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THE WIDENING GAP

A study of the realization of economic, social
and cultural rights

by

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PART FOUR. DEVELOPED MARKET ECONOMIES

Chapter I

GENERAL

1. In this part of the report, a survey has been made of the realization of economic and social rights in Western Europe, Australia, Canada, Malta, New Zealand, Japan, Israel, the United States, and South Africa - in short, the developed market economies. 1/ Owing to limitations of time, it was not possible to make this review complete or comprehensive.
2. The progress achieved by these countries in general in the realization of these rights may be regarded as substantial in relation to that of less developed areas of the world. However, when measured against the standards set by the International Covenant on Economic, Social and Cultural Rights, the Declaration on Social Progress and Development, and the Universal Declaration of Human Rights, and when viewed in the light of the vast material abundance that many of these countries command, it may not be considered so satisfactory.
3. During the 1960s the developed market economies experienced continuous and rapid growth. This was coupled with a rather low increase of population, caused by low birth rates (see tables 1.1 - 1.3). As shown in table 1.2, during the period 1965-1970 the developed market economies and the Eastern European countries had the lowest rate of natural increase of population in the world. Again, as shown in table 1.3, the same countries, together with Australia and New Zealand, had the highest expectation of life at birth. The number of third-level students per 100,000 inhabitants given for the United States in table 1.5 is one of the highest in the world. Table 1.4 records the United States per capita income for 1969 as the highest in the world.
4. The 1970 Report on the World Social Situation states:

"The continuation of rapid economic development in western Europe during the 1960s led to considerable increases in national and personal incomes virtually everywhere in the region. In so far as the economically active population was concerned, this trend generally resulted in a noticeable rise in material levels of living, although there were differences in the extent to which various social and occupational groups shared in the rise." 2/

1/ For many purposes, it is convenient to distinguish the less from the more developed countries within the developed market economies. The countries surveyed have therefore been classified as follows, largely according to per capita income (see table 1.4): "Leading": Australia, Austria, Belgium, Canada, Denmark, Finland, France, Federal Republic of Germany, Israel, Japan, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America; "Transitional": Italy; "Peripheral": Greece, Ireland, Malta, Portugal, Spain; Unclassified: South Africa.

2/ United Nations publication, Sales No. E.71.IV.13, p. 107.

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It is observed in the same report that:

"Over-all economic progress was especially striking in the United States, where in 1968 the economy grew by \$70,000 million while unemployment dropped to 3.3 per cent, the lowest level in fifteen years. Disposable personal income per capita reached a record level of \$2,922; and output per man hour rose 3.3 per cent, twice the 1967 rate. Levels of living recorded incremental improvements in terms of more satisfaction of physical and cultural needs, including leisure-time activities. While private consumption as a percentage of gross national product decreased slightly between 1963 and 1967, there was in the United States, Canada and New Zealand a noticeable increase in personal savings." 3/

5. The 1970 Report also states 4/ that the rapid economic growth, the high levels of living, the high levels of educational standards, both quantitatively and qualitatively, achieved by these countries have in recent years brought into sharper focus the problems of wide disparities of income and of poverty in the midst of affluence. That is what has come to be known as the problem of poverty in the developed market economies, meaning the condition of those individuals or groups who are still outside the mainstream of national prosperity despite all the material progress achieved by these countries. This remains true in spite of the fact that the levels of living enjoyed by some of the poor in these countries are considered adequate, and even affluent, compared with those of some other countries. 4/

6. A recent report of the United States Department of Health, Education and Welfare on the social situation in the United States shows that "although personal income in the United States is the highest in the world and the number of persons below the poverty line has declined steadily in recent years, the distribution of income has remained practically unchanged over the last twenty years". 5/

7. The 1970 Report on the World Social Situation points out that:

"The recognition of poverty as a national problem within the past decade has led to the expansion of existing training and assistance programmes and to the development of more refined policy instruments to deal with the unemployed and minority groups, many of whose members have not benefited from the prosperity of the 1960s. In the United States, the maturing social security system has substantially reduced the number of the poor. At the same

3/ Ibid., p. 125.

4/ Ibid., pp. 107-142.

5/ Ibid., p. 125. For original source, see Toward a Social Report (Washington, D.C., United States Government Printing Office, 1969), p. 42.

/...

time, the persistence of poverty amidst prosperity has contributed to widely shared criticism of welfare policies and has led to proposals to overhaul the entire welfare system; doubts have also been expressed in Canada, where welfare policies have come under critical review at several levels of government." 6/

8. The promotion of economic growth under conditions of relative price stability, the establishment of new machinery and the rectification of existing machinery on the wage-price relationship have been among the cardinal economic and social policies of most of these countries. For instance, Norway reported that in 1968, in connexion with the income negotiations then taking place, a committee charged with technical calculations had been appointed, as a continuation of a previously established research committee. In the new committee, known as the income negotiation committee, the Ministry of Finance and the Ministry of Prices and Pay are represented, together with the Norwegian Federation of Farmers, the Norwegian Federation of Fishermen, the General Confederation of Trade Unions in Norway and the Norwegian Employers' Confederation. This committee has become a permanent part of the established co-operation between the authorities and the main organizations of employers and employees concerning the income negotiations. According to its terms of reference, the committee is to present the best possible factual numerical background material, so that disagreement between the parties on facts may, as far as possible, be avoided. Further, it is to analyse the effect on prices, income and income distribution of alternatives in the income negotiations. 7/

9. Since minimum "felt needs" of individuals or households vary according to the wealth of the society to which individuals or households belong, poverty has become a relative concept in countries experiencing rapid economic growth, and the acceptable minimum will increase with the growth of national income. The new concept of poverty has been summed up as follows:

"People are 'poor' because they are deprived of the opportunities, comforts and self-respect regarded as normal in the community to which they belong. It is, therefore, the continually moving average standards of that community that are the starting points for an assessment of its poverty, and the poor are those who fall sufficiently far below these average standards. Their deprivation can be measured and their numbers counted by comparisons with average personal income ... or with a standard of living currently sanctioned by government ... or with average life chances ...". 8/

10. For practical purposes, therefore, it is considered that an objective measurement of poverty could be made by comparing a person's or family's income with the average personal or family income of the community concerned:

6/ 1970 Report on the World Social Situation (United Nations publication, Sales No. E.71.IV.13), p. 127.

7/ E/CN.4/1011/Add.11, pp. 52-53.

8/ 1970 Report on the World Social Situation, p. 109. Original source for citation Social Science Research Council, Research on Poverty (London, 1968), p. 5.

"In the United Kingdom, for example, the numbers of the 'poor' are periodically ascertained or estimated along these lines in connexion with the British system of poverty relief which, under specified conditions, provides various types of monetary assistance to persons or family units whose incomes are below the 'poverty line', determined in relation to the remuneration of the average manual worker." 9/

11. The 1960s could be considered as the era of soul-searching in the recent history of the developed market economy countries. It has been an eye-opener decade for understanding the requirements and the needs for the creation of a greater degree of social justice. As has rightly been said, people get restless and rebellious when they are getting a little better off but feel that progress is not fast enough.

12. A report cited in the 1970 Report on the World Social Situation in connexion with social development in these countries stated that investigation of the broad relationships between economic and social factors of development had indicated that:

"improved amenities and social infrastructures have a positive effect on economic growth. Higher expenditure on the health, personal well-being, and the knowledge and skills of human resources is an economically profitable investment for a nation and an area. Countries with higher levels of social well-being also tend to enjoy a higher per capita product. The healthier and better educated people are, the higher their hourly, annual and life-time earnings are likely to be." 10/

The United Nations report continues by saying that the results of sectoral studies on housing, health and social welfare institutions point to similar conclusions, and that even more detailed research into processes of change in specific localities further suggests that the availability of appropriate social infrastructure, including modern housing, cultural amenities and recreational facilities, are important considerations in inducing both prospective employees and industrial decision-makers to relocate.

13. Increasing awareness of these relationships, together with the existing interest in industrial decentralization that can be witnessed amongst the Western European countries, has contributed to a growth of co-ordinated planning for the creation or development of conditions favouring the establishment of modern industrial zones, either outside traditional areas of industrial concentration, or in areas where traditional industrial activities are declining. Regional development planning along these lines has become quite widespread in

9/ 1970 Report on the World Social Situation, p. 109.

10/ Ibid., p. 113. Original source: L. H. Klassen, Social Amenities in Area Economic Growth (Paris, Organization for Economic Co-operation and Development, 1968), p. 9.

Western Europe in recent years. It is aimed at achieving a more balanced distribution of economic, social and cultural benefits as well as a reduction of population concentrations. 11/

14. In the United States in the 1960s many new government institutions, at both national and state level, were created whose functions relate solely to the improvement of the economic and social conditions of those considered to live under conditions of poverty. The following may be considered as instances of such actions taken on the federal level. 12/ In 1964 the Economic Opportunity Act was passed, establishing the Office of Economic Opportunity (OEO) with the mandate to carry out the programmes of the "war on poverty". These programmes were developed in four main fields: (a) manpower development training and mobility programmes, (b) individual improvement or educational programmes, (c) community action programmes, and (d) income maintenance programmes. The 1968 federal budget had

11/ To study the progress of regional development in Western European countries, consult 1970 Report on the World Social Situation, pp. 112-116.

12/ "Success in the formulation and implementation of national policies in the countries of North America and in Australia and New Zealand depends to a large extent upon the reconciliation of the powers and functions of the central Governments with those of the state or provincial and local governments. In the federal system of government that is common among three of the four countries - the United States, Canada and Australia (New Zealand has a unitary form of government) - national authority in certain spheres is exclusive, whereas in others it is concurrent with that of the states or provinces, and in still others, states or provinces claim exclusive authority. In the welfare field there is a tendency for responsibility to be shared between the Federal Government and the states or provinces, with the central authority assuming a significant and growing role. In any event, the relationship between the various levels of government is not constant but varies with changing political and economic circumstances. Under the "New Federalism" concept in the United States, a greater role is envisaged for the states as part of a deliberate effort to redirect power away from Washington and towards the state capitals. In Canada, where the power of the provincial governments is generally growing, constitutional reform involving a realignment of the respective powers and responsibilities of the federal and provincial governments has been a matter of national priority during the last few years and the subject of several conferences. Thus, efforts to initiate national social or welfare policies involve a continuing process of political bargaining and negotiation between the central and state authorities, and in all the countries this is further complicated by the not insubstantial powers exercised by local governments. In this process, the aim of the central Governments to promote acceptance of national welfare or other policies is facilitated by the state, provincial and local governments' growing need for external financial support. Thus, financial assistance constitutes one of the most effective instruments available to the national Government to secure co-operation at lower levels of government. This aid, which is often earmarked for specific programmes, is usually provided on a matching basis, with the size of the grant as a rule varying inversely with per capita income in the state or province concerned. Such a formula is designed to overcome the reluctance of the less affluent states to take full advantage of available federal grants." (1970 Report on the World Social Situation, p. 128.)

earmarked \$1,800 million for this purpose. The total federal social welfare expenditure for the same year was \$22,100 million. In 1969 two programmes previously administered by OEO, namely, Head Start and the Job Corps, were made the direct responsibility of the Department of Health, Education and Welfare and the Department of Labor respectively. The transfer of the Job Corps programme to the Department of Labor was done with a view to incorporating the full range of federal job training and employment services in a comprehensive manpower programme to be developed for the entire nation. The purpose of placing Head Start - an educational programme for pre-school children - in the Department of Health, Education and Welfare was to strengthen it by association with other child development programmes of the National Institutes of Health, of Mental Health and of Child Health and Human Development.

15. The United Nations report states:

"The Comprehensive Health Services programmes, including family planning services, reached many individuals who had not previously had access to comprehensive medical care; the programme is geared to providing free and full health care to one million residents of impoverished neighbourhoods. It is expected, however, that the transfer of OEO health services to HEW will bring about a more unified approach within the structure of the Department." 13/

16. The Community Action Programme (CAP) has been one of the most far-reaching OEO activities. Six million people participated in 1968 in CAP activities administered by 1,012 locally controlled and 5,000 delegate agencies. The legal services programme has also had far-reaching effects. In 1968 there were 1,600 full-time lawyers helping to provide legal services for the poor in 267 projects throughout the country. Providing legal assistance to the poor and using the law as a strategy to expand social welfare services have attracted many law school graduates into the welfare-poverty field and "have stimulated the development of a body of law responsive to the needs of the poor and the consumer". Another programme for the poor is carried out by the Volunteers in Service to America (VISTA). They have been recruiting volunteers with specialized skills in the organization of credit unions, city planning, education and medical care. These are but some examples of action taken on the federal level to combat the problems of poverty in the country.

17. Other countries in this group have also devised institutions and implemented policies aimed at shortening the gap between rich and poor. It is now an accepted fact in all these countries that continued poverty, in addition to being socially unjust, unacceptable and degrading, is increasingly costly to the national economy. For example, it is said that in the United States, where the number of poor decreased from 38,095,000 in 1961 to 26,146,000 in 1967, federal funds devoted to programmes assisting the poor increased from \$9,800 million in 1961 to

13/ 1970 Report on the World Social Situation, p. 130.

\$22,100 million in 1968. It has been estimated that the cost of maintaining one poor person between the ages of 17 and 57 years can cost the public purse in the United States as much as \$140,000. ^{14/} The United Nations report states:

"With the recognition that a disjointed sectoral and incremental approach as practised in the past is not sufficient to overcome the basic conditions of poverty, the new antipoverty strategies have tended to focus on three major areas of effort: (a) planned concentration of development programmes on a regional or multistate basis for the purpose of improving economic and social conditions in rural or urban communities where the incidence of poverty is most prevalent; (b) improved co-ordination of federal, state and local social services in these areas to facilitate comprehensive approaches to the alleviation of poverty and to increase efficiency and eliminate waste and duplication; and (c) revision of welfare programmes, with emphasis on 'humanizing' the services, on preventive rather than curative measures and on increased involvement of the poor and minority groups in planning and implementing programmes which directly affect them." ^{15/}

18. As noted in this brief general review of the 1960s, a new consciousness of economic, social and cultural rights has caused a more egalitarian outlook and approach, and corresponding policies and institutions, to make themselves felt in the current of thought and private as well as public actions in the countries with developed market economies. The result remains to be seen in the decade to come.

^{14/} See United States Census Bureau study as reported in The New York Times, 3 May 1968, p. 37, col. 8. The threshold of poverty as established by the Social Security Administration was a family income below \$3,060 in 1959 and below \$3,335 in 1967. Also see: Office of Economic Opportunity, Review of Economic Opportunity Programs, Report to the Congress of the United States (March 1969), p. 22.

^{15/} 1970 Report on the World Social Situation, p. 127.

Table 1.1. Developed market economies: population and vital statistics

| Continent and country | Population | | | | | | Vital statistics | | | | | |
|--|--------------------------|---------------------------|--------------------|---------------------|--------------------|-----------------------|--------------------|---------------------|--------------------|--|---------------|--|
| | Latest population census | | | | | | Births | | Deaths | | Infant deaths | |
| | Date | Population | Year | Registered | | Registered | | Registered | | | | |
| | | | | Number | Rate | Number | Rate | Number | Rate | | | |
| EUROPE | | | | | | | | | | | | |
| Austria ^{a/} | 12 5 71 | 7 456 400 | 1971 | 107 798 | 14.5 | 96 791 | 13.0 | 2 792 | 25.9 | | | |
| Belgium | 31 10 70 | 9 650 944 | 1971 | 140 663 | 14.5 | 118 547 | 12.2 | 2 908 ^{b/} | 20.5 ^{b/} | | | |
| Denmark ^{a/} | 27 9 65 | 4 767 597 | 1971 | 75 550 | 15.2 | 49 010 | 9.9 | 1 005 ^{b/} | 14.2 ^{b/} | | | |
| Finland ^{a/} | 31 12 70 | 4 622 299 | 1971 | 61 164 | 13.1 | 45 777 | 9.8 | 723 | 11.8 | | | |
| France ^{c/} | 1 3 68 | 49 778 540 ^{d/} | 1971 | 881 400 | 17.2 | 553 500 | 10.8 | 12 540 | 14.4 | | | |
| Germany, Federal Republic of ^{a/} | 26 5 70 | 59 378 500 | 1971 | 758 034 | 12.8 | 690 696 | 11.7 | 17 568 | 23.2 | | | |
| Greece | 14 3 71 | 8 768 648 ^{e/} | 1971 | 141 220 | 16.0 | 73 795 | 8.3 | 3 818 | 27.0 | | | |
| Holy See | 30 4 48 | 890 | 1947 | 3 | .. | 11 | 11.4 | ... | ... | | | |
| Iceland ^{a/} | 1 12 70 | 204 930 | 1971 | 4 023 ^{b/} | 19.7 ^{b/} | 1 501 | 7.3 | 53 ^{b/} | 13.2 ^{b/} | | | |
| Ireland | 18 4 71 | 2 971 230 | 1971 | 67 752 | 22.8 | 31 375 | 10.6 | 1 233 ^{b/} | 19.2 ^{b/} | | | |
| Italy | 24 10 71 | 54 025 211 | 1971 | 907 380 | 16.8 | 519 612 | 9.6 | 25 668 | 28.3 | | | |
| Liechtenstein | 1 12 70 | 21 350 | 1969 | 420 | 19.5 | 168 | 7.8 | 7 | .. | | | |
| Luxembourg ^{a/} | 31 12 70 | 339 848 | 1971 | 4 512 | 13.2 | 4 416 | 12.9 | 92 | 20.4 | | | |
| Malta ^{f/} | 26 11 67 | 315 765 | 1970 ^{g/} | 5 314 | 16.3 ^{h/} | 3 070 | 9.4 ^{h/} | 148 | 27.9 | | | |
| Monaco ^{a/} | 1 3 68 | 23 035 | 1970 | 214 | 9.2 | 264 | 11.4 | 5 | .. | | | |
| Netherlands ^{a/} | 31 5 60 | 11 461 964 | 1971 ^{i/} | 247 997 | 18.8 | 110 208 | 8.4 | 2 747 | 11.1 | | | |
| Norway | 1 11 70 | 3 888 305 | 1971 | 66 182 | 16.9 | 38 848 ^{j/} | 9.9 ^{j/} | 933 ^{k/} | 13.8 ^{k/} | | | |
| Portugal ^{l/} | 15 12 70 | 8 668 267 | 1971 | 189 057 | 19.3 ^{b/} | 95 005 | 10.4 ^{b/} | 9 001 | 47.6 | | | |
| San Marino | 28 9 47 | 12 100 | 1970 | 288 | 15.0 | 133 | 6.9 | 4 | .. | | | |
| Spain ^{m/} | 31 12 70 | 33 956 376 | 1970 | 663 687 | 19.6 | 287 694 | 8.5 | 18 501 | 27.9 | | | |
| Sweden ^{a/} | 1 11 70 | 8 076 903 | 1971 | 114 488 | 14.1 | 82 700 | 10.2 | 1 264 ^{k/} | 11.7 ^{k/} | | | |
| Switzerland ^{a/} | 1 12 70 | 6 269 783 | 1971 | 96 097 | 15.1 | 57 751 | 9.1 | 1 495 ^{b/} | 15.1 ^{b/} | | | |
| United Kingdom of Great Britain and Northern Ireland | 25 4 71 | 55 348 957 | 1971 | 901 503 | 16.2 | 645 108 | 11.6 | 16 272 | 18.0 | | | |
| OCEANIA | | | | | | | | | | | | |
| Australia ^{n/} | 30 6 71 | 12 728 461 | 1971 | 276 362 | 21.7 | 110 886 | 8.7 | 4 817 | 17.4 | | | |
| New Zealand ^{o/} | 23 3 71 | 2 862 631 | 1970 | 62 207 | 22.1 | 24 840 | 8.8 | 1 040 | 16.7 | | | |
| AMERICA, NORTH | | | | | | | | | | | | |
| Canada ^{a/} | 1 6 71 | 21 569 000 | 1971 ^{p/} | 370 651 | 17.2 | 155 961 ^{b/} | 7.3 ^{b/} | 7 001 ^{b/} | 18.8 ^{b/} | | | |
| United States of America ^{q/} | 1 4 70 | 203 235 298 ^{r/} | 1971 | 3 558 871 | 17.3 | 1 921 397 | 9.3 | 68 221 | 19.2 | | | |
| ASIA | | | | | | | | | | | | |
| Japan | 1 10 70 | 103 720 060 | 1971 ^{t/} | 2 000 981 | 19.2 | 684 532 | 6.6 | 24 800 | 12.4 | | | |

(Source and foot-notes on following page)

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(Source and foot-notes to table 1.1)

Source: Population and Vital Statistics Report: Data available as of 1 October 1972 (United Nations, Statistical Papers, Series A. vol. XXIV, No. 4 (ST/STAT/SER.A/102)).

.. Category not applicable.

... Data not available.

a/ Population is de jure.

b/ For 1970.

c/ Population is de jure but excluding diplomatic personnel outside country and including foreign diplomatic personnel not living in embassies or consulates.

d/ Excludes military personnel stationed outside country who do not have a personal residence in France, numbering about 16,000.

e/ Including armed forces stationed outside country, but excluding alien armed forces stationed in the area.

f/ Population excludes non-Maltese armed forces stationed in the area; includes civilian nationals temporarily outside country.

g/ Deaths exclude non-Maltese armed forces stationed in the area but include Maltese armed forces outside country.

h/ Computed on population excluding non-Maltese armed forces stationed in the area but including civilian nationals temporarily outside country.

i/ Including residents outside country if listed in a Netherlands population register.

j/ Including deaths of residents temporarily abroad.

k/ For 1969.

l/ Including the Azores and Madeira Islands.

m/ Including the Balearic and Canary Islands; also including Alhucemas, Ceuta, Chafarinas, Melilla and Peñón de Vélez de la Gomera.

n/ Population excludes armed forces stationed outside country, numbering 48,106 in May 1959.

o/ Population excludes diplomatic personnel and armed forces stationed outside country, the latter numbering 1,936 at 1966 census; also excluding alien armed forces within the country.

p/ Including Canadian residents temporarily in the United States but excluding United States residents temporarily in Canada.

q/ Population de jure but excluding civilian citizens absent from country for extended period of time.

r/ Excludes armed forces overseas.

s/ Excluding diplomatic personnel outside country and foreign military and civilian personnel and their dependants stationed in the area.

t/ Data are for Japanese nationals in Japan only.

Table 1.2. Estimated rates and average annual amounts of natural increase, 1960-1965 and 1965-1970, in major areas and regions of the world

| Areas and regions | Rates, per 1,000 | | Average annual amounts (millions) | |
|-------------------------------------|------------------|-----------|-----------------------------------|-----------|
| | 1960-1965 | 1965-1970 | 1960-1965 | 1965-1970 |
| <i>World total</i> | 19.4 | 19.8 | 61.1 | 68.2 |
| More developed regions | 11.5 | 9.5 | 11.5 | 10.0 |
| Less developed regions | 23.2 | 24.5 | 49.6 | 58.2 |
| <i>East Asia</i> | 17.5 | 17.5 | 14.4 | 15.5 |
| Mainland region | 17.8 | 17.8 | 12.1 | 12.9 |
| Japan | 9.9 | 11.0 | 0.9 | 1.1 |
| Other East Asia | 28.3 | 25.0 | 1.4 | 1.5 |
| <i>South Asia</i> | 24.8 | 27.5 | 23.1 | 28.6 |
| Middle South Asia | 24.5 | 27.2 | 15.6 | 19.1 |
| South-East Asia | 25.3 | 28.1 | 5.9 | 7.5 |
| South-West Asia | 26.4 | 28.2 | 1.6 | 2.0 |
| <i>Europe</i> | 8.4 | 7.8 | 3.7 | 3.4 |
| Western Europe | 7.2 | 6.3 | 1.0 | 0.9 |
| Southern Europe | 11.3 | 10.1 | 1.4 | 1.2 |
| Eastern Europe | 8.1 | 7.8 | 0.8 | 0.8 |
| Northern Europe | 6.7 | 6.6 | 0.5 | 0.5 |
| <i>Soviet Union</i> | 15.2 | 10.2 | 3.4 | 2.4 |
| <i>Africa</i> | 24.1 | 25.5 | 7.0 | 8.3 |
| Western Africa | 23.8 | 24.5 | 2.2 | 2.6 |
| Eastern Africa | 22.8 | 24.8 | 1.8 | 2.1 |
| Middle Africa | 18.9 | 21.0 | 0.6 | 0.7 |
| Northern Africa | 28.4 | 30.0 | 2.0 | 2.4 |
| Southern Africa | 22.4 | 23.3 | 0.4 | 0.5 |
| <i>Northern America</i> | 13.4 | 9.8 | 2.7 | 2.2 |
| <i>Latin America</i> | 28.2 | 28.4 | 6.6 | 7.6 |
| Tropical South America | 29.6 | 29.8 | 3.8 | 4.3 |
| Middle American Mainland | 33.4 | 33.6 | 1.7 | 2.0 |
| Temperate South America | 17.5 | 17.2 | 0.6 | 0.7 |
| Caribbean | 24.7 | 24.1 | 0.5 | 0.6 |
| <i>Oceania</i> | 16.9 | 14.5 | 0.2 | 0.2 |
| Australia and New Zealand | 13.9 | 11.5 | 0.2 | 0.2 |
| Melanesia | 24.2 | 24.1 | 0.0 | 0.0 |
| Polynesia and Micronesia | 31.1 | 30.9 | 0.0 | 0.0 |

Source: The World Population Situation in 1970 (United Nations publication, Sales No. E.71.XIII.4), p. 41.

Table 1.3. Estimates of expectation of life at birth, 1965-1970,
in major areas and regions of the world

| Areas and regions | Expectation of life |
|------------------------------------|------------------------|
| | 1965-1970 |
| <u>World total</u> | 53 |
| More developed regions | 70 |
| Less developed regions | 50 |
| <u>East Asia</u> | 52 |
| Mainland Region | 50 |
| Japan | 71 |
| Other East Asia | 60 |
| <u>South Asia</u> | 49 |
| Middle South Asia | 48 |
| South-East Asia | 50 |
| South-West Asia | 51 |
| <u>Europe</u> | 71 |
| Western Europe | 72 |
| Southern Europe | 70 |
| Eastern Europe | 71 |
| Northern Europe | 72 |
| <u>Soviet Union</u> | 70 |
| <u>Africa</u> | 43 |
| Western Africa | 39 |
| Eastern Africa | 42 |
| Middle Africa | 39 |
| Northern Africa | 50 |
| Southern Africa | 48 |
| <u>Northern America</u> | 70 |
| <u>Latin America</u> | 60 |
| Tropical South America | 60 |
| Middle American Mainland | 60 |
| Temperate South America | 65 |
| Caribbean | 58 |

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Table 1.3 (continued)

| Areas and regions | Expectation of life |
|-------------------------------------|------------------------|
| | 1965-1970 |
| <u>Oceania</u> | 65 |
| Australia and New Zealand | 72 |
| Melanesia | 47 |
| Polynesia and Micronesia | 61 |

Source: The World Population Situation in 1970 (United Nations publication, Sales No. E.71.XIII.4), p. 32.

Table 1.4. Developed market economies: per capita income in 1969

| <u>Country</u> | <u>In US dollars</u> |
|--|----------------------|
| <u>Leading</u> | |
| United States of America | 4,151 |
| Canada | 3,068 |
| Sweden | 3,205 |
| Switzerland | 2,642 |
| Denmark | 2,610 |
| France | 2,485 |
| Australia | 2,434 |
| Germany, Federal Republic of | 2,246 |
| Norway | 2,191 |
| Belgium | 2,150 |
| Netherlands | 1,976 |
| Luxembourg | 1,907 |
| United Kingdom of Great Britain and Northern Ireland . . . | 1,817 |
| New Zealand | 1,769 |
| Finland | 1,745 |
| Austria | 1,547 |
| Israel | 1,450 |
| Japan | 1,396 |
| <u>Transitional</u> | |
| Italy | 1,420 |
| <u>Peripheral</u> | |
| Ireland | 1,111 |
| Greece | 891 |
| Spain | 811 |
| Malta | 635 |
| Portugal | 570 |
| <u>Unclassified</u> | |
| South Africa | 682 |

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Table 1.5. Over-all social and economic trends by selected indicators for North America, Australia and New Zealand

| Indicators | Year or period | United States | Canada | Australia | New Zealand |
|--|----------------|---------------|--------|-----------|-------------|
| Population (thousands) | 1963 | 189,417 | 18,925 | 10,950 | 2,532 |
| | 1967 | 199,114 | 20,441 | 11,810 | 2,726 |
| Annual rate of population increase (percentage) | 1967 | 1.3 | 1.9 | 1.9 | 1.5 |
| Per capita GNP at current market prices (United States dollars) . . | 1963 | 3,166 | 2,121 | 1,810 | 1,756 |
| | 1967 | 4,037 | 2,805 | 2,253 | 2,001 |
| Average annual rate of growth of real GDP at market prices (percentage) | 1960-1967 | 5.1 | 5.7 | 4.8 | 4.5 |
| Average annual rate of growth of real GDP at market prices per capita (percentage) | 1960-1967 | 3.6 | 3.8 | 2.8 | 2.5 |
| Index of production in manufacturing (1963 = 100) | 1967 | 128 | 129 | 120 | 125 |
| Index of employment in manufacturing (1963 = 100) | 1967 | 114 | 116 | 111 | 114 |
| Index of production in agriculture (1963 = 100) | 1967 | 105 | 97 | 101 | 116 |
| Private consumption expenditures as percentage of GNP | 1963 | 63 | 63 | 64 | 62 |
| | 1967 | 61 | 61 | 63 | 61 |
| Savings as percentage of personal disposable income | 1963 | 5 | 9 | 11 | 13 |
| | 1967 | 8 | 10 | 7 | 15 |
| General Government consumption expenditure as percentage of GNP | 1963 | 19 | 14 | 10 | 13 |
| | 1967 | 21 | 15 | 13 | 15 |
| General Government civil expenditures as percentage of GNP . . . | 1963 | 9.97 | 10.86 | 7.51 | 11.29 |
| | 1967 | 11.41 | 12.01 | 8.62 | 12.57 |
| General Government civil expenditures on education and research as percentage of GNP | 1963 | 6.1 | — | 2.56 | 2.72 |
| | 1967 | 7 | — | 3.01 | 3.39 |
| General Government civil expenditures on health services as percentage of GNP | 1963 | 1.11 | — | 1.20 | 2.18 |
| | 1967 | 1.19 | — | 1.31 | 1.81 |
| General Government civil expenditures on social welfare as percentage of GNP | 1963 | 0.41 | — | 0.52 | 0.15 |
| | 1967 | 0.77 | — | 0.49 | 0.12 |
| General Government expenditures on defense as percentage of GNP | 1963 | 8.73 | 3.95 | 2.52 | 1.75 |
| | 1967 | 9.32 | 3.18 | 4.13 | 2.08 |
| Number of third-level students per 100,000 inhabitants | 1960 | 1,983 | 293 | 785 | 837 |
| | 1965 | 2,840 | 1,651 | 1,159 | 2,100 |

Source: 1970 Report on the World Social Situation (United Nations publication, Sales No. E.71.IV.13), p. 126.

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Chapter II

WORK

19. The state of employment security, wages, hours, health and safety, and other matters connected with the right to work in the developed market economies are considered in this chapter.

A. Employment security

20. Employment is unquestionably more secure now than in the not so remote past when Governments took no responsibility for moderating the impact of business fluctuations on the economy. Table 2.1 shows that in all these countries there has been a substantial improvement over past performance. Since the Second World War the unemployment rate in these countries has never climbed above 7 per cent.

21. The leading European countries may owe part of their success in holding down unemployment to their reliance on foreign workers in the more volatile sectors of the economy, such as manufacturing and construction. Foreign workers are less likely to come when business conditions are unfavourable and no jobs are in prospect. To some extent, particularly in the Federal Republic of Germany, Switzerland, and Sweden, the inflow of foreign workers is deliberately regulated in accordance with economic conditions; and regulating the inflow is normally sufficient to regulate the supply, since there is a continual stream of voluntary returnees who have acquired the capital they set out for, or have become homesick, or end their stay abroad because of skill they have acquired and thus possibilities of good earnings at home as well, or for other reasons.

22. It is not possible, however, to make an exact quantitative assessment of the importance of migration in accounting for the relatively low levels of unemployment in some of the leading developed market economies.

23. Over-all rates hide much else that is important about unemployment. Since the over-all rate is an average over the whole year, it does not show the number of people who experience unemployment at one time or another during any one year. Statistics from Sweden, which has one of the lowest unemployment rates in the countries under consideration, illustrate this point. As table 2.2 shows, approximately 1 out of 10 economically active Swedes was without work at some time during 1966, although the average unemployment rate was less than 2 out of 100. This fact of course also shows that unemployment is not a phenomenon that hits only one group of individuals during any given time period, but that it is more or less spread and shared by a larger number of people. Therefore its over-all effects are felt less than they would otherwise be. In the United States, according to table 2.3, the 3.5 per cent unemployment in 1969 was shared by 14 per cent of the labour force in all income brackets. That is

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probably the reason why its ill effect was not felt by one and the same group during the same year but was spread over a larger group of the working force. The unemployment situation in the United States, as shown in table 2.3, reveals that about 14 per cent of the labour force in the country on average experienced three months' unemployment during 1969.

24. In addition, the average unemployment rates do not give indications of differences between categories of workers. In Sweden, private sector blue-collar workers have unemployment rates about twice as high as the average for all groups in the adult population. 1/ In the United States, operatives have average unemployment rates 50 per cent above the national average, labourers about 100 per cent. 2/ As regards sex, the record, as table 2.4 shows, is mixed. In some countries women have higher unemployment rates than men, but in others the opposite is the case. 3/

25. American blacks, particularly before the sixties, have generally been "last hired, first fired". The results of this situation are reflected in the figures of table 2.5. This is in spite of all government reforms to correct the injustices of the past and constant improvement of the condition of blacks. 4/ On the average, American blacks, although their position has greatly improved in the sixties, still suffer about twice as much unemployment as whites.

26. The case of South Africa and the effects of its inhuman policy of apartheid constitute, of course, a totally different matter. 5/ In the United States, forces have been at work for many decades in the direction of correction of

1/ Ingrid Sjöberg and Kent Lundquist, Sysselsättning, Arbetslöshet, Förvärsförhinder (Employment, Unemployment and Inability to Work), vol. 8 of Low Income Studies (Stockholm, Allmänna Forlaget, 1971), table 2.19.

2/ United States Department of Labor, Handbook of Labor Statistics, 1971, table 65.

3/ It is likely, however, that married women drop out of the labour force more readily than do men when they cannot find jobs. This would depress the reported unemployment rates for women.

4/ The 1970 Report on the World Social Situation includes the following passage (p. 137):

"In the United States, the Civil Rights Act of 1965, the 'Open Housing' Act of 1968 and Supreme Court decisions outlawing segregation in public schools, transportation and other public facilities, removed legal grounds for racial discrimination and provided for integration in schools, equality of opportunity in education, in housing, in employment and the protection of human and civil rights in all aspects of social life. Federal efforts to promote equal opportunity for minority groups have been supplemented by state and local legislation. The effectiveness of all these legislative measures, however, is as yet difficult to assess."

5/ For conditions of economic, social and cultural rights in that country, see E/CN.4/949 and Add.1-7 and E/CN.4/979 and Add.1-6, reports also prepared by the Special Rapporteur.

inhumanities of the past. In governmental circles, both on the federal level and, in many cases, on the state level, there has been continuous awareness of the problem. Measures have in fact been taken, on both the legal and the practical levels, to eliminate discrimination. However, the problem has not yet been totally resolved. In South Africa the situation is the reverse of what has been said of the United States. It is the declared policy of the Government to segregate and discriminate on grounds of race and ethnic origin. Apartheid is discrimination and segregation both in fact and in law.

27. Differences in average unemployment rates by occupation, sex, and race cannot be directly related to differences in unemployment experience, as distinct from average unemployment rates. 6/ But the differences in averages point to the fact that rights to employment security are not enjoyed equally. Unemployment strikes hardest at the economically weak - at unskilled workers, women, and blacks.

28. It is, of course, not possible to judge the significance of unemployment, social or personal, from over-all statistics on the rates alone. It is obvious that for some unmarried men and women, unemployment can be something of a lark - provided they manage to keep their egos intact and find new jobs before their unemployment insurance runs out. But it is quite another matter for a married worker, with little or no savings, especially for one who has children to support. 7/ In such circumstances, even the threat of unemployment is heavily charged emotionally.

29. The meaningful exercise of a right "to gain one's living by work which one freely chooses or accepts" is not yet a reality for a portion of the population of the developed market economies.

30. Nearly all these countries have had as one of their main objectives the policy of full employment. This objective is, for instance, expressed in the constitution and other basic laws of most of the northern European countries. Article 110 of the Norwegian Constitution, as amended in 1954, states that:

"It is incumbent on the authorities of the State to create conditions which make it possible for every person who is able to work to earn his living by his work."

6/ Unskilled workers in the United States appear to be unemployed for a somewhat shorter period, on the average, than the more skilled. This would suggest a smaller ratio of unemployment experience to average unemployment. United States Department of Labor, Employment and Earnings, September 1972, table A-16.

7/ See chapter IV for a discussion of unemployment insurance.

31. The main condition for full employment in most of these countries has consisted of the total demand for goods and services being maintained at a high level. Given the economic, social and political systems of these countries, there will at all times exist certain groups of the population who are beset with special difficulties in obtaining employment. A high level of employment is not considered in itself enough to ensure a satisfactory geographical and occupational balance on the labour market. Thus these countries have generally found it essential to engage in an active labour-market policy. This policy means, on the one hand, providing expanding industries and localities with sufficient manpower, and on the other, ensuring employment for those persons who are wholly or partly unemployed. These Governments have in the post-war era tended to resolve the conflict between high employment and price stability in favour of high employment. But actual performance has fallen short, whether in a country with a relatively good performance or in one with a relatively poor one.

B. Wages

32. Table 2.6 shows the average level of wages in 1969 in various countries concerned. To some extent the range between the richer and the poorer countries may be exaggerated by the use of official exchange rates to convert national currencies into a common unit of account, but substantial gaps would survive any reasonable adjustment procedures. Virtually all countries, however, have registered substantial gains in wages over the past decade, and table 2.7 reflects this consistent upward trend in wages. This is true even if the erosion of the purchasing power of money is taken into account, as the indices of "real" wages in table 2.7 show.

33. However, like all averages, neither the absolute level nor the indices reveal anything about the underlying distribution. The adequacy of wages at the lower end of the spectrum to sustain a decent level of consumption will be considered in chapter VI, which examines the standard of living. Here the distribution of wages between men and women and between races will be considered. In these terms the capitalist world cannot be said to have performed very well.

34. With respect to the question whether women do in fact receive "equal pay for equal work", table 1.8 tells a story of consistent differences based on sex. The ratio of women's to men's wages appears to be highest in the Scandinavian countries. Danish women, for example, receive on average three quarters of the pay of Danish men. In most countries, however, the trend as well as the current situation is discouraging; differentials have hardly narrowed in a decade.

35. The United Kingdom Government in its latest periodic report to the Commission on Human Rights stated, on the question of equal pay for women, that "the Government have decided to introduce equal pay legislation in the 1969/70 session

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of Parliament to ensure the full implementation of the equal pay principle by 31st December 1975". The Government reported that women continue to face considerable discrimination in industry, where certain jobs are still regarded as men's prerogative at all levels. 8/

36. For the present it will have to do to point out that a society hardly offers women a "free" choice of work when that choice in fact requires women to forgo either a career or a family.

37. But this is only part of the story. In Sweden, where equal pay for equal work is more of a reality than elsewhere, a recent study showed substantial differences between men's and women's incomes from full-time work even after controlling for age, education, and branch of industry. These results are reported in table 2.9. There are differences in the pattern of inequality between age groups and branches of industry, but these differences are relatively minor; and there is almost no difference according to educational background. However much education a woman receives she earns an average of only 60 per cent of what an equally educated man earns when both work full time. It is hard to escape the conclusion that a pattern of discrimination exists that extends beyond the limitation of opportunities imposed by the traditional assignment of household duties to women. It appears that even when women opt for full-time work, they receive far less than equal treatment.

38. Sexual discrimination, in short, shows up at every stage of a woman's work life whether it be in arbitrary job classifications that distinguish essentially equal work in order to circumvent public policies and laws designed to ensure equal pay for equal work, or in (male) stereotypes of appropriate jobs and roles for women.

39. A similar pattern of discrimination exists against blacks or coloured people in those parts of the developed market economies where they are present in significant numbers.

40. In South Africa, as has been noted, not even lip service is paid to equality.

41. The picture, as has already been pointed out, is not so grim in the United States, but there is still a long road to cover towards equality in fact as well as in law throughout the country. In some parts of the country progress has been faster than others. In the analytical summary of reports received from Governments on the condition of economic, social and cultural rights it was stated that in the United States of America the Equal Pay Act of 1963 had been amended in 1966 to broaden its scope and eliminate certain exemptions, and that since that time equal pay laws had become effective in 10 states, making a total of 35 states with such laws. 9/

8/ E/CN.4/1011/Add.2, pp. 24 and 33.

9/ E/CN.4/1024, p. 30.

42. Table 2.10 indicates the distribution of family income according to both colour and education. Judging by median family income, the typical black family receives between \$2,000 and \$3,000 per year less relative to whites. This difference is lowest at the top end of the education distribution. In relative terms, the typical black family receives about two thirds the income of a white family at the lower end of the educational spectrum, and nine tenths at the upper end.

43. The picture appears to have improved over the past decade, particularly in the southern states, where discrimination has traditionally been greatest. Table 2.11 shows that the gap between the earnings of black and white craftsmen and operatives has narrowed from about one third to about one quarter during the 1960s.

44. In its report on conditions of economic, social and cultural rights in 1969 the United Kingdom reported adoption of the 1968 Race Relations Act. Under this Act:

"a person discriminates against another if on the ground of colour, race or ethnic or national origins he treats that other, in any situation, (to which the Act applies) less favourably than he treats or would treat other persons...". The Act extends the principle of the 1965 Act that racial discrimination is unlawful in certain public places to the whole field of the provision to the public of goods, services and facilities. Particular sections of the Act cover employment, trade union membership, housing and advertising. The Act does not prejudice the exercise of the proper commercial judgement of, for example, the employer and landlord, nor does it place anyone in a privileged position. By seeking to remove the disadvantages from which racially identifiable minority groups suffer, the Act establishes their right to equal treatment." 10/

45. On the basis of reports received from Governments in 1969 on conditions of economic, social and cultural rights, it can be said that:

"a number of other countries which have accepted the principle of equal pay for work of equal value have, during the period under review, reported progress towards the achievement of that principle, notably through provisions of collective agreements. They include in particular the following countries: Australia, Austria, Finland, France, Federal Republic of Germany, Greece, ... Italy, ... Netherlands, New Zealand, Norway...." 11/

10/ E/CN.4/1011/Add.2, p. 33.

11/ E/CN.4/1024, para. 105.

C. Hours

46. If we look at average working hours in the developed market economies, workers appear to enjoy an impressive amount of leisure, particularly in the leading countries. Table 2.12 tells the story in average terms. However, a relatively large fraction of workers work more than 48 hours per week. Such figures are not available for all of these countries. From what is available the pattern seems to be very uneven, as table 2.13 indicates. In France nearly 10 per cent of manufacturing workers work more than 48 hours (though the percentage is falling), and in the United States the figure for all non-agricultural workers is closer to 14 per cent. In Austria and Israel, by contrast, the fraction of manufacturing workers at work more than 48 or 49 hours is significantly smaller, and in Israel this fraction has hardly exceeded 4 per cent.

47. In any event, a "reasonable limitation" on working hours cannot be specified in isolation from other conditions. For many people much more than 48 hours is not only tolerable, but desirable - provided their work is challenging, comfortable, physically safe, and meaningful. But for the ordinary job that is the lot of the ordinary man and woman, 48 hours may appear to be a generous interpretation of a "reasonable limitation" on working hours in the developed market economies.

D. Health and safety

48. The accident records summarized in table 2.14 do not suggest any marked improvement during the decade of the 1960s. Neither do they suggest a marked deterioration. Indeed, without a detailed study, country by country and industry by industry, it is impossible even to suggest reasonable reference norms, much less to judge performance. The absence of such a study does not, however, preclude noting the differential impact of hazardous and unhealthy work. Though within any industry particularly dangerous work may command premium pay, it is nevertheless true that in general when one speaks of hazardous and unsafe work one is speaking of blue-collar work and not white-collar work. A recent survey of American workers found a high correlation between occupation on the one hand and hazardous or unhealthy conditions on the other, as well as between occupation and work-related illness and injury. Tables 2.15 and 2.16 report the results of that survey.

49. Moreover, in Europe, foreign workers appear to be disproportionately "accident prone", both because the jobs available to them are the more hazardous ones and because they lack the background for industrial work. According to a recent study by the University of Ankara:

"The number of accidents suffered at work by Turks in Germany is more than double the number among insured workers in Turkey. The risk of accident has a strict relationship with the level of

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preparation for industrial life of the worker. The highest rate of accidents occurred among workers who before coming to Germany were engaged in agriculture, followed by those who previously had been in commerce and low grades of the civil service." ^{12/}

50. Hazardous work is in general dirty, disagreeable, and unpleasant in a variety of other ways. It will therefore fall disproportionately to those who lack the economic, social and educational background for higher paying and otherwise more rewarding jobs.

E. Intrinsic job qualities

51. It is becoming fairly widely recognized that "healthy" working conditions must be defined comprehensively to include qualities of the job itself: the content of work and work relations are determinants not only of job satisfaction but also of the mental health of workers. In a study of industrial workers in the 1950s, for example, Arthur Kornhauser found a reasonably strong relationship between job satisfaction and mental health and between both of these and the skills utilized in various jobs. ^{13/} Illustrative results of Kornhauser's study are reproduced in tables 2.17, 2.18 and 2.19. Kornhauser's specific conclusion was that "decidedly the strongest influence in mental health is exerted by workers' feeling that the job does or does not give them a chance to use their abilities", ^{14/} and this conclusion seems not at all out of line with his data. Nor does his general conclusion:

"Jobs in which workers are better satisfied are conducive to better mental health; jobs in which larger numbers are dissatisfied are correspondingly conducive to poorer average mental health. Moreover, in each occupational category the better-satisfied individuals enjoy better mental health than those less satisfied. Finally the satisfied in lowest-level jobs have mental-health scores similar to those of workers in higher jobs, and the dissatisfaction among skilled and high semi-skilled workers tend to resemble the lower-skill groups (this last for middle-aged only). The evidence as a whole accords with the hypothesis that gratifications and deprivations experienced in work and manifested in expressions of job satisfaction and dissatisfaction constitute an important determinant of workers' mental health. Our interpretation is that job conditions impinge on working people's wants and expectations to produce satisfactions and frustrations which in turn give rise to favourable or unfavourable perceptions of self-worth,

^{12/} Quoted in P. Grandjeat, Les Migrations de Travailleurs en Europe, Cahiers de l'Institut international d'études sociales, Cahier 1 (October-November 1966), p. 68.

^{13/} Arthur Kornhauser, Mental Health of the Industrial Worker (Wiley, New York, 1965).

^{14/} Ibid., p. 129.

opportunities for self-development, and prospective gratification of needs. These effects are reflected in the occupational mental-health differences revealed in our assessments." 15/

52. A more recent survey of working conditions, based on a larger and more diversified sample, also questioned respondents about job satisfaction and mental health. The results, like Kornhauser's, reveal a correlation between job satisfaction and mental health, 16/ and between both job satisfaction and mental health on the one hand and occupation on the other. 17/ Moreover, job content is related both to job satisfaction and mental health. Non-repetitive jobs, jobs requiring skills, jobs providing autonomy - all are more conducive to job satisfaction and to greater mental health. 18/ But the results of the survey, it should be said, are much less dramatic than Kornhauser's; the within-group variations are surprisingly large relative to the variations across groups of workers. In part, the survey results probably reflect overly wide occupational categories that blur distinctions between job content. And in part there are, of course, factors other than job content that determine job satisfaction and mental health. Finally, the summary presentation of the data in bi-variate form may simply obscure a stronger relationship between the variables at issue that would assert itself in a multi-variate analysis.

53. As long as ordinary production workers believe that technology, bureaucracy or the boss' power leaves them no chance to use their abilities, they are disposed to acquiesce in their own impotence. When ordinary workers are not allowed to participate, the effects of their powerlessness on job satisfaction and mental health show up in this case in labour turnover, absenteeism, and such random acts as "wild-cat" strikes. In the long-run the developed market economies are learning the central importance of workers' acquiescence, which can only come through their participation, to the stability of the pyramidal hierarchy. 19/

15/ Ibid., p. 89.

16/ University of Michigan Survey Research Center, Survey of Working Conditions (Washington, D.C., United States Government Printing Office, 1970), p. 67.

17/ Ibid., p. 78.

18/ Ibid., pp. 391-400.

19/ For examples of some recent actions in this regard see E/CN.4/1011/Add.20, pp. 2-5. See also the competence and scope of activities of the Austrian "Chamber of Labour" as they appear in the Government's reply to the questionnaire sent out by the Special Rapporteur.

54. Abraham Maslow plausibly suggested 30 years ago that human needs are ordered hierarchically from physiological needs such as food and needs for safety and physical security, to emotional needs for love, esteem, and finally "self-actualization", which is the need "to become everything that one is capable of becoming". 20/ The higher needs - love, esteem, and self-actualization - can in Maslow's view come into play only after more basic needs are met, a view not very different from the one expressed by Berthold Brecht in the refrain, "Erst kommt das Fressen, dann kommt die Moral". 21/ It follows from this view that the better the developed market economies succeed in fulfilling basic needs of food, shelter, and protection against hazards and dangers of nature and the economy, the more prominent will emotional needs become in people's lives. Not all of these, of course, relate to the focus of our concern. To return to Maslow, no one expects the work place to satisfy his love needs, but it seems that even esteem and self-actualization are incompatible with the work role of the ordinary worker.

F. Trade union rights

55. As part one of the report shows in regard to constitutional provisions, in almost all the countries concerned, employees of civilian status are by law and in fact guaranteed the right to join and form trade unions, though in "white collar" employment in the private sector management is on the whole still reluctant to recognize unions. Thus recognition of trade unions and collective bargaining machinery and exercise of the right to strike seem to be an established fact in nearly all developed market economies. Of course, South Africa is a notorious exception in so far as the rights of blacks, Asians and the so-called "Coloured" are concerned.

56. In most of these countries various types of actions have been taken in past years to encourage workers' participation in negotiations and improved and extended collective agreements. In the United Kingdom, for instance, in 1969 a Commission on Industrial Relations was established to encourage improved collective agreements and to deal with questions of trade union recognition. It was intended to introduce legislation under which an employer could be compelled to recognize and negotiate with any union recommended for this purpose by the Commission on Industrial Relations. 22/ A further proposal was the addition to the law of the principle that no employer has the right to prevent an employee from belonging to a union. This principle was to become part of all contracts of employment, and legislation was to provide that any stipulation contrary to it would be null and void in law. 23/

20/ Abraham Maslow, "A theory of human motivation", Psychological Review, vol. 50, 1943, pp. 370-96. Reprinted in Victor Vroom and Edward Deci, Management and Motivation, pp. 27-41.

21/ "First food, then morality".

22/ E/CN.4/1011/Add.2, p. 25.

23/ Ibid. At the time of writing it was not clear whether the modifications of the law reported by the Government in 1969 as envisaged had in fact been made.

57. As already pointed out, in the great majority of these countries the right to strike is in practice recognized as meaning basically a right to withdraw labour in combination. Exceptions are made in many countries in regard to the armed forces, law enforcement agencies and essential services.

58. The 1970 Report on the World Social Situation included the following comment on the situation in Western European countries:

"Improved levels of living and the pressure of mass media have conditioned a considerable part of the western European population, including the historically revolutionary working class, to find satisfaction with existing conditions and to visualize change mainly in terms of further personal material improvement and gratification. With only a few exceptions, one of the traditional instruments of working class struggle for collective improvement - the militant political grouping based on personal participation in party life and decision-making - has fallen into disuse or has become transformed into a self-perpetuating organization of professional politicians. The other main instrument of working-class action, namely, the trade-union movement, has also tended to become heavily bureaucratized, with its activities confined to the useful but undramatic function of periodic meetings with the representatives of management in order to reach agreements concerning the division of benefits from rising industrial production. For millions of workers, the living-room with its enthroned television receiver has replaced the union hall and the political club, and spectator participation in competitive sports has diverted some of the energies that formerly went into traditional forms of political activity. Nevertheless, various socio-economic groups continue to suffer deep dissatisfactions. These groups include migrant workers, alien to the places where they live and work, and discriminated against on grounds of national or regional prejudice; small farmers, squeezed between rising costs and the gradual creation of industrial farming serving multinational markets; and small businessmen, afflicted by heavy competition from large businesses....

"Traditional ways of bringing the views of dissatisfied groups to general attention and of settling grievances have proved largely ineffective under current conditions. Political parties and other mass organizations have in some important aspects become less and less responsive to popular demands, and this had led the dissatisfied groups to experiment with unorthodox ways of making their complaints and wishes known. Where such groups are active in the production process, disruption by means of strikes remains the most important technique of protest. However, lack of empathy among the leadership of labour organizations, with respect to protests emanating from the base, often causes such demonstrations to take irregular forms such as unofficial 'wild-cat' strikes in industry, in which ad hoc representatives elected directly by the workers may take positions contrary to those of the official union leaders. 'Strikes' by small farmers, over unsatisfactory

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prices for agricultural products, were in the past usually limited to the interruption of deliveries and destruction of perishable produce, but on a number of recent occasions they have been expressed in the form of general traffic interdictions in the areas concerned." 24/

24/ 1970 Report on the World Social Situation (United Nations publication, Sales No.: E.71.IV.13), pp. 123-124.

Table 2.1. Unemployment rates (percentage) in selected countries, 1960-1969

| | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|----------------------------|------|------|------|------|------|------|------|------|------|------|
| Canada | 6.8 | 7.0 | 5.8 | 5.4 | 4.6 | 3.9 | 3.5 | 4.0 | 4.8 | 4.6 |
| United States | 5.5 | 6.7 | 5.5 | 5.7 | 5.2 | 4.5 | 2.8 | 3.8 | 3.6 | 3.5 |
| Japan | 1.7 | 1.4 | 1.3 | 1.3 | 1.1 | 1.2 | 1.3 | 1.3 | 1.2 | 1.1 |
| Austria | 2.6 | 2.0 | 2.0 | 2.1 | 2.0 | 2.0 | 1.9 | 2.0 | 1.6 | 1.4 |
| Belgium | 3.2 | 2.4 | 2.0 | 1.7 | 1.5 | 1.7 | 1.8 | 2.4 | 2.9 | 2.2 |
| Denmark | 1.9 | | | | | 1.2 | | 1.2 | | 1.1 |
| Finland | 1.4 | 1.2 | 1.3 | 1.5 | 1.5 | 1.4 | 1.6 | 2.8 | 4.0 | 2.8 |
| France | 1.2 | 1.0 | 1.2 | 1.4 | 1.1 | 1.3 | 1.4 | 1.8 | 2.1 | 1.7 |
| Germany, Fed. Rep. | 1.0 | 0.7 | 0.6 | 0.7 | 0.6 | 0.5 | 0.6 | 1.7 | 1.2 | 0.7 |
| Greece | | 5.9 | | | | | | 4.0 | | |
| Iceland | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.4 | 1.3 | |
| Ireland | 5.6 | 5.0 | 4.8 | 5.0 | 4.7 | 4.6 | 4.7 | 5.1 | 5.4 | 5.1 |
| Italy | 3.9 | 3.4 | 2.9 | 2.5 | 2.7 | 3.6 | 3.9 | 3.4 | 3.5 | 3.4 |
| Luxembourg | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Netherlands | 1.2 | 0.8 | 0.8 | 0.7 | 0.8 | 1.0 | 1.9 | 1.7 | 1.3 | 1.1 |
| Norway | 1.2 | 0.9 | 1.0 | 1.2 | 1.1 | 0.9 | 0.8 | 0.7 | 1.1 | 1.0 |
| Portugal | 2.4 | | | | | | | | | |
| Spain | 1.5 | 1.5 | 1.2 | 1.3 | 1.5 | 1.5 | 1.4 | 1.9 | 1.9 | 1.5 |
| Sweden | 1.8 | 1.5 | 1.5 | 1.7 | 1.6 | 1.2 | 1.6 | 2.1 | 2.2 | 1.9 |
| Switzerland | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| United Kingdom | 1.3 | 1.1 | 1.6 | 1.9 | 1.4 | 1.1 | 1.1 | 1.9 | 2.1 | 2.0 |

Source: OECD, Labour Force Statistics, 1958-1969; United States Department of Labor, Handbook of Labor Statistics, 1971.

Table 2.2. Two concepts of unemployment: Sweden, 1966

| | <u>Persons</u> (thousands) | <u>Percentage of average</u> <u>labour force</u> |
|--|-------------------------------|---|
| Average labour force | 3,841 | 100 |
| Average unemployment | 59 | 1.5 |
| Experienced unemployment sometime during the year | 363 | 9.5 |

Sources: Statistical Abstract of Sweden, 1971; OECD, Labour Force Statistics, 1958-1969; Ingrid Sjöberg and Kent Lindquist, Sysselsättning, Arbetslöshet, Förvärvsförhinder (Employment, Unemployment, and Inability to Work) (Stockholm, Allmänna Forlaget, 1971).

Table 2.3. Two concepts of unemployment: United States, 1969

| | <u>Persons</u> (thousands) | <u>Percentage</u> <u>of average</u> <u>labour force</u> | <u>Percentage of total</u> <u>working or seeking</u> <u>work</u> |
|--|-------------------------------|---|--|
| Average labour force | 84,239 | 100 | |
| Total working or seeking work during year | 93,640 | | 100 |
| Average unemployment | 2,831 | 3.5 | |
| Experienced unemployment sometime during year | 11,744 | 14.0 | 12.5 |

Source: United States Department of Labor, Handbook of Labor Statistics, 1971.

Table 2.4. Unemployment by sex in selected countries, 1969

| | Women | | | Men | | |
|----------------------------|-----------------------------|-----------------------------|--------------------------------------|-----------------------------|-----------------------------|--------------------------------------|
| | Unemployment (thousands) | Labour force (thousands) | Unemployment rate (percentage) | Unemployment (thousands) | Labour force (thousands) | Unemployment rate (percentage) |
| Canada | 245 | 5,328 | 4.6 | 70 | 2,366 | 3.0 |
| United States | 1,507 | 48,986 | 3.1 | 1,468 | 28,360 | 5.2 |
| Japan | 350 | 29,920 ^{a/} | 1.2 | 280 | 19,910 ^{a/} | 1.4 |
| Germany, Fed. Rep. | 335 | 16,720 | 2.0 | 124 | 9,532 | 1.3 |
| Italy | 487 | 14,222 | 2.4 | 202 | 5,287 | 3.8 |
| Sweden | 48 | 2,391 ^{a/} | 2.0 | 34 | 1,425 ^{a/} | 2.4 |
| United Kingdom | 404 | 16,451 | 2.5 | 99 | 9,127 | 1.1 |

Source: OECD, Labour Force Statistics, 1958-1969.

^{a/} Includes armed forces.

Table 2.5. Unemployment rates by colour in the
United States, 1955-1969

| | <u>1955</u> | <u>1960</u> | <u>1965</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Unemployment rate (per cent): | | | | | | |
| All workers | 4.4 | 5.5 | 4.5 | 3.8 | 3.6 | 3.5 |
| White | 3.9 | 4.9 | 4.1 | 3.4 | 3.2 | 3.1 |
| Male | 3.7 | 4.8 | 3.6 | 2.7 | 2.6 | 2.5 |
| Female | 4.3 | 5.3 | 5.0 | 4.6 | 4.3 | 4.2 |
| Negro and other | 8.7 | 10.2 | 8.1 | 7.4 | 6.7 | 6.4 |
| Male | 8.8 | 10.7 | 7.4 | 6.0 | 5.6 | 5.3 |
| Female | 8.4 | 9.4 | 9.2 | 9.1 | 8.3 | 7.8 |
| Ratio, Negro and other to white | 2.2 | 2.1 | 2.0 | 2.2 | 2.1 | 2.1 |

Source: United States Statistical Abstract, 1971.

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Table 2.6. Average hourly wages in non-agricultural sectors, in local currencies and United States dollars, in selected countries, 1970 a/

| | <u>Local currency</u> | <u>Exchange rate (per US dollar)</u> | <u>US dollars</u> |
|-------------------------------------|---------------------------|--|-----------------------|
| United States | \$3.22 | \$1.00 | 3.22 |
| Japan | ¥397 | ¥357.4 | 1.11 |
| Denmark | DKr16.70 | DKr7.49 | 2.23 |
| France | FF5.84 | FF5.52 | 1.06 |
| Germany, Fed. Rep. | DM6.09 | DM3.65 | 1.67 |
| Ireland ^{b/} | £0.33 | \$0.42 | 0.78 |
| Italy | Lit617 | Lit623 | 0.99 |
| Luxembourg | Fr72 | Fr49.7 | 1.45 |
| Spain | Pta40 | Pta69.7 | 0.57 |
| New Zealand ^{c/} | NZ\$1.29 | NZ\$0.90 | 1.43 |

Source: ILO, Yearbook of Labour Statistics, 1971.

a/ It should be noted that these figures cannot be directly compared as indicators of the material standard of living, since prices and social security benefits differ so much across countries. For example, the average standard of living in France is higher than the average in Italy, notwithstanding the near equality of wages.

b/ Figure for 1968.

c/ Includes salaried personnel.

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Table 2.7. Average hourly money wages and real wages (in 1963 prices) in non-agricultural sectors in selected countries

| | | <u>1961</u> | <u>1963</u> | <u>1970</u> |
|-----------------------|------------------------------|-------------|-------------|-------------|
| United States | Money wages | \$2.14 | \$2.28 | \$3.22 |
| | Consumer prices (1963 = 100) | 97.7 | 100 | 132.5 |
| | Real wages | \$2.19 | \$2.28 | \$2.43 |
| Japan | Money wages | ¥132 | ¥166 | ¥397 |
| | Consumer prices (1963 = 100) | 87.0 | 100 | 132.3 |
| | Real wages | ¥132 | ¥166 | ¥261 |
| Denmark | Money wages | DKr6.78 | DKr8.09 | DKr16.90 |
| | Consumer prices (1963 = 100) | 88.3 | 100 | 159.6 |
| | Real wages | DKr7.67 | DKr8.09 | DKr10.59 |
| France | Money wages | | FF3.29 | FF5.84 |
| | Consumer prices (1963 = 100) | | 100 | 137.6 |
| | Real wages | | FF3.29 | FF4.24 |
| Germany, Fed. Rep. | Money wages | | DM3.53 | DM6.09 |
| | Consumer prices (1963 = 100) | | 100 | 126.7 |
| | Real wages | | DM3.53 | DM4.81 |
| Ireland ^{a/} | Money wages | £0.19 | £0.22 | £0.33 |
| | Consumer prices (1963 = 100) | 93.6 | 100 | 124.7 |
| | Real wages | £0.20 | £0.22 | £0.26 |
| Italy ^{b/} | Money wages | | Lit400 | Lit617 |
| | Consumer prices (1963 = 100) | | 110.6 | 134.0 |
| | Real wages | | Lit362 | Lit460 |
| Luxembourg | Money wages | Fr44.3 | Fr48.4 | Fr72.2 |
| | Consumer prices (1963 = 100) | 96.3 | 100 | 129.4 |
| | Real wages | Fr46.0 | Fr48.4 | Fr55.8 |
| Spain | Money wages ^{c/} | | Pta16.2 | Pta40.3 |
| | Consumer prices (1963 = 100) | | 101 | 167.5 |
| | Real wages | | Pta16.2 | Pta24.1 |
| New Zealand | Money wages ^{c/} | NZ\$0.80 | NZ\$0.85 | NZ\$1.29 |
| | Consumer prices (1963 = 100) | 95.5 | 100 | 148.6 |
| | Real wages | NZ\$0.84 | NZ\$0.85 | NZ\$0.87 |

Source: ILO, Year Book of Labour Statistics, 1971.

a/ Figures for 1968.

b/ Figures for 1965.

c/ Includes salaried personnel.

/...

Table 2.8. Hourly wage rates in non-agricultural sectors,
by sex, in selected countries

| | 1961 | | | 1970 | | |
|----------------------------|---------|---------|---------------|---------------------|---------------------|---------------|
| | Women | Men | Women/ men | Women | Men | Women/ men |
| Belgium | Fr151.0 | Fr263.2 | 0.57 | Fr334.9 | Fr526.1 | 0.64 |
| Denmark | DKr4.98 | DKr7.93 | 0.63 | DKr12.90 | DKr17.53 | 0.74 |
| Germany, Fed. Rep. | DM2.12 | DM3.17 | 0.67 | DM4.49 | DM6.49 | 0.69 |
| Ireland | £0.13 | £0.22 | 0.59 | £0.22 ^{a/} | £0.38 ^{a/} | 0.58 |
| Switzerland | SFr2.33 | SFr3.62 | 0.64 | SFr4.29 | SFr7.05 | 0.63 |
| United Kingdom | £0.19 | £0.32 | 0.59 | £0.37 | £0.61 | 0.61 |

Source: ILO, Yearbook of Labour Statistics, 1971.^{a/} Figures for 1968.

Table 2.9. Income from full-time and full-year employment in Sweden, by sex

| | <u>Men</u> | <u>Women</u> | <u>Men</u> | <u>Women</u> |
|--|--|--------------|--|--------------|
| Average wage (1966) | SKr27,580 | 16,810 | 100.0 | 100.0 |
| | <u>Deviation from</u> <u>average income</u> <u>(SKr)</u> | | <u>Relative wages</u> <u>(percentage of</u> <u>mean)</u> | |
| <u>Age group</u> | | | | |
| -19 years | -13,940 | -5,410 | 49.5 | 67.8 |
| 20-24 years | -7,710 | -3,280 | 72.0 | 80.5 |
| 25-34 years | -2,370 | - 130 | 91.4 | 99.2 |
| 35-44 years | 1,820 | 2,160 | 106.6 | 112.8 |
| 45-54 years | 3,990 | 2,260 | 114.5 | 113.4 |
| 55-64 years | 2,270 | 2,670 | 108.2 | 115.9 |
| 65- years | -2,690 | -3,160 | 90.2 | 81.2 |
| <u>Education</u> | | | | |
| Elementary school | -4,010 | -2,190 | 85.5 | 87.0 |
| Elementary school plus vocational training | - 470 | - 410 | 98.3 | 97.6 |
| Junior high or equivalent | 2,100 | 620 | 107.6 | 103.7 |
| Junior high plus vocational training | 6,020 | 2,580 | 121.8 | 115.3 |
| High school diploma | 9,330 | 6,390 | 133.8 | 138.0 |
| High school diploma plus vocational training | 14,770 | 10,130 | 153.6 | 160.3 |
| University degree | 28,750 | 18,110 | 204.2 | 207.7 |
| <u>Branch of industry</u> | | | | |
| Agriculture, forestry, hunting and fishing | -4,490 | -3,360 | 83.7 | 80.0 |
| Textile and wood processing | -1,000 | -1,630 | 96.4 | 90.3 |
| Metal-working, mining and printing | - 220 | - 540 | 99.2 | 103.2 |
| Other processing | - 320 | - 40 | 98.8 | 97.6 |
| Construction | 3,760 | 4,160 | 113.6 | 124.7 |
| Finance, wholesale trade | 2,230 | 560 | 108.1 | 96.7 |
| Retail trade | -1,570 | - 250 | 94.3 | 98.5 |
| Transport and communications | - 510 | -2,720 | 98.2 | 116.2 |
| Service, public | -1,400 | 1,050 | 94.9 | 106.2 |
| Service, private | 2,140 | -1,700 | 107.8 | 89.9 |

Source: Government of Sweden, Working Group for Low-Income Questions,
Compendium of Low-Income Studies.

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Table 2.12. Average working hours per week in manufacturing industries in selected countries

| | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 |
|--------------------|------|------|------|------|------|------|------|------|------|------|
| Canada a/ | 40.6 | 40.7 | 40.8 | 41.0 | 41.1 | 40.8 | 40.3 | 40.3 | 40.0 | 39.7 |
| United States a/ | 39.8 | 40.4 | 40.5 | 40.7 | 41.2 | 41.4 | 40.6 | 40.7 | 40.6 | 39.8 |
| Israel b/ | 42.3 | 41.7 | 41.8 | 42.6 | 41.9 | 41.7 | 39.9 | 41.7 | 42.5 | 42.1 |
| Japan | 47.0 | 45.8 | 45.5 | 45.2 | 44.3 | 44.6 | 44.8 | 44.6 | 43.9 | 43.3 |
| Austria | 39.5 | 38.7 | 38.6 | 38.8 | 38.7 | 38.7 | 38.4 | 38.6 | 38.6 | 37.4 |
| Belgium | 41.4 | 41.0 | 41.2 | 40.9 | 40.8 | 40.4 | 39.6 | 39.5 | 39.1 | 37.9 |
| Finland | 44.6 | 42.9 | 44.1 | 44.0 | 42.1 | 42.1 | 39.8 | 39.1 | 38.8 | 38.3 |
| France | 46.0 | 46.2 | 46.3 | 46.1 | 45.6 | 45.9 | 45.4 | 45.3 | 45.3 | 45.4 |
| Germany, Fed. Rep. | 45.3 | 44.7 | 44.3 | 43.6 | 44.1 | 43.7 | 42.0 | 43.0 | 43.8 | 43.8 |
| Greece | 44.7 | 44.1 | 43.4 | 43.9 | 43.8 | 43.3 | 43.6 | 43.7 | 43.8 | 44.6 |
| Ireland | 45.2 | 44.6 | 44.6 | 44.1 | 44.0 | 43.8 | 43.3 | 43.3 | 42.9 | 42.7 |
| Italy c/ | 8.08 | 8.00 | 8.00 | 7.92 | 7.87 | 7.88 | 7.92 | 7.92 | 7.83 | 7.80 |
| Luxembourg | | | | | | 44.8 | 43.9 | 44.6 | 45.0 | 44.0 |
| Malta | 47.0 | 47.0 | 46.5 | 46.5 | 46.8 | 46.2 | 46.2 | 46.2 | 45.3 | 44.2 |
| Netherlands | 46.5 | 46.5 | 46.6 | 46.1 | 46.1 | 46.1 | 45.3 | 45.3 | 45.1 | 44.2 |
| Norway | | | | | | | | | | |
| Men | 38.5 | 38.6 | 38.4 | 38.7 | 38.3 | 38.1 | 37.8 | 36.7 | 35.6 | 35.3 |
| Women | 34.3 | 34.2 | 34.3 | 34.5 | 34.0 | 33.9 | 33.1 | 32.3 | 31.6 | 30.9 |
| Spain | 43.5 | 44.6 | 44.8 | 44.2 | 44.4 | 44.4 | 44.1 | 44.1 | 44.1 | 44.1 |
| Switzerland | 45.8 | 45.6 | 45.5 | 45.4 | 44.9 | 44.8 | 44.7 | 44.6 | 44.7 | 44.7 |
| Sweden d/ | 165 | 165 | 163 | 162 | 161 | 161 | 158 | 155 | 152 | |
| United Kingdom | | | | | | | | | | |
| Men | 46.8 | 46.2 | 46.8 | 46.9 | 46.1 | 45.0 | 45.3 | 45.8 | 45.7 | 44.9 |
| Women | 39.6 | 39.3 | 39.6 | 39.3 | 38.6 | 38.0 | 38.0 | 38.2 | 37.9 | 37.7 |
| Australia | | | | | | | | | | |
| Men | | | 42.8 | 43.4 | | 43.5 | 43.7 | 43.7 | 44.1 | 44.0 |
| Women | | | 39.5 | 39.7 | | 39.4 | 39.3 | 39.3 | 39.8 | 39.7 |
| New Zealand | 40.2 | 40.2 | 40.5 | 40.7 | 40.7 | 40.6 | 40.2 | 40.2 | 40.5 | 40.4 |

Source: ILO, Year Book of Labour Statistics, 1971.

a/ Hours paid for.

b/ Including mining and quarrying.

c/ Hours per day.

d/ Hours per month.

Table 2.13. Percentage of manufacturing workers at work 49 hours per week
or more in selected countries

| | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States ^{a/} | 13.9 | 14.2 | 14.7 | 14.8 | 15.6 | 15.6 | 15.2 | 15.7 | 14.8 | 13.3 |
| Israel ^{b/} | 3.7 | | 3.7 | 4.0 | 4.1 | 3.9 | 4.0 | 3.9 | 4.2 | 5.2 |
| Austria | 4.1 | 8.5 | 7.4 | 8.0 | 7.9 | 7.7 | 6.7 | 6.9 | 7.3 | |
| France | 17.4 | | 18.6 | 17.7 | 15.8 | | 13.9 | 12.6 | 11.3 | 9.0 |

Source: ILO, Year Book of Labour Statistics, 1971.

a/ Non-agricultural workers.

b/ Base is 50 hours per week.

Table 2.14. Accident rates by country and industry

| <u>Mining and Quarrying</u> | | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>Code</u> |
|-----------------------------|------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States | 0.53 | 0.61 | 0.58 | 0.53 | 0.53 | 0.53 | 0.52 | 0.51 | 0.66 | 0.48 | 0.51 | I/d |
| Israel | 0.67 | 2.67 | 0.66 | 1.14 | 0.29 | 0.29 | 0.48 | 0.23 | 1.25 | 0.44 | | II/b |
| Japan | 0.69 | 0.65 | 1.60 | 0.65 | 1.26 | 1.26 | 0.72 | 0.59 | 0.74 | 0.57 | 0.69 | I/d |
| Austria | 0.53 | 0.93 | 0.54 | 0.81 | 0.78 | 0.78 | 0.66 | 0.50 | 0.39 | 0.42 | | I/c |
| Belgium | 0.98 | 0.93 | 1.13 | 0.79 | | | | 0.89 | | | | II/a |
| Spain | 1.11 | 1.10 | 0.81 | 0.69 | 0.73 | 0.73 | | | | | | I/a |
| Finland | 1.04 | 1.03 | 0.75 | 0.86 | 0.28 | 0.28 | 1.01 | 0.36 | | | | II/a |
| France | 0.79 | 0.66 | 0.65 | 0.76 | 0.74 | 0.74 | 0.77 | 0.57 | | | | I/a |
| Germany, Fed. Rep. | 0.93 | 1.53 | 0.92 | 0.97 | 0.82 | 0.82 | 0.88 | 0.82 | 0.68 | 0.72 | 0.78 | II/a |
| Ireland | 1.31 | 1.83 | 0.76 | 1.01 | 1.30 | 1.30 | 1.11 | 1.08 | 0.73 | 0.71 | | II/a |
| Italy | 0.68 | 0.62 | 0.55 | 0.58 | 0.44 | 0.44 | 0.50 | 0.45 | 1.02 | 0.47 | 0.67 | I/b |
| Luxembourg | 0.73 | 0.26 | | 0.63 | 0.22 | 0.22 | 0.27 | 0.45 | 0.45 | 0.47 | | II/a |
| Norway | 1.28 | 3.87 | 0.74 | 0.91 | 0.22 | 0.22 | 0.27 | 1.18 | 0.50 | 1.18 | | II/d |
| Sweden | 0.49 | 0.45 | 0.34 | 0.38 | 0.77 | 0.77 | 0.52 | 1.40 | 1.01 | 1.40 | | I/a |
| United Kingdom | 0.55 | 0.62 | 0.64 | 0.53 | 0.30 | 0.30 | 0.40 | 0.31 | 0.59 | | | II/d |
| Australia | 0.69 | 1.01 | 0.63 | 0.69 | 0.63 | 0.63 | 0.50 | 0.52 | 0.45 | 0.44 | 0.45 | I/a |
| New Zealand | 0.62 | 1.36 | 1.40 | 1.42 | 1.11 | 1.11 | 1.24 | 0.79 | 0.93 | 0.70 | | I/c |
| | | | | | | 0.51 | 1.54 | 3.37 | | | | II/c |
| <u>Coal Mining</u> | | | | | | | | | | | | |
| Canada | 2.15 | 2.50 | 1.86 | 2.63 | 1.86 | 1.86 | 2.07 | 4.06 | 1.32 | 3.03 | 1.81 | I/b |
| United States | 1.13 | 1.14 | 1.10 | 0.94 | 1.02 | 1.02 | 0.93 | 0.90 | 1.30 | 0.84 | 1.00 | I/d |
| Japan | 0.79 | 0.77 | 2.12 | 0.81 | 1.70 | 1.70 | 0.91 | 0.67 | 0.89 | 0.67 | 0.85 | I/d |
| Spain | 1.28 | 1.27 | 1.05 | 0.70 | 0.86 | 0.86 | | | | | | I/a |
| France | 0.74 | 0.63 | 0.59 | 0.70 | 0.78 | 0.78 | 0.79 | 0.58 | 0.63 | 0.64 | 0.76 | I/a |
| Ireland | 0.83 | 0.81 | | 1.68 | | | 1.00 | | | | | I/b |

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Table 2.14 (continued)

| <u>Coal Mining</u> | | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>Code</u> |
| Netherlands | 0.36 | 0.33 | 0.47 | 0.33 | 0.27 | | | 0.22 | | | I/a |
| United Kingdom | 0.54 | 0.61 | 0.64 | 0.53 | 0.62 | 0.50 | 0.50 | 0.44 | 0.43 | 0.43 | I/a |
| Australia | 0.65 | 1.24 | 0.46 | 0.53 | 1.11 | 1.24 | 0.76 | 0.79 | 0.10 | | I/c |
| New Zealand | 0.49 | 1.56 | 1.09 | 0.83 | | 0.89 | 6.40 | | | | II/c |
| <u>Manufacturing</u> | | | | | | | | | | | |
| Canada | 0.15 | 0.17 | 0.17 | 0.17 | 0.16 | 0.15 | 0.12 | 0.12 | 0.13 | 0.10 | I/c |
| United States | 0.04 | 0.04 | 0.04 | 0.03 | 0.04 | 0.04 | 0.03 | 0.03 | 0.04 | | I/d |
| Israel | 0.12 | 0.06 | 0.10 | 0.09 | 0.18 | 0.10 | 0.15 | 0.12 | 0.14 | | II/b |
| Japan | 0.05 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | I/d |
| Austria | 0.34 | 0.33 | 0.33 | 0.32 | 0.37 | 0.31 | 0.36 | 0.33 | 0.28 | | I/c |
| Belgium | 0.19 | 0.18 | 0.14 | 0.16 | | | 0.13 | | | | II/a |
| Spain | 0.13 | 0.09 | 0.10 | 0.09 | 0.10 | | | | | | I/a |
| Finland | 0.25 | 0.17 | 0.24 | 0.11 | 0.13 | 0.12 | 0.12 | | | | II/a |
| France | 0.12 | 0.13 | 0.10 | 0.10 | | | | | | | I/c |
| Germany, Fed.Rep. | 0.20 | 0.20 | 0.18 | 0.19 | 0.18 | 0.20 | 0.20 | 0.16 | 0.17 | | II/a |
| Ireland | 0.11 | 0.10 | 0.08 | 0.06 | 0.06 | 0.05 | 0.09 | 0.09 | 0.08 | 0.06 | I/b |
| Italy | 0.20 | 0.17 | 0.14 | 0.19 | 0.15 | 0.11 | 0.10 | 0.10 | 0.10 | | II/a |
| Luxembourg | 0.17 | 0.22 | 0.11 | 0.41 | 0.19 | 0.46 | 0.26 | 0.22 | 0.17 | 0.14 | II/d |
| Malta | | | | | 0.50 | 0.21 | 0.08 | 0.10 | 0.13 | 0.13 | II/c |
| Norway | 0.10 | 0.10 | 0.11 | 0.05 | 0.12 | 0.08 | 0.08 | 0.09 | 0.09 | | I/a |
| Netherlands | 0.16 | 0.20 | 0.16 | 0.19 | 0.19 | | | 0.04 | | | I/a |
| Switzerland | 0.19 | 0.20 | 0.19 | 0.18 | 0.19 | 0.17 | 0.18 | 0.18 | 0.18 | | II/a |
| Sweden | 0.05 | 0.05 | 0.05 | 0.06 | 0.05 | 0.06 | 0.04 | 0.05 | | | II/d |
| United Kingdom | 0.05 | 0.05 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | I/d |
| New Zealand | 0.04 | 0.03 | 0.02 | 0.02 | 0.07 | 0.06 | | | | | II/a |
| <u>Construction</u> | | | | | | | | | | | |
| Canada | 1.42 | 1.15 | 1.29 | 1.31 | 1.25 | 1.20 | 0.96 | 0.95 | 1.03 | 0.79 | I/c |
| United States | 0.18 | 0.28 | 0.21 | 0.24 | 0.28 | 0.18 | 0.19 | 0.16 | 0.19 | | I/d |

Table 2.14. (continued)

| <u>Construction</u> | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>Code</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Israel | 0.23 | 0.27 | 0.28 | 0.21 | 0.31 | 0.30 | 0.14 | 0.32 | 0.47 | | II/b |
| Japan | 0.53 | 0.44 | 0.34 | 0.38 | 0.39 | 0.38 | 0.29 | 0.31 | 0.21 | 0.23 | I/d |
| Spain | 0.44 | 0.34 | 0.36 | 0.36 | 0.36 | | | | | | I/a |
| Finland | 0.45 | 0.56 | 0.48 | 0.31 | 0.33 | 0.05 | 0.63 | | | | II/a |
| Germany, Fed. Rep. | 0.56 | 0.51 | 0.46 | 0.48 | 0.51 | 0.46 | 0.50 | 0.47 | 0.40 | | II/a |
| Ireland | | 0.12 | 0.11 | 0.09 | 0.09 | 0.20 | 0.14 | 0.09 | 0.09 | 0.16 | I/b |
| Italy | 1.00 | 0.89 | 0.91 | 0.88 | 0.82 | 0.69 | 0.74 | 0.73 | 0.70 | | II/a |
| Malta | | | | | 0.15 | 0.43 | 0.41 | 0.30 | | 0.08 | II/c |
| Norway | 0.44 | 0.44 | 0.35 | 0.45 | 0.44 | 0.47 | 0.43 | 0.27 | 0.23 | | I/a |
| Netherlands | | 0.33 | 0.32 | 0.35 | 0.33 | | | 0.23 | | | I/a |
| Switzerland | 0.77 | 0.81 | 0.71 | 0.70 | 0.84 | 0.79 | 0.61 | 0.65 | 0.72 | | II/a |
| Sweden | 0.13 | 0.12 | 0.10 | 0.12 | 0.11 | 0.09 | 0.12 | 0.09 | | | II/d |
| United Kingdom | 0.22 | 0.22 | 0.20 | 0.21 | 0.14 | 0.21 | 0.16 | 0.19 | 0.22 | 0.19 | I/c |
| New Zealand | 0.39 | 0.19 | 0.26 | 0.19 | 0.17 | 0.24 | | | | | II/a |
| <u>Railways</u> | | | | | | | | | | | |
| Canada | 0.27 | 0.27 | 0.25 | 0.33 | 0.27 | 0.31 | 0.30 | 0.31 | 0.34 | 0.19 | I/c |
| United States | 0.11 | 0.13 | 0.14 | 0.16 | 0.15 | 0.14 | 0.15 | 0.14 | 0.16 | 0.16 | I/d |
| Japan | 0.10 | 0.10 | 0.07 | 0.08 | 0.06 | 0.07 | 0.06 | 0.07 | 0.06 | 0.04 | I/d |
| Austria | 0.36 | 0.35 | 0.31 | 0.40 | 0.32 | 0.35 | 0.32 | 0.25 | 0.33 | | I/c |
| Belgium | 0.26 | 0.11 | 0.19 | 0.16 | 0.14 | 0.07 | 0.11 | 0.34 | 0.13 | 0.14 | II/b |
| Finland | | 0.53 | 0.19 | 0.05 | 0.05 | 0.28 | 0.10 | | | | I/a |
| France | 0.27 | 0.27 | 0.25 | 0.24 | 0.25 | 0.23 | 0.21 | 0.19 | 0.13 | | I/c |
| Germany, Fed. Rep. | 0.35 | 0.30 | 0.35 | 0.38 | 0.30 | 0.29 | 0.26 | 0.27 | 0.38 | | II/a |
| Ireland | | 0.47 | 0.69 | 0.19 | 0.38 | 0.59 | 0.19 | 0.19 | | 0.40 | I/c |
| Italy | 0.34 | 0.34 | 0.29 | 0.21 | 0.26 | 0.18 | 0.13 | 0.10 | 0.21 | 0.20 | II/c |
| Norway | 0.22 | 0.14 | 0.18 | 0.14 | 0.10 | 0.34 | 0.20 | 0.15 | 0.34 | 0.30 | I/c |
| Netherlands | 0.21 | 0.44 | 0.37 | 0.10 | 0.14 | 0.25 | 0.33 | 0.19 | 0.27 | 0.44 | I/a |

Table 2.14 (continued)

| <u>Railways</u> | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>Code</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Switzerland | 0.62 | 0.69 | 0.48 | 0.40 | 0.34 | 0.47 | 0.44 | 0.43 | 0.46 | | II/a |
| Sweden | 0.13 | 0.08 | 0.08 | 0.10 | 0.08 | 0.06 | 0.09 | 0.16 | | | II/d |
| United Kingdom | 0.38 | 0.29 | 0.29 | 0.26 | 0.31 | 0.23 | 0.27 | 0.21 | 0.28 | | I/b |
| New Zealand | 0.42 | 0.71 | 0.21 | 0.65 | 0.50 | 0.67 | 0.16 | | | | II/a |

Source: ILO, Year Book of Labour Statistics, 1971.

Code:

- I: Reported accidents.
II: Compensated accidents.

- a: Rates per 1,000 man-years of 300 days each.
b: Rates per 1,000 wage earners (average numbers).
c: Rates per 1,000 persons employed (average numbers).
d: Rates per 1,000,000 man-hours worked.

Table 2.15. Frequency of health and safety hazard problems among major occupational subgroups in the United States

| <u>Occupation</u> | <u>Number of workers upon which percentage is based</u> | <u>Percentage of workers reporting one or more problems in each area</u> |
|---|---|--|
| Professional, technical, managerial | 393 | 31.3 |
| Clerical and sales | 334 | 21.3 |
| Service | 185 | 39.5 |
| Farming, fisheries, forestry | 68 | 55.9 |
| Processing | 28 | 53.6 |
| Machine trades | 120 | 50.8 |
| Bench work | 96 | 35.4 |
| Structural work | 159 | 53.5 |
| <u>Blue-collar versus white-collar</u> | | |
| White-collar | 753 | 25.4 |
| Blue-collar | 711 | 49.9 |

Source: University of Michigan Survey Research Center, Survey of Working Conditions, 1970, p. 178.

/...

Table 2.16. Frequency of work-related illness or injury among major occupational subgroups in the United States

| <u>Occupation^{a/}</u> | <u>Number of workers upon which percentage is based</u> | <u>Percentage of workers reporting one or more problems in each area</u> |
|---|---|--|
| Professional, technical, managerial | 220 | 9.1 |
| Clerical and sales | 146 | 4.8 |
| Service | 74 | 12.2 |
| Farming, fisheries, forestry | 55 | 16.4 |
| Processing | 16 | 12.5 |
| Machine trades | 59 | 20.3 |
| Bench work | 44 | 18.2 |
| Structural work | 76 | 19.0 |
| <u>Blue-collar versus white-collar^{a/}</u> | | |
| White-collar | 391 | 9.0 |
| Blue-collar | 321 | 19.6 |

Source: University of Michigan Survey Research Center, Survey of Working Conditions, 1970, p. 192.

^{a/} Excludes workers who have changed jobs at least once in the past three years.

/...

Table 2.17. Comparison of job satisfaction and mental health by occupational groups

| Occupational category | Young ^{a/} | | | Middle-aged ^{b/} | | |
|---|----------------------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------------|---------------------------------|
| | "High" on job satisfaction index | "High" on mental-health index | Number of workers ^{c/} | "High" on job satisfaction index | "High" on mental-health index | Number of workers ^{c/} |
| Detroit factories | | | | | | |
| Skilled) | | | | | | |
| High semiskilled) | 67% | 58% | 33 | 78% | 56% | 45 |
| Ordinary semiskilled | 54 | 35 | 46 | 70 | 41 | 98 |
| Repetitive semiskilled | 23 | 10 | 30 | 66 | 38 | 82 |
| (Repetitive machine-paced only - subdivision of preceding category) | (27) | (7) | (15) | 40 | 26 | 73 |
| | | | | (28) | (16) | (32) |
| Small-town factories | | | | | | |
| High and ordinary semiskilled | 61 | 50 | 18 | 81 | 62 | 21 |
| Repetitive semiskilled | 22 | 33 | 18 | 36 | 46 | 22 |
| Detroit nonfactory | | | | | | |
| High semiskilled | 82 | 68 | 28 | ... | ... | 3 |
| Ordinary semiskilled | 60 | 70 | 20 | 60 | 39 | 43 |
| White-collar employees | 68 | 75 | 40 | 75 | 54 | 28 |

Source: Arthur Kornhauser, Mental Health of the Industrial Worker (New York, Wiley, 1965), p. 25.

a/ Young: 20-29 years old.

b/ Middle-aged: 40-49 years old.

c/ Totals on which the percentages are based.

/...

Table 2.18. Proportion of workers having "high" mental health
by occupational level for groups above and below
average in job satisfaction a/

| Occupational level | Job satisfaction of young ^{b/} | | | Job satisfaction of middle-aged ^{c/} | | |
|------------------------|---|------------------|-------|---|------------------|-------|
| | Above Average | Below Average | Total | Above Average | Below Average | Total |
| Skilled) | | | | 60% | 40% | 56% |
| High semiskilled) | 68% | 36% | 58% | (35) | (10) | (45) |
| | (22) | (11) | (33) | 48 | 24 | 41 |
| | | | | (69) | (29) | (98) |
| Ordinary semiskilled | 52 | 14 | 35 | 35 | 43 | 38 |
| | (25) | (21) | (46) | (54) | (28) | (82) |
| Repetitive semiskilled | 43 | 0 | 10 | 38 | 18 | 26 |
| | (7) | (23) | (30) | (29) | (44) | (73) |

Source: Arthur Kornhauser, Mental Health of the Industrial Worker, p. 87.

a/ Figures in parentheses show the number of cases in each cell on which the accompanying percentage is based.

b/ Young: 20-29 years old.

c/ Middle-aged: 40-49 years old.

/...

Table 2.19. Proportions of high mental health by occupational level and feeling regarding use of abilities

| Occupational level | Feel abilities are used ^{a/} | | | | | |
|-------------------------|---------------------------------------|----------------|---------------------|---------------------------|----------------|---------------------|
| | Young ^{b/} | | | Middle-aged ^{c/} | | |
| | Yes | No or Doubtful | Total ^{d/} | Yes | No or Doubtful | Total ^{d/} |
| Skilled) | | | | 53% | ... | 55% |
|) | 65% | 28% | 58% | (43) | (1) | (44) |
|) | (26) | (7) | (33) | | | |
| High semiskilled) | | | | 48 | 23 | 41 |
| | | | | (71) | (26) | (97) |
| Ordinary semiskilled) | | | | 36 | 43 | 38 |
|) | 45 | 10 | 25 | (53) | (28) | (81) |
|) | (31) | (40) | (71) | | | |
| Repetitive semiskilled) | | | | 35 | 23 | 26 |
| | | | | (17) | (53) | (70) |

Source: Arthur Kornhauser, Mental Health of the Industrial Worker, p. 99.

^{a/} Figures in parentheses show the number of cases in each cell on which the accompanying percentage is based.

^{b/} Young: 20-29 years old.

^{c/} Middle-aged: 40-49 years old.

^{d/} The totals are slightly smaller than those in earlier tables because of missing or unclassifiable answers.

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Chapter III

EQUAL OPPORTUNITY

59. It is said that the system prevailing in the developed market economies comes reasonably close to a "meritocracy", that while larger prizes go to the winners, at least the race is fair: everybody has more or less an equal chance. It is important to analyse this claim in a survey of the realization of economic and social rights, for it is presumably to guarantee equality of "life chances" that the Universal Declaration of Human Rights and its ancillary instruments have included lower-level education, as well as access to higher education and job promotion on the basis of competence, in their enumeration of fundamental human rights.

A. Social mobility

60. The claim that there is equality of opportunity in these countries is often supported by a social mobility matrix, like the one presented in table 3.1. This table shows the distribution of males in various occupations in the United States in 1962 classified according to their fathers' occupations. Thus in 1962 there were 95,000 managers (column 3) whose fathers were retail salesmen (row 7). Such tables generally show that to the extent social class can be identified with occupation, no social class is self-perpetuating. Table 3.1 shows, for example, that in 1962 more salaried professionals were the sons of farmers (column 2, row 16) than of any other group, professionals included. The force of this evidence is somehow reduced, however, when it is noted that fully 20 per cent of all respondents came from a farm background, compared with 4 per cent who were farmers in 1962. This shift in the occupational structure between the generations is, however, bound to result in occupational mobility, and occupational mobility is of interest as an index of equality of life chances. Table 3.2 reports ratios

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of the actual entries in table 3.1 to the hypothetical entries that would have taken place if sons had opted and prepared themselves for occupations totally independent of that of their fathers. 1/

61. All in all, there are two conclusions that emerge from table 3.2. First, "short-distance" mobility - mobility from one occupational group to a nearby one - is very frequent, especially in the middle range of occupations. Second, the top and bottom groups are more stable than the middle groups.

62. This is a pattern that mobility studies in several of the leading developed market economies of Europe tend to confirm. The matrices of table 3.3 summarize actual father-son class relationships as well as hypothetical relationships and are based on the assumption of independence of fathers' and sons' occupational class. These matrices partition the male population into three categories of jobs. Class I is an élite with between 2 and 10 per cent of the population; class II is a middle class equal to between 20 and 35 per cent of the population; class III, the working class, holds between 55 and 78 per cent of the population.

63. The tables for different countries are not directly comparable, because both the occupational structure and the grouping of occupations into classes differ. Thus, in Belgium the élite class constitutes 2.4 per cent of the sample of sons and in Sweden about 10 per cent. All the studies suggest disproportionate access to élite jobs for the sons of the élite. Much of the difference across countries shown in the table in the relative likelihood of élite and working class sons attaining élite status undoubtedly stems simply from the difference in the

1/ In other words, table 3.2 presupposes a mobility matrix in which each entry is the product:

$$\frac{M_i \cdot N_j}{N}$$

where:

M_i = number of fathers in occupation i

N_j = number of sons in occupation j

N = total number of fathers = total number of sons.

For example, the number of farmers' sons who would be salaried professionals if sons' occupations were independent of fathers' is:

$$\frac{(10,334) (4,065)}{39,969} = 1,050$$

The actual number is 439, so the entry in table 3.2 is 0.4.

/...

definition of élite status and the percentage of jobs classified as élite. Comparable studies made at different times in a single country were not available, so it is not possible to assess trends in mobility rates.

64. Though affording disproportionate advantages to the children of the élite, the European developed market economies in which data is available, along with the United States, do afford considerable mobility, particularly short-distance mobility.

B. The role of education

65. Equality in education is of obvious importance. As might be expected, educational inequalities are greater in the peripheral countries of southern Europe than in the most economically advanced nations, though it is fair to say that in virtually every country there has been steady progress in extending education at all levels. At this point in time, indeed, every country amongst the developed market economies has compulsory free education of at least six years, and most considerably more. More impressive, the laws appear to be rigorously enforced in about every country. The exceptions are Spain and Portugal, where only three quarters and five sixths, respectively, of the population of primary-school age attended school at last report. The situation in South Africa is, as is to be expected, totally different: the realities of the policy of apartheid deny decent educational opportunities to African, Asian and "Coloured" children, whose life chances are consequently not even a fraction of those of children of European descent. The relevant figures are reported by UNESCO. 2/ Secondary education is in general neither compulsory nor in fact universal, though it is clear that here too great increases in enrolment have been registered since the Second World War.

66. In almost all developed market economies, the glaring exception being South Africa, substantial progress has been made in opening up higher education since the Second World War. Sweden is a notable example of such progress; whereas in 1947 children from a working-class background comprised only 8 per cent of university students, by 1956/57 the percentage had risen to 15 per cent, and in 1967 the figure was approximately 20 per cent.

67. Educational inequality is particularly pronounced with respect to issues which can only be touched upon in this discussion of life chances; these are sex and race. Table 3.4 shows that the number of girls and boys in primary schools is now roughly the same in the developed market economies, but there are many more young men than young women who receive a higher education. 3/ In the United States blacks are still underrepresented in institutions of higher learning, though their position, in this respect also, has improved in the last two decades.

2/ UNESCO, Statistical Yearbook, 1969, table 2.12.

3/ Ibid., table 2.5.

68. Much evidence, as well as considerable popular opinion at this time, suggests that unequal education is the most important means by which occupational selection takes place, and hence the most important means by which advantages and disadvantages are transmitted from generation to generation.

69. It is difficult to escape the conclusion that education is important, but hardly all-important, as a determinant of social class. As education becomes universalized, educational achievement will no longer differentiate an élite, even if the importance of education lies primarily in cognitive skills. It may be that at a particular period of time education is the dominant determinant of occupation and conditions of life, but not at others. If the process of economic development entails a marked increase in the proportion of professional and élite jobs, then education may be both necessary and sufficient for high status and income. In the past half century, the shift from agricultural to non-agricultural pursuits, the expansion of the public sector, and, more recently, the introduction of large numbers of foreign workers have all contributed to the multiplication of élite jobs for nationals of developed market economies.

70. The imbalance between the demand and supply, not the intrinsic value of educational credentials, has made education the passport to success and helped make life chances of the lowly born close to those of the well born.

C. The role of family circumstances

71. At the present time it is fair to say that in the developed market economies education is more or less necessary for economic and social success but increasingly less than sufficient to guarantee status and income. Whatever the exact role of education, however, it is evident that family background, parents' income and fathers' occupations and education play an important, if not decisive, role in determining children's success.

72. It is doubtless true that grants and loans mitigate the effects of parental income and wealth in equalizing the advantages that higher education offers. As in other areas, Sweden is relatively advanced in its system of financial assistance to students. University students who demonstrate "a certain aptitude for study" qualify for financial assistance of approximately \$2,000 per year. ^{4/} And this undoubtedly has played a large part in opening Swedish universities to working-class children.

73. There are, of course, advantages afforded by favourable economic and social circumstances during the years before youngsters even reach university age. Clearly, money does not necessarily buy happiness, but it does buy a home environment more suitable for university preparation. Take a measure as crude and basic as space, space for quiet academic pursuits. Although housing, like much

^{4/} A.J. Gilderson and Eva Marshall, Social Benefits in Sweden: 1972 (Stockholm, Trygg Hansa, 1972), pp. 7-8.

else, is probably more equally distributed in Sweden than in most other countries, a recent Swedish study discovered that almost one half of working-class homes with children under 16 are overcrowded. Not unlivable, to be sure, but overcrowded in the sense that there are more than two persons per room (not counting the living room and kitchen). By contrast, only about one fifth of middle-class homes with children under 16 are similarly overcrowded, and only 4 per cent of élite homes. 5/

74. But probably much more important are the many intangible advantages that money and status afford children. Surrounded by books and the trappings of culture, raised in an environment of self-confidence, born of success, normally expected by their parents to enter high-status occupations, middle-class and élite children more easily learn the life style of success - the speech, manners and attitudes that appear to be at least as important as intellectual aptitude in shaping future success.

D. Limits to equalizing opportunity

75. It is not clear how far the effects of inequality of opportunity could be removed by equalizing those background variables (like education) subject to direct governmental control, or even by equalizing the economic background of children. Sociologists like Peter Blau and Otis Duncan have gone to great pains to stress the large component of success that is not explained by economic, social, status and ability variables. 6/ More recently, Christopher Jencks and his associates at the Harvard School of Education have elaborated this theme, stressing "that inequality is recreated anew in each generation, even among people who start life in essentially identical circumstances". 7/

76. To say the very least, this overstates the case considerably. There is, to be sure, great mobility, whether measured by income or occupational status correlation, between generations. But mobility appears to be much greater in the middle of the spectrum than at the two ends. Reliance on summary measures of correlation for the whole spectrum, like the proportion of total variance "explained" by background variables, can easily obscure the distinct advantages of the élite and the distinct disadvantages of those at the bottom. Moreover, regional disparities, differences between lifetime income gradients in different careers, variations in work time, and other variables obviously have an enormous

5/ Government of Sweden, Arbetsgruppen för Laginkomstfrågor, Kompodium Om Laginkomstartradningen (Working Group for Low-Income Questions, Compendium of Low-Income Studies) (Stockholm, 1971), p. 130.

6/ Peter Blau and Otis Duncan, The American Occupational Structure (New York, Wiley, 1967), ch. 5; Otis Duncan, "Ability and achievement", Eugenics Quarterly (March 1968), pp. 1-11.

7/ Christopher Jencks et al., Inequality: A Reassessment of the Family and Schooling in America (New York, Basic Books, 1972), p. 8.

impact on income inequalities. And until the influence of education, intelligence and family are analysed in a model which controls for these variables - something no one has yet attempted - it may be premature to claim that inequality is created anew in each generation rather than transmitted from generation to generation.

77. Family background appears to remain an important determinant of life chances, no matter how much progress might be made in opening up education by removing fees and providing grants and loans for study. Some further progress towards equalizing life chances might be made by equalizing the economic circumstances of children; however, this could not be done without creating conditions leading to the removal of wide income and wealth disparities. There are reasons to doubt that education is as general a means to mobility as it appears to have been in the past half century. And many of the advantages that better situated families afford their children are only indirectly economic, particularly the cultural, behavioural, and attitudinal advantages.

78. As stated in a recent learned UNESCO study:

"Entering the educational process is a child with a cultural heritage, with particular psychological traits, bearing within him the effects of his family environment and surrounding economic conditions. And, involved in continual education, we have the adult - producer, consumer, citizen, parent - and a happy or unhappy creature.

"...

"Societies in our time have the experience and the existing or potential resources required (but we do not underestimate the difficulties involved) to help man fulfil himself in every possible way - as agent of development and change, promoter of democracy, citizen of the world, author of his own fulfilment - and to help him find his path through reality towards the ideal of the complete man." 8/

8/ Learning To Be: The World of Education Today and Tomorrow (Paris, UNESCO, and London, Harrap, 1972), pp. 157 and 158.

Table 3.1. Relationship of father's occupation to
son's occupation for men aged 25-64 in the United
States
(In thousands)

| Father's Occ. | 1962 Occ. | | | | | | | | | | | | | | | | | No | |
|-----------------------|-----------|------|------|------|------|------|-----|------|------|------|------|------|------|-----|------|------|-----|--------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | Answer | Total |
| <i>Professionals</i> | | | | | | | | | | | | | | | | | | | |
| 1 Self empl. | 83 | 158 | 49 | 47 | 22 | 20 | 7 | 10 | 9 | 11 | 13 | 8 | 9 | 2 | 11 | 10 | 4 | 23 | 496 |
| 2 Salaried | 40 | 388 | 157 | 72 | 58 | 93 | 21 | 46 | 54 | 12 | 84 | 63 | 41 | 12 | 7 | 10 | 2 | 58 | 1218 |
| 3 Managers | 58 | 320 | 275 | 88 | 111 | 108 | 16 | 77 | 75 | 44 | 57 | 36 | 21 | 15 | 12 | 7 | 2 | 100 | 1414 |
| 4 Salesmen, other | 32 | 137 | 165 | 101 | 72 | 41 | 27 | 22 | 42 | 15 | 20 | 29 | 13 | ... | 6 | 8 | 2 | 46 | 778 |
| 5 Proprietors | 106 | 390 | 522 | 165 | 455 | 175 | 94 | 100 | 148 | 112 | 146 | 102 | 80 | 14 | 35 | 32 | 11 | 155 | 2842 |
| 6 Clerical | 28 | 295 | 141 | 74 | 64 | 111 | 16 | 83 | 89 | 23 | 48 | 58 | 70 | 13 | 22 | 16 | ... | 106 | 1257 |
| 7 Salesmen, retail | 5 | 92 | 95 | 59 | 77 | 43 | 18 | 39 | 23 | 21 | 59 | 34 | 31 | 1 | 21 | 15 | ... | 39 | 672 |
| <i>Craftsmen</i> | | | | | | | | | | | | | | | | | | | |
| 8 Manufacturing | 22 | 337 | 193 | 54 | 141 | 139 | 39 | 346 | 145 | 99 | 246 | 141 | 105 | 38 | 55 | 10 | 3 | 148 | 2261 |
| 9 Other | 23 | 236 | 236 | 99 | 167 | 195 | 38 | 200 | 313 | 114 | 211 | 236 | 118 | 32 | 71 | 24 | 8 | 199 | 2570 |
| 10 Construction | 17 | 130 | 138 | 51 | 161 | 153 | 16 | 200 | 158 | 268 | 145 | 119 | 100 | 22 | 84 | 16 | 12 | 142 | 1932 |
| <i>Operatives</i> | | | | | | | | | | | | | | | | | | | |
| 11 Manufacturing | 30 | 262 | 161 | 82 | 171 | 183 | 44 | 371 | 221 | 96 | 545 | 210 | 156 | 123 | 107 | 24 | 19 | 235 | 3040 |
| 12 Other | 16 | 304 | 134 | 67 | 174 | 165 | 37 | 156 | 246 | 130 | 273 | 330 | 155 | 55 | 116 | 25 | 30 | 138 | 2635 |
| 13 Service | 13 | 151 | 128 | 60 | 103 | 154 | 33 | 138 | 110 | 93 | 201 | 139 | 180 | 46 | 56 | 17 | 4 | 94 | 1720 |
| <i>Laborers</i> | | | | | | | | | | | | | | | | | | | |
| 14 Manufacturing ... | 42 | 37 | 5 | 23 | 31 | 5 | 75 | 42 | 20 | 127 | 66 | 66 | 50 | 41 | 12 | 6 | 55 | 703 | |
| 15 Other | 6 | 82 | 59 | 41 | 58 | 146 | 29 | 129 | 137 | 95 | 212 | 177 | 135 | 57 | 165 | 15 | 19 | 111 | 1673 |
| 16 Farmers | 64 | 439 | 421 | 126 | 677 | 447 | 109 | 580 | 696 | 595 | 1056 | 890 | 499 | 251 | 557 | 1696 | 405 | 826 | 10334 |
| 17 Farm laborers | 2 | 20 | 30 | 6 | 42 | 37 | 13 | 67 | 69 | 61 | 137 | 113 | 78 | 33 | 96 | 60 | 96 | 84 | 1046 |
| No answer | 36 | 232 | 231 | 55 | 210 | 208 | 57 | 212 | 276 | 150 | 394 | 273 | 327 | 87 | 255 | 72 | 53 | 250 | 3378 |
| Total | 573 | 4065 | 3172 | 1252 | 2786 | 2449 | 619 | 2831 | 2353 | 1959 | 3974 | 3024 | 2194 | 851 | 1711 | 2069 | 678 | 2869 | 39969 |

Source: Peter Blau and Otis Duncan, The American Occupational Structure (New York, Wiley, 1967), p. 496.

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Table 3.2. Relationship of father's occupation to son's occupation in 1962: ratio of actual frequencies to frequencies predicted on assumption of independence (United States)

| Father's Occupation | Respondent's Occupation in March, 1962 | | | | | | | | | | | | | | | | |
|----------------------|--|------------|------------|------------|------------|------------------------|------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|------------|------------|------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Professionals | | | | | | | | | | | | | | | | | |
| 1 Self-Empl. | <u>11.7</u> | <u>3.1</u> | <u>1.2</u> | <u>3.0</u> | .6 | .7 | .9 | .3 | .3 | .5 | .3 | .2 | .3 | .2 | .5 | .4 | .5 |
| 2 Salaried | <u>2.3</u> | <u>3.1</u> | <u>1.6</u> | <u>1.9</u> | .7 | <u>1.2</u> | <u>1.1</u> | .5 | .6 | .2 | .7 | .7 | .6 | .5 | .1 | .2 | .1 |
| 3 Managers | <u>2.5</u> | <u>2.2</u> | <u>2.5</u> | <u>2.0</u> | <u>1.1</u> | <u>1.2</u> | .7 | .8 | .7 | .6 | .4 | .3 | .3 | .5 | .2 | .1 | .1 |
| 4 Salesmen, Other | <u>2.9</u> | <u>1.7</u> | <u>2.7</u> | <u>4.1</u> | <u>1.3</u> | .9 | <u>2.2</u> | .4 | .8 | .4 | .3 | .5 | .3 | .0 | .2 | .2 | .2 |
| 5 Proprietors | <u>2.6</u> | <u>1.3</u> | <u>2.3</u> | <u>1.9</u> | <u>2.3</u> | <u>1.0^a</u> | <u>2.1</u> | .5 | .7 | .8 | .5 | .5 | .5 | .2 | .3 | .2 | .2 |
| 6 Clerical | <u>1.6</u> | <u>2.3</u> | <u>1.4</u> | <u>1.9</u> | .7 | <u>1.4</u> | .8 | .9 | <u>1.0^a</u> | .4 | .4 | .6 | <u>1.0^a</u> | .5 | .4 | .2 | .0 |
| 7 Salesmen, Retail | .5 | <u>1.3</u> | <u>1.8</u> | <u>2.8</u> | <u>1.6</u> | <u>1.0^a</u> | <u>1.7</u> | .8 | .5 | .6 | .9 | .7 | .8 | .1 | .7 | .4 | .0 |
| Craftsmen | | | | | | | | | | | | | | | | | |
| 8 Mfg. | .7 | <u>1.5</u> | <u>1.1</u> | .8 | .9 | <u>1.0</u> | <u>1.1</u> | <u>2.1</u> | .9 | .9 | <u>1.1</u> | .8 | .8 | .8 | .6 | .1 | .1 |
| 9 Other | .6 | <u>1.1</u> | <u>1.2</u> | <u>1.2</u> | .9 | <u>1.2</u> | <u>1.0</u> | <u>1.1</u> | <u>1.7</u> | .9 | .8 | <u>1.2</u> | .8 | .6 | .6 | .2 | .2 |
| 10 Construction | .6 | .7 | .9 | .8 | <u>1.2</u> | <u>1.3</u> | .5 | <u>1.4</u> | <u>1.1</u> | <u>2.8</u> | .8 | .8 | .9 | .5 | <u>1.0</u> | .2 | .4 |
| Operatives | | | | | | | | | | | | | | | | | |
| 11 Mfg. | .7 | .8 | .7 | .9 | .8 | <u>1.0</u> | .9 | <u>1.7</u> | <u>1.0^a</u> | .6 | <u>1.8</u> | .9 | .9 | <u>1.9</u> | .8 | .2 | .4 |
| 12 Other | .4 | <u>1.1</u> | .6 | .8 | .9 | <u>1.0^a</u> | .9 | <u>1.0</u> | <u>1.3</u> | <u>1.0</u> | <u>1.0^a</u> | <u>1.7</u> | <u>1.1</u> | <u>1.0</u> | <u>1.0</u> | .2 | .7 |
| 13 Service | .5 | .9 | .9 | <u>1.1</u> | .9 | <u>1.5</u> | <u>1.2</u> | <u>1.1</u> | .9 | <u>1.1</u> | <u>1.2</u> | <u>1.1</u> | <u>1.9</u> | <u>1.3</u> | .8 | .2 | .1 |
| Labor | | | | | | | | | | | | | | | | | |
| 14 Mfg. | .0 | .6 | .7 | .2 | .5 | .7 | .5 | <u>1.5</u> | .8 | .6 | <u>1.8</u> | <u>1.2</u> | <u>1.7</u> | <u>3.3</u> | <u>1.4</u> | .3 | .5 |
| 15 Other | .3 | .5 | .4 | .8 | .5 | <u>1.4</u> | <u>1.1</u> | <u>1.1</u> | <u>1.1</u> | <u>1.2</u> | <u>1.3</u> | <u>1.4</u> | <u>1.5</u> | <u>1.6</u> | <u>2.3</u> | .2 | .7 |
| 16 Farmers | .4 | .4 | .5 | .4 | .9 | .7 | .7 | .8 | .9 | <u>1.2</u> | <u>1.0^a</u> | <u>1.1</u> | .9 | <u>1.1</u> | <u>1.3</u> | <u>3.2</u> | <u>2.3</u> |
| 17 Farm Laborers | .1 | .2 | .4 | .2 | .6 | .6 | .8 | .9 | .9 | <u>1.2</u> | <u>1.3</u> | <u>1.4</u> | <u>1.4</u> | <u>1.5</u> | <u>2.1</u> | <u>1.1</u> | <u>5.5</u> |

^a Rounds to unity from above (other indices shown as 1.0 round to unity from below).

Source: Peter Blau and Otis Duncan, The American Occupational Structure (New York, Wiley, 1967), p. 32.

Note: All ratios greater than 1.0 are underlined.

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Table 3.3. Mobility studies from selected countries

General explanatory note: The matrices below are derived from data reported in S.M. Miller, "Comparative Social Mobility", Current Sociology, vol. 9 (1960). The occupational groupings underlying the social classes for each country are given following the matrices for each country. Complete bibliographic sources are given in Miller's article.

BELGIUM

A. Actual relationship of father's and son's social class

| | | Son's social class | | | Total | Percentage of total |
|-----------------------|-------|--------------------|-------|-------|-------|---------------------|
| | | I | II | III | | |
| Father's social class | I | 10 | 7 | 0 | 17 | 1.94 |
| | II | 11 | 128 | 15 | 154 | 17.58 |
| | III | 0 | 40 | 165 | 705 | 80.48 |
| | Total | 21 | 175 | 680 | 876 | |
| Percentage of total | | 2.40 | 19.98 | 77.63 | | 100 |

B. Hypothetical relationship of fathers' and sons' social class on assumption of independence

| | | Son's social class | | | Total |
|-----------------------|-------|--------------------|-------|--------|-------|
| | | I | II | III | |
| Father's social class | I | 0.41 | 3.40 | 13.2 | 17 |
| | II | 3.69 | 30.8 | 119.5 | 154 |
| | III | 16.9 | 140.8 | 547.26 | 705 |
| | Total | 21 | 175 | 680 | 876 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 24.4 | 2.06 | 0 |
| | II | 2.98 | 4.15 | 0.126 |
| | III | 0 | 0.284 | 1.22 |

Source: M. Versichelen (132, p. 90).

Unit: Males in St. Martens-Latem, Belgium.

- I. Higher functions for which academic education is necessary.
- II. Higher occupations which give leadership, in artistic fields, for which academic education is not necessary (containing also free professions for which no education is required); lower intellectual occupations; also commercial people (store-keepers excluded).
- III. Agricultural people or landworkers (also florists, festival growers, breeders of poultry, and foresters). (Does not include independent farmers.) Skilled occupations consisting of manual labour, also some comparable occupations not consisting of manual labour, e.g. policemen. Trained occupations consisting of manual labour, also some comparable occupations not necessarily consisting of manual labour, e.g. doormen. Not specified, and unskilled manual labour.

/...

Table 3.3 (continued)

DENMARK

A. Actual relationship of father's and son's social class

| | | Son's social class | | | Total | Percentage of total |
|-----------------------|------------------------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | | |
| Father's social class | I | 18 | 33 | 6 | 57 | 2.38 |
| | II | 47 | 587 | 392 | 1,026 | 42.91 |
| | III | 14 | 301 | 993 | 1,308 | 54.71 |
| | Total | 79 | 921 | 1,391 | 2,391 | |
| | Percentage of total | 3.30 | 38.52 | 58.18 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | Total |
|-----------------------|-------|--------------------|-------|-------|-------|
| | | I | II | III | |
| Father's social class | I | 1.88 | 21.95 | 33.16 | 57 |
| | II | 33.9 | 395.2 | 596.9 | 1,026 |
| | III | 43.2 | 503.8 | 760.9 | 1,308 |
| | Total | 79 | 921 | 1,391 | 2,391 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 9.57 | 1.50 | 0.181 |
| | II | 1.39 | 1.49 | 0.657 |
| | III | 0.324 | 0.597 | 1.31 |

Source: Svalastoga (125, p. 330).

Time: 1954-55.

Unit: Males. Father's occupation as of age 60.

- I. Upper and upper-middle class, Royalty, top leaders, supervisory responsibility for 100 or more. High professionals.
- II. Middle-middle class, businessmen with 5-25 employees. Supervisors of 10 to 50 people. White-collar employees of higher education. Lower-middle class, businessmen with 1-5 persons under them. White-collar employees of less high education or responsibility for 1-10 persons.
- III. Upper working class. Middle and lower working class, unskilled workers; occupations of low repute.

/...

Table 3.3 (continued)

FRANCE

A. Actual relationship of father's and son's social class

| | | Son's social class | | | | Percentage of total |
|------------------------|-------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | Total | |
| Father's social class | I | 62 | 41 | 18 | 121 | 4.75 |
| | II | 65 | 345 | 210 | 620 | 24.33 |
| | III | 29 | 397 | 1,381 | 1,807 | 70.92 |
| | Total | 156 | 783 | 1,609 | 2,548 | |
| Percentage of total | | 6.12 | 30.73 | 63.15 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | |
|-----------------------|-------|--------------------|-------|---------|-------|
| | | I | II | III | Total |
| Father's social class | I | 7.41 | 37.18 | 76.41 | 121 |
| | II | 37.96 | 190.5 | 391.5 | 620 |
| | III | 110.6 | 555.3 | 1,141.1 | 1,807 |
| | Total | 156 | 783 | 1,609 | 2,548 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 8.37 | 1.10 | 0.236 |
| | II | 1.71 | 1.81 | 0.536 |
| | III | 0.262 | 0.715 | 1.21 |

Source: Desable (37, p. 32).

Time: June 1953.

Unit: Males, age 40-59.

- I. Business leaders, professionals, managers.
- II. White-collar employees - lower and middle level. Small businessmen (including artisans).
- III. Industrial workers. Industrial workers (including foremen).
Agricultural workers. Farmers.

Table 3.3 (continued)

GERMANY, FEDERAL REPUBLIC OF

A. Actual relationship of father's and son's social class

| | | Son's social class | | | Total | Percentage of total |
|------------------------|-------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | | |
| Father's social class | I | 43 | 23 | 19 | 85 | 2.37 |
| | II | 70 | 470 | 305 | 845 | 23.56 |
| | III | 42 | 448 | 1,966 | 2,456 | 68.49 |
| | Total | 155 | 941 | 2,290 | 3,586 | |
| Percentage of total | | 4.32 | 26.24 | 63.86 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | Total |
|-----------------------|-------|--------------------|-------|---------|-------|
| | | I | II | III | |
| Father's social class | I | 3.67 | 22.3 | 54.28 | 85 |
| | II | 36.5 | 221.7 | 539.6 | 845 |
| | III | 106.2 | 644.5 | 1,568.4 | 2,456 |
| | Total | 155 | 941 | 2,290 | 3,586 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 11.7 | 1.03 | 0.350 |
| | II | 1.92 | 2.12 | 0.565 |
| | III | 0.395 | 0.695 | 1.25 |

Source: Janowitz (77, p. 10). Based on data collected by DIVO.

Unit: Heads of households.

Time: 1955.

- I. Upper middle, professionals, managers and proprietors of larger establishments and upper civil servants.
- II. Lower middle, minor officials, clerical and sales persons, small businessmen, and independent artisans.
- III. Upper lower, skilled workers and employed artisans. Lower lower, semi-skilled and unskilled workers. Farm owners. Farm workers. Skilled workers. Semi-skilled and unskilled workers. Farm workers.

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Table 3.3 (continued)

GREAT BRITAIN

A. Actual relationship of father's and son's social class

| | | Son's social class | | | Total | Percentage of total |
|-----------------------|---------------------|--------------------|-------|-------|-------|---------------------|
| | | I | II | III | | |
| Father's social class | I | 50 | 60 | 19 | 129 | 3.69 |
| | II | 41 | 600 | 528 | 1,169 | 33.42 |
| | III | 12 | 532 | 1,656 | 2,200 | 62.89 |
| | Total | 103 | 1,192 | 2,203 | 3,498 | |
| | Percentage of total | 2.94 | 34.08 | 62.98 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | Total |
|-----------------------|-------|--------------------|-------|---------|-------|
| | | I | II | III | |
| Father's social class | I | 3.80 | 43.96 | 81.24 | 129 |
| | II | 34.42 | 398.4 | 106.4 | 1,169 |
| | III | 64.78 | 749.7 | 1,385.5 | 2,200 |
| | Total | 103 | 1,192 | 2,203 | 3,498 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 13.16 | 1.36 | 0.234 |
| | II | 1.19 | 1.51 | 4.96 |
| | III | 0.185 | 0.710 | 1.20 |

Source: Glass (59, p. 183) and special tabulations by R. Keith Kelsall.

Time: 1949.

Unit: Males, aged 18 and over.

- I. Professional and high administrative.
- II. Managerial and executive. Inspectional, supervisory and other non-manual (high grade).
Inspectional, supervisory and other non-manual (lower grade). Routine grades of non-manual.
- III. Skilled manual. Semi-skilled manual. Unskilled manual.

Table 3.3 (continued)

ITALY

A. Actual relationship of father's and son's social class

| | | Son's social class | | | Total | Percentage of total |
|------------------------|-------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | | |
| Father's social class | I | 27 | 39 | 38 | 104 | 16.35 |
| | II | 9 | 72 | 39 | 120 | 18.87 |
| | III | 6 | 29 | 377 | 412 | 64.78 |
| | Total | 42 | 140 | 454 | 636 | |
| Percentage of total | | 6.60 | 22.01 | 71.38 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | Total |
|-----------------------|-------|--------------------|-------|-------|-------|
| | | I | II | III | |
| Father's social class | I | 6.87 | 22.89 | 74.24 | 104 |
| | II | 7.92 | 26.42 | 85.66 | 120 |
| | III | 27.21 | 90.69 | 294.1 | 412 |
| | Total | 42 | 140 | 454 | 636 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 3.93 | 1.70 | 0.512 |
| | II | 1.14 | 2.73 | 0.455 |
| | III | 0.221 | 0.320 | 1.28 |

Source: Livi (92, p.68).

- I. Proprietors and managers of large industrial, commercial and financial enterprises, high civil servants, high officials. Proprietors of large and medium-sized agricultural enterprises, proprietors and managers of middle-sized enterprises, independent professionals.
- II. Other employees of responsibility in first category, rentiers and students of well-to-do families. Ordinary white-collar workers, students, supervisory artisans.
- III. Service personnel, agricultural foremen, non-supervisory artisans. Agricultural workers, unskilled workers.

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Table 3.3 (continued)

NETHERLANDS

A. Actual relationship of father's and son's social class

| | | Son's social class | | | | Percentage of total |
|------------------------|-------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | Total | |
| Father's social class | I | 14 | 12 | 2 | 28 | 1.19 |
| | II | 34 | 341 | 303 | 678 | 28.79 |
| | III | 19 | 307 | 1,323 | 1,649 | 70.02 |
| | Total | 67 | 660 | 1,628 | 2,355 | |
| Percentage of total | | 2.85 | 28.03 | 69.13 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | |
|-----------------------|-------|--------------------|-------|---------|-------|
| | | I | II | III | Total |
| Father's social class | I | 0.80 | 7.85 | 19.36 | 28 |
| | II | 19.29 | 190.0 | 468.7 | 678 |
| | III | 46.91 | 462.1 | 1,139.9 | 1,649 |
| | Total | 67 | 660 | 1,628 | 2,355 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 17.5 | 1.53 | 0.103 |
| | II | 1.76 | 1.79 | 0.647 |
| | III | 0.405 | 0.664 | 1.16 |

Source: Special tabulations of Johannes van Tulder based on the survey of the Institute for Social Research in the Netherlands.

Time: April-May 1954. Unit: Adult males. Data used were for father's last occupation.

- I. Liberal and academic professions; managing directors of large enterprises; high-school and grammar-school teachers; highest-grade civil servants.
- II. High-level employees; directors of small enterprises; higher-grade civil servants; large-scale farmers and market-gardeners; medium-grade technicians. Large to medium-sized retailers; medium-grade civil servants; medium-scale farmers and market-gardeners, medium-grade employees.
- III. Skilled workers, small retailers, small farmers and market-gardeners, lower employees and civil servants. Semi-skilled workers. Unskilled workers.

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Table 3.3 (continued)

SWEDEN

A. Actual relationship of father's and son's social class

| | | Son's social class | | | | Percentage of total |
|------------------------|-------|--------------------|-------|-------|-------|------------------------|
| | | I | II | III | Total | |
| Father's social class | I | 72 | 38 | 17 | 127 | 4.63 |
| | II | 127 | 418 | 420 | 965 | 35.21 |
| | III | 74 | 481 | 1,094 | 1,649 | 60.16 |
| | Total | 273 | 937 | 1,531 | 2,741 | |
| Percentage of total | | 9.96 | 34.18 | 55.86 | | 100 |

B. Hypothetical relationship of father's and son's social class on assumption of independence

| | | Son's social class | | | |
|-----------------------|-------|--------------------|-------|-------|-------|
| | | I | II | III | Total |
| Father's social class | I | 12.65 | 43.41 | 70.94 | 127 |
| | II | 96.11 | 329.9 | 539.0 | 965 |
| | III | 164.2 | 563.7 | 921.1 | 1,649 |
| | Total | 273 | 937 | 1,531 | 2,741 |

C. Ratio of actual frequencies to frequencies predicted on assumption of independence

| | | Son's social class | | |
|-----------------------|-----|--------------------|-------|-------|
| | | I | II | III |
| Father's social class | I | 5.69 | 0.875 | 0.240 |
| | II | 1.32 | 1.27 | 0.779 |
| | III | 0.451 | 0.853 | 1.19 |

Source: Robert Erikson, Upprättförhållanden och Social Rörlighet (Conditions of growing up and social mobility).

Time: 1968.

Unit: Adult males.

- I. Large business owners and senior executives, professionals, high-level civil servants, university students, pensioners in above occupational groups.
- II. Low-ranking non-manual employees, owners of small businesses, owners of large and medium-sized farms, foremen, high-school students.
- III. Manual workers, small farmers, farm-hands, fishermen and lumberjacks, other students.

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Table 3.3 (continued)

| | <u>Percentage of elite jobs in sample of sons</u> | <u>Relative likelihood of elite and working class sons getting elite jobs</u> |
|------------------------------|---|---|
| Belgium | 2.40 | ∞ |
| Netherlands | 2.85 | 43.21 |
| Great Britain | 2.94 | 71.13 |
| Denmark | 3.30 | 29.54 |
| Germany, Federal Republic of | 4.32 | 29.62 |
| France | 6.12 | 31.95 |
| Italy | 6.60 | 17.7 |
| Sweden | 9.96 | 12.61 |

Chapter IV

SOCIAL SECURITY^{1/}

79. The social security systems of the developed market economies are without doubt one of their brighter lights, though the brightness is not uniform. The basic outlines of the social security system in general antedate the Second World War, but all countries have updated and revised their systems in the post-war years. Table 4.1 gives the years in which various social security programmes were first initiated and table 4.2 the breakdown of social security expenditures in selected countries of the developed market economies.

A. Family allowances

80. The most important post-war revision has been the introduction of family allowances. Among the major developed market economies only the United States has not adopted this instrument for providing "protection and assistance... to the family". Instead the United States allows a tax exemption for each dependent (including wife and each child), the value of which varies directly with taxable income.

81. Countries differ as to both amounts and the steepness of the payment gradient with respect to the number of children. France, the Federal Republic of Germany and Norway have steep gradients. A French family qualifies for an allowance of approximately F 85 per month for the second child, F 145 for the third and the fourth, and F 130 for the fifth and each additional child. ^{1/} There is in France an additional allowance for families in which there is only one wage earner. For each child (from the first one) under two years, the "single-wage" allowance is just under F 100. For each child over two years, the supplementary allowance is F 40. In the Federal Republic of Germany low-income families qualify for DM 25 monthly for the second child, and all families qualify for DM 60 for the third and fourth, and DM 70 for the fifth and each additional child. In Norway the scale runs from NKr 500 annually for the first child to NKr 1,500 for the second, NKr 2,000 for the third, NKr 2,200 for the fourth, and NKr 2,400 for the fifth and each additional child.

82. By contrast, Italy, Denmark and Sweden pay a constant amount per child, regardless of the number of children. In Italy, the rate per child is Lit 68,640 per year; in Denmark the basic rate is DKr 1,124 per year; and in Sweden it is SKr 1,200. Thus a Swedish family with two children would receive an allowance of

^{1/} The data given in this chapter, other than those in the relevant tables, refer to 1971 unless otherwise stated. The source of the figures, unless otherwise indicated, is: United States Department of Health, Education and Welfare, Social Security Programs Throughout the World, 1971 (Washington, D.C., 1971).

SKr 2,400 per year, approximately \$480, while the corresponding German family would receive \$100 or less.

83. The pattern of difference between various countries changes when income differences are taken into account. A French family with two children, one of them under two years, qualifying for the single-wage supplement, would receive an annual allowance of approximately F 2,700, or \$530, approximately 10 per cent more than the corresponding Swedish family. But for a working-class family, the allowance would represent about twice as high an increment relative to wage income for the French family as for the Swedish, since French wages average about half of Swedish wages.

84. In the more advanced countries, there is little selectivity in the payment of family allowances. There is neither an income ceiling nor a "means test", though at least one country (Denmark) has provision for supplementary grants in case of need. The peripheral countries of southern Europe - Portugal, Spain, Italy, and Greece - either exclude agriculture and domestic servants from coverage altogether or provide a separate, probably inferior, system of coverage. European countries do not in general discriminate between citizens and aliens as long as the aliens are resident, but, as indicated in chapter V, there is considerable discrimination against foreign workers whose children remain abroad. South Africa altogether excludes its black, as well as its Asian and "Coloured" population, from coverage. In nearly all these countries family allowances, like other social security benefits, are subject to regular review and revision to meet changes in the cost of living. In the United Kingdom, for instance, family allowances are reported to have increased several times within the last decade. The Government reports that this has been done "particularly as there is a strong indication that the more extreme cases of poverty are to be found in the families with most children". 2/

B. Old-age pensions

85. In other areas of social security, the primary thrust in the post-war years has been in the direction of the extension of existing programmes. Italy, for example, had by 1966 included its entire economically active population in some sort of old-age pension scheme, up from 47 per cent in 1955. For Austria the figures are 77 per cent in 1965 and 59 per cent in 1955. Similarly, Japan increased the percentage of the economically active population covered from 36 per cent to 89 per cent between 1960 and 1966. Portugal also managed by 1965 to include 45 per cent of the economically active population in some form of old-age pension scheme, as against 25 per cent in 1957. The most advanced countries, as table 4.3 shows, had already reached virtually complete coverage in 1955.

86. Of course, the quality of these programmes differs markedly from country to country. Most combine a basic pension with a graduated pension proportional to previous earnings, but the relative emphasis on the minimum benefit and the portion

2/ E/CN.4/1011/Add.2, p. 31.

that varies with income differ greatly. At one extreme, the United Kingdom currently allows old-age pensioners a basic minimum of £260 (approximately \$650) per year, together with a graduated pension that works out to about one quarter to one third of average earnings for workers with 40 years of work experience in the salary range of £465 to £1,560 before retirement. At the other extreme, the Federal Republic of Germany pays no basic pension but a pension that could be as high as 75 per cent of assessed wages, "assessed wages" being computed by determining the ratio of earnings to the national average over period of coverage and multiplying this ratio by the average national wage over the three years preceding the claim. Sweden, not surprisingly, provides both a high minimum pegged to the cost of living, equal to SKr 5,760 (or \$1,150) in 1971, and a supplementary pension with a maximum of 60 per cent of average annual covered earnings in excess of SKr 6,400.

87. Most countries (the Federal Republic of Germany is an exception) provide supplements for spouses and some even for dependent children. In the United States, the social security scheme was expanded in 1967 by the adoption of an amendment to the 1966 Medicare programme liberalizing the cash benefits available under the old age, survivors and disability programmes. Monthly beneficiaries on the rolls received an average increase in benefits of 13 per cent. Monthly benefits now range from a minimum of \$55 to a maximum of \$218 for a single worker or \$434.40 payable to a family. Among other changes, a new category of beneficiary was added and disabled widows or widowers may now receive survivor benefits at age 50. The age for receiving widow's benefits - although at a reduced rate - was lowered to 60.

88. Most countries in principle treat resident aliens symmetrically with citizens, although most impose some restriction on aliens desiring to return with their pensions to their own countries. South Africa, in keeping with its policies of apartheid, has a system of old-age pensions attuned to skin color, the maximum allowances being R 38 for whites, R 18 for "Coloured" and Asians, and R 5.75 for Africans. All pensions in South Africa are subject to a means test, with the means sufficient to prevent a white from qualifying set at R 640 per year, as against R 300 for an Asian or Coloured, and R 99 for an African.

89. The treatment of widows of pensioners and older workers is surprisingly uniform, at least relative to the diversity that reigns throughout most social security programmes. In general, a widow receives 50 to 60 per cent of her husband's pension, with Sweden, the other Nordic countries, and the United Kingdom - each maintaining a universal pension system along with an employment related system - providing a substantially higher fraction for widows of low-wage earners.

C. Unemployment insurance

90. All of the leading developed economies provide some sort of unemployment insurance. And even the less advanced countries have introduced at least rudimentary coverage in the post-war period, the single exception being Portugal. 3/

3/ Israel had, by 1971, enacted a law providing for contributions, but had not yet enacted a law providing for benefits.

Agricultural workers are regularly excluded in both the more advanced and the peripheral countries. And coverage is by no means adequate, certainly not in the countries with the highest ratio of unemployment. A sum equal to 50 per cent of wages is a typical unemployment benefit rate, though the exact amount varies significantly from country to country.

91. In the United States, for example, benefits average about 50 per cent of wages, but in some states they average less than one third. Table 4.4 shows that over the years the ratio of benefits to average covered wages has fallen sharply since the 1930s, when unemployment insurance was first enacted.

92. Moreover, insured unemployment in the United States appears to be about one third of total unemployment. Table 4.5 shows that, in some states, insured unemployment is not more than one fifth of the total. The President's Commission on Income Maintenance Programs concludes that the reasons why such a small fraction of unemployment is insured reflect badly on public policy in the United States. ^{4/} Agricultural workers and employees of firms processing agricultural products, as well as new entrants and re-entrants into the labour force, are exempted, and these are among the most vulnerable groups. Another obstacle is that rights to benefits are generally based on a record of employment during something like four out of the previous five quarter-year periods. Indeed, some states base coverage on a flat amount of earnings, which does not favour the low wage earners, who require proportionately more work time to establish their eligibility under the flat amount system. In addition, workers who leave their jobs voluntarily or for misconduct, and workers who refuse "suitable" work or are involved in labour disputes are not eligible for unemployment compensation. Finally, all states impose a maximum benefit duration, which varies from state to state. In some states it is a uniform 26 weeks, but more typically it is shorter, with the effective maximum dependent on the worker's past earnings or employment experience. Among those who exhausted this benefit in 1968, the average duration was 21 weeks. During periods of sharp recession the national Government has, however, extended the maximum benefit period.

D. Medical, sickness, disability, and maternity benefits

93. With regard to medical, sickness, disability, and maternity benefits, again, the picture varies greatly from country to country. Some countries have special systems for agricultural workers, others include agricultural workers in the general coverage. Some limit maternity benefits to six weeks before and after childbirth. Others pay 14 (France and the Federal Republic of Germany), 18 (United Kingdom), 21 (Italy, for industrial workers) and even 26 (Sweden) weeks of maternity benefits. Amounts of sickness, disability and maternity benefits vary too.

^{4/} This discussion of unemployment benefits in the United States is based on: President's Commission on Income Maintenance Programs, Background Papers, "Unemployment Insurance", pp. 178-190.

94. France pays cash sickness and temporary disability benefits from 50 to 66 per cent of earning, depending on the length of the illness or disability and the number of children. In addition, approximately 75 per cent of the medical costs of illness are reimbursed for the insured and dependents as well, and 100 per cent of work-injury medical costs. Permanent disabilities receive disability pensions that vary with the severity of the disability and previous wages. For 100 per cent disabilities, there is provision for pensions equal to 100 per cent of the previous year's wages, with an additional provision for a "constant attendance" supplement of 40 per cent, if necessary. Maternity benefits were paid at a rate of 90 per cent of earnings in 1971, up to a maximum of F 49.50 per day.

95. The Federal Republic of Germany has a similar system. Sickness and temporary disability and maternity benefits are higher, however: 100 per cent of wages for maternity and the first six weeks of illness or disability, with subsequent periods covered at the rate of 75 per cent. Medical care and medicines are provided at free or at minimal cost to insured persons and their dependants. Partial permanent disability is insured according to loss of earning capacity, and total disability is covered at the rate of two thirds of latest year's earnings (up to DM 2,000 per month), and supplements are provided for minor children as well as for constant attendance.

96. In the United Kingdom, medical benefits are part of the National Health Scheme, in which membership is open to all at no cost. There are no costs for doctor's services and minimal costs for dental treatment, dentures, eye glasses, and medicine. Maternity benefits are paid at the flat rate of £5 per week, with supplemental allowances for dependants. Sickness and temporary disability benefits add one third of wages between £9 and £30 per week to the basic benefits of £5 (for sickness) and £7.75 (for disability). There are also supplementary allowances for dependants. Permanent disability benefits range up to £13.40, with dependants' supplements and constant attendance allowances extra.

97. The Swedish system combines partial reimbursement of medical costs with cash benefits that vary with income. Hospitals are free; some medicines are available free and some at half price; patients pay SKr 7 for office visits and SKr 15 for house calls, which works out respectively to about 18 and 33 per cent of the total cost. Cash benefits for sickness, temporary disability, and maternity begin at SKr 6 for housewives and the lowest-income groups, and are supplemented at a rate equal to about 25 per cent of wage income up to a SKr 52 per day total. Supplementary family allowances are available. Permanent disability pensions are paid according to the seriousness of the disability. The maximum is 11/12 of earnings, up to SKr 22,000 per year, plus a constant attendance supplement of up to 30 per cent of the base amount.

98. South Africa excludes those Africans employed as agricultural workers and domestic servants and those earning less than R 546 from most aspects of sickness and maternity, and discriminates against all Africans in permanent disability pensions. Non-Africans receive sickness and maternity benefits ranging between 26 and 75 per cent of earnings, the amount varying inversely according to wage class. Total disability is compensated by a pension of 75 per cent of earnings,

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up to R 200 per month, for non-Africans. Africans receive much lower benefits, the lowest-paid workers (up to R 40 a month) receiving a lump sum equivalent to 48 months' earnings. There is no provision for medical benefits, except for work injury.

99. In the United States, sickness and maternity benefits exist in only five states, and government provision of medical benefits is as yet non-existent, except for the elderly and workers injured on the job. Under "Medicare", those over 65 receive 90 days of in-patient hospital care for each illness, the patient paying the first \$60 and \$15 daily after 60 days. Post-hospital nursing-home care is provided for an additional 100 days, with the patient paying \$7.50 daily after 20 days. Medicare pays 80 per cent of "reasonable charges" for doctors' services. Work-related disability insurance exists in all states, with payments ranging between 60 and 66 per cent of earnings, up to a maximum between \$40 and \$150 per week.

100. In short, the Governments of the leading developed market economies, with the exception of the United States, in one way or another, through publicly supported programmes, protect most of their population against the hazards of illness and disability. For instance,

"Canada in 1958 adopted a national hospital insurance plan for Canadians of all age groups. While the plan was a subject of much public discussion, it had the approval of every important health association, including the Canadian Medical Association. All provinces and territories now have hospital insurance programmes in operation and about 99 per cent of the Canadian population is insured for hospital care benefits. Under the Medical Care Act, passed in December 1966 but not made effective until July 1968, the Federal Government contributes approximately 50 per cent of the cost of provincial medical insurance plans and it is expected that by the end of 1970 all provinces will be participating in the plan. The federal commitment to contribute half the costs is contingent upon the medical insurance plan of each province meeting certain minimum criteria related to the comprehensiveness of the insured services, the universality of the coverage, portability of benefits and operation of the plan on a non-profit basis by a public authority." 5/

In the United States,

"Medical care for the majority of the people is provided by physicians in private practice on a fee basis. Similarly, health insurance is provided primarily by private health insurance companies but nearly 40 per cent of

5/ 1970 Report on the World Social Situation (United Nations publication, Sales No. E.71.IV.13), p. 133.

enrolments are in plans operated by non-profit organizations. Nearly all persons aged 65 and over (about 20 million) are protected by Medicare, while about half of these persons have, in addition, complementary private insurance protection against expenses not covered by Medicare. At the end of 1969, among those under the age of 65, 81.3 per cent had insurance for hospital care, 78.8 had insurance for surgical services, 69.6 per cent had insurance for services of physicians in the hospital and 47.9 per cent had insurance for prescribed drugs outside the hospital." 6/

It may be added that another major programme also came into being in the United States in 1966. This was Medicaid, which:

"provides grants to States to administer medical assistance programmes that benefit: (a) the needy - all public assistance recipients in the federally-aided categories, including the aged, the blind, the disabled and families with dependent children, and those who would qualify for that assistance under federal regulations; (b) at the State's option, the medically needy and people in the four groups mentioned in (a) above who have enough income or resources for daily needs but not for medical expenses; and (c) all children under 21 whose parents cannot afford medical care. All States were required to set up Medicaid programmes by 1 January 1970, or forego federal funds for medical assistance now given under public assistance grants." 7/

101. According to table 4.6, which reflects the situation as of several years ago, the fraction of the population provided medical benefits in kind exceeded three quarters in many countries. The figures on coverage for cash sickness benefits are somewhat more out of date, but a decade ago in the same countries, as table 4.7 shows, a somewhat smaller percentage of people generally were eligible for cash sickness benefits.

102. This description of various social and health security protection programmes, though brief and sketchy, may serve to illustrate the major points relative to an appreciation of the realization of economic and social rights. First, there has been considerable progress since the nineteenth century, when workers generally had only their own resources and public charity to fall back upon during periods of unemployment, ill health, and old age, as well as for the support of their children. Second, progress has been uneven in the developed market economies. The peripheral countries have lagged behind the more advanced countries of Europe and, among the leading countries, there are differences in approach as well as in the systems for protection against natural and economic hazards.

6/ Ibid.

7/ Ibid.

E. Social security and redistribution

103. It must be understood that, whatever their virtues, social security systems remain primarily a means of effectuating horizontal transfers within classes of individuals who command roughly equal amounts of resources over their lifetime. As economists might put it, social security is a means of wiping out negative transitory components in income so that actual income corresponds reasonably closely to "permanent" income. Viewed in this way, the social security system is the answer to the individual's inability to anticipate the future and to lay up financial resources against unemployment, ill health, and old age. Social security is also a means of transferring income from the childless to families with children, in order to spread the costs of child rearing over the entire population.

104. The horizontal thrust of the transfer mechanism implicit in most social security systems is clear, but the extent of vertical redistribution is shrouded in a statistical fog. The GGT-Force Ouvrière need not have limited itself to France when it said:

"The essential element of French social policy may be summarized as a series of transfers of funds: from the active population to the young and the old, from workers to those deprived of employment... from single people to heads of families, and perhaps from the rich to the poor." 8/

The problem of calculating how much vertical transfer exists is a complicated one for several reasons. First of all is the question of the relevance of data. Many studies that seem to show that substantial vertical redistribution does take place rely on the fact that at a given moment of time, a disproportionately high fraction of the income of lower income classes consists of social security benefits. But this is not clear evidence of vertical redistribution. A temporarily disabled Swedish civil servant may appear on low income class during the period of his disablement, but the real redistribution appears to be from the able-bodied civil servants to the disabled, one between people in the same income brackets. It does not appear to be a redistribution from "rich" to "poor". The problem is that in distinguishing vertical from horizontal transfers, the relevant variable is not a short-run concept like income, but a long-run one like wealth or lifetime earnings. There do not seem to be studies that examine transfers in such long-run terms.

105. Moreover, the redistribution consequences of social security cannot be analysed by looking at the distribution of benefits alone. It is necessary to

8/ GGT-Force Ouvrière, "Le budget social de la nation", Force Ouvrière Informations, Bulletin mensuel, No. 118 (July 1962). Quoted in Alvin Schorr, Social Security and Social Services in France (Washington DC, United States Government, 1965), p. 5.

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examine the method of payment and the resulting distribution of costs as well. Since employers' and employees' direct contributions to social security schemes are in general proportional to income or regressive, the greater the reliance on direct contributions, the less the vertical redistribution. Thus, as table 4.8 shows, Austria, France, the Federal Republic of Germany, Italy, and the Netherlands would appear on this account to be markedly less redistributive (vertically) than Denmark, Sweden, Ireland, and the United Kingdom. For a given amount of general government contribution, the greater the share of transfers financed by direct taxes, particularly by taxes on households, the more vertical redistribution, for in general direct taxes on households are the most progressive. Thus, for this reason too, France, according to table 4.9, once again would appear to have a relatively small (vertical) redistributive thrust, and the Nordic countries a relatively large redistributive thrust.

106. Benefit systems are in most countries more regressive than first appearances would indicate. Equi-proportional allowances, for example, when they are tax-free, are in fact regressive in nature as long as higher income groups are taxed at higher rates.

107. A detailed country-by-country study of both tax and benefit systems would be necessary for a final judgement on vertical redistribution. A step in the right direction has been taken by the United Nations Economic Commission for Europe, albeit for a limited sample of countries and for a limited range of benefits. Table 4.10 compares net, as well as gross, short-term social security benefits at different levels of earnings in Austria, France, the Federal Republic of Germany, and the United Kingdom. Of these four countries only the United Kingdom can be said to exhibit a clear pattern of vertical redistribution. Family allowances are apparently the chief instrument of horizontal redistribution in these countries' systems of social security.

108. Even in the absence of the requisite information for all countries, however, it is not too risky to hazard the guess that Sweden and Denmark have the largest degree of vertical redistribution built in to their systems, both because of the relatively generous levels of family allowance and basic old-age pensions and because of the relatively large reliance on personal income taxes to finance their programmes.

109. However, it is considered by some observers that further improvement would appear to run into heavy political opposition from the élite and middle classes at pains to maintain their income and status against the threat of "equality". Their support of social security programmes thus far has, according to one informed observer, been bought by emphasizing horizontal over vertical transfers, and any reversal of emphasis is likely to make for serious political difficulties. 9/

110. Sweden and Denmark unquestionably indicate possibilities of reform and improvement for the rest of the developed market economies.

9/ Theodore Marmor, "The conditions for future social policy: some political consideration", International Institute for Labour Studies Bulletin, No. 8 (Geneva, 1971).

Table 4.1. Dates on which the first statutory social schemes were set up in selected countries

| <u>Country</u> | <u>SM</u> | <u>P</u> | <u>OH</u> | <u>U</u> | <u>FA</u> |
|--------------------|-----------|----------|-----------|----------|-----------|
| Australia | 1912 | 1908 | 1900 | 1944 | 1941 |
| Austria | 1854 | 1854 | 1888 | 1920 | 1948 |
| Belgium | 1844 | 1884 | 1903 | 1920 | 1930 |
| Canada | 1935 | 1927 | 1902 | 1940 | 1944 |
| Denmark | 1892 | 1891 | 1898 | 1907 | 1952 |
| Finland | 1963 | 1937 | 1895 | 1917 | 1943 |
| France | 1928 | 1885 | 1898 | 1905 | 1932 |
| Germany, Fed. Rep. | 1883 | 1889 | 1884 | 1927 | 1954 |
| Greece | 1926 | 1922 | 1914 | 1945 | 1958 |
| Iceland | 1936 | 1890 | 1903 | 1936 | 1946 |
| Sweden | 1891 | 1913 | 1901 | 1934 | 1947 |
| Switzerland | 1911 | 1916 | 1911 | 1924 | 1952 |
| United Kingdom | 1911 | 1908 | 1897 | 1911 | 1945 |
| United States | 1965 | 1935 | 1908 | 1935 | |

Source: Guy Perrin, "Reflection on fifty years of social security", International Labor Review, vol. 99, (March 1969), pp. 285-287.

SM - Sickness or maternity benefit schemes.

P - Invalidity, old-age and survivors' pension schemes.

OH - Schemes of protection against occupational hazards.

U - Unemployment benefit schemes.

FA - Family allowances schemes.

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Table 4.2. The structure of social security benefits
in selected countries: 1960

| Country | Health and welfare ^a | Employment injuries | Family allowances ^b | Unemployment | Pensions ^c | War victims |
|---------------------------|------------------------------------|------------------------|-----------------------------------|--------------|-----------------------|-------------|
| Austria | 23.2 | 2.8 | 12.4 | 3.7 | 51.8 | 6.1 |
| Belgium | 35.1 | 4.6 | 17.6 | 7.1 | 29.8 | 5.8 |
| Denmark | 36.2 | 3.1 | 5.8 | 4.6 | 49.9 | 0.4 |
| Finland | 34.7 | 3.2 | 17.5 | 0.1 | 39.0 | 5.5 |
| France | 24.8 | 5.4 | 28.6 | 0.2 | 33.0 | 8.0 |
| Western Germany | 27.6 | 3.6 | 3.1 | 1.5 | 55.7 | 8.5 |
| Ireland | 38 | 2 | 13 | 8 | 39 | — |
| Italy | 19.1 | 3.0 | 18.8 | — | 50.1 | 9.0 |
| Netherlands | 29.6 | 2.5 | 18.0 | 1.6 | 47.4 | 0.9 |
| Norway | 42.4 | 2.9 | 8.5 | 2.6 | 42.3 | 1.3 |
| Sweden | 42.7 | 1.1 | 14.1 | 1.3 | 40.6 | 0.2 |
| Switzerland | 47.2 | 8.3 | 0.7 ^d | 0.3 | 43.5 | — |
| United Kingdom | 49.7 | 1.9 | 5.2 | 1.3 | 38.3 | 3.6 |
| Canada | 30.3 | 3.7 | 16.9 | 13.2 | 27.6 | 8.3 |
| United States | 21.6 | 4.6 | — | 9.5 | 48.9 | 15.4 |

Source: Incomes in Postwar Europe: A Study of Policies, Growth and Distribution (Economic Survey of Europe in 1965, part 2) (United Nations publication, Sales No. 66.II.E.14), chap. 6, table 6.9.

a/ Including sickness insurance, public health, public assistance, school meals.

b/ Includes household help, mothers' pensions, rent allowances.

c/ Old-age, invalidity and survivors' pensions, including old-age homes and pensioners' homes.

d/ Only federal family allowances are included.

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Table 4.3. The growth in coverage of statutory pension insurance schemes in selected countries

| <u>Country</u> | <u>Year</u> | <u>Insured persons</u> (in 000's) | <u>Insured persons as</u> <u>a percentage of</u> <u>estimated total</u> <u>economically</u> <u>active population</u> |
|----------------------------|-------------|--------------------------------------|--|
| Austria | 1955 | 1,938 | 59 |
| | 1965 | 2,544 | 77 |
| France | 1955 | 18,390 | 94 |
| | 1964 | 20,540 | 100 |
| Germany, Fed. Rep. | 1955 | 20,370 | 84 |
| | 1967 | 25,791 | 93 |
| Italy | 1955 . | 9,701 | 47 |
| | 1966 | 19,985 | 100 |
| Israel | 1956 | 560 | 90 |
| | 1965 | 870 | 99 |
| Japan | 1960 | 15,880 | 36 |
| | 1966 | 43,349 | 89 |
| Portugal | 1957 | 834 | 25 |
| | 1965 | 1,593 | 45 |
| United Kingdom | 1955 | 21,990 | 90 |
| | 1965 | 21,830 | 85 |
| United States | 1955 | 57,700 | 87 |
| | 1965 | 67,800 | 85 |

Source: ILO, Poverty and Minimum Living Standards: The Role of the ILO (Report of the Director General), 1970.

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Table 4.4. United States: maximum weekly benefit amount (WBA) in unemployment insurance schemes, by state, in 1939, 1963, and 1968

| States, etc. | Maximum WBA 1939 | | Maximum WBA Jan. 1, 1963 ^{c/} | | Maximum WBA Dec. 31, 1968 ^{c/} | |
|----------------------|------------------|--|--|--|---|--|
| | Amount | Percent of average weekly covered wage | Amount | Percent of average weekly covered wage | Amount | Percent of average weekly covered wage |
| Alabama | \$15 | 85 | \$32 | 40 | \$44 | 41 |
| Alaska | 16 | 45 | 45-70 | 30-47 | 55-80 | 31 |
| Arizona | 15 | 61 | 35 | 35 | 50 | 41 |
| Arkansas | 15 | 94 | 30 | 44 | 44 | 50 b/ |
| California | 18 | 59 | 55 | 49 | 65 | 46 |
| Colorado | 15 | 61 | 48-60 a/b/ | 50-62 b/ | 56 | 60 b/ |
| Connecticut | 15 | 55 | 45-67 | 44-65 | 60-90 | 52 b/ |
| Delaware | 15 | 56 | 50 | 46 | 55 | 40 |
| District of Columbia | 15 | 58 | 49 b/ | 50 b/ | 60 | 48 b/ |
| Florida | 15 | 81 | 33 | 34 | 40 | 36 |
| Georgia | 15 | 85 | 35 | 45 | 45 | 43 |
| Hawaii | 15 | 81 | 55 | 65 | 68 | 61 b/ |
| Idaho | 18 | 83 | 44 b/ | 52 1/2 b/ | 53 | 52 1/2 b/ |
| Illinois | 16 | 55 | 38-59 | 35-55 | 42-70 | 33 |
| Indiana | 15 | 57 | 36 | 35 | 40-52 | 33 |
| Iowa | 15 | 65 | 30-44 | 43-47 | 55 | 50 b/ |
| Kansas | 15 | 66 | 45 b/ | 50 b/ | 53 | 49 b/ |
| Kentucky | 15 | 71 | 40 | 47 | 49 | 46 3/4 b/ |
| Louisiana | 18 | 88 | 35 | 40 | 45 | 42 |
| Maine | 15 | 74 | 34 | 43 | 49 | 50 b/ |
| Maryland | 15 | 63 | 38-46 | 42-51 | 56 | 51 |
| Massachusetts | 15 | 57 | 30 d/ | 43 d/ | 54 | 47 d/ |
| Michigan | 16 | 53 | 30-55 | 26-48 | 46-76 | 31 |
| Minnesota | 15 | 62 | 38 | 40 | 50 | 47 |
| Mississippi | 15 | 96 | 30 | 44 | 30 | 41 |
| Missouri | 15 | 60 | 40 | 42 | 53 | 42 |
| Montana | 15 | 59 | 34 | 39 | 34 | 39 |
| Nebraska | 15 | 65 | 34 | 37 | 44 | 44 |
| Nevada | 15 | 56 | 37.50-57.50 | 34-62 | 43-63 | 36 |
| New Hampshire | 15 | 72 | 40 | 49 | 54 | 49 |
| New Jersey | 15 | 55 | 50 | 47 | 62 | 47 b/ |
| New Mexico | 15 | 70 | 36 | 39 | 40 | 50 |
| New York | 15 | 49 | 50 | 47 | 65 | 46 |
| North Carolina | 15 | 87 | 35 | 48 | 42 | 50 |
| North Dakota | 15 | 69 | 36 | 45 | 49 | 50 |
| Ohio | 15 | 54 | 42-53 | 40-50 | 47-66 | 34 |
| Oklahoma | 15 | 61 | 32 | 36 | 38 | 33 |
| Oregon | 15 | 52 | 40 | 42 | 49 | 45 |
| Pennsylvania | 15 | 60 | 40 | 42 | 60 | 49 |
| Puerto Rico | e/ | e/ | 16 | 36 | 33 | 50 b/ |
| Rhode Island | 16 | 69 | 36-48 | 43-57 | 53-73 | 50 b/ |
| South Carolina | 15 | 98 | 25 b/ | 50 b/ | 46 | 50 b/ |
| South Dakota | 15 | 68 | 33 | 38 | 41 | 42 |
| Tennessee | 15 | 77 | 32 | 40 | 42 | 44 |
| Texas | 15 | 65 | 37 | 41 | 45 | 38 |
| Utah | 16 | 67 | 45 b/ | 50 b/ | 51 | 50 |
| Vermont | 15 | 67 | 41 b/ | 50 b/ | 53 | 50 |
| Virginia | 15 | 73 | 34 | 42 | 48 | 44 |
| Washington | 15 | 56 | 42 | 40 | 42 | 31 |
| West Virginia | 15 | 60 | 32 | 33 | 47 | 40 b/ |
| Wisconsin | 15 | 55 | 52 b/ | 52 1/2 b/ | 63 | 52 b/ |
| Wyoming | 18 | 77 | 49-55 b/ | 55-62 b/ | 51 | 50 b/ |

Source: United States Government, President's Commission on Income Maintenance Programs, Background Papers, p. 181.

a/ Maximum is increased 25 per cent for claimants with specified five-year earnings records and no benefits received.

b/ Maximum is determined periodically at a specified per cent of average wage in covered employment.

c/ When two amounts are given, higher includes maximum allowance for dependents; Alaska, Ohio, and Wyoming limit the maximum WBA paid to interstate claimants.

d/ Maximum augmented payment not shown since such augmentation is limited only by the claimant's average weekly wage.

e/ No provision for unemployment insurance under Federal-State programmes.

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Table 4.5. United States: Total unemployment and insured unemployment, by state, in 1968

| | Total unemployment | | Insured unemployment | | Uninsured unemployment | |
|--------------------------------|---------------------|------|----------------------|------|------------------------|-----------------------------------|
| | Number in thousands | Rate | Number in thousands | Rate | Number in thousands | As per cent of total unemployment |
| United States | 3,114 | 3.8 | 1,110.6 | 2.2 | 1,997.4 | 64.3 |
| Alabama | 57 | 4.6 | 17.1 | 2.6 | 39.9 | 70.0 |
| Alaska | 9 | 9.2 | 3.6 | 8.2 | 5.4 | 60.0 |
| Arizona | 22 | 3.7 | 7.1 | 2.3 | 14.9 | 67.7 |
| Arkansas | 31 | 4.4 | 10.3 | 2.8 | 20.7 | 66.8 |
| California | 367 | 4.6 | 177.6 | 3.7 | 189.4 | 51.6 |
| Colorado | 25 | 3.0 | 4.0 | .9 | 21.0 | 84.0 |
| Connecticut | 50 | 3.8 | 22.5 | 2.4 | 27.5 | 55.0 |
| Delaware | 8 | 3.2 | 2.7 | 1.7 | 5.3 | 66.2 |
| District of Columbia | 27 | 2.3 | 4.2 | 1.2 | 22.8 | 84.4 |
| Florida | 70 | 2.9 | 20.4 | 1.6 | 49.6 | 70.9 |
| Georgia | 63 | 3.5 | 12.8 | 1.3 | 50.2 | 79.7 |
| Hawaii | 9 | 2.9 | 4.0 | 1.9 | 5.0 | 55.6 |
| Idaho | 12 | 4.3 | 4.5 | 3.2 | 7.5 | 62.5 |
| Illinois | 150 | 3.0 | 47.6 | 1.5 | 102.4 | 68.3 |
| Indiana | 68 | 3.2 | 19.3 | 1.4 | 48.7 | 71.6 |
| Iowa | 30 | 2.5 | 7.3 | 1.3 | 22.7 | 75.7 |
| Kansas | 23 | 2.7 | 5.7 | 1.4 | 17.3 | 75.2 |
| Kentucky | 44 | 3.9 | 14.2 | 2.5 | 29.8 | 67.7 |
| Louisiana | 67 | 4.8 | 16.9 | 2.4 | 50.1 | 74.8 |
| Maine | 16 | 4.2 | 6.4 | 2.9 | 9.6 | 60.0 |
| Maryland | 46 | 3.2 | 15.4 | 1.8 | 30.6 | 66.5 |
| Massachusetts | 103 | 4.1 | 48.1 | 2.9 | 54.9 | 53.3 |
| Michigan | 155 | 4.7 | 55.9 | 2.4 | 99.1 | 63.9 |
| Minnesota | 51 | 3.1 | 14.8 | 1.7 | 36.2 | 71.0 |
| Mississippi | 37 | 4.6 | 7.4 | 2.1 | 29.6 | 80.0 |
| Missouri | 69 | 3.4 | 24.0 | 2.1 | 45.0 | 65.2 |
| Montana | 13 | 4.7 | 3.7 | 3.1 | 9.3 | 71.5 |
| Nebraska | 16 | 2.5 | 3.5 | 1.3 | 12.5 | 78.1 |
| Nevada | 11 | 5.0 | 4.9 | 3.8 | 6.1 | 55.5 |
| New Hampshire | 5 | 1.8 | 1.6 | .9 | 3.4 | 68.0 |
| New Jersey | 133 | 4.6 | 61.1 | 3.3 | 71.9 | 54.1 |
| New Mexico | 19 | 5.2 | 4.8 | 2.8 | 14.2 | 74.7 |
| New York | 285 | 3.5 | 137.2 | 2.5 | 147.8 | 51.9 |
| North Carolina | 70 | 3.3 | 20.7 | 1.7 | 49.3 | 70.4 |
| North Dakota | 10 | 4.1 | 2.4 | 3.0 | 7.6 | 76.0 |
| Ohio | 126 | 2.9 | 35.3 | 1.3 | 90.7 | 72.0 |
| Oklahoma | 36 | 3.6 | 10.1 | 2.3 | 25.9 | 71.9 |
| Oregon | 39 | 4.4 | 15.8 | 3.2 | 23.2 | 59.5 |
| Pennsylvania | 157 | 3.2 | 69.4 | 2.1 | 87.6 | 55.8 |
| Puerto Rico | 93 | 11.6 | 30.6 | 7.2 | 62.4 | 67.1 |
| Rhode Island | 14 | 3.7 | 8.5 | 3.1 | 5.5 | 39.3 |
| South Carolina | 45 | 4.5 | 10.0 | 1.8 | 35.0 | 77.8 |
| South Dakota | 8 | 3.0 | 1.4 | 1.6 | 6.6 | 82.5 |
| Tennessee | 61 | 3.8 | 21.9 | 2.5 | 39.1 | 64.1 |
| Texas | 118 | 2.7 | 19.5 | .9 | 98.5 | 83.5 |
| Utah | 21 | 5.2 | 6.3 | 3.1 | 14.7 | 70.0 |
| Vermont | 7 | 3.7 | 2.4 | 2.5 | 4.6 | 65.7 |
| Virginia | 48 | 2.7 | 6.5 | .7 | 41.5 | 86.5 |
| Washington | 59 | 4.3 | 25.9 | 3.3 | 33.1 | 56.1 |
| West Virginia | 41 | 6.5 | 11.2 | 3.2 | 29.8 | 72.7 |
| Wisconsin | 64 | 3.5 | 21.1 | 1.9 | 42.9 | 67.0 |
| Wyoming | 6 | 4.1 | 1.0 | 1.6 | 5.0 | 83.3 |

Source: United States Government, President's Commission on Income Maintenance, Background Papers, p. 180.

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Table 4.6. Percentage of population covered by medical insurance in selected countries a/

| <u>Country</u> | <u>Percentage of population</u> |
|--------------------|---------------------------------|
| Austria | 71 |
| Finland | 100 |
| Italy | 88 |
| Japan | 98 |
| Belgium | 79 |
| Denmark | 97 |
| France | 88 |
| Germany, Fed. Rep. | 87 |
| Iceland | 94 |
| Luxembourg | 97 |
| Netherlands | 75 |
| New Zealand | 100 |
| Norway | 100 |
| Sweden | 100 |
| United Kingdom | 100 |

Source: Felix Paukert, "Social security and income redistribution: a comparative study", International Labor Review, (November 1968), p. 437.

a/ Relates to protection for medical care in the event of sickness under statutory schemes covering at least one major category of employed persons and to the situation in 1964 or 1965, with the exception of Austria, Denmark and Iceland (1962), and Finland (1967).

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Table 4.7. Percentage of economically active population protected for cash sickness benefit a/

| <u>Country</u> | <u>Percentage of economically active population protected</u> |
|--------------------|---|
| Austria | 67 |
| Finland | 100 |
| Ireland | 61 |
| Italy | 36 |
| Japan | 50 |
| Belgium | 60 |
| France | 76 |
| Germany, Fed. Rep. | 85 |
| Luxembourg | 66 |
| Netherlands | 61 |
| Norway | 84 |
| Sweden | 100 |
| Switzerland | 87 |
| United Kingdom | 87 |

Source: Felix Paukert, "Social security and income redistribution: a comparative study", International Labor Review, (November 1968), p. 438.

a/ Relates to situation for latest available year; for most countries, 1960; for Ireland, 1957.

/...

Table 4.8. Social security contributions in selected countries: 1960

| Country | Financing of social security (Total receipts = 100) | | | | Employees' contributions as a percentage of personal primary income |
|---------------------------------------|--|-----------|----------------------------|------------------|---|
| | Contributions | | General govern- ment | Other sources | |
| | Employers | Employees | | | |
| Austria | 50.5 | 24.4 | 20.6 | 4.5 | 5.3 |
| Belgium | 41.5 | 18.5 | 31.4 | 8.7 | 3.6 |
| Denmark ^a | 10.6 | 14.9 | 74.0 | 0.5 | 2.1 |
| Finland | 36.7 | 9.0 | 47.6 | 6.7 | 1.2 |
| France | 61.5 | 15.4 | 19.8 | 3.3 | 3.0 |
| Western Germany | 41.2 | 24.9 | 26.1 | 7.9 | 6.0 |
| Ireland ^a | 21.2 | 5.0 | 72.8 | 1.0 | 0.6 |
| Italy | 59.0 | 11.9 | 23.0 | 6.1 | 2.4 [*] |
| Netherlands | 39.2 | 40.3 | 12.7 | 7.7 | 7.1 |
| Norway ^a | 26.5 | 31.7 | 40.0 | 1.7 | 5.4 |
| Sweden ^b | 11.0 | 20.5 | 66.9 | 1.6 | 3.3 |
| Switzerland | 23.8 | 32.9 | 27.4 | 16.0 | 4.3 |
| United Kingdom ^c | 17.0 | 18.9 | 59.2 | 4.9 | 2.8 |

Source: Incomes in Postwar Europe: A Study of Policies, Growth and Distribution (Economic Survey of Europe in 1965, part 2) (United Nations publication, Sales No. 66.II.E.14), chap. 6, table 6.4.

a/ Fiscal year 1959/60.

b/ Personal primary income includes depreciation allowances of unincorporated enterprises.

c/ Fiscal year 1960/61.

* Estimate by the secretariat of the Economic Commission for Europe.

/...

Table 4.9. Breakdown of tax receipts in selected European countries
(Percentages)

| Country and period | Tax receipts as percentage of GNP at market prices | Share in total tax receipts of: | | | | |
|----------------------------------|---|---------------------------------|-----------------------|-------|----------------------------------|----------------|
| | | Direct taxes | | | Social security contributions | Indirect taxes |
| | | Total | Paid by households | Other | | |
| Austria | | | | | | |
| 1953-1955 | 30.6 | 38.7 | 31.7 | 7.0 | 17.9 | 43.4 |
| 1956-1958 | 30.8 | 35.4 | 28.1 | 7.3 | 19.9 | 44.6 |
| 1959-1961 | 31.3 | 33.9 | 26.7 | 7.2 | 20.1 | 46.0 |
| 1962-1964 | 34.2 | 34.4 | 27.2 | 7.2 | 20.7 | 44.9 |
| Belgium | | | | | | |
| 1953-1955 | 22.5 | 33.2 | 26.0 | 7.2 | 23.1 | 43.8 |
| 1956-1958 | 23.7 | 31.2 | 24.3 | 6.9 | 24.8 | 44.1 |
| 1959-1961 | 25.4 | 29.9 | 23.7 | 6.2 | 24.6 | 45.5 |
| 1962-1964 | 27.9 | 29.7 | 23.6 | 6.1 | 26.7 | 43.5 |
| Denmark | | | | | | |
| 1953-1955 | 23.2 | 47.7 | 41.6 | 6.1 | 6.0 | 46.3 |
| 1956-1958 | 24.6 | 47.6 | 42.3 | 5.3 | 5.7 | 46.7 |
| 1959-1961 | 25.2 | 45.6 | 41.0 | 4.6 | 5.8 | 48.5 |
| 1962-1964 | 27.4 | 45.5 | 41.1 | 4.4 | 5.2 | 49.3 |
| Finland | | | | | | |
| 1954-1955 | 26.9 | 41.8 | 28.2 | 13.6 | 9.6 | 43.6 |
| 1956-1958 | 29.1 | 41.9 | 28.2 | 13.7 | 8.2 | 49.9 |
| 1959-1961 | 27.1 | 40.0 | 28.7 | 11.3 | 9.4 | 50.6 |
| 1962-1964 | 27.7 | 41.7 | 30.9 | 10.3 | 10.6 | 47.7 |
| France ^a | | | | | | |
| 1953-1955 | 32.6 | 15.6 | 9.7 | 5.9 | 32.5 | 51.9 |
| 1956-1958 | 33.5 | 17.1 | 10.2 | 6.9 | 33.1 | 49.8 |
| 1959-1961 | 34.5 | 18.1 | 11.1 | 7.0 | 33.8 | 48.1 |
| 1962-1964 | 36.5 | 16.4 | 10.8 | 5.6 | 36.2 | 47.4 |
| Western Germany | | | | | | |
| 1953-1955 | 32.7 | 30.3 ^b | 20.7* | 9.6* | 24.6* | 45.1 |
| 1956-1958 | 32.5 | 28.0 ^b | 18.5 | 9.5 | 27.9 | 44.0 |
| 1959-1961 | 34.0 | 28.9 ^b | 19.9 | 9.0 | 28.5 | 42.6 |
| 1962-1964 | 35.2 | 31.2 ^b | 23.1 | 8.1 | 27.9 | 40.9 |
| Ireland | | | | | | |
| 1953-1955 | 21.4 | 23.6 | 14.5 | 9.1 | 4.8 | 71.6 |
| 1956-1958 | 22.6 | 21.6 | 13.6 | 8.0 | 4.6 | 73.9 |
| 1959-1961 | 22.1 | 21.0 | 14.3 | 6.7 | 5.3 | 73.6 |
| 1962-1964 | 23.3 | 24.6 | 15.7 | 8.9 | 6.7 | 68.7 |
| Italy | | | | | | |
| 1953-1955 ^a | 25.6 | 19.5 | .. | .. | 29.1 | 51.4 |
| 1956-1958 | 27.3 | 21.0 | .. | .. | 29.6 | 49.4 |
| 1959-1961 | 28.4 | 20.7 | .. | .. | 31.3 | 48.0 |
| 1962-1964 | 30.7 | 19.9 | .. | .. | 35.4 | 44.7 |
| Netherlands | | | | | | |
| 1953-1955 | 27.8 | 42.7 | 29.6 | 13.1 | 16.7 | 40.6 |
| 1956-1958 | 29.5 | 42.5 | 30.4 | 12.1 | 23.1 | 34.3 |
| 1959-1961 | 30.3 | 40.7 | 30.3 | 10.4 | 26.6 | 32.7 |
| 1962-1964 | 32.0 | 39.1 | 30.7 | 8.4 | 29.6 | 31.3 |
| Norway | | | | | | |
| 1953-1955 | 29.3 | 44.7 | 32.6 | 12.1 | 9.1 | 46.3 |
| 1956-1958 | 31.3 | 44.8 | 35.4 | 9.4 | 10.2 | 45.0 |
| 1959-1961 | 32.8 | 38.5 | 32.0 | 6.5 | 17.0 | 44.5 |
| 1962-1964 | 34.6 | 38.1 | 33.4 | 4.7 | 19.3 | 42.5 |

Table 4.9 (continued)

| Country and period | Tax receipts as percentage of GNP at market prices | Share in total tax receipts of: | | | | |
|-----------------------|---|---------------------------------|-----------------------|-------|----------------------------------|----------------|
| | | Direct taxes | | | Social security contributions | Indirect taxes |
| | | Total | Paid by households | Other | | |
| Sweden | | | | | | |
| 1953-1955 | 27.5 | 63.0 | 50.7 | 12.3 | 4.4 | 32.6 |
| 1956-1958 | 29.6 | 59.2 | 46.9 | 12.3 | 8.2 | 32.6 |
| 1959-1961 | 31.6 | 53.6 | 45.4 | 8.2 | 11.5 | 34.9 |
| 1962-1964 | 35.9 | 49.6 | 43.5 | 6.1 | 15.3 | 35.1 |
| Switzerland | | | | | | |
| 1953-1955 | 18.7 | 42.9 | 34.2 | 8.7 | 22.5 | 34.6 |
| 1956-1958 | 19.0 | 43.1 | 33.5 | 9.6 | 22.1 | 34.8 |
| 1959-1961 | 19.8 | 42.5 | 32.9 | 9.6 | 22.7 | 34.8 |
| 1962-1964 | 21.1 | 43.3 | 32.9 | 10.4 | 22.3 | 34.3 |
| United Kingdom | | | | | | |
| 1953-1955 | 29.0 | 41.8 | 23.8 | 18.0 | 10.5 | 47.7 |
| 1956-1958 | 28.3 | 41.1 | 25.7 | 15.4 | 11.5 | 47.4 |
| 1959-1961 | 28.1 | 39.5 | 27.9 | 11.6 | 13.3 | 47.2 |
| 1962-1964 | 29.1 | 38.9 | 28.9 | 10.0 | 14.7 | 46.4 |

Source: Incomes in Postwar Europe: A Study of Policies, Growth and Distribution (Economic Survey of Europe in 1965, part 2) (United Nations publication, Sales No. 66.II.E.14), chap. 6, table 6.1.

a/ From 1958 onwards, new revised series.

b/ Including other current transfers from corporations to general government.

c/ 1955 only.

* Estimate by the secretariat of the Economic Commission for Europe.

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Table 4.10. Total short-term benefits ^{a/} as a percentage of earnings in selected European countries

| Category by assumed earnings | Austria | | France | | Western Germany | | United Kingdom | |
|---|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | Gross benefits ^{b/} | Net benefits ^{b/} | Gross benefits ^{b/} | Net benefits ^{b/} | Gross benefits ^{b/} | Net benefits ^{b/} | Gross benefits ^{b/} | Net benefits ^{b/} |
| <u>75 per cent of reference earnings</u> | | | | | | | | |
| Single man | 6.33 | -11.35 | 8.89 | -21.22 | 7.05 | -5.19 | 4.50 | 1.33 |
| Man and wife | 9.70 | -7.67 | 15.01 | -15.10 | 9.68 | -2.58 | 8.25 | 5.08 |
| Man/wife/2 children | 27.48 | 10.22 | 42.38 | 12.27 | 13.46 | 1.22 | 16.71 | 13.54 |
| Man/earning wife | 7.67 | -9.44 | 10.46 | -19.65 | 7.92 | -4.47 | 6.57 | 2.48 |
| <u>100 per cent of reference earnings</u> | | | | | | | | |
| Single man | 4.95 | -10.78 | 7.86 | -22.09 | 5.47 | -4.17 | 3.39 | 1.02 |
| Man and wife | 7.55 | -7.84 | 12.54 | -17.41 | 7.55 | -2.09 | 6.23 | 3.86 |
| Man/wife/2 children | 21.00 | 5.69 | 33.16 | 3.21 | 10.40 | 0.76 | 12.58 | 10.21 |
| Man/earning wife | 6.21 | -9.82 | 8.94 | -21.07 | 6.52 | -4.29 | 4.80 | 1.87 |
| <u>150 per cent of reference earnings</u> | | | | | | | | |
| Single man | 3.42 | -9.94 | 5.93 | -14.01 | 3.87 | -3.07 | 2.26 | 0.67 |
| Man and wife | 5.21 | -7.93 | 9.12 | -10.82 | 5.38 | -1.56 | 4.15 | 2.56 |
| Man/wife/2 children | 14.19 | 1.05 | 22.90 | 2.96 | 7.30 | 0.36 | 8.38 | 6.79 |
| Man/earning wife | 4.57 | -9.49 | 6.91 | -17.02 | 4.78 | -3.35 | 3.20 | 1.25 |
| <u>200 per cent of reference earnings</u> | | | | | | | | |
| Single man | 2.56 | -9.25 | 4.76 | -10.23 | 3.06 | -2.52 | 1.69 | 0.48 |
| Man and wife | 3.91 | -7.68 | 7.18 | -7.81 | 4.29 | -1.29 | 3.11 | 1.90 |
| Man/wife/2 children | 10.65 | -0.94 | 17.52 | 2.53 | 5.75 | 0.17 | 6.30 | 5.09 |
| Man/earning wife | 3.56 | -9.02 | 5.47 | -12.77 | 3.77 | -2.71 | 2.59 | 0.93 |

Source: Incomes in Postwar Europe: A Study of Policies, Growth and Distribution (Economic Survey of Europe in 1965, part 2) United Nations publication, Sales No. 66.II.E.14.

^{a/} Short-term benefits include family allowances, medical care, maternity benefits, sickness benefits, death grants, employment injury, and unemployment insurance benefits. 100 per cent of reference earnings is the average annual full-time rate of earnings of either male or female wage- and salary-earners, excluding agriculture and the armed forces, in the spring of 1965.

^{b/} Net benefits are equal to the difference between gross benefits and (employer and employee) contributions.

Explanatory Notes on following page

Explanatory notes to Table 4.10.

For short-term benefits in the four countries selected, estimates of average annual benefits for each type of benefit have been made. These benefits have been calculated at four different national wage salary levels. These four earnings levels are described throughout this section as percentages of "reference earnings": 75 per cent, 100 per cent, 150 per cent and 200 per cent. Thus, 100 per cent of reference earnings is the appropriate average annual full-time rate of earnings of adult male, or female, wage- and salary-earners, excluding agriculture and the armed forces, in the spring of 1965. The figure is the gross average annual wage or salary before deducting taxes or social security contributions. It does not include family allowances or any other state benefits. These earnings for male and female employees are as follows:

Average annual wages and salaries for male and female employees

| Country | Percentage of reference earnings | | | |
|-----------------------------|----------------------------------|--------|--------|--------|
| | 75 | 100 | 150 | 200 |
| <u>Austria (Sch.)</u> | | | | |
| Male | 35,500 | 47,000 | 70,500 | 94,000 |
| Female | 22,000 | 29,500 | 44,500 | 59,000 |
| <u>France (NF)</u> | | | | |
| Male | 9,250 | 12,300 | 18,450 | 24,600 |
| Female | 5,950 | 7,900 | 11,850 | 15,800 |
| <u>Western Germany (DM)</u> | | | | |
| Male | 8,250 | 11,000 | 16,500 | 22,000 |
| Female | 6,250 | 7,000 | 10,500 | 14,000 |
| <u>United Kingdom (£)</u> | | | | |
| Male | 790 | 1,050 | 1,575 | 2,100 |
| Female | 375 | 500 | 750 | 1,000 |

The distinction between short-term benefits and pensions may not be as sharp as the terms suggest. For example, a pension element may occur in a sickness insurance scheme. In the United Kingdom, for example, sickness benefits are payable for an indefinite period. In this section all sickness benefits are considered to be short-term benefits. Invalidity and survivors' pensions arising from employment injury have been included in short-term benefits. The reason is that while benefits may be paid for a long period, the amount of benefit is generally related to earnings at the time of the injury or shortly before. Moreover, an employee becomes eligible for benefit after a relatively short period of membership; in the case of employment injury benefit there is usually no qualifying period. This section examines only general statutory social security schemes. As a rule the same definitions are used as those in the ILO inquiries on the cost of social security.

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Chapter V

FOREIGN WORKERS

111. The number of foreign workers today, particularly in Europe, is of such magnitude that no account of the realization of economic, social and cultural rights can be complete without a separate and unified treatment of their condition. In this chapter the only concern is to assess the extent to which foreigners realize economic, social and cultural rights on a par with nationals, and to attempt to assess the possibilities for ameliorating the position of foreigners. This survey is confined to conditions of foreign workers in some western European countries, since they have the only complete and up-to-date statistics on the subject. The question is, of course, a much broader one - a fact that should be borne in mind in any search for a solution.

112. In Europe, in only one country (Switzerland) do foreigners make up more than 10 per cent of the labour force; in France, the Federal Republic of Germany and Sweden, the figure ranges between 6 and 8 per cent. But these aggregates fail to give the true importance of foreign workers. In Switzerland, for example, where foreign workers make up about one sixth of the total, they are concentrated in unskilled work, "so much so that all Swiss now hold down skilled or semi-skilled jobs". 1/ In Sweden, foreign workers are hardly 6 per cent of the labour force, but they constitute 11 per cent of production process workers. In the Federal Republic of Germany, the over-all figure is not quite 8 per cent, but foreign workers constitute 20 per cent of the construction labour force and 13 per cent of manufacturing workers. Sectoral breakdowns for the Federal Republic of Germany and Sweden are summarized in table 5.1. In France, for which comparable figures are not available, the over-all picture appears roughly similar. A correspondent of Le Monde recently estimated that foreigners constitute 20 per cent of the industrial work force, compared with 8 per cent of the over-all population. 2/

113. Recent history as well as projections for the future suggest an even more important role for foreign workers not only in the countries surveyed in this part of the report but in many parts of the world. Lessons that may be drawn from this chapter therefore serve other regions with similar problems, though of smaller magnitude and different nature.

114. The United Kingdom and Switzerland took measures to limit immigration in the late 1960s. Between 1969 and 1971, the number of foreign workers in Sweden grew from 176,000 to 224,000, an increase of more than 25 per cent. During the same

1/ Charles Kindleberger, "Mass migration then and now", Foreign Affairs (July 1965), p. 648.

2/ Jean-Pierre Bumont, "New Deal for Immigrants", Le Monde, Weekly English Edition, 23 September 1972.

period the number of foreign workers in the Federal Republic of Germany grew from 1,366,000 to 2,128,000, an increase of more than 50 per cent. The 1971 OECD survey of the Swedish economy quotes official Swedish projections to the effect that more than half the new workers added to the labour force between 1970 and 1975 will be foreign workers. ^{3/} And a recent United Nations survey of Europe projects a shortage in the advanced countries of some 5 to 10 million workers by 1980, presumably to be met by immigration from the periphery. In relative terms, the shortfall is even more astounding. ^{4/} Increases in the domestic labour supply are expected to satisfy only one third to one half the projected increases in demand.

115. These workers, drawn from the periphery of the developed market economies - from Turkey, Greece, Italy and Yugoslavia to the Federal Republic of Germany; from Finland and increasingly from southern Europe to Sweden; from Spain, Portugal, Italy, North Africa, and French-speaking sub-Saharan Africa to France; from Ireland and the "coloured" Commonwealth countries to the United Kingdom - face basic problems on economic, social and cultural levels that deserve particular consideration.

116. They tend to be as segregated in the labour market as in the larger society. Though it may appear surprising, in view of the generally successful insistence of labour unions that foreigners be paid the same wages as nationals doing the same work, foreign labour is still cheap labour. ^{5/}

117. The significance of the desire for mobility in developed market economies cannot be overemphasized. The contribution of foreign workers to the mobility of the host population is likely to increase over time, as the importance of the reserve of domestic agricultural workers recedes; thus the need for foreign workers will probably increase in time. It is probably a fair generalization to say that in Europe today foreign workers are the single group most excluded from the enjoyment of economic, social and cultural rights. To say that their conditions would be worse had they not had the opportunity of finding a job or a higher paying job in these countries is to avoid the real issue at hand.

118. With respect to economic rights, though foreign workers in principle earn equal wages for equal work, they in general perform unequal work. And even the principle of equal pay for equal work is not honoured as it should be. Pierre Grandjeat, commenting on the difference between legality and reality, had this to say:

^{3/} OECD, Economic Surveys: Sweden, April 1971.

^{4/} For projections of demand for and supply of labour in the developed market economies of Europe, see Economic Survey of Europe in 1969, part I (United Nations publication, Sales No. E.70.II.E.1), table 3.37.

^{5/} An article in the Nouvel Observateur of 31 July 1972 deals with this matter. .

"It is correct that workers recruited abroad according to official procedures receive, before their departure, a contract in which the basis of the calculation of their remuneration is clearly written, which they accept implicitly. But this legalistic picture must be touched up. In the first place, the possibility cannot be excluded that in certain cases the level of wages corresponds to a job which the candidate accepts even though it corresponds to a lower position than he in fact qualifies for, because the corresponding remuneration exceeds what he could get in his own country. Besides the stipulated wages are often, at the beginning, the minimum salary stipulated by legislation or union agreements. In a tight labor market, however, the national workers easily obtain a wage sensibly above the theoretical wages." 6/

This particular form of discrimination is most keenly felt by foreign workers who stay only a short period. Grandjeat states: "The foreign worker can certainly obtain parity after a year". But the discrimination is none the less real for this qualification, especially in countries that make a policy of turning over foreigners relatively quickly.

119. In no country are foreigners on a par with citizens with respect to "the right... to work which he freely chooses or accepts". Sweden appears to be the most liberal, but even there "unlimited rights to assume employment and establish residence" are issued to non-Nordics only after two years. 7/ In other continental countries, according to a survey made in 1965, the right to change occupation and residence requires previous residence of 5 to 13 years. 8/ France has the most stringent requirements, 10 years of residence to change place of work (5 years for Greeks and Spaniards) and 13 years of residence to change occupation (10 years for Greeks and Spaniards). 9/

120. Even when possessed of nominal rights to free occupational choice, the foreigner generally finds himself at a severe disadvantage in practice. Both linguistic barriers and ethnic prejudice appear to play substantial roles in this

6/ Pierre Grandjeat, Les Migrations de Travailleurs en Europe, Cahiers de l'Institut international d'études sociales, Cahier 1 (October-November 1966), p. 32.

7/ Immigration and Immigration Policy in Sweden (Stockholm, Swedish Institute, 1972), p. 3.

8/ This section draws heavily upon T. Stark, "Situation of migrant workers of the EEC as compared to that of workers of other countries", in Arnold Rose, Migrants in Europe (Minneapolis, University of Minnesota, 1969). In respect of the right to change occupation and residence, as in many others, Italians enjoy a preferential status in other Common Market countries by virtue of Italy's membership in that organization. Italians in other Common Market countries may change residence or occupation after two years.

9/ That is unless these requirements have recently been modified.

/...

discrimination, and though some countries - Sweden is once again notable - appear to be making efforts to overcome these barriers, the reality still appears in all cases to be one of substantial inequality.

121. Foreigners suffer similar discrimination with respect to many aspects of social security. Policies differ greatly between countries even on the admission of family, which is presumably basic to its "protection and assistance", and most countries discriminate among different nationalities, according to bilateral agreements. In France, though government policy is to encourage the establishment of foreign families, at least for Europeans, this policy is not always carried out because of the housing shortage. Although, as has already been noted, foreign workers constitute 20 per cent of the industrial labour force, less than 7 per cent of low-cost housing is allocated to foreigners. 10/ The Federal Republic of Germany and Switzerland seem to be less hospitable, officially, and the lack of housing reinforces the official policy. Sweden, by contrast, "does not issue work permits unless housing accommodation is also arranged" and "the spouse and minor children of a person holding a work permit are also entitled to live in Sweden". 11/

122. Though in the past even the EEC countries have discriminated between their own nationals and immigrant workers with respect to family allowances, foreigners generally receiving reduced allowances or no allowance at all for their children left at home (though it would appear that most countries afforded equal treatment to resident children, regardless of nationality), an agreement has recently been concluded between these countries, as noted in the 1970 Report on the World Social Situation:

"Reference was made in the 1967 Report on the World Social Situation to the agreement between EEC countries concerning guaranteed freedom of migration within the Common Market area and the granting of equal rights to immigrants with regard to wages, social security, family allowances, housing entitlement and related matters. Preparations for implementing this agreement were made during 1968, by EEC authorities, and the agreement went into force at the end of that year. A further provision, establishing the right of any national of a Common Market country to remain permanently with his family in another country of the area, after having been employed there, is now in the process of enactment. The same right is guaranteed by the European Social Charter, an instrument adopted by the Council of Europe; this would appear to extend the right beyond the Common Market area, since the Governments that have ratified the Charter include six which are not members of the Common Market. In some instances, however, actual implementation of the immigrant workers' 'right to remain' appears to have lagged behind proclaimed principles.

10/ Jean-Pierre Bumont, "New Deal for Immigrants", Le Monde, Weekly English Edition, 23 September 1972.

11/ Immigration and Immigration Policy in Sweden (Stockholm, Swedish Institute, 1972).

"Now that immigrant workers' rights concerning equality of treatment under social security and family allowances programmes have been recognized, the EEC has turned its attention to problems of inequity in social security contributions, resulting from migration; in many instances migrant workers contribute to the social security systems of at least two countries, but normally draw benefits from only one. Any remedial measures must obviously be preceded by research, and such research is now envisaged in connexion with the forthcoming major study of comparative social security costs in Common Market countries." 12/

123. With respect to benefits such as unemployment, maternity, sickness and invalidity, and old age, most countries afford equal treatment for foreigners at least in principle. But differences in qualifying periods and limitations on transfer of benefits abroad probably make for a great deal of inequality in practice.

124. Moreover, there are other cases in which the principle of equality does not appear to be fully applied. For example, in France maternity benefits granted to nationals and foreigners are apparently not the same, and no birth allowance is provided unless the child is declared French; Switzerland provides no maternity allowance outside Switzerland, and no confinement allowance is granted to foreign workers.

125. But perhaps the worst domain of all for foreigners is the cultural. At one extreme, foreigners live in perpetual awareness, if not outright fear, of racist violence. "Pak-bashing", a tribal custom of English youth, as recently reported by The New York Times, has been transplanted to Turks in the Netherlands; 13/ and these incidents are known only because they are sufficiently sensational to attract the attention of the press. Ethnic and racial discrimination may be more muted, without it being absent. In France, a 1966 public opinion poll reported that 51 per cent of the adult population felt there were too many foreigners in the country. 14/

126. Even if outright discrimination or hostility is absent, inferiority of status and income, language handicaps, and social isolation combine to cut off foreigners from effective participation in the cultural life of their "host" countries. And they are equally cut off from their own cultures. The problem of the reintegration of migrant workers in their own cultures appears to be one of the least studied aspects of the post-war wave of international migration. But it seems reasonable to anticipate that when foreigners finally return home, they all too often become,

12/ 1970 Report on the World Social Situation (United Nations publication, Sales No. E.71.IV.13), pp. 116-117.

13/ The New York Times, 8 September 1972, p. 2.

14/ Arnold Rose, Migrants in Europe (Minneapolis, University of Minnesota, 1969), p. 133.

to borrow a phrase from a description of Puerto Ricans returning from the mainland United States, strangers in their own lands. 15/

127. This account of the position of foreign workers may appear one-sided, for it has thus far paid no attention to the benefits to the foreigners themselves. Indeed, orthodox, laissez-faire economics even suggests that the continued flow of immigrants, who come of their own "free will", is sure evidence that the benefits outweigh the costs. However, the continued willingness to emigrate rather points to the lack of work and the low wages in the countries of emigration.

128. From the point of view of the economic life of the peripheral countries, the results of emigration are, in any case, quite mixed. Emigration is of course a method of drawing off surplus labour, and this undoubtedly contributes to workers' strength in bargaining for wage increases. Indeed, so much so in Portugal that protests from local employers led during the 1960s to restriction on emigration and the phenomenon of clandestine movement, largely to France. 16/ But at the same time, migration exposes the peripheral countries to the shocks of business fluctuations abroad.

129. It is questionable to what extent life abroad, such as workers experience it, contributes to their capacity to build a decent society at home. To be sure, spokesmen for the host countries, particularly employers' representatives, stress the benefits of exposure to industrial discipline. "By merely becoming accustomed to the working rhythm of a modern industrial undertaking," stated a representative of the German Employers' Association, "and to the obligations associated with this - working carefully, punctuality, reliability, and acquiring the ability to organize - the worker has already gained a great deal." 17/ The secretary of the Central Union of Swiss Employers stressed the value of initiating workers to "new conditions... in a good industrial atmosphere", which he goes on to define as one "where strikes are a rare occurrence and working conditions are negotiated in the best possible spirit, on a basis of mutual respect, by the two sides of industry, and where class warfare is unknown". 18/

15/ William Knowles, "Puerto Rico: problems of returning migrants", in OECD, Emigrant Workers Returning to Their Home Country: Supplement to the Final Report (Paris, 1967), p. 87.

16/ These restrictions were relaxed in 1970 (OECD, Economic Surveys: Portugal, September 1971, p. 16).

17/ Rolf Weber, "The employment of foreigners in Germany", in OECD, Emigrant Workers Returning to Their Home Country: Supplement to the Final Report (Paris, 1967), p. 316.

18/ Edouard Duc, "Switzerland", in OECD, Emigrant Workers..., op. cit., p. 288.

Table 5.1. Foreign workers and total employment in the
Federal Republic of Germany and Sweden

A. FEDERAL REPUBLIC OF GERMANY

| <u>Sector</u> | <u>Foreign workers^{a/}</u> | <u>Total employment^{b/}</u> | <u>Foreigners as percentage of total employment</u> |
|--|-------------------------------------|--------------------------------------|---|
| (In thousands) | | | |
| Farming, fishing, hunting, etc. | 22 | 2,200 | 1.0 |
| Mining, energy production, etc. | 73 | 528 | 13.8 |
| Processing industries | 1,313 | 10,265 | 12.7 |
| Construction and related | 380 | 1,976 | 19.2 |
| Trade and finance | 112 | 3,869 | 2.8 |
| Services (including government services) | 110 | 5,682 | 1.9 |
| Transportation | 49 | 1,493 | 3.2 |
| Total | 2,169 | 26,013 | 8.3 |

Source: Federal Republic of Germany, Statistical Yearbook, 1972.

a/ As of 30 June 1971.

b/ As of April 1971.

Table 5.1 (continued)

B. SWEDEN

| <u>Occupation</u> | <u>Foreign workers^{a/}</u> | <u>Total employment^{b/}</u> | <u>Foreign workers as percentage of total employment</u> |
|--|-------------------------------------|--------------------------------------|--|
| (In thousands) | | | |
| Professional, technical, administrative, clerical and related work | 26.9 | 1,214 | 2.2 |
| Commerce | 3.4 | 348 | 1.0 |
| Farming, fishing, lumbering, etc. | 8.4 | 325 | 2.6 |
| Mining, energy production, process work, etc. | 138.9 | 1,241 | 11.2 |
| Transport and communications | 9.5 | 247 | 3.8 |
| Services | 35.0 | 48.3 | 7.2 |
| Other | 2.1 | 4 | 52.5 |
| Total | 224.1 | 3,866 | |

Source: Government of Sweden, Statistical Yearbook, 1971; Government of Sweden, Labor Force Surveys 1961-1969.

a/ As of 1 July 1971.

b/ Total employed, ages 16-74, as of 1 August 1971; occupational composition as of 1969.

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Chapter VI

STANDARDS OF CONSUMPTION AND HEALTH

130. The average standard of consumption in the developed market economies, and possibly the average standard of health too, is the highest in the world. Indeed, it is one of capitalism's greatest achievements that it has proved such a productive system, at least in some parts of the world. Whatever might be said about the credit due the capitalist system for achieving high levels of output and consumption, the high average standard of health is at best partly creditable to capitalism, for the thrust of social security has been to remove medical care from the market, which is in effect to remove it from the market economy's relations of production and distribution. But in part, and up to a point, good health derives from high consumption - for food and shelter are at least as important as medicine in determining average levels of physical well-being. Table 6.1 provides summary income, food consumption, and longevity data for selected countries. The per capita daily calorie and protein intake of these countries is among the highest in the world.

131. Moreover, the rate of growth of output in the aggregate has been high. Not one of the developed market economies for which data were available failed to register an increase of at least 20 per cent in per capita output during the 1960s, and the fastest growing nation, Japan, more than doubled per capita output. 1/

132. In spite of the generally high standards of consumption and health in the developed market economies, the persistence of pockets of poverty in some areas is a limiting factor in the enjoyment of economic, social and cultural rights.

133. One thing that no statistics will ever capture is the indignity the poor must suffer for most of the economic assistance the Government affords. Whenever a means test is imposed, the almost inevitable result is to add the insult of inferiority to the injury of deprivation. "The kids laughed at him," an American mother feelingly said of her child who was obliged to stand in a separate line to receive his free lunch at school. "Your mother is too poor to afford to buy your food." 2/ Coercion, intimidation, fear, shame - these are not new words in the lexicon of means-tested public assistance. Nor are they likely to disappear so soon. For wherever there is poverty, the poor are likely to be powerless.

1/ For the relevant figures, see United Nations, Yearbook of National Accounts Statistics, 1970, vol. II (United Nations publication, Sales No. E.72.XVII.3, vol. II), table 7.

2/ United States Senate, 90th Congress, Nutrition and Human Needs (Washington, DC, 1969), part 7, p. 2201.

134. In building a decent society, a high priority needs to be assigned to removing the causes and effects of poverty. The 1970 Report on the World Social Situation states:

"At the present stage of development in western Europe... general material abundance is in sight, and the elimination of remaining shortages (such as that of housing), as well as of existing pockets of poverty, appears to be more of a political than a strictly economic question. Public interest is therefore shifting from the quantitative problems of production to issues relating to the quality of life, and... the notion is gaining ground that there was in the past too much emphasis on quantitative achievements alone, neglecting the qualitative aspects of growth." 3/

It would appear that, for the most part, the developed market economies in other parts of the world are also showing an increased regard for the qualitative aspects of growth and for the full realization of economic, social and cultural rights.

A. Nutrition

135. Though, as table 6.1 shows, the United States enjoys one of the highest per capita calorie intakes in the world, a recent government study of nutrition in several American states confirms that nutritional problems are widespread and that many of these problems are inversely related to income. Some of the highlights of the 900-page Ten State Nutrition Survey are the following. First, and most important, the survey concludes that "a significant proportion of the population surveyed was malnourished or was at a high risk of developing nutritional problems". Moreover, "generally there was increasing evidence of malnutrition as income level decreased". 4/ The extent of nutritional problems and their relationship to income are both illustrated by the incidence of iron deficiency in five states that are among the poorest in the nation. 5/ As table 6.2 shows, whites in the lowest income class are three times as likely to be deficient in iron as whites in the highest income class, and low-income blacks are eight times as likely to suffer iron deficiency as high-income blacks. There was no difference in incidence between high-income blacks and high-income whites. The income gradient of iron deficiency was much less pronounced in the high-income states that formed the other half of the survey.

3/ United Nations publication, Sales No. E.71.IV.13, p. 107.

4/ United States Department of Health, Education and Welfare, Ten State Nutrition Survey, 1968-1970 (Atlanta, Georgia, 1972), vol. I, pp. 8-9.

5/ The Spanish-American population would appear to be an exception, but this may be due to the small number of Spanish Americans in the highest income group.

136. Nutritional studies of similar depth and completeness do not seem to exist in any other country. However, as part of the Swedish low-income study, respondents were questioned about their dietary intakes. Based on 72-hour recall, 30 per cent of respondents in the lowest income level were judged to have insufficient intake within two (or more) of the following broad categories: grain products, milk products, meat and fish, vegetables. In the highest income bracket, by contrast, only 16 per cent of respondents were judged deficient in two or more areas. Thus the incidence of dietary insufficiency was almost twice as high among the lower income respondents. ^{6/} As in the American study, low income would appear to be an important determinant of nutritional status. But it is clearly not the only one. Lack of education and tastes for food of dubious nutritional value must be important contributing factors.

137. The Swedish and American studies reveal that there is a substantial population running the risks of adverse effects of malnutrition. But what are these risks? Much more is known about the effects of severe malnutrition than about the relatively mild forms that would seem to be dominant among the malnourished populations of the developed market economies. But what is known about acute malnutrition is sufficiently alarming that, even if the effects are much attenuated in milder forms of malnutrition, the consequences for equality with respect to basic social and economic rights would be considerable.

138. According to a recent survey of the literature on malnutrition, ^{7/} poor diet in childhood leads to poor body development and poor mental development. It also leads to greater risk of infection and illness. Indeed, risks begin before birth, since the risks of birth complications increase for poorly nourished mothers. And they continue well beyond childhood, because poor physical and intellectual development coupled with illness obviously interfere with education, and education, as noted in chapter III, is necessary, if not always sufficient, for income and status. And the consequences of malnutrition continue beyond one's own life time, not only because of the perpetuation of inequality through the family and the school, but more directly as well, because of the effects of malnutrition on body stature and the effects of body stature on childbearing capacity. It is medically reported that the risks of pregnancy to the foetus as well as to the woman are statistically much greater in shorter women than in taller women, and the difference appears to be nutritionally determined.

^{6/} Government of Sweden, Arbetsgruppen för Laginkomstfrågor, Kompendium Om Laginkomst Artidningen (Working Group for Low Income Questions, Compendium of Low Income Studies) (Stockholm, 1971), p. 121.

^{7/} Herbert Birch, "Malnutrition, learning and intelligence", American Journal of Public Health, vol. 62 (June 1972).

B. Housing

139. Bad housing is second only to bad nutrition among the hazards of poverty. A recent United States Government study concludes with a warning that:

"There are an estimated 6.7 million (9.9 per cent of the total) occupied substandard buildings. Four million of these lack one or more essential indoor plumbing facilities (water supply, toilet facility, or bathing facility), and 2.7 million are in such a dilapidated condition that they cannot be rehabilitated without major repair." 8/

Table 6.3 summarizes the distribution of substandard housing in the United States, by race, income class, and location of residence (metropolitan or non-metropolitan).

140. In 1965, a Department of Housing and Urban Development was created in the United States, placing federal housing and urban programmes under a single agency. In recent years the new Department has encouraged the greater use of industrial techniques to overcome the worsening housing shortage in many of the nation's cities. Legislation was enacted to provide a modest amount of funds to subsidize rents in public housing for eligible low-income tenants, and a federal housing allowance was established, which would give low-income families the money to find their own housing in the private market. New subsidies for both rented housing and house purchase were added in 1968. Attention has also been given to the construction of low-income housing in suburban areas, as a means of improving mobility for racial and ethnic minorities, though some difficulties have been encountered in achieving this goal in practice.

141. The following account has been given of the housing situation in Canada:

"In Canada, the outlines of a critical nation-wide housing problem became visible in 1967 with rising land prices, a shortage of mortgage money and a sharp increase in the rate of family formation and non-family households. To the long-standing problem of inadequate housing among low-income groups, a new dimension was added as increasing numbers of middle-income families found themselves unable to afford the sharply rising costs of accommodation. With the extension of the problem to the middle-income group, housing became a political issue of national concern in marked contrast with the public indifference of preceding years. A federal task force on housing and urban development, appointed in 1968,

8/ United States Department of Health, Education and Welfare, Public Health Service, "Issue study on housing, urban-rural problems and sanitation" (August 1969). Quoted in United States Senate, 91st Congress, Nutrition and Human Needs -- 1970 (Washington, 1970), part 6, p. 1787.

recommended against the construction of large public housing projects because of their ghetto-like qualities, and also recommended a freeze on urban renewal programmes involving the wholesale destruction of older housing. The task force proposed that consideration be given to a programme of income supplements to permit low-income families to rent or purchase housing in the private market. Subsequently the Federal Government announced its intention to devote a larger proportion of funds than in previous years to housing for low-income families, the elderly and the disadvantaged, and made available in 1970 a sum of \$200 million for experimental housing programmes for low and moderate-income families." 9/

142. In the United Kingdom, the National Plan for Housing of 1965 envisaged construction of 500,000 houses a year by 1970, an increasing share of which would be allocated to the public sector with a view to helping to meet the shortage of houses to rent. It was reported in January 1970, however, that the building target had been reduced to about 400,000 houses a year, as it was expected that there would be a 5 per cent surplus of houses over households by 1973. Also in the United Kingdom, the Housing Subsidies Act came into force in May 1967 to provide greater help to the public sector (building for rent), especially to those local authorities facing particularly high costs. A large slum clearance programme was also continuing, and it was hoped to raise the rate of slum clearance to around 140,000 a year and to speed up the improvement of the more than 5 million dwellings that were in need of basic amenities or substantial repair. 10/

143. The Government of Denmark reported in 1969 that the Rent Subsidies Act of 8 March 1967 had placed low-income groups in a better position to obtain a reasonable housing standard. 11/

144. In Europe and Japan, the general condition is one of housing shortage, but while this may mean generalized inconvenience for the middle classes, it means much worse for the poor. Presumably the fact that foreign workers in France have the worst housing is a contributing factor to a high incidence of communicable diseases like tuberculosis. A recent survey by French doctors in a Paris suburb found the tuberculosis rate for black Africans to be 156 times the rate for the rest of the population. 12/

9/ 1970 Report on the World Social Situation (United Nations publication, Sales No. E.71.IV.13), pp. 136-137.

10/ E/CN.4/1011/Add.2, pp. 26-27.

11/ E/CN.4/1011/Add.1, p. 40.

12/ R. D. Nicholas et. al., "Guilty of being ill", Droit et Liberté, No. 280 (March 1969). Reported in Stephen Castler and Gedula Kosack, "The function of labor immigration in Western Europe", New Left Review, No. 73 (May-June 1972).

145. In Sweden, which by virtue of its higher income level and its social policies probably does better than other European countries, the low income study found that 11 per cent of working class households - which include many "non-poor" along with the poor - had "non-modern" housing equipment, as against 4 and 1 per cent, respectively, of middle and élite occupational classes. ^{13/} Overcrowding was an even more serious problem. More than 26 per cent of working-class households had more than two persons to a room (not counting living room and kitchen), as against 15 and 3 per cent in middle and élite classes. ^{14/} Among households with children under 16, overcrowding was naturally even more prevalent. Of working-class households, 46 per cent were overcrowded, as against 22 and 4 per cent, respectively, in the higher two classes. ^{15/} It cannot be concluded from these statistics that these percentages of Swedes necessarily suffer serious psychic or physical damage from inadequate housing. But it appears fair to conclude that bad housing puts a substantial portion of the working class at an elevated risk of such damage.

146. Among the dangers of overcrowding must be reckoned infectious disease, skin disease, home accidents, and emotional illness. ^{16/} Moreover,

"Overcrowding affects privacy and often results in family members spending more time outside the home. When recreation is not available, families have been observed to show aggravation of any predisposition to neurotic behavior. When overcrowding forces children to find activity outside the home, children's study habits suffer and parental supervision and control is reduced." ^{17/}

While these examples of the consequences of overcrowding are drawn from studies made in the United States, it is hard to imagine culture-specific characteristics that would make them inapplicable elsewhere.

147. Thus it is by no means just in luxuries that the standard of life of the poor measures up badly in developed market economies, badly not in relationship to the standard of life prevailing in most other parts of the world, but in relationship to the abundance of material goods that these countries produce.

^{13/} "Non-modern" is defined as lacking three or more of the following: hot water, drainage, toilet, central heat, shower or tub, modern cooking stove, refrigerator.

^{14/} Government of Sweden, Kompendium..., op. cit., p. 130.

^{15/} Ibid., p. 132.

^{16/} United States Department of Health, Education and Welfare, Public Health Service, "Issue study on housing, urban-rural problems and sanitation", August 1969 (quoted in: United States Senate, 91st Congress, Nutrition and Human Needs - 1970, Washington, D.C., 1970), part 6, p. 1789.

^{17/} Ibid.

C. Infant and child health

148. As table 6.4 indicates, the developed market economies as a group have made steady progress in reducing their infant-mortality rates, which are now among the lowest in the world.

149. Yet the available data indicate that economics still plays an important role in determining life expectancies. Table 6.5 presents mortality rates and rates for various occupational classes in Austria, the United Kingdom, and the United States. All three countries show markedly higher death rates for people in the lowest group of occupations. Unfortunately, no data are available beyond the early 1950s, and none are available for other countries, so it must be regarded as open whether developments in other countries, or developments in these countries since the 1950s have markedly altered the picture.

150. To be sure, the British data support the proposition that class differences with respect to mortality have narrowed over the years.

151. There are probably several reasons for the relationship between income level and mortality rates. Diet and housing have already been mentioned, and the physical environment probably ranks high on the list. In rural areas of the United States, particularly in the south, water contamination continues to be a major health problem. 18/ In cities too.

"Inner city (slum) residents are delivered the same water as any other urban residents. But pipes in inner city housing are sometimes old and ill-kept and often contain pipe or joint-cementing compound made of lead (no longer used in construction). Under such conditions water containing as much as 920 micrograms of lead per liter has been found in inner city areas, compared to an average of 20 micrograms per liter elsewhere." 19/

152. A related problem, lead poisoning from lead-based paint, appears to exist "in epidemic proportions in certain (slum) areas" in the United States. But since it is a disease that strikes mainly at the poor, it "exists in obscurity", in the words of Jane Lin-Fu, a specialist in this disease, and, she adds, "little is heard of it" and "even less is done about it". 20/ Because of its obscurity, its incidence cannot be accurately gauged, but Dr. Lin-Fu estimated "that over 50 per cent of children from some high-risk areas have absorbed an excessive amount of lead into their bodies". 21/ The consequences of lead poisoning, ranging from brain damage to death, are one more risk to which the poor are disproportionately exposed.

18/ United States Senate, 91st Congress, Nutrition and Human Needs - 1970, (Washington, D.C., 1970), part 4, p. 919 ff.

19/ United States Government, Council on Environmental Quality, Environmental Quality (Second Annual Report) (Washington, D.C., 1971), p. 196.

20/ United States Senate, 91st Congress, Nutrition and Human Needs - 1970, part 5, p. 1384.

21/ Ibid., p. 1385.

D. The problem of air pollution

153. Air pollution is a serious problem in cities. While everybody suffers to some extent, a recent medical study in a medium-sized United States city dramatized the difference in the experience and impact of air pollution between children of different income groups. Not only do lower-income-group children tend disproportionately to live in areas of high air pollution; as table 6.6 shows, they tend as a result to suffer disproportionately from allergic diseases exacerbated by air pollution. Tables 6.7 and 6.8 show incidence ratios for asthma and eczema severe enough to require hospitalization among children under 15 years of age. Although the absolute number of cases is relatively small and tests of statistical significance have not been performed, it seems clear that the children of the lowest income group suffer disproportionately from serious effects of those illnesses and, moreover, that their disproportionate exposure to air pollution is an important contributing cause. The effects are not limited to childhood, for the authors of this study quote another study to the effect that "about 50 per cent of... infant eczema cases have some form of respiratory allergy in later life". 22/

154. This relationship can hardly be dismissed as an isolated happening. After a careful review of a variety of studies in both the United States and England of the relationship between air pollution on the one hand and bronchitis, heart disease and cancer on the other, Lester Lave and Eugene Seskin concluded that an "objective observer would have to agree there is an important association between air pollution and various morbidity and mortality rates". 23/

155. It is likely that the problems of air pollution will grow rather than diminish with time, unless the trend of recent years is reversed. For though there are notable exceptions, it is hard to escape the general conclusion that pollution - air, water, noise, solid wastes - has grown at a rate at least comparable with the growth in industrial output. And according to a preliminary United Nations survey, such leading developed market economies as the United States, Sweden, and the Federal Republic of Germany anticipate public expenditures to improve the environment, or at least to check its deterioration, of the order of approximately 1 per cent of gross national product over the years 1971-1975. 24/ This would hardly appear to be sufficient to reverse the trend.

22/ Harry A. Sultz et. al., "An effect of continual exposure to air pollution on the incidence of chronic childhood allergic diseases", American Journal of Public Health, vol. 60 (May 1970), p. 900. The study referred to is H. S. Andreas, "Infantile eczema", Pediat. Clin. N. America, vol. 8 (1961).

23/ Lester Lave and Eugene Seskin, "Air pollution and human health", Science, vol. 169 (August 1970), p. 729.

24/ Economic Commission for Europe, "Economic Survey of Europe in 1971, part I: The European economy from the 1950s to the 1970s" (provisional version), pp. 188-189.

E. Health care

156. Removing medical care from the sphere of market relations would appear to be a positive step towards mitigating the inherent inequalities in consumption, health, and even life expectancy among different income groupings. Martin Rein, a leading expert on social welfare planning, recently concluded from studies of the British National Health Service that a "free-on-demand, comprehensive care system appears to contribute to equalization of care among social classes". ^{25/} If the British lower classes suffer greater illness, they also see doctors more frequently, as table 6.9 shows. Among adults, consultation rates in the lowest class are almost twice as great as consultation rates in the highest class.

157. This contrasts sharply with the United States. According to table 6.10, consultation rates in the age group 15+ are approximately the same for all income categories. Lest it be thought that this demonstrates true equality in the provision of medical care, tables 6.11 and 6.12 should be consulted. Serious illness is clearly experienced disproportionately by the poor; moreover, in the absence of comprehensive medical benefits in kind and cash sickness benefits, serious illness can easily lead to poverty.

158. The difference between the free-on-demand system typified by the British National Health Scheme and the fee-for-service system typified by United States medical care is perhaps best dramatized by comparing children's consultation rates. For children's consultations tend to be more in the nature of preventive medicine than adults'. The contrast between tables 6.9 and 6.10 for the under-15-year-old groups is striking. In the United States, children in the highest income families are approximately twice as likely to see a doctor as children in families in the lowest income group. In the United Kingdom, the consultation rates of children in all social classes are about the same.

159. There may well be differences between the quality of care that various classes receive in the United Kingdom, particularly with respect to intangibles that escape the statistician's net. ^{26/} Although the Chairman of the Board of Trustees of the American Medical Association may be right when he contends that "the quality of medicine in this country is unexcelled; the problem is distribution", ^{27/} distribution is the name of the game, at least so far as the realization of human rights is concerned. And in respect of distribution, the free-on-demand approach would seem clearly to have demonstrated its superiority to the fee-for-service approach.

^{25/} Martin Rein, "Social class and the utilization of medical care services", Hospitals, vol. 43 (July 1969), p. 52.

^{26/} Experts disagree. Richard Titmuss strongly believes so. See Commitment to Welfare, quoted in Rein, op. cit. Rein himself, relying on available statistical indicators, believes that the quality, as well as the quantity, of care has been equalized under the National Health Scheme.

^{27/} United States Senate, 92nd Congress, Committee on Labor and Public Welfare, Subcommittee on Health, Health Care Crisis in America, 1971 (Washington, D.C., 1971), p. 647.

160. Of course, adequate medical care delivery is necessary rather than sufficient to maintain good health. As Jack Geiger stated in testimony before the Senate Committee on Nutrition and Human Needs,

"if an infant is brought to the health center with diarrhoea, and is examined by a well-trained, board-certified pediatrician, is given expert nursing care, the appropriate lab tests ordered and accurately conducted, the correct diagnosis made and the right drugs dispersed and administered - all of which led to the desired termination of the infant's disease - if all this is done - that is, the best of modern medicine - and then the infant is returned to the same home environment in which he acquired his disease - nothing has been accomplished but to prepare the infant for his next bout of illness". 28/

The same could be said for other diseases referred to above, in which medical care is an essential element - but only one element - of the total environment.

28/ United States Senate, 91st Congress, Nutrition and Human Needs - 1970 (Washington, DC, 1970), part 4, p. 910.

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Table 6.1. Average income, consumption and life expectancy

| | Per capita income in 1969 (US \$) | Per capita daily food consumption | | Life expectancy at birth | |
|----------------------------|--|--------------------------------------|--------------------|--------------------------|---------------------|
| | | Calories | Protein (grams) | Year of estimate | Year of Estimate |
| | | | | | |
| Canada | 3,068 | 3,150 | 97 | 1969 | 1965/67 |
| United States | 4,151 | 3,290 | 97 | 1969 | 1968 |
| Israel | 1,450 | 2,930 | 90 | 1968/69 | 1970 |
| Japan | 1,396 | 2,450 | 75 | 1969 | 1968 |
| Belgium | 2,150 | 3,150 | 92 | 1968/69 | 1959/63 |
| France | 2,485 | 3,270 | 104 | 1969/70 | 1969 |
| Germany, Fed. Rep. | 2,246 | 2,940 | 82 | 1969/70 | 1966/68 |
| Italy | 1,420 | 2,950 | 88 | 1968/69 | 1960/62 |
| Luxembourg | 1,907 | 3,150 a/ | 92 | 1968/69 | 1946/48 |
| Netherlands | 1,976 | 3,030 | 84 | 1968/69 | 1968 |
| Austria | 1,547 | 2,950 | 87 | 1969/70 | 1970 |
| Denmark | 2,610 | 3,140 | 89 | 1969/70 | 1968/69 |
| Finland | 1,745 | 2,960 | 91 | 1969/70 | 1961/65 |
| Iceland | 1,648 | 2,900 | 99 | 1964/66 | 1961/65 |
| Norway | 2,191 | 2,900 | 82 | 1968/69 | 1961/65 |
| Portugal | 570 | 2,730 | 79 | 1969 | 1959/62 |
| Sweden | 3,205 | 2,750 | 79 | 1969/70 | 1967 |
| Switzerland | 2,642 | 2,990 | 84 | 1967/68 | 1958/63 |
| United Kingdom | 1,817 | 3,180 | 88 | 1968/69 | 1967/69 |
| Greece | 891 | 2,900 | 99 | 1967 | 1960/62 |
| Ireland | 1,111 | 3,450 | 93 | 1968 | 1960/62 |
| Malta | 635 | 2,680 | 86 | 1964/66 | 1967/69 |
| Spain | 811 | 2,750 | 84 | 1969/70 | 1960 |
| Australia | 2,434 | 3,220 | 106 | 1968/69 | 1960/62 |
| New Zealand | 1,769 | 3,320 | 106 | 1969 | 1960/62 |
| South Africa | 682 | 2,730 b/ | 77 b/ | 1964/66 b/ | 1965/70 |

Source: United Nations, Yearbook of National Accounts Statistics, 1970, vol. II; Statistical Yearbook, 1971.

a/ Figure for 1968.

b/ Includes data for Botswana, Lesotho, Namibia and Swaziland.

Table 6.2. United States: percentage of sample having deficient hemoglobin values in five low-income states a/

| Poverty income ratio <u>b/</u> | Ethnic group | | | | | |
|--------------------------------------|---------------------------|--|---------------------------|--|---------------------------|--|
| | White | | Black | | Spanish American | |
| | Total <u>a/</u> Number | Percent with deficient values | Total <u>a/</u> Number | Percent with deficient values | Total <u>a/</u> Number | Percent with deficient values |
| Combined | 3,822 | 1.8 | 8,590 | 7.6 | 1,896 | 5.5 |
| < 0.50 | 496 | 3.2 | 2,206 | 8.2 | 497 | 4.8 |
| 0.50-0.99 | 829 | 1.7 | 2,946 | 7.4 | 668 | 6.0 |
| 1.00-1.99 | 978 | 1.5 | 1,207 | 5.7 | 334 | 6.3 |
| 2.00-2.99 | 454 | 1.1 | 193 | 5.2 | 52 | 0.0 |
| > 2.99 | 293 | 1.0 | 97 | 1.0 | 36 | 5.6 |
| Unknown | 772 | 2.0 | 1,941 | 8.8 | 309 | 5.5 |

Source: U.S. Department of Health, Education and Welfare, Ten State Nutrition Survey 1968-1970 (Atlanta, Ga., 1972), (vol. IV, Biochemical), p. IV-56.

a/ The five states are Kentucky, Louisiana, Texas, South Carolina, and West Virginia.

b/ "Poverty income ratio" is defined by ratio of respondent's family income to official poverty level of income. In 1970 the official poverty level was approximately \$4,000 for a family of four.

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Table 6.3. United States: substandard housing^{a/} by race, income, and location of residence

| Percentage of all occupied units rated as substandard: | <u>1950</u> % | <u>1960</u> % | <u>1968</u> % |
|---|------------------|------------------|------------------|
| All United States households | 35.9 | 16.0 | 7.7 |
| Metropolitan households | 21.0 | 9.5 | 4.0 |
| Non-metropolitan households | 54.9 | 27.7 | 14.4 |
| | <u>1960</u> % | <u>1968</u> % | |
| All white households | 13.0 | 5.8 | |
| All non-white households | 44.0 | 23.7 | |
| White metropolitan households | 7.3 | 3.1 | |
| White non-metropolitan households | 22.9 | 10.5 | |
| Non-white metropolitan households | 28.2 | 10.8 | |
| Non-white non-metropolitan households | 77.3 | 55.3 | |
| Households by income levels: | <u>1950</u> % | <u>1960</u> % | |
| Incomes under \$4,000 | 45.5 | 31.8 | |
| Incomes of \$4,000 - \$7,999 | 14.1 | 8.8 | |
| Incomes of \$8,000 and up | 6.6 | 2.5 | |
| Metropolitan households: | | | |
| Incomes under \$4,000 | 28.8 | 20.9 | |
| Incomes of \$4,000 - \$7,999 | 9.4 | 6.1 | |
| Incomes of \$8,000 and up | 3.3 | 1.7 | |
| Non-metropolitan households: | | | |
| Incomes under \$4,000 | 62.6 | 44.0 | |
| Incomes of \$4,000 - \$7,999 | 25.2 | 14.2 | |
| Incomes of \$8,000 and up | 15.8 | 5.2 | |

Source: Testimony of George W. Rucker, Research Director, Rural Housing Alliance, before Select Committee on Nutritional and Human Needs. United States Senate, 91st Congress, Nutrition and Human Needs - 1970, part 7, p. 2012.

a/ Substandard housing is defined as dilapidated or lacking in essential plumbing facilities: hot and cold running water, a bath or shower, and an inside toilet.

Table 6.4. Infant (under one year) mortality rates
(Per thousand live births)

| | <u>1948</u> | <u>1959</u> | <u>1970</u> |
|--------------------|----------------|----------------|----------------|
| Canada | 44.4 | 28.4 | 19.3 <u>a/</u> |
| United States | 32.0 | 26.4 | 19.8 |
| Israel | 36.3 <u>b/</u> | 27.3 <u>b/</u> | 22.9 |
| Japan | 61.7 | 33.7 | 13.1 |
| Austria | 76.2 | 39.8 | 25.9 |
| Belgium | 59.1 | 29.9 | 20.5 |
| Denmark | 35.3 | 22.4 <u>c/</u> | 14.8 <u>a/</u> |
| Finland | 51.9 | 23.6 | 12.5 |
| France | 55.9 | 29.5 | 15.1 |
| Germany, Fed. Rep. | 68.1 | 34.3 | 23.6 |
| Greece | | | 29.3 |
| Iceland | 26.2 | 18.8 <u>c/</u> | 13.3 |
| Ireland | 50.3 | 32.0 | 19.2 |
| Italy | 72.1 | 44.9 | 29.2 |
| Luxembourg | 56.8 | 37.3 | 24.6 |
| Malta | 113.0 | 34.9 | 27.9 |
| Netherlands | 29.3 | 16.8 | 12.7 |
| Norway | 29.6 | 20.0 <u>c/</u> | 13.8 <u>a/</u> |
| Portugal | 100.2 | 88.6 | 58.0 |
| Spain | 70.0 | 47.1 | 27.9 |
| Sweden | 23.2 | 16.4 | 11.7 |
| Switzerland | 35.9 | 22.2 | 15.1 |
| United Kingdom | 36.0 | 23.1 | 18.3 |
| Australia | 27.8 <u>d/</u> | 21.5 | 17.9 |
| New Zealand | 27.5 | 23.9 | 16.7 |
| South Africa | | | |
| Whites | 36.0 | 27.7 | |
| "Coloured" | 133.2 | 106.8 | |
| Africans | 77.1 | 65.0 | |

Source: United Nations, Statistical Yearbook, 1960 and 1971.

a/ Figure for 1969.

b/ Jewish population only.

c/ Figure for 1958.

d/ Excludes aboriginal population.

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Table 6.5. Death rates by occupational group (United States)
and social class (Austria and the United Kingdom)

| <i>Annual death rates per 1,000, and ratios, white males, by age and major occupation group, United States, 1950</i> | | | | | | | | | | | | | |
|--|------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>Major Occupation Group</i> | <i>25-29 SMR**</i> | <i>Age Group</i> | | | | | | | | | | <i>60-64</i> | <i>Y</i> |
| | | <i>20-24</i> | <i>25-29</i> | <i>30-34</i> | <i>35-44</i> | <i>45-54</i> | <i>55-59</i> | <i>60-64</i> | <i>65-69</i> | <i>70-74</i> | <i>75-79</i> | <i>80-84</i> | <i>85-89</i> |
| All Occupations | 93 | 1.7 | 1.00 | 1.6 | 100 | 2.0 | 100 | 3.9 | 100 | 10.1 | 100 | 19.4 | 100 |
| Professional, Technical, Kindred | 82 | 1.2 | 73 | 1.2 | 70 | 1.5 | 76 | 3.2 | 81 | 9.4 | 93 | 18.9 | 98 |
| Managers, Officials, Proprietors, Nonfarm | 85 | 1.5 | 86 | 1.3 | 79 | 1.5 | 76 | 3.3 | 85 | 9.5 | 94 | 18.9 | 98 |
| Clerical, Kindred | 83 | 0.9 | 54 | 1.3 | 78 | 1.5 | 76 | 3.3 | 86 | 9.6 | 95 | 18.2 | 94 |
| Sales | 94 | 1.1 | 62 | 1.1 | 66 | 1.7 | 82 | 3.6 | 94 | 11.0 | 109 | 21.7 | 112 |
| Craftsmen, Foremen, Kindred | 94 | 1.8 | 103 | 1.6 | 97 | 2.0 | 99 | 4.0 | 102 | 10.1 | 100 | 20.8 | 107 |
| Operatives, Kindred | 94 | 1.8 | 106 | 1.8 | 108 | 2.2 | 107 | 4.1 | 106 | 10.3 | 102 | 19.4 | 100 |
| Service, except Private Household | 116 | 1.2 | 72 | 1.6 | 98 | 2.4 | 117 | 5.1 | 133 | 13.8 | 136 | 22.4 | 116 |
| Laborers, except Farm and Mine | 131 | 2.6 | 149 | 2.8 | 171 | 3.6 | 178 | 6.5 | 167 | 14.5 | 144 | 23.8 | 123 |

* X = death rate per 1,000. Y = ratio, computed on the basis of rate for all occupations in each age category = 100.

** Standardized mortality ratios are computed on the basis of the entire population. Since non-whites are excluded in this table, SMRs can fall below 100.

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Table 6.5 (continued)

Annual death rates per 1,000 employed males, by age and socio-economic category, Austria, 1951-1953

| Age Group | Middle and Upper Class Occupations (1) | Working Class Occupations (2) | Ratio of (2) to (1)* |
|-------------|--|-------------------------------------|-------------------------|
| 14-17 | 2.0 | 1.3 | 68 |
| 18-29 | 1.7 | 1.8 | 110 |
| 30-49 | 3.4 | 3.8 | 112 |
| 50-59 | 12.6 | 13.4 | 106 |
| 60-64 | 15.8 | 24.4 | 154 |
| 65 and Over | 65.1 | 73.9 | 114 |

* Rate of (1) = 100.

-Standardized death rates per 1,000 and standardized mortality ratios, England and Wales, for selected age-sex groups and time periods, by social class

| Time Period | I | II | III | IV | V | Population Group |
|------------------------------|------|-----|------|-----|------|---|
| 1910-1912 | | | | | | |
| Death rate per 1,000 | 12.0 | — | 13.6 | — | 18.7 | Occupied and retired males, age 15+, excludes textile workers, miners, agricultural laborers. |
| Ratio (I = 100) | 100 | — | 114 | — | 156 | |
| Standardized Mortality Ratio | 88 | 94 | 96 | 93 | 142 | Males, age 25-64, excludes textile, miners, agricultural laborers. |
| Standardized Mortality Ratio | 88 | 94 | 96 | 107 | 128 | As immediately above, modified by Stevenson. |
| 1921-1923 | | | | | | |
| Death Rate per 1,000 | 7.4 | 8.6 | 8.7 | 9.2 | 11.5 | Males |
| Ratio (I = 100) | 100 | 116 | 117 | 124 | 155 | |
| Standardized Mortality Ratio | 82 | 94 | 95 | 101 | 125 | Males, 20-64* |
| 1930-1932 | | | | | | |
| Standardized Mortality Ratio | 90 | 94 | 97 | 102 | 111 | Males, 20-64* |
| | 81 | 89 | 99 | 103 | 113 | Married women, 20-64* |
| 1949-1953 | | | | | | |
| Standardized Mortality Ratio | 98 | 86 | 101 | 94 | 118 | Males, 20-64* |
| | 96 | 88 | 101 | 104 | 110 | Married women, 20-64* |
| | 100 | 90 | 101 | 104 | 118 | Occupied males, 20-64, adjusted to control for occupational changes since 1930-1932. |
| Death Rate per 1,000 | 6.6 | | 6.4 | | 9.5 | Males, 20-64, excludes agricultural workers. |
| Ratio (I = 100) | 100 | | 97 | | 144 | |

Source: Aaron Antonovsky, "Social class, life expectancy, and overall mortality" in E. Gartly Jaco (ed.), Patients, Physicians, and Illness, 2nd ed. (New York, Free Press, 1972), pp. 24-27.

Table 6.6. Distribution of population under 15 years of age in a medium-sized American city by air-pollution level and social class, 1961

| Social class | Air pollution level | | | | Totals |
|--------------|---------------------|--------|--------|----------|---------|
| | 1 (low) | 2 | 3 | 4 (high) | |
| 1 (low) | 2,407 | 11,849 | 28,368 | 22,350 | 64,974 |
| 2 | 6,099 | 34,791 | 17,344 | 6,927 | 65,161 |
| 3 | 22,888 | 26,230 | 14,673 | 1,051 | 64,842 |
| 4 (high) | 33,971 | 26,306 | 1,659 | - | 61,936 |
| Totals | 65,365 | 99,176 | 62,044 | 30,328 | 256,913 |

Source: Harry Sultz et al., "An effect of continued exposure to air pollution on the incidence of chronic childhood allergic disease", American Journal of Public Health, vol. 60 (May 1970).

Table 6.7. Average annual incidence rates^{a/} for children hospitalized with asthma in a medium-sized American city by air pollution level and social class, 1956-1961

| Social class | Air pollution level | | | | | | | | Totals | |
|-----------------|---------------------|------|------|------|------|------|----------|------|--------|------|
| | 1 (low) | | 2 | | 3 | | 4 (high) | | | |
| | No. | Rate | No. | Rate | No. | Rate | No. | Rate | No. | Rate |
| 1 (low) | 1.0 | 41.6 | 5.5 | 46.4 | 11.8 | 41.7 | 11.3 | 50.7 | 29.6 | 45.7 |
| 2 | 2.3 | 38.3 | 13.5 | 38.8 | 7.5 | 43.3 | 3.5 | 50.5 | 26.8 | 41.2 |
| 3 | 7.0 | 30.6 | 8.2 | 31.1 | 6.8 | 46.6 | 0.5 | 47.7 | 22.5 | 34.7 |
| 4 (high) | 10.8 | 31.9 | 12.2 | 46.3 | 0.8 | 50.2 | - | - | 23.8 | 38.4 |
| Totals | 21.1 | 32.4 | 39.4 | 39.7 | 26.9 | 43.5 | 15.3 | 50.7 | 102.7 | 40.0 |

Source: Harry Sultz et al., "An effect of continued exposure to air pollution on the incidence of chronic childhood allergic diseases", American Journal of Public Health, vol. 60 (May 1970).

^{a/} Rates per 100,000 children under 15 years of age.

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Table 6.8. Average annual incidence rates^{a/} for children hospitalized with eczema in a medium-sized American city, by air pollution level and social class, 1951-1961

| Social class | Air pollution level | | | | | | | | Totals | |
|-----------------|---------------------|------|-----|------|-----|------|----------|------|--------|------|
| | 1 (low) | | 2 | | 3 | | 4 (high) | | | |
| | No. | Rate | No. | Rate | No. | Rate | No. | Rate | No. | Rate |
| 1 (low) | - | - | 1.0 | 8.4 | 2.3 | 8.2 | 2.3 | 10.3 | 5.6 | 8.6 |
| 2 | 0.2 | 3.3 | 1.8 | 5.2 | 0.8 | 4.6 | 0.7 | 10.1 | 3.5 | 5.4 |
| 3 | 1.2 | 5.2 | 1.4 | 5.3 | 2.5 | 17.0 | 0.1 | 9.5 | 5.2 | 8.0 |
| 4 (high) | 0.5 | 1.5 | 1.5 | 5.7 | 0.2 | 12.1 | - | - | 2.2 | 3.6 |
| Totals | 1.9 | 2.9 | 5.7 | 5.8 | 5.8 | 9.4 | 3.1 | 10.2 | 16.5 | 6.4 |

Source: Harry Sultz et al., "An effect of continued exposure to air pollution on the incidence of chronic childhood allergic diseases", American Journal of Public Health, vol. 60, (May 1970).

a/ Rates per 100,000 children under 15 years of age.

Table 6.9. Consultation rates under the British National Health Scheme, by social class and age, 1956-1960

| Social class: | Number of physician visits by children under 15, by father's occupation (per 1,000 population) | Number of physician visits by men aged 15-69 (per 1,000 population) |
|--|---|---|
| | | |
| Professional | 2,832 | 2,165 |
| Intermediate | 2,958 | 2,506 |
| Skilled (manual and non-manual) . . | 3,231 | 3,091 |
| Semi-skilled | 3,063 | 3,431 |
| Unskilled | 2,972 | 3,701 |
| Total | 3,109 | 3,069 |

Source: Martin Rein, "Social class and the utilization of medical care services", Hospitals, vol. 43 (July 1969).

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Table 6.10. United States: number of physician visits by family income and age, July 1966-June 1967

| Age | Family income | | | | | |
|-------------------------|---------------|---------------|-----------------|-----------------|-----------------|------------------|
| | All incomes | Under \$3,000 | \$3,000-\$4,999 | \$5,000-\$6,999 | \$7,000-\$9,999 | \$10,000 or more |
| All ages | 4.3 | 4.6 | 4.1 | 4.2 | 4.3 | 4.6 |
| Under 5 years | 5.7 | 4.4 | 4.7 | 5.4 | 6.4 | 7.2 |
| 5-14 | 2.7 | 1.5 | 1.9 | 2.7 | 2.9 | 3.5 |
| 15-24 | 4.0 | 4.3 | 3.7 | 4.1 | 4.2 | 3.8 |
| 25-34 | 4.4 | 4.2 | 4.3 | 4.3 | 4.5 | 4.6 |
| 35-44 | 4.3 | 3.8 | 4.7 | 4.2 | 4.0 | 4.7 |
| 45-54 | 4.3 | 5.2 | 4.6 | 3.9 | 4.0 | 4.7 |
| 55-64 | 5.1 | 5.1 | 5.4 | 4.9 | 5.1 | 5.4 |
| 65-74 | 6.0 | 6.2 | 5.3 | 6.8 | 6.3 | 6.8 |
| 75+ | 6.0 | 5.6 | 6.1 | 7.7 | 6.1 | 5.9 |

Source: William C. Richardson, "Poverty, illness, and the use of health services in the United States", in E. Gartly Jaco (ed.), Patients, Physicians, and Illness 2nd ed. (New York, Free Press, 1972), p. 245.

Table 6.11. United States: number and type of conditions causing activity limitation, per 1,000 population, by condition category and family income, July 1962-June 1963

| Selected conditions | Family income | | | |
|--|---------------|-----------------|-----------------|----------|
| | Under \$2,000 | \$2,000-\$3,999 | \$4,000-\$6,999 | \$7,000+ |
| Heart conditions | 53.8 | 26.6 | 12.6 | 11.9 |
| Mental and nervous conditions | 26.4 | 13.3 | 6.6 | 4.2 |
| High blood pressure. | 23.8 | 9.2 | 4.1 | 3.9 |
| Visual impairments | 23.4 | 9.0 | 3.4 | 2.7 |
| Orthopedic impairments (excluding paralysis and absence of extremities). | 54.4 | 28.1 | 18.1 | 14.9 |

Source: William C. Richardson, "Poverty, Illness, and the Use of Health Services in the United States", in E. Gartly Jaco (ed.), Patients, Physicians, and Illness 2nd ed. (New York, Free Press, 1972), p. 242.

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Table 6.12. United States: Age-sex adjusted disability days by selected type, July 1955-June 1966

| | Family income | | | | |
|------------------------------------|------------------|---------------------|---------------------|---------------------|-----------|
| | Under \$3,000 | \$3,000- \$4,999 | \$5,000- \$6,999 | \$7,000- \$9,999 | \$10,000+ |
| Restricted activity days | 22.8 | 15.9 | 14.9 | 13.4 | 13.8 |
| Bed disability days | 9.2 | 6.2 | 6.2 | 5.3 | 5.8 |
| Work loss days | 7.9 | 7.2 | 6.5 | 5.1 | 4.8 |

Source: William C. Richardson, "Poverty, Illness, and the Use of Health Services in the United States", in E. Gartly Jaco (ed.), Patients, Physicians, and Illness 2nd ed. (New York, Free Press, 1972), p. 245.
