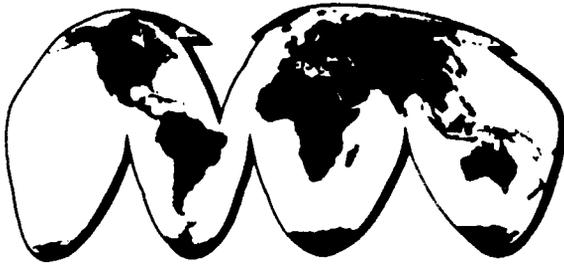
A white-collar workers' group, which seceded in 1951, regrouped in 1965 in a Central Committee of Salaried Employees and Public Servants (Funksjonaer og Tjenestemannsorganisasjonenes Fellesutvalg--FTF). It represents 26,050 workers in eight affiliates. It has reached only about 70 percent of the strength of the original grouping, apparently because of increased organizational efforts by the LO on behalf of white-collar workers.

A Federation of State Civil Servants (Statstjenestemannsforbundet--STAFO) with 60 affiliates claims 15,300 members, and a Central Association of Professional Organizations (Yrkesorganisasjonenes Hovedsammenslutning--YH) with 4 affiliates has 8,527 members.

#### Labor-Management Relations

Labor-management relations are highly centralized. The NAF and the LO in 1935 signed a Basic Agreement which defines their rights and obligations and is a part of all other collective agreements between the two organizations. Industrywide "master" agreements dealing with wages and working conditions, which usually run for 1 or 2 years, are frequently negotiated at the national level.

Disputes over the interpretation of collective contracts must be taken before the Labor Court when direct negotiation between the parties is inconclusive. Strikes and lockouts over such issues are illegal, and the decisions of the court, whose seven members, appointed by the King, include two each proposed by labor and management, are final. Strikes over disputes connected with other issues are legally permitted but only after private and Government mediation efforts have failed. In the case of strikes that are harmful to the national economy, the Government may intervene with compulsory arbitration on the basis of special legislation. In 1964, for example, overall limits on wage increases in line with the Government's economic policy guidelines were imposed by this method. In 1963, there were eight work stoppages involving 10,588 workers, with 226,394 working days lost.



# LABOR DIGEST

No. 84

UNITED STATES DEPARTMENT OF LABOR  
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1965

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## LABOR CONDITIONS IN POLAND

Poland, an eastern European country situated between Germany and the Soviet Union, had a population of over 31 million at the beginning of 1965 and an area of 120,733 square miles.

### Factors Affecting Labor

Political. Officially called the Polish People's Republic, the country has been controlled since 1947 by the Communists, who currently rule through the Polish United Workers' Party (PZPR). Poland nominally has a parliamentary system of government, based on the Constitution of July 22, 1952. The Sejm (Parliament) is elected every 4 years and includes several minority parties. Wladyslaw Gomulka assumed power in 1956 as First Secretary of the PZPR. Poland has signed the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and is a member of the bloc's Council of Mutual Economic Assistance (CEMA).

Economic. The country has a socialized planned economy--patterned after the Soviet model--which accounts for over 75 percent of the national income. Under a series (since 1947) of 3-year and 5-year economic development plans, industry has increased to the extent that in 1960 only 38.4 percent of the population were dependent on agriculture (in 1931, it was 60.0 percent). Farm collectivization has been successfully resisted by the peasantry, and farming is mostly in private hands. The main industries are coal, steel and iron, chemicals (including fertilizers), food processing, and textiles; the main crops are sugar beets, corn, and rye. As a member of the CEMA, the country has been increasingly dependent in late years on the Soviet bloc for most of its trade (in 1964, for 63 percent of its imports and 64.4 percent of its exports). Coal has been Poland's largest export item. The majority of U.S. trade with Eastern Europe in 1964 was with Poland, which under a law of December 16, 1963, has a "most-favored nation" trade status with the United States.

Polish data indicate that national income per capita doubled in the period 1950-63; for 1963, a per capita figure of 14,600 zlotys (about US\$608) was claimed.

Social. Over 98 percent of the population is Polish. The largest minorities are the Ukrainians and Byelorussians. Most of the Polish population are Roman Catholic. Eight years of primary schooling are compulsory for children, from the age of 7.

## Manpower and Employment

Employment and Unemployment. In 1960, about 46 percent of the population (13.7 million out of 29.8 million) were economically active. Of these, 47.8 percent were active in agriculture; 23.0 percent in industry; 5.4 percent in trade; 5.0 percent in construction; 4.8 percent in transport and communications; 3.7 percent in education, science, and art; 2.5 percent in health and welfare; and 7.8 percent in other work.

In 1964, there were 8,694,000 wage and salary earners in the national economy, most of them (8,524,000) in the socialized sector. Unemployment, mostly of unskilled women and young workers entering the labor force, is a continuing problem. There is also underemployment in overstuffed enterprises.

Productivity, Skills, and Training. The Government has promoted educational and training programs to relieve the shortage of skilled workers. About 66 percent of new workers in 1963 had secondary vocational or higher professional training, compared with 15 percent in the early 1950's. In 1964, there were nearly 250,000 trainees (as compared with 68,500 in 1960) in the nation. During 1963 and 1964, some 100,000 workers passed examinations to be qualified as highly skilled; they obtained their training and technical knowledge in night schools and in correspondence courses (many of which are on the college level). Poland's relatively low productivity is reported to be due mainly to underemployment resulting from the excessive number of unskilled workers coming into industry from the countryside; the 1965 economic plan seeks to provide for an increase in productivity through the introduction of new technology and better working conditions.

## Labor Standards

Labor Legislation. Poland has no labor code. The Polish Constitution of July 22, 1952, declares work to be a duty and guarantees every citizen the right to work, the right to rest days and paid annual vacations, and the right to educational, cultural, health, and social insurance benefits. Special laws and regulations establish the hours of work and holidays; fix wage rates; set standards of hygiene and safety; regulate the employment of women and young workers, prescribe penalties for the violation of labor discipline; and provide for the creation, by works councils, of factory arbitration commissions to settle workers' grievances or disputes. No worker may be discharged except for cause and with the consent of the works council. Government labor inspectors check on the observance of labor legislation by managers. The basic Trade Union Act of July 1, 1949, made the Federation of Trade Unions in Poland the sole body representing the trade union movement in Poland.

Administration and Practice. Labor legislation is administered by the Ministry of Health and Social Welfare, the Labor and Wages Committee, directly subordinate to the Council of Ministers, and the Social Insurance Institute. Specifically, the function of the Labor and Wages Committee is to ensure the implementation of legislation relating to employment (including vocational guidance), wages, output standards, and collective labor agreements. The administration of social insurance, with the exception of matters relating to the fixing of old-age, disability, and survivors' pensions, has been a function of the trade unions since 1955; they also have certain duties in connection with the enforcement of legislation relating to occupational safety and health. Pensions are administered by the Social Insurance Institute. In practice, the constitutional guarantee of the right to work is not effectively implemented in view of the continuing problem of unemployment.

### Wages, Hours, Prices, and Level of Living

Most workers are on an 8-hour workday and a 46-hour workweek (6 hours on Saturday). There are 12 legal holidays in the year. Overtime is limited to 4 hours a day and 120 hours a year; time-and-a-half is paid for the first 2 hours, and double-time pay for the third and fourth hours. All workers are guaranteed an annual vacation of from 12 workdays to 1 calendar month, depending on length of service and other factors; they are also paid sick leave.

The Government controls wage rates and prices. By late 1964, average gross monthly earnings in the socialized economy were 1,890 zlotys (US\$79). The average earnings were lowest (1,377 zlotys, or US\$57) in the forestry sector, and highest (2,195 zlotys, or US\$91) in the building sector. Supplements to earnings appear in the form of family allowances, free medical care, sickness benefits, and scholarships to workers. The annual economic plans provide for increases in real wages on the basis of increases in productivity. The Government claimed a 3-percent increase in real wages in 1964; however, real wages--as reflected by the ability of the ordinary worker to buy certain staples, such as meat, white beans, and potatoes--had dropped in the period 1958-64. Consumer goods are expensive, by U.S. standards, in terms of worktime required; for example, a man's ordinary worsted wool suit cost 1,890 zlotys (US\$79) in 1963, or about a month's average gross earnings of workers in the socialized economy. Because of heavy wartime destruction, increasing urbanization as a result of the industrialization policy, and a rapid population growth, the housing situation continues to be one of the most critical problems. The 1965 plan calls for the construction of over 400,000 dwelling units.

### Employer Organizations

The few remaining private employers, mostly craftsmen, are permitted to join associations, which enable employers to submit their grievances to the Government's Committee for Small Industry and Handicrafts, and to disseminate Government regulations and instructions.

### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the

working population. Of the 8,525,000 wage and salary earners, 5,500,000, or 65 percent, are members of the Central Council of Trade Unions (Centralna Rada Związków Zawodowych--CRZZ), which is an affiliate of the World Federation of Trade Unions (WFTU).

Trade union members in an enterprise elect a works council which represents all the wage and salary earners in the enterprise on questions relating to their work and welfare. The council supervises the work of subordinate workshop councils (in large enterprises), activists (volunteer trade union workers), and various commissions (on safety, housing, protection of young workers, cultural activities, etc.).

"Workers' Self-Government Conferences," which were established in 1958 after 2 years of workers' active participation in management, following the 1956 political revolt against Moscow control, are made up of representatives of the Party, the management, and the works council. Their ostensible function is to endorse production plans, factory rules, incentive bonuses, and workers' welfare programs. They have little independent influence on management decisions, since they are under complete Party control.

#### Labor-Management Relations

Collective bargaining in the Western sense does not exist in Poland, as the Government fixes wages, hours of work, and working conditions. In 1954, the Government introduced the Soviet-type of collective agreements between trade unions and management. The purpose of the agreements, primarily, is to stimulate the fulfillment and overfulfillment of production plans and, secondarily, to improve working and living conditions. By unwritten law, Polish trade unions are not permitted to strike, but many wildcat strikes of short duration occurred in 1963 and 1964 in protest against Government increases in the prices of consumer goods, against the introduction of higher production quotas, and against unhealthy working conditions. Disputes over pay, hours of work, job assignments, and certain other work matters may be submitted to arbitration commissions; their decisions may be appealed to the public courts.



# LABOR DIGEST

No. 85

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN PORTUGAL

Portugal is located on the Atlantic coast of the Iberian Peninsula. Metropolitan Portugal, which includes the Atlantic archipelagos of Madeira and the Azores, has an area of 92,000 square miles, and had a population of 8.9 million in 1960. Portugal considers its African possessions as integral with the Republic, but does not include them in the administrative system of the metropolitan area.

### Factors Affecting Labor

Political. The Constitution of 1933 made Portugal a corporative republic. Executive power is vested in a Premier--since 1932, Antonio de Oliveira Salazar. The bicameral legislature consists of a National Assembly of 130 members, elected directly by heads of families (less than 1 million persons voted in the 1961 elections) for 4-year terms, and an upper House, the Corporative Chamber, which functions as an advisory body to the Assembly and to the Government, and is composed of a variable number of members representing the "corporations" or official entities which guide the country's economic, social, and cultural life. There are eight corporations--one each for agriculture, industry, commerce, transportation and tourism, banking and insurance, graphic arts, the press, and entertainment. There is only one political party, the National Union, and only its candidates are permitted to seek election.

Economic. In 1963, agriculture, forestry, and fishing accounted for 22.9 percent of the gross national product (GNP), industry and construction accounted for 37.4 percent, and services for 39.7 percent. Major crops included potatoes, cereals, grapes, and olives. The chief manufactures are textiles (cotton and woolens), glass and pottery, cement, chemicals, and cork products. In 1963, exports of goods and services amounted to 19 percent of the GNP, and per capita GNP was US\$305.

Social. The Portuguese are a homogeneous ethnic group. Portuguese is the only language, and almost the entire population belongs to the Roman Catholic faith. The literacy rate was 65 percent in 1960. Education is compulsory from age 6 through 13. In 1964, there were 43 secondary schools with 59,700 students, and 4 universities with an enrollment of 23,000.

## Manpower and Employment

Employment and Unemployment. In 1960, the labor force totaled 3,398,669 (or 38.2 percent of the population); of these, 44 percent were in agriculture, 20.5 percent in manufacturing, 6.7 percent in construction, 4.3 percent in transport and communications, and 24.5 percent in other industries and services. Wage and salary earners constituted 72.3 percent of the labor force; employers and self-employed, 21.4 percent; and unpaid family workers, 6.3 percent. Unemployment data are not available. An average of 37,500 workers (approximately 50 percent agricultural) emigrated each year between 1960 and 1963 to the overseas provinces and to foreign countries.

Productivity, Skills, and Training. Productivity is low, due mainly to a shortage of skilled manpower at all levels as well as a generally antiquated industrial plant and archaic farming practices. With the collaboration of the Organization for Economic Cooperation and Development (OECD), the Government in 1963 completed a study of the measures necessary to supply the requisite skills and technical education. A Manpower Development Fund, established under a decree of 1962, has begun operations, and an Institute of Accelerated Vocational Training was scheduled to open in 1964. Some 20 new technical and trade schools were opened in 1962-63.

## Labor Standards

Labor Legislation. The Constitution gives the Government control of the means of production. To implement the constitutional provisions, the National Labor Statute of 1933 designated the official labor and management organizations as the basic pillars of the corporative state and outlawed strikes and lockouts as well as any other activity inimical to the political and economic life of the nation. A large uncodified body of labor laws and regulations establishes minimum labor standards. In addition, provisions in collective bargaining contracts, which are negotiated under the supervision of, and are strictly enforced by, the Government, in effect prescribe standards for entire industries or geographic areas. Legislation provides family allowances and benefits for sickness and maternity, work injury, unemployment, old age, invalidity, and death under a variety of official and semi-official social insurance and welfare systems, administered or supervised by the Government.

Administration and Practice. Administration of labor laws is the responsibility of the Ministry of Corporations and Social Welfare. The principal entity through which this Ministry exercises its powers of regulation and inspection is the National Institute of Labor and Welfare, which also administers the labor judiciary and social security systems. The Institute's Labor Inspectorate checks on labor conditions and supervises the enforcement of labor and social security legislation.

## Wages, Hours, Prices, and Level of Living

Unskilled workers, who constitute the majority of the labor force, earned on the average about 28 escudos (approximately US\$0.95) a day in 1963. A skilled worker can earn 65 escudos (about US\$2.20) a day. While wages are determined mainly by Government-supervised collective bargaining, the Government may establish minimum rates when contracts fail to do so. Legal and customary supplemental benefits may increase basic remuneration by as much as 24 percent.

The regular workweek in industrial enterprises is limited by law to 48 hours--8 hours a day for 6 days a week. The overtime premium must be at least 25 percent of base pay.

A definite rise in the level of consumption was recorded between 1960 and 1963. In that period, the consumer price index rose about 2 percent, while wages rose some 5.6 percent. Per capita income was US\$260 in 1962.

## Employer Organizations

Employers and managers are organized in guilds for the various industries. Once a guild is formed, it represents all entrepreneurs in a given industry or service for a particular area, whether they are guild members or not. The Government can order the formation of guilds in any sector. As of 1960, there were 529 guilds in the various branches of the economy, grouped by geographic area into some 23 federations or similar parent bodies. Engineers, lawyers, and physicians are organized into "orders," which are represented in the Corporative Chamber on an equal footing with the management and labor organizations.

## Labor Organizations

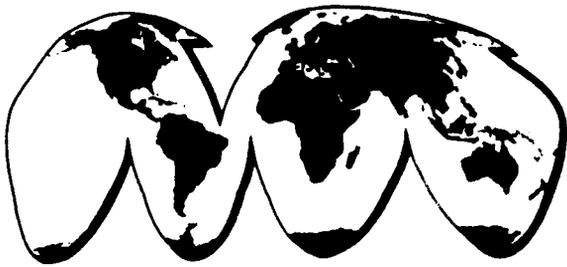
Labor is organized on a syndical basis and is grouped in syndicates by districts, industries, or trades. The syndicates are regulated by the National Labor Statute of 1933, which defines the Portuguese state as a unitary and corporative republic and stipulates that the primary elements of corporativism are the national syndicates, composed of wage and salary earners, and the national guilds, composed of employers. (The syndicates and the guilds are national in function rather than organization, that is, they are designed to promote national welfare though they may be organized on a regional or district basis.) Syndicates or guilds in the same occupation in different areas of the country may be combined into federations. Syndicates or guilds in several related occupations may be combined into unions. In 1961, a total of 1,044,963 wage and salary earners belonged to syndicates.

## Labor-Management Relations

Wages and working conditions are largely determined by agreements negotiated between the management guilds and the labor syndicates under Government supervision. The Government strictly enforces the contracts and is empowered to extend the provisions of regional contracts to the entire

country. Conciliation and arbitration are compulsory. Grievances, as well as issues concerning the interpretation of collective contracts, come under the jurisdiction of special labor courts.

Strikes are prohibited. If any labor-management conflicts occurred in 1963-64, they were not publicized.



# LABOR DIGEST

No. 86

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## LABOR CONDITIONS IN RUMANIA

Rumania, a Balkan State in eastern Europe, had at the beginning of 1965 a population of about 19 million and an area of 91,671 square miles.

### Factors Affecting Labor

Political. Officially called the Socialist Republic of Rumania, the country has been controlled since 1947 by the Rumanian Communist Party, which was created in 1948. Under the Constitution of 1965, the Grand National Assembly, elected every 4 years on the basis of a single electoral list, is nominally the supreme organ of state power. Between the brief semiannual Assembly sessions, its functions are exercised by the State Council, which it elects. Rumania is a member of the 1955 Soviet bloc's Warsaw Pact (a 20-year mutual defense treaty) and of the bloc's Council of Mutual Economic Assistance (CEMA).

Economic. Primarily an agricultural country, Rumania has a socialized planned economy, patterned after the Soviet model, which accounts for over 95 percent of the national income. The collectivization of agriculture was announced as complete in 1962. The main industries are petroleum, coal, machine construction, chemicals, and food processing; the main crops are corn, wheat, and sugar beets. As a member of the CEMA, the country has been dependent on the Soviet bloc for most of its trade (68.5 percent in 1964). Annual national income per capita is about US\$400.

Social. About 85 percent of the population is Rumanian. The largest ethnic minorities are Hungarians (about 9 percent) and Germans (about 2 percent). The principal religion is Rumanian Orthodox, the religion of an estimated 80 percent of the population. Eight years of free primary schooling are compulsory for children, from the age of 7.

## Manpower and Employment

Employment and Unemployment. The 1956 census showed that about 60 percent of the population (10.4 million out of 17.5 million) were economically active. In 1963, 59.5 percent of the population were in agriculture, 17.5 percent in industry, 10 percent in administration and services, 6.5 percent in construction, 3.7 percent in trade, and the remaining 2.8 percent in other activities.

The number of wage and salary earners in the national economy in 1964 was 4.1 million, or about 36 percent of the labor force on the basis of the 1956 census ratio (60 percent) of labor force to population. The demand for manpower under the country's industrialization program is being met by recruitment from the rural areas, where much underemployment is reported as a consequence of extensive farm mechanization.

Productivity, Skills, and Training. Rumania has a system of vocational training schools and in-plant apprenticeship schools. In 1964-65, there were 181,097 persons enrolled in vocational schools and 123,284 enrolled in higher institutes. In addition, 14,026 foremen were taking courses in day and evening schools and by correspondence. Labor productivity in industry was claimed to have risen by 10 percent in 1964, and an increase of 9 percent was planned for 1965.

## Labor Standards

Labor Legislation. The Constitution of August 21, 1965, and the amended Labor Code of June 1, 1958, constitute the basic labor legislation. The Constitution declares work to be a duty of every able-bodied citizen, and guarantees him the right to work, to receive pay according to work performed, to rest days and paid vacations, to health protection, and to educational, cultural, and social insurance benefits. The Labor Code describes the functions of the so-called trade unions, defines the extent of social insurance, and establishes labor disputes boards for the settlement of workers' grievances or disputes. Although legislation prevents the transfer of a worker to another locality without his consent, it sanctions his dismissal for refusing to transfer. Management may dismiss any worker for the sake of efficiency, but is expected to place the dismissed worker in a similar job elsewhere. A worker may quit his job by giving 2 weeks' notice.

Administration and Practice. There is no centralized administration of labor legislation. Various ministries--especially the Ministry of Health and Social Welfare--the Central Council of Trade Unions, and managements of enterprises and establishments are responsible for enforcing or checking upon the enforcement of labor legislation. There are indications that shortages of resources have prevented the implementation of safety, housing, and other legislation.

## Wages, Hours, Prices, and Level of Living

The Government controls wage rates and prices but does not publish wage or price data. The minimum monthly wage is 520 lei (about US\$29, at the

tourist rate of exchange). At the beginning of 1965, the average unskilled worker earned monthly an estimated 700 lei (about US\$39), and the average skilled worker about 1,000 lei (US\$56). Supplements to earnings appear in the form of family allowances, medical care, sickness benefits, and scholarships to workers. The 6-year (1960-65) economic plan calls for a gradual increase in the standard of living; official statistics claim that real earnings of wage and salary earners doubled between 1950 and 1962. The prices are high by Western standards, and the consumer, especially in rural areas, is on a low level of living. In the cities, the housing situation is so critical that it is common for a family with children to live in a single room and to share a kitchen with several other families.

Most workers are on an 8-hour workday and a 48-hour workweek. There are 6 legal holidays in the year. Overtime is limited to 4 hours a day and 120 hours a year. All workers are guaranteed a paid annual vacation of 12 to 24 working days, depending on length of service and the nature of the job. They are also paid for sick leave.

#### Employer Organizations

There is no national organization of enterprise managers in Rumania.

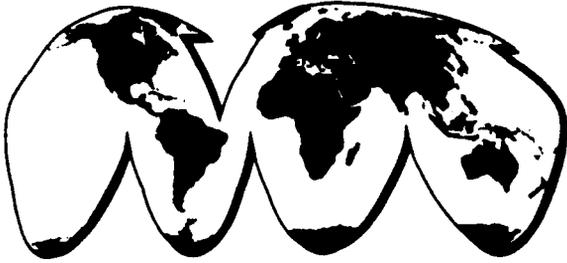
#### Labor Organizations

The trade union organization is an arm of the Government, and its primary purpose is implementation of government-party policy with regard to the working population. Of the 3,900,000 wage and salary earners in 1963, 83 percent were members of the Central Council of Trade Unions (Consiliul Central al Sindicatelor--CCS). The CCS is an affiliate of the World Federation of Trade Unions (WFTU).

#### Labor-Management Relations

Collective bargaining in the Western sense does not exist in Rumania, as the Government fixes wage rates, hours of work, and working conditions. By unwritten law, Rumanian trade unions are not permitted to strike, and no strikes have been reported in recent years. Labor disputes boards, representing "management" and labor equally, have been established for the settlement of specified disputes, such as those arising from the dismissal of workers, job assignments, wage payments, and working conditions. A decision of a board may be appealed to the plant trade union committee and, if more than 500 lei (US\$27) are involved, to a public court.





# LABOR DIGEST

No. 87

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## LABOR CONDITIONS IN SPAIN

Metropolitan Spain (including the Balearic Islands in the Mediterranean, the Canary Archipelago off the west coast of Africa, and the cities of Ceuta and Melilla on the Mediterranean coast of Morocco) has an area of 195,988 square miles; it had a population of 31.5 million in 1964.

### Factors Affecting Labor

Political. The present Spanish state was established at the end of the Civil War of 1936-39, replacing the Republic created upon the fall of the monarchy in 1931. General Francisco Franco has been Chief of State since 1939. The legislative organ of the Government is the unicameral Parliament (Cortes), composed of members appointed by the Chief of State, Cabinet Ministers, Government officers, and other members elected mainly by the municipalities or designated by the syndicates (official labor and management bodies). The Falange Española Tradicionalista, or "National Movement," is the only political party permitted in Spain.

Economic. In 1964, mining and manufacturing accounted for 27.8 percent of the gross national product (GNP); agriculture accounted for 20.8 percent; wholesale and retail trade, 11.1 percent; transportation and communications, 6.1 percent; construction, 6.0 percent; public administration and defense, 5.5 percent; and other sectors, 22.7 percent. Crops represented 64 percent of agricultural production. Coal and iron ore are the principal mineral products. Industrial production includes steel, heavy machinery, ships, motor vehicles, and petrochemicals. Per capita GNP was US\$562 in 1964. The 4-year Economic and Social Development Plan (1964-1967) envisions rapid industrialization and an average annual GNP growth rate of 6 percent, compared with 4.5 percent in the 1954-62 period.

Social. Spanish is the official language; Basque, Catalan, and Galician are also spoken in their respective regions. Roman Catholicism is the

religion of practically the entire population. Primary education is free for a period of 8 years, starting at age 6, and compulsory through age 11. According to official estimates, 92 percent of the population were literate in 1964.

## Manpower and Employment

Employment and Unemployment. At the end of 1963, an estimated 12 million persons, or 38.4 percent of the population, were in the labor force. Approximately 4.7 million (39.2 percent) were in agriculture, 4 million (33.3 percent) in industry, and 3.3 million (27.5 percent) in services. Wage and salary earners comprised 65.1 percent of the labor force, employers and self-employed 30.1 percent, and unpaid family workers 4.8 percent. Unemployment was unofficially estimated at 1.5 percent. Underemployment in agriculture and the service trades was extensive, but declining. Some 150,000 workers emigrate each year to other European countries (excluding seasonal migration). During 1963, some 103,000 new jobs were created, of which 30 percent were in industry. The Development Plan sets a target of 250,000 new jobs a year through 1967.

Productivity, Skills, and Training. Lack of adequate training, a shortage of skilled manpower, obsolete equipment, and inadequate managerial techniques are regarded as the principal causes of low productivity. As of 1960, more than 50 percent of the labor force had only an elementary education and were without basic skills. The number of new skilled workers needed by the economy during each year of the Development Plan was estimated at 80,000 in 1963, but fewer than 30,000 were completing training. In an attempt to meet the need, the Government has embarked on a program (a) to expand vocational and technical training, (b) to double the total school enrollment by 1967, and (c) to provide at least 740,000 skilled workers, technicians, and professional employees by 1968.

## Labor Standards

Labor Legislation. Minimum wages and working conditions are stipulated in ordinances issued by the Ministry of Labor, as prescribed by the Labor Regulation Law of 1942. Standards higher than those established in the labor ordinances may be (and frequently are) made mandatory by collective agreements for an enterprise, a group of enterprises, or an entire industry. Under a law of 1958, collective agreements are negotiated between the management and labor segments of the syndicates, subject to approval by the Ministry of Labor. Nationwide minimum standards are established by the Labor Contracts Law of 1944, as amended. Hours of work, overtime, paid holidays, annual and sick leave, and dismissal, as well as the employment of women, children, and foreigners, are also regulated by legislation. Strikes are outlawed by a decree of 1938 (Charter of Labor), as amended. Social security is governed by the Social Security Law of 1963, together with subsequent related legislation. It includes family assistance, unemployment compensation, health and maternity care, and insurance for work injuries, invalidity, old age, and death.

Administration and Practice. Labor and social affairs are the exclusive responsibility of the Central Government. The Ministry of Labor drafts laws,

for approval by the Parliament, and issues decrees on labor standards; it administers these statutes and supervises the labor courts. The Spanish Syndicate Organization (SSO), the official unitary association of employers, the self-employed, and wage and salary earners, supervises labor-management relations, although the final authority rests with the Minister of Labor. The Ministry of Labor and the SSO maintain representatives (Provincial Delegates of Labor and Provincial Delegates of Syndicates, respectively) in each of the country's 50 Provinces. Enforcement of labor and social legislation is handicapped by a shortage of inspectors, particularly in rural areas.

### Wages, Hours, Prices, and Level of Living

The legal basic daily minimum wage for unskilled labor was set at 60 pesetas (US\$1), beginning in January 1963, except for apprentices and certain categories of farm workers. Higher rates are usually established in collective agreements. The average daily pay as of May 1965 was about 224 pesetas (US\$3.70) for a carpenter or plumber, and 180 pesetas (US\$3) for a semiskilled worker. Average weekly pay for a beginning office clerk was about 1,000 pesetas (US\$17.60), for a senior bank clerk 2,700 pesetas (US\$45), and for a junior engineer about 4,000 pesetas (US\$67). Bonuses and allowances (family, length of service, incentive, and seasonal), which vary considerably, may add 35 percent or more to base pay.

The maximum hours of work for most workers are 48 hours over a 6-day week. Shorter hours may be prescribed for certain industries, e.g., coal mining, by ordinances of the Ministry of Labor or in collective agreements. The average workweek in industry and services was 44 hours in 1963. Overtime may not exceed 50 hours a week.

Per capita income is one of the lowest in Western Europe, US\$490 in 1962. However, wage increases since 1960 have outstripped rises in the cost of living, resulting in a marked increase in real earnings for workers covered by recently concluded collective agreements. An expanding social security system also contributes to a rising standard of living. On the other hand, inadequate housing for low-income families is still one of Spain's most acute social problems. A 17-year housing plan, intended to remedy the situation, was instituted in 1961. The current Development Plan aims to reduce the present sharp income differences among the various social segments and geographic regions.

### Employer Organizations

The Syndicate Organization is one of the entities officially charged with labor-management relations and overall guidance (working with Development Plan officials) of the entire national economy. In addition, management has chambers of commerce, industry, and navigation. The chambers have a token representation (3 members out of nearly 600) in the Parliament, while the syndicate members constitute one-third.

### Labor Organizations

In accordance with the principles of the corporate state, trade unions do not exist in Spain. The only permissible forms of labor organization are

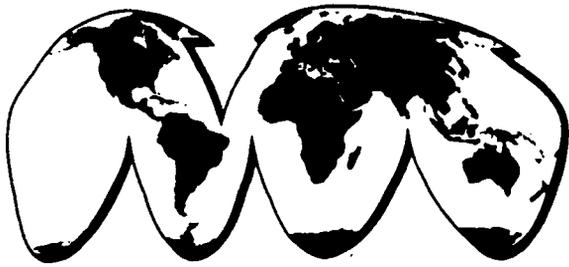
the syndicates, in which both employers and workers are represented. There are 28 syndicates, each one a quasi-governmental organization of employers, technicians, and workers.

Former trade unions have retained their identity by setting up headquarters outside Spain, mainly in France.

#### Labor-Management Relations

Collective agreements, presumably, are designed to supplement and improve the minimum conditions stipulated by labor regulations and ordinances. Negotiations are conducted under official supervision, within the Syndicate Organization, by representatives of the labor and management sections within each syndicate. These representatives also attempt conciliation of individual disputes. Cases not settled by this means are referred to the Ministry of Labor for further consideration; if agreement is still not reached, cases are submitted to the labor courts for final arbitration.

Although strikes and lockouts are illegal, a number of strikes have occurred in recent years, particularly in Asturias and Vizcaya in the north of Spain. A strike of coal miners in April-May 1964 and its accompanying sympathy walkouts, involved, for example, nearly 38,000 people, according to official Spanish sources.



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No. 88

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

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## LABOR CONDITIONS IN SWEDEN

Sweden is situated on the Scandinavian Peninsula in the north of Europe. It covers 173,000 square miles, and had a population of 7.7 million in 1964.

### Factors Affecting Labor

Political. Sweden is a constitutional monarchy. King Gustav VI Adolf has been head of state since 1950. Legislative power is vested in the Crown and the Parliament (Riksdag), which consists of an upper House of 151 members, elected for 8-year terms by Provincial and city councils, and a lower House of 234 members, elected every 4 years by universal suffrage. Executive policy is formulated by the Prime Minister and a 15-member Cabinet; decisions are made by a number of central boards and agencies responsible to the Cabinet. The Social Democratic Party, led since 1946 by Prime Minister Tage Erlander, has been in office, alone or in coalition, since 1932.

Economic. Sweden's chief natural resources--forests, iron ore, and water power--are the basis for its highly developed industrial, predominantly free-enterprise economy. To the gross national product (GNP), estimated at US\$18,528 billion in 1964 (equaling a per capita GNP of US\$2,255, the highest in Europe), mining, manufacturing, and construction contributed 48 percent, services 44 percent, and agriculture and forestry 8 percent. Agriculture is highly mechanized, and produces virtually all food needed on the 10 percent of the land which is arable. In manufacturing, production of electrical and other machines, transportation equipment, and primary metals is the most important, followed by woodpulp, paper and paperboard, lumber, food processing, textiles, and chemicals and allied products.

Social. The population is concentrated in the south, and more than half is urban. The Swedes are ethnically homogeneous, with only small minorities of Finns and Lapps in the north. Swedish is the official language,

and at least 94 percent of the population belong to the state-established Lutheran Church. Education is free and compulsory for 7 to 9 years, beginning at age 7. The people are highly literate.

## Manpower and Employment

Employment and Unemployment. The labor force totaled 3,760,000 persons, approximately half of the population, in November 1964. Of these, 1,594,200 (42.4 percent) were engaged in manufacturing, construction, mining, and utilities; 864,800 (23 percent), including 600,000 employees of government on all levels, in services; 565,300 (15 percent) in commerce; 451,200 (12 percent) in agriculture; 254,500 (6.8 percent) in transportation and communications; and 30,000 (0.8 percent) were not classified by industry. Wage and salary earners numbered 3,166,000, employers and self-employed 431,000 (including 216,000 farmers), family helpers (mostly on farms) 110,000, and 53,000 were not classified. Women comprised one-third of the labor force. The unemployment rate has been low in recent years; it was 1.7 percent of the labor force in 1964. The demand for labor in industry has exceeded the supply, and about 145,000 foreign workers were employed in Sweden at the beginning of 1965.

Productivity, Skills, and Training. Labor productivity is high, as indicated by industrial production increases of 3.7 percent in 1962, 5 percent in 1963, and 7 percent in 1964, with little corresponding increase in manpower. Labor productivity in agriculture increased about 40 percent between 1950 and 1960. Professional, technical, and production workers are highly competent. Full-time students in vocational and technical schools totaled 76,000 in 1962. Of some 60,000 workers under 18 employed in industry, most were receiving on-the-job training. A Government program for retraining adult workers helps to keep unemployment low and to fill industry's demand for skilled workers.

## Labor Standards

Labor Legislation. Swedish labor legislation covers four major areas: (1) Working Conditions--These are governed by the General Act on Working Hours of 1930, amended in 1957; the Holidays Acts of 1945 and 1951; the Workers' Protection Act of 1949 and regulations issued thereunder; the Four-Week Annual Vacations Act of 1963; and laws on the employment of special groups, including women and minors. (2) Labor-Management Relations--Existing practices were largely codified by the Acts of 1928 on Collective Agreements and the Labor Court, and the Act on Right of Association and Right of Collective Bargaining of 1936, amended in 1940 and 1945. (3) Social Insurance--The General Social Insurance Act of 1962, which codified and superseded previous laws, reaffirmed the principle of protecting all citizens during periods of need. This and other legislation provides for benefits in case of sickness and maternity, work injury, unemployment, old age, invalidity, and death, plus family allowances. (4) Manpower Policy--Manpower policies and administration are governed by the Royal Instructions of 1948, authorizing the work of the National Labor Market Board and the Public Employment Service.

Administration and Practice. Labor and management participate fully in the formulation of the Government's labor policy and in the administration

of labor laws through autonomous boards. Under the Ministry of the Interior are (1) the National Labor Market Board, which makes manpower policy, supervises the Public Employment Service, and administers programs to further the mobility, training, and efficient use of workers; and (2) the Labor Court, which is the major Government agency for labor-management relations. Under the Ministry of Social Affairs are (1) the National Board of Industrial Safety, which implements laws on hours of work and health and safety, and operates the Labor Inspectorate; (2) the National Social Insurance Board, which supervises the social insurance funds; and (3) the National Social Welfare Board, of which the National Mediation Service is a part.

### Wages, Hours, Prices, and Level of Living

Sweden has no wage laws; pay rates are set by collective bargaining. Average hourly earnings for men workers in mining and manufacturing were 8.39 kroner (US\$1.62), and for women workers 6.34 kroner (US\$1.22) in May 1965. Wage supplements, including paid leave, social security benefits, family allowances, and special bonuses, are estimated to average 15 percent of earnings. Legislation on hours applies only to workers whose working time is not regulated by collective agreement--about one-third of the labor force. The contractual hours of work for most workers are 8 to 9 per day, and 45 per week. The 5-day week is widespread. Overtime pay is normally set by collective agreement at 35 percent of regular hourly pay for the first 2 hours, 50 percent for additional hours, and 100 percent for Sunday and holiday work. Most employees have at least 11 paid holidays and 4 weeks of paid annual leave.

Public health and consumption statistics indicate that Sweden has the highest level of living in Europe. Although consumer prices have risen about 85 percent since 1949, wage increases have been far greater; average industrial earnings rose nearly fourfold between 1949 and 1964. On a national basis, average income per wage earner, including part-time employees, was equivalent to about US\$2,710 in 1964.

### Employer Organizations

The Swedish Employers' Confederation (SAF), which comprises 44 trade and industry associations with 1 million employees, acts as their representative in labor-management relations. The SAF maintains a fund from which members may be compensated for financial losses incurred in connection with strikes and lockouts lasting more than 7 days. Smaller associations function in commerce, agriculture, and maritime shipping, as well as in the public sector, where federations and boards of employers bargain with employee unions.

### Labor Organizations

Of the 3,166,000 wage and salary earners, 2,163,000, or about 68 percent, are members of trade unions. About 95 percent of all trade union members belong to two affiliates of the International Confederation of Free Trade Unions (ICFTU): The Swedish Trade Union Confederation (Landsorganisationen i Sverige--LO) with 1,563,273 members, or about 72 percent of the total trade union membership; and the Central Organization of Salaried Employees

(Tjänstemännens Centralorganisation--TCO) with 489,429 members, or about 23 percent of the total trade union membership.

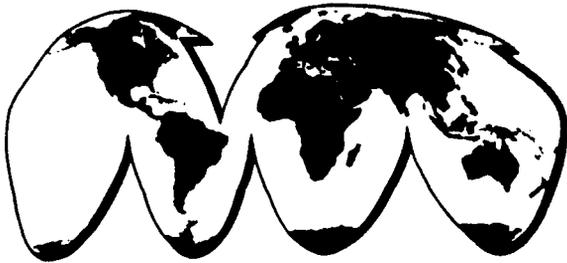
Within the LO, 11 public service unions, with 160,000 members, have formed a cartel representing their joint interests in discussions on wages and working conditions with the Government. Similar groupings have been formed within the TCO by 4 unions of municipal employees, 13 unions of private employees, and 19 unions of public service employees.

Outside of the LO and the TCO, there are about 113,000 trade union members who belong to three small federations. One of them, the Swedish Confederation of Professional Associations (Sveriges Akademikers Centralorganisation--SACO), also includes persons in independent professions and university students.

### Labor-Management Relations

Continuous labor-management cooperation was established through several basic agreements between the SAF and the LO. The basic agreements and their implementing machinery, which had their beginnings in 1938, cover collective bargaining negotiations, industrial disputes, safety, training, works councils, performance ratings, employment security, and women workers. Periodic centralized bargaining, usually every 2 years, establishes the total amount available for wage increases, while actual wage rates are set in industrywide agreements.

Strikes are legal when there is no collective bargaining agreement in force, and after Government mediation efforts have failed. Strikes are usually well disciplined. In accordance with basic labor-management agreements, workers usually continue to perform work essential for safeguarding plant and materials and for protecting health. Management, on its part, very rarely uses strikebreaking methods. In illegal strikes, the Labor Court may fine individual strikers. In 1963, there were 24 strikes involving 2,841 workers, with a loss of 25,000 working days.



# LABOR DIGEST

No. 89

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

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## LABOR CONDITIONS IN SWITZERLAND

Switzerland, situated in the center of Europe, is a mountainous country with a total area of nearly 16,000 square miles and a population estimated in 1963 at 5.8 million.

### Factors Affecting Labor

Political. Switzerland is a federal republic composed of 22 Cantons, which, under the Constitution of 1874, retain sovereignty in all matters not delegated to the Federal Government. Supreme Confederal authority is vested in the bicameral Federal Assembly, which comprises the National Council and the Council of States. Members of the National Council are elected for 4-year terms under a system of proportional representation; the Council of States consists of 44 representatives--2 elected in each Canton. Executive power is vested in a Federal Council of seven members, elected by the Federal Assembly for 4-year terms. From among their number, the President is chosen each year by the Assembly.

All legislation must be approved by both Houses of the Federal Assembly, and by popular vote whenever eight Cantons or 30,000 voters request a referendum. Amendments to the Constitution must be approved by popular vote. The dominant parties are the Social Democratic, the Free Democratic (or Radical), and the Conservative Christian Socialist People's Party.

Economic. Switzerland is highly industrialized and, owing to scarce natural resources, heavily dependent on imports of food and industrial raw materials. Manufacturing is concentrated on products requiring a high degree of skill and precision work; machinery, watches, clocks, tools, instruments, and pharmaceuticals are the most important exports. Agriculture is important, but production is limited by a lack of level and fertile land. Other important economic activities include foreign commerce, international banking, insurance, and tourism. Per capita gross national product was US\$2,024 in 1963.

Social. Ethnic groups in Switzerland are differentiated primarily on the basis of language. More than two-thirds of the population are of Germanic origin and speak Swiss German; about 19 percent are French speaking, almost 10 percent speak Italian, and 1 percent (in the southeastern Canton of Graubünden) speak Rhaeto-Romansh. German, French, and Italian are official national languages. In 1960, 52.7 percent of all Swiss residents were Protestants, 45.6 percent Roman Catholics, and 1.7 percent members of other faiths. Education is free and compulsory for 8 or 9 years, depending on the Canton. Virtually the entire adult population is literate.

## Manpower and Employment

Employment and Unemployment. In 1960, a total of 2,590,000 persons, or 45 percent of the population, were in the labor force. Of these, 1,011,000 were employed in manufacturing and crafts; 338,000 in commerce, banking, and insurance; 292,000 in agriculture and forestry; 250,000 in transport, communications, and the hotel industry; 234,000 in the construction industry; 75,000 in domestic service; and 390,000 in miscellaneous activities. Approximately 86 percent of the labor force were wage and salary earners. At the beginning of 1964, according to unofficial estimates, the total labor force was about 2.7 million.

Labor is in short supply; Cantonal employment offices reported 5,685 job vacancies and only 631 unemployed in December 1964. Foreign workers, recruited to relieve the shortage, amounted to more than one-fourth of the labor force in August 1964. The large volume of foreign labor has become a major political and economic issue in Switzerland, and legislation to restrict the influx of foreign workers into the country was passed early in 1965.

Productivity, Skills, and Training. Swiss manufactures generally have a high skilled labor value and are either special quality products or do not lend themselves readily to mass production methods. But rationalization investment has increased during the last decade, the economic growth rate has been steady, and productivity per worker has risen. In 1963, productivity gains were most pronounced in chemicals and in the metals and machinery industries. Most workers receive training in industry under apprenticeship programs; at the end of 1963, a total of 131,039 apprentices were under contract. The Federal Government establishes apprenticeship requirements and subsidizes vocational education under the Vocational Training Law of 1963 and the Agricultural Training Act of 1955. High-level scientific and technical personnel are scarce.

## Labor Standards

Labor Legislation. Since labor matters are regulated by the Cantons, as well as by the central Government, some legislative provisions and social benefits vary from one Canton to another. The major Federal labor laws include the Law on Work in Factories, the Code of Obligations for employers and employees, the Home Work Act, the Resolution on the Declaration of Collective Contracts as Generally Binding, the act concerning the Federal Conciliation Board for Collective Labor Disputes, the Employment Service Law, the act concerning Family Allowances for Employees in Agriculture, the Unemployment Insurance

Act, and the Old-Age and Survivors' Insurance Act. In March 1964, a new Federal labor law for industry, commerce, and trade was passed (subject to a referendum), which is intended to replace the factories legislation and provisions of other laws on the weekly day of rest and the employment of women and children.

Administration and Practice. Labor legislation is administered by agencies of the Federal and the Cantonal Governments. The Law on Work in Factories, which in 1963 covered 760,771 workers in 14,354 establishments, is administered by the Federal Bureau of Industry, Crafts, and Labor. The same Bureau supervises the unemployment insurance program, in collaboration with Cantonal employment offices. The Office of Social Insurance in the Federal Department of the Interior administers the old-age and survivors' insurance program.

### Wages, Hours, Prices, and Level of Living

Average hourly earnings in October 1963 were 5 Swiss francs (US\$1.16) for male skilled workers and 4.13 francs (US\$0.96) for male semiskilled and unskilled workers. Female workers averaged 2.82 francs (US\$0.65) per hour. Male adult salaried employees earned an average of 1,220 francs (US\$282.40) per month, and female salaried employees, 745 francs (US\$172.47) per month.

Legislation passed in 1964 maintained the maximum legal workweek at 46 hours. The average workweek in manufacturing enterprises was 45.5 in 1963. The number of paid legal public holidays varies from 4 to 8, and the minimum annual paid vacation is 6 days; more favorable provisions have been adopted in some industries by collective agreements.

Because of the strong economic expansion in recent years, the Government has adopted policies to curb inflationary pressures. The consumer price index was 209.8 (August 1939=100) at the end of December 1964, having increased by 2.3 percent during the previous 12 months. Between June 1939 and October 1963, real earnings (adjusted for price changes) of workers had increased an average of 73 percent, and the real income of salaried employees, an average of 45 percent.

### Employer Organizations

Employers are organized in industrial and commercial groups or Cantonal associations, many of which are members of central organizations. The four largest central employers' organizations are the Central Federation of Swiss Employers' Associations, the Swiss Association for Commerce and Industry, the Swiss Federation of Arts and Crafts, and the Swiss Farmers' Federation.

### Labor Organizations

Of the approximately 2,325,000 wage and salary earners, about 807,000, or 35 percent, are members of trade unions. The largest trade union organization, the Swiss Federation of Trade Unions (Schweizerischer Gewerkschaftsbund--SGB), an affiliate of the International Confederation of Free Trade Unions (ICFTU), has 451,102 members. A federation of white-collar workers, the

Federation of Swiss Employees' Societies (Vereinigung Schweizerischer Angestelltenverbände--VSA), which has fraternal relations with the SGB, has a membership of 116,310. Together, these federations represent more than 70 percent of all trade union members. Two federations are organized on a denominational basis, the Catholic Swiss Federation of Christian-National Trade Unions (Christlich-Nationaler Gewerkschaftsbund der Schweiz--CNGS) with 93,397 members, and the Swiss Federation of Protestant Trade Unions (Schweizerischer Verband Evangelischer Arbeiter und Angestellten--SVEAA) with 13,840 members. Both the CNGS and the SVEAA, representing about 14 percent of all organized labor, are affiliated with the International Federation of Christian Trade Unions (Confédération Internationale des Syndicats Chrétiens--CISC).

The Swiss Association of Autonomous Unions (Landesverband Freier Schweizer Arbeiter--LFSA), a Liberal union with 18,723 members, is affiliated with the World Union of Free Trade Unions (WUFTU), an international organization of Liberal unions with members in a few countries and headquarters in Ghent, Belgium.

#### Labor-Management Relations

Collective agreements are used extensively in industrial relations. Most contracts are negotiated between a trade union local or federation and an individual employer; of the 1,580 collective agreements in effect at the end of 1963, more than half were concluded between individual employers and unions. The Federal Government may extend the application of an agreement to the entire industry concerned.

Industrial disputes are usually settled peaceably, either through the provisions of basic labor-management "peace agreements," patterned on one which was negotiated in the metal industry in 1937 and is renewed periodically or, in case private conciliation efforts fail, through voluntary arbitration procedures offered by Federal or Cantonal authorities. Strikes occur infrequently; there were none in 1961 and only two, involving a loss of about 1,400 man-days, in 1962. Man-days lost through strikes rose to 70,700 in 1963 largely on account of one dispute involving plasterers in Zürich.



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## LABOR CONDITIONS IN THE U.S.S.R.

The Union of Soviet Socialist Republics (U.S.S.R.), which extends from eastern Europe over northern Asia to nearby Alaska, had at the beginning of 1965 a population of 229 million and an area of 8.6 million square miles.

### Factors Affecting Labor

Political. The country is under the dictatorship of the Communist Party of the Soviet Union (CPSU), which operates through governmental bodies and mass organizations. The present Communist Party head is Leonid Brezhnev; the Council of Ministers, which exercises administrative functions but is subordinate to the Party, is presided over by Aleksei Kosygin. The legislature (Supreme Soviet), ostensibly elected by popular ballot under the one-party system, generally meets briefly twice a year to approve legislation recommended by the Council. The Soviet Union maintains military links with most of the Communist Eastern European countries through the Warsaw Pact of 1955 and economic ties through the Council of Mutual Economic Assistance (CEMA).

Economic. The country has a socialized planned economy. In 1960, state-owned enterprises accounted for about 97 percent of industrial production, and state-regulated cooperative enterprises for about 3 percent. Over 99 percent of the farmers are on state and collective farms. Since 1928, successive 5-year and 7-year economic plans have transformed the once mainly agricultural economy into a highly industrialized one. In 1963, the Soviet gross national product per capita was estimated as \$1,178, compared with \$3,084 in the United States.

Social. The census of 1959 showed that the largest ethnic groups were the Russians, with 54.8 percent of the population, and the Ukrainians, with 17.7 percent. Among other large groups, each with a population of over 1

million (0.5 percent), were the Byelorussians, Uzbeks, Tatars, Kazakhs, Armenians, Georgians, Lithuanians, Germans, Latvians, Poles, and Estonians. The Government has enacted legislation regulating and restricting religious groups and their activities. The largest religious group is that of the Russian Orthodox Church, with a claimed membership in 1959 of about 50 million. About 25 million persons were adherents of Islam. There were about 8 million Roman Catholics, 4 million Baptists, and over 2 million Jews. For most children, 8 years of free primary schooling are compulsory from the age of 7.

## Manpower and Employment

Employment and Unemployment. In 1959, about 47.5 percent (99.1 million out of 208.8 million) were economically active. Of these, 38.8 percent were in agriculture; 36.9 percent in industry, construction, transport, and communications; 14.6 percent in education, research, health work, finance and credit, housing, and public utilities; 5.2 percent in trade and restaurants; 3.6 percent in the armed services; and 0.9 percent in other or unspecified activities.

At the beginning of 1965, practically all of the 73 million wage and salary earners in the Soviet Union were in the socialized sector. The regime claims that unemployment is nonexistent. There is no national system of public employment offices, but cities have job placement commissions, and the individual Republics have recruitment agencies for workers for the Far East and Far North.

Productivity, Skills, and Training. The Government has been promoting educational and training programs to implement its ambitious economic plans. The 1959 census showed that 51.7 percent of the workers in Soviet industry (mostly manufacturing and mining) were skilled, 46.4 percent were semiskilled, and only 1.9 percent were unskilled. The Government claimed that, in 1965, about 68 million persons were studying or undergoing training (nearly 5 million of them taking evening or correspondence courses on all levels). About 3.6 million were enrolled on the college level, and over 3.3 million were students in secondary technical schools. In 1958, about 6.5 million workers had raised their job qualifications while holding full-time jobs. Along with the increasing proportion of skilled workers, industrial labor productivity (which has been estimated as nearly half that of the United States) has increased annually about 5 percent, on the average, during the period 1960-64. The Government is seeking to raise the relatively low level of productivity through (1) reduction of the prevailing serious labor turnover, especially in the more remote areas where living and working conditions are hard, and (2) introduction of new technology and more efficient working methods.

## Labor Standards

Labor Legislation. The fundamental characteristic of Soviet legislation has been the attempt to maintain more or less rigid control over the labor force for the purpose of achieving the regime's economic and other objectives. The Constitution of the U.S.S.R. declares work to be a matter of duty for every able-bodied citizen, calls upon him to maintain labor discipline,

and guarantees him the right to work, the right to rest days and paid annual vacations, and the right to educational, cultural, health, and social insurance benefits. The 1922 Labor Code of the Russian Soviet Federated Socialist Republic (R.S.F.S.R., the largest of the 15 Republics of the U.S.S.R.), as amended, is the principal Soviet labor legislation. This code and many other special laws and regulations establish the rules of employment and training, hours of work, and holidays; fix wage rates and standards of work safety and hygiene; regulate the activities of the Soviet trade unions and the employment of women and young workers; and prescribe labor discipline, rules relating to social insurance, and procedures for settling workers' grievances or disputes.

Administration and Practice. There is no centralized national government administration of labor legislation. In 1933, the Commissariat (Ministry) of Labor was abolished. Most of its administrative organs, including those dealing with social insurance, were absorbed by the All-Union Central Council of Trade Unions (AUCCTU), which is an arm of the Government. The State Committee on Questions of Labor and Wages, created in 1955 as an agency of the Council of Ministers, has as its main function the unifying and the systematizing of the wage system in the U.S.S.R. The Council of the National Economy (Sovnarkhoz) and the State Planning Committee (Gosplan) are responsible for manpower planning on the national level; their subordinate regional bodies control the training and allocation of the labor force in factories and the appointment of top-level management personnel. The State Committee for Vocational and Technical Training administers the country's trade schools. On the local level, the managements of enterprises and trade union bodies are responsible for the implementation of labor legislation.

Most labor legislation seems to be strictly enforced. In the past, and to some extent today, shortages of resources, or tight production schedules, have prevented the implementation of some legislation, especially that providing for the introduction of modern safety equipment at plants and for construction of adequate housing space for workers.

#### Wages, Hours, Prices, and Level of Living

Most workers are on a 7-hour workday and a 41-hour workweek (6 hours on Saturday). Overtime work at higher rates (usually time-and-a-half for the first 2 hours) is limited to 4 hours within 2 successive days and to 120 hours a year. All workers are guaranteed an annual vacation of 12 to 36 workdays, depending primarily on years of continuous employment and the nature of the job.

Average earnings of workers have been steadily rising as a consequence of the increasing proportion of skilled workers and the continuous increase in labor productivity. At the beginning of 1965, average monthly earnings of wage and salary earners were about 90 rubles (US\$100). Supplements to earnings appear in the form of family allowances, free medical care, sickness benefits, scholarships, and other fringe benefits to workers.

The prices of consumer goods and services are fixed by the Government, which claims that real earnings per worker rose about 6 percent annually on

the average in the decade before 1964; in 1964, an increase of 4 percent was claimed. Many consumer goods, such as meat and household equipment, continue in short supply, and the available goods are admittedly wanting in variety and quality. There is also a shortage of consumer services, such as those offered by repair shops and drycleaning laundries. Prices of consumer goods are high by U.S. standards in terms of worktime required to buy goods. The housing situation is one of the most serious problems in every city (in Leningrad, for example, the minimum waiting period for a new apartment by qualified registrants is about 5 years); in 1957, the Government decreed a 12-year housing construction program to ease this situation.

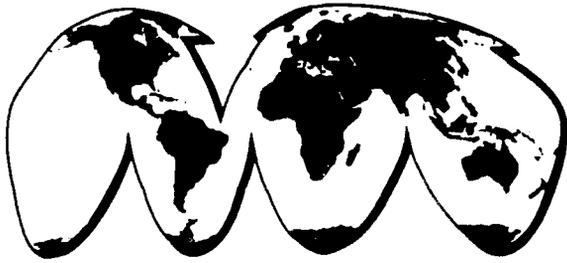
### Labor Organizations

The All-Union Central Council of Trade Unions (AUCCTU--Vsesoyuznyy Tsentral'nyy Sovet Professional'nykh Suyuzov) is an arm of the Government, and its primary purpose is implementation of Government-Party policy with regard to the working population. As a result of contractions, the number of national affiliates organized on an individual basis has been reduced to 22. The AUCCTU claims a 70-million membership, which represents 96 percent of all wage and salary earners.

Trade union members in an establishment elect a factory committee of up to 25 members which represents all the wage and salary earners of an enterprise or establishment in all questions relating to the work and welfare of workers. This committee, which may include management personnel, participates in an advisory capacity in drafting the factory's production and construction plans; checks on the implementation of these plans and on the observance by management of labor legislation and trade union-management observance of obligations under "collective contracts"; administers the social security laws in the factory; advises management on the appointment of workers to managerial posts; and can prevent management from discharging a worker.

### Labor-Management Relations

Collective bargaining in the Western sense does not exist in the Soviet Union, as the Government establishes wage rates, hours, conditions of work, and fringe benefits. However, "collective contracts" are concluded annually between managements of enterprises and the trade union locals, primarily for the purpose of emphasizing production targets, and secondarily for the improvement of working and living conditions. By unwritten law, trade unions are not permitted to strike, but several wildcat strikes of brief duration have occurred, usually in protest against price increases, food shortages, or intolerable working conditions. Disputes over pay, job assignments, working conditions, and other specified matters which are not satisfactorily settled by labor disputes boards may be appealed to the factory committee and to the public courts.



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## LABOR CONDITIONS IN THE UNITED KINGDOM

The United Kingdom comprises England, Scotland, Wales, and Northern Ireland, as well as a number of small adjacent islands, and is separated from the continent of Europe by the English Channel. It has a total area of 94,200 square miles, and had a population of 54 million in 1964.

### Factors Affecting Labor

Political. The United Kingdom is a constitutional monarchy. Queen Elizabeth II has been the sovereign since 1952. Executive powers are exercised by the Cabinet, headed by a Prime Minister. The national Parliament consists of the House of Commons, which has 630 members elected by universal suffrage, and the House of Lords, composed of some 900 hereditary and appointed peers. Northern Ireland has a separate legislature but is represented in the national Parliament and subject to much of its legislation. The Conservative Party and the Labor Party are the leading political organizations.

Economic. The United Kingdom, one of the world's most highly industrialized countries, ranks second after the United States in volume of foreign trade. With few natural resources and limited agricultural land, the United Kingdom imports large quantities of food and raw materials and strives to maintain a correspondingly high level of exports. In 1963, 35 percent of the gross national product (GNP) was derived from manufacturing; 33 percent from distributive trades and services; 12 percent from utilities and transportation; 4 percent from agriculture, forestry, and fisheries; 3 percent from mining and quarrying; and 13 percent from other activities. Major industries, whose products also constitute the main exports, are iron and steel, engineering, chemicals, food processing, textiles, and miscellaneous consumer goods. The per capita GNP was US\$1,619 in 1964.

Social. The principal ethnic strains are the English, Scotch, Irish, and Welsh. It is estimated that several hundred thousand persons of different

racial origin immigrated from British territories during the past decade. The predominant religion is Protestant Episcopal, represented by the Church of England. Education is free and compulsory between the ages of 5 and 15. Illiteracy is virtually nonexistent.

## Manpower and Employment

Employment and Unemployment. In June 1963, the labor force was 25.6 million, or 48 percent of the population. Of the civilian segment of 24.7 million, about 36 percent were in manufacturing; 22 percent in services; 14 percent in the distributive trades; 7 percent in construction; 7 percent in transport and communication; 4 percent in agriculture, forestry, and fishing; 3 percent in mining and quarrying; 2 percent in gas, electricity, and water; and 5 percent in government service. Wage and salary earners constituted about 23 million, or 89 percent of the total labor force. Registered unemployment averaged 612,300, or 2.6 percent of all wage and salary earners in 1963, and 413,400, or 1.8 percent in 1964.

Productivity, Skills, and Training. The labor force is generally well trained and highly productive. Vocational training has long been primarily the responsibility of industry. But the Government, in an effort to remedy increasing shortages of skilled labor since the end of World War II, expanded its role with the passage of the Industrial Training Act, which became operative in March 1964. Designed to ensure high standards and maximum effectiveness of training programs, and spread the cost more equitably, the act empowers the Minister of Labor to set up Government-supervised training boards in industry. The boards arrange for training classes, collect levies from employers, and make grants to enterprises conducting approved programs of their own. Both the boards and a central advisory training council include management and labor representatives and educational experts. In addition, the Government continues to operate training centers for special categories of workers, e.g., veterans and the disabled, and conducts accelerated training courses for displaced and older workers. Scientific manpower is trained at a number of technical colleges at the university level.

## Labor Standards

Labor Legislation. Minimum standards for safety, health, and welfare at the workplace have been established by law. The Trades Union Act of 1871 encourages collective bargaining, although it is not a statutory duty and collective agreements are not enforceable in the courts. The compensation and hours of work for workers, mainly in retail trade and agriculture, where collective bargaining arrangements are inadequate, are fixed by statutory wage boards, on which management and labor are represented. Legislation provides a comprehensive social security system, including sickness, maternity, and industrial injuries insurance, family allowances, unemployment compensation, old-age and invalidity pensions, and death benefits.

Administration and Practice. The Ministry of Labor is responsible for the administration of manpower policy and for the enforcement of protective

legislation on minimum standards for working conditions, which are generally well observed. The Ministry of Pensions and National Insurance administers the social security system.

### Wages, Hours, Prices, and Level of Living

In October 1964, the average weekly earnings of salaried men employees in industry were 23 pounds, 11 shillings, and 7 pence (US\$66.01), those of women employees £9 14s. 7d. (US\$27.23). Equivalent figures for wage earners were £18 2s. 2d. (US\$50.57) and £8 19s. 1d. (US\$25), respectively. Hourly earnings of men wage earners averaged 91.1d. (US\$1.07) in industry as a whole, and 95.5d. (US\$1.12) in manufacturing. Supplementary benefits, such as welfare plans and other employee services, are estimated as averaging 14 percent of earnings.

National legislation prescribes a maximum workweek of 48 hours. The standard workweek, determined by collective agreement for the great majority of workers, is usually 42 to 44 hours, worked either during a 5-day or 5½-day week. Hours actually worked in industry (excluding mining and construction) averaged 46.8 per week in 1963. Overtime pay is usually 25 percent of base pay for the first 2 hours and 50 percent thereafter. A minimum paid annual vacation of 12 days or 2 weeks and 6 paid holidays are provided for practically all workers, either through collective agreements or statutory orders.

The retail price index, which measures changes in living costs for wage earners, rose by 4.1 percent between October 1963 and October 1964. During the same period, average hourly earnings increased by 7.9 percent for men and 7.1 percent for women. Average per capita income was US\$1,250 in 1963; labor's share of total domestic income, which has been rising over the past decade, was 68.8 percent.

### Employer Organizations

A single body, the Confederation of British Industry (CBI), as of July 30, 1965, replaced three formerly separate entities--the Federation of British Industries (FBI), the National Association of British Manufacturers (NABM), and the British Employers' Confederation (BEC). The merger was encouraged by the Minister of Economic Affairs who favored negotiation of policy agreements with a central body whose decisions would be binding on as many individual firms and trade groups as possible. At the time of the merger, the CBI embraced 100 employers' associations, 200 trade associations, and 14,000 individual private enterprises, as well as some nationalized industries having associate status. It was anticipated that the British European Airways, the National Coal Board, and the British Railroads would join the CBI in the near future. A small group of members of the former NABM, who refused to accept the merger, set up their own group, the Society of Independent Manufacturers (SIM). The CBI informs, advises, and represents its members in the field of labor-management relations vis-a-vis the Government, the trade unions, and international organizations.

## Labor Organizations

Of the 23 million wage and salary earners, 8,756,991, or almost 40 percent, are members of trade unions; of these, 8,325,790 belong to the British Trades Union Congress (TUC), an affiliate of the International Confederation of Free Trade Unions (ICFTU).

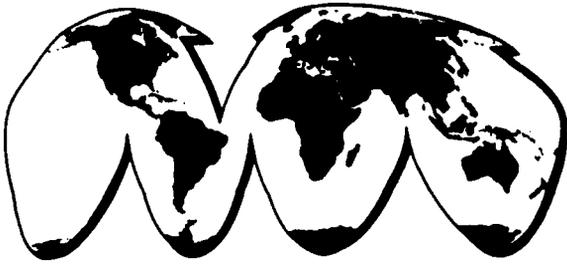
TUC affiliates in Scotland have formed the Scottish Trade Union Congress (STUC), representing 817,965 trade union members, including 17,294 belonging to unions in Scotland not affiliated with the TUC.

Mutual interests of trade unions in related industries or occupations have led to the formation of groupings of such unions with the view of coordinating their activities on general matters. At present, there are six--building trades, metalworkers, printing and kindred trades, professional workers, shipbuilding and engineering, and textile workers. Three of the groupings are also being used to facilitate affiliation with International Trade Secretariats.

## Labor-Management Relations

Labor-management relations are regulated primarily by voluntary arrangements between the parties rather than by legislation. Some 200 industrywide joint industrial councils, consisting of representatives of both sides and an independent chairman, negotiate collective agreements for the various industries at the national level. Joint production committees deal with problems arising in individual enterprises. Where private collective bargaining machinery is inadequate, the Government may step in. The provisions of collective agreements are usually applied to union members and nonmembers alike, and are generally well observed, frequently also by employers not party to the agreement.

Industrial disputes not settled by private facilities may, at the request of the parties, be referred by the Minister of Labor for conciliation or arbitration to an individual, an ad hoc board, or the permanent statutory Industrial Court. In disputes affecting the national interest, the Minister of Labor may initiate investigative procedures to inform Parliament and the public of the facts involved. Arbitration awards, though not as a rule legally enforceable, are accepted in most cases. The incidence of strikes has been rather low since World War II. In 1964, a total of 2,275,000 working days were lost through strikes, compared with 5,798,000 in 1962 and 1,754,000 in 1963.



# LABOR DIGEST

No. 92

UNITED STATES DEPARTMENT OF LABOR  
BUREAU OF LABOR STATISTICS

1965

This is one of a series of brief notes on labor conditions prepared in the Division of Foreign Labor Conditions of the Bureau of Labor Statistics, for inclusion in the *Directory of Labor Organizations-Europe*, jointly prepared and published in 1965 by the Bureau of International Labor Affairs and the Bureau of Labor Statistics.

## LABOR CONDITIONS IN YUGOSLAVIA

Yugoslavia, the largest of the countries in the Balkan Peninsula in south-eastern Europe, had at the beginning of 1965 a population of over 19 million and an area of 98,766 square miles.

### Factors Affecting Labor

Political. Officially called the Socialist Federal Republic of Yugoslavia, the country has been controlled since the end of World War II by the Communist Party, now called the League of Communists of Yugoslavia (LCY), the only political party. Under the Constitution of 1963, legislative and executive powers are vested in the Federal People's Assembly, whose executive organ is the Federal Executive Council. President Josip Broz Tito has been head of the party since 1937 and head of state since World War II.

Economic. Yugoslavia's economy is largely socialized and planned. All natural resources (except agricultural small holdings of 25 acres or less), industries, banking, insurance, and large trade establishments are nationalized, with the exception of some private nonagricultural enterprises in the form of small shops. About 85 percent of the agricultural land is operated privately. The socialized sector accounts for over 70 percent of the national income. The main industries are metal products, textiles, woodworking, food processing, and coal mining. In the past decade, there has been a considerable decentralization of Government controls of wages, prices, and production quotas. The Government is attempting to let the market to some degree determine prices and the flow of economic goods. The gross national product for 1963 has been estimated at \$6.5 billion, or about \$342 per capita.

Social. Most of the population (nearly 90 percent) is of five Slavic ethnic groups, made up primarily of Serbs (42.1 percent in 1961), Croats (23.1 percent), Slovenes (8.6 percent), Macedonians (5.6 percent), and

Montenegrins (2.8 percent). In addition, there are 17 national minorities, the largest being Albanian (4.9 percent), Hungarian (2.7 percent), and Turkish (1.0 percent). There are three principal religions: The Serbian Orthodox in 1953 had 41 percent of the population; the Roman Catholic, 32 percent; and the Moslem, 12 percent. In 1961, 79 percent of the population 10 years of age and over were literate, and 26 percent of the labor force had less than 4 years of schooling.

## Manpower and Employment

Employment and Unemployment. The March 1961 census showed a labor force of 8,354,000, or about 45 percent of the population. The majority--57 percent--were employed in agriculture; 21 percent, in manufacturing and mining; 5.9 percent, in the professions and arts; 4.1 percent, in services; 3.5 percent, in finance and office; 2.7 percent, in transportation; 2.7 percent, in trade; 1.6 percent, in the armed services; and 1.5 percent, in other activities. Largely because of the private nature of agricultural operations, about 55 to 60 percent of the labor force are in the private sector.

The 1961 census showed 3.5 million wage and salary earners, most of them in the socialized sector. (There were only 31,000 private employers, primarily craftsmen, who are permitted to hire up to 5 persons each.) Unemployment is an increasingly serious problem, caused chiefly by the heavy influx into industrial areas of peasants from the countryside, where underemployment is so extensive that about one-fourth of those engaged in agriculture could be released for other work; underemployment in industrial enterprises is estimated at about 10 percent. In the first 5 months of 1964, a monthly average of 247,000 unemployed persons and others wishing to change jobs (about 80 percent of them unskilled) were registered as seeking jobs.

Productivity, Skills, and Training. The Government is attempting to remedy the shortage of skilled labor by promoting educational and training programs; reportedly, about 800,000 employed persons have been taking courses annually. In 1962, 40,617 persons passed examinations qualifying them as highly skilled. The rapidly rising level of labor productivity in industry (at the annual rate of approximately 10 percent during 1963 and 1964) is still considerably below that in the economically developed European countries, primarily because of the proportionately large number of unskilled workers, who, as a rule, maintain strong ties with the land and work only temporarily in factories to improve their financial situation in the village. In early 1965, about 100,000 unskilled workers were temporary emigrants in Western Europe, especially West Germany, Austria, the Netherlands, and France.

## Labor Standards

Labor Legislation. The December 10, 1957, Law on Labor Relations, known as the Labor Code, and the Federal Constitution of April 7, 1963, constitute the basic labor legislation. The Constitution guarantees every worker the right to work, the right to choose his occupation, and the right to participate in management; it provides for vocational training, unemployment compensation, the protection of health at work, vacations, and social insurance benefits. The Labor Code contains the provisions of the 1950 law estab-

lishing workers' councils, and regulating wages, hours of work, periods of rest and leave, the protection of women and young workers, labor discipline, and the hiring and firing of workers. A worker may not be transferred to another job or place without his consent.

Administration and Practice. The Secretariat for Labor of the Federal Executive Council is the supreme executive labor authority and supervises the wage system, vocational training, the labor inspectorates, the labor exchanges, and the social security system. Each of the six constituent Republics has its own Secretariat for Labor, which checks on the labor functions of district and municipal authorities. On the plant level, the workers' council is responsible for checking on the enforcement of labor legislation.

The degree of enforcement of labor legislation appears to vary from plant to plant, being at its lowest in the economically underdeveloped southern part of the country. Aggrieved workers may take their cases to the civil courts for a final decision.

#### Wages, Hours, Prices, and Level of Living

The Labor Code prescribes an 8-hour workday and a 48-hour workweek for most workers. The 42-hour maximum workweek guaranteed for all workers by the Constitution of 1963 is slowly being put into effect. Overtime, with time-and-a-half pay, is limited to 4 hours a day, 8 hours a week. After 11 months of continuous employment, a worker is entitled to paid annual leave of 12 to 30 workdays, depending on years of service. Workers' real earnings are below the European average, but have been rising steadily. Wage scales on the enterprise level vary from industry to industry, as they are usually established by the managing board of an enterprise, subject to Government approval. Average monthly earnings (including premiums) of all employed workers in May 1964 were 32,000 dinars (US\$42.67); earnings were highest in the Republic of Slovenia and lowest in Macedonia. The largest supplement is the family allowance, which ranges from 3,840 dinars (US\$5.12) a month for one child to 15,920 dinars (US\$21.23) for five children. Other supplements are free medical care, disability pensions, and scholarships for workers.

The Government establishes "ceiling prices" for a few basic commodities and services, and controls indirectly the prices of a wide range of additional commodities. Retail prices are high in relation to earnings, by U.S. standards; for example, the average worker has to work about a week to buy a pair of men's ordinary dress leather shoes.

The Government claims that considerable improvement in living conditions has taken place. For example, between 1939 and 1963 per capita consumption of textiles increased by 50 percent; of meat, by 15 percent; of sugar, by 250 percent; of footwear, more than 300 percent; and of electricity, more than 2,200 percent. However, as a result of a rapid industrialization program in the postwar period, the industrial labor force (drawing on the rural population) has increased much faster than the total supply of consumer goods, services, and housing. In addition to relatively high prices of basic consumer goods, the housing situation is so critical in the growing industrial areas that many workers must commute long distances from their villages.

## Employer Organizations

There is no national organization of employers or enterprise managers; however, enterprises with common problems may form associations. On the Federal and Republic levels there are economic chambers which include individual chambers dealing with foreign trade, industry, agriculture, and all other basic economic activities. The chambers, whose officials are for the most part drawn from member enterprises, serve in many ways as an intermediary between the enterprises and the state. They deal with broad policy matters of concern to the enterprises, including financing, marketing, vocational training, working conditions, and wages.

## Labor Organizations

Yugoslav trade unions are practically organs of the Government; their primary task is to promote production through educational, advisory, and watchdog activities. Strikes are not prohibited by law, but as a matter of practice, unions do not have the right to strike nor to bargain for higher wages, shorter hours, or fringe benefits. The trade unions have encouraged the establishment by several local governments (communes) of workers' universities to train workers for responsible positions, including participation in workers' management bodies.

There are six national trade unions, united in the Confederation of Trade Unions of Yugoslavia (CTUY), with a membership at the beginning of 1964 of some 3 million, or about 87 percent of the wage and salary earners. The CTUY has had no international affiliation since 1950, when it was expelled from the Communist-controlled World Federation of Trade Unions.

Workers' councils (at least one for each enterprise) were created in 1950 with the apparent authority to decide major questions relating to production and to the distribution of the income of the enterprise. Each council (from 15 to 120 members) elects annually a management board of 3 to 11 workers from among its members. The board collaborates with a Government-appointed director in the management of the enterprise or establishment. The Constitution appears to give the workers' council the right to final decision in the selection of the enterprise director.

## Labor-Management Relations

Collective bargaining does not exist in Yugoslavia. In the socialized enterprise, the workers' council and the managing board usually resolve labor-management problems. Disputes over pay, working conditions, and disciplinary penalties which are not satisfactorily resolved may be appealed to an arbitration board set up by the local government authority; appeals may also be made to the public court. In the private sector, model agreements called "collective contracts" are worked out by the appropriate trade union and economic chamber and submitted to local government authorities for approval; the system of settling grievances is similar to that for the socialized enterprise. Despite the fact that strikes are in effect prohibited, a considerable number of brief limited wildcat strikes have occurred, mostly with a demand for higher wages.