

'Little Europe and the world of work' from L'Unità (8 March 1957)

Caption: On 8 March 1957, commenting on the establishment of the European Economic Community (EEC), the Italian Communist daily newspaper L'Unità analyses the implications of a future Common Market for European workers.

Source: L'Unità. Organo del partito comunista italiano. dir. de publ. Lajolo, Davide. 08.03.1957, n° 58; anno XXXIV. Milano. "La "piccola Europa" e il mondo del lavoro", auteur:Manzocchi, Bruzio , p. 8.

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The Common Market: prospects and problems

‘Little Europe and the world of work’

The notion of freedom of movement of the workforce

One of the problems raised by plans for a ‘Common Market’ in the six countries of ‘Little Europe’ is of particular importance for Italy: the potential repercussions that this market could have on the working world.

A first consideration emerging from the facts is this: the opening of the ‘Common Market’, if and when it takes place, will make it necessary to reduce production costs, so there is little doubt that in countries (such as Italy) where these costs are higher the Common Market will offer Italian employers — even before the Market opens — a good pretext to try to reduce labour costs.

A more serious problem, however, is the freedom of movement of the workforce within this ‘Common Market’. It is argued that, if this were to be a reality, there would be positive effects for us, since the emigration of Italian workers to the countries of ‘Little Europe’ would reduce unemployment in Italy. This may be an attractive argument, but the issue is not that simple. We already know that the free movement of the workforce is unlikely to be achieved over such a short time-scale. If it were to take place, however, what would the effects be?

To answer this question we need to bear in mind that, with the opening of the ‘Common Market’, the prospect of competition among its various member economies would be another factor contributing to the reduction of production costs through the increasing replacement of man by machines, i.e. greater mechanisation and automation of production processes. In purely quantitative terms, this trend obviously runs counter to any likelihood of employing the large masses of workers who are currently unemployed. This is not, however, the whole story.

Leaving aside mechanisation and automation, we need to bear in mind that Italian workers will have to possess high-level vocational qualifications if they are to find work in the other countries of Western Europe. As the process under way gathers steam, this is increasingly likely to become a requirement. The result is that the problem of the ‘Common Market’ makes the problem of the vocational qualification of Italian workers even more acute.

There is another consideration here. As we shall have to bear the social cost of the acquisition of skills, should the social return from the operation (i.e. the employment of workers after they have obtained high-level qualifications) be enjoyed by other countries as a result of the emigration of our workers, rather than by our own country as a result of their employment in Italy?

Another problem is that of measures that will improve Italian workers’ qualifications. It is said that the draft treaty currently under discussion includes the establishment of a monetary fund for retraining workers likely to be made redundant by enterprises unable to withstand the competition resulting from the opening of the market. What measures can be adopted, however, to qualify Italian workers who are already unemployed?

Whatever the treaty may or may not say in this respect, the problem of the vocational qualification of Italian workers obviously cannot be put off for much longer.

Wages are another fundamental problem raised by the prospect of the opening of the ‘Common Market’. Wage levels in Italy are among the lowest in Europe. Similarly, the cost of labour for employers, i.e. the total amounts paid to workers in the form of wages, plus social security contributions (insurance, family allowances, indirect pay, etc.), is also among the lowest in Europe. A recent study by the UN’s Economic Commission for Europe on costs and prices in agriculture gives an overall picture of the wages and labour costs of an agricultural labourer.

Things are much the same for industrial workers. Data from the ECSC’s statistical bulletin have been used

to draw up a similar picture for iron and steel.

In this situation, the problem is obviously the following: with the opening up of the 'Common Market', will wages in individual countries tend to adapt to the highest or the lowest level? The answer is obvious. The outcome depends on the power struggle between employers and workers, at both national and international level. Unless other factors play a part, the free movement of the workforce tends to cause wages to drop to the lowest levels. Workers' action — especially if coordinated internationally — may not only counter but reverse this trend and force lower wages up to higher levels.

The first conclusion — whether there is or is not a 'Common Market' — is that the solution to our problems must be sought in a policy to develop the economy and employment in our country. A policy underpinned by genuine international economic cooperation that broadens our links with the markets of the world and by the implementation of structural reforms to eliminate the prime causes of high production costs in the Italian economy (the rents charged by landowners, and monopoly profits), which do not, however, have an impact on labour costs.

As matters stand at present in the domestic and international arena, this general approach could include a platform of claims geared towards the introduction of wages at the highest level in all the European countries, the reduction of working hours in all the European countries so that potential employment can be stepped up in this way as well, and an investment programme to improve workers' qualifications.

The deeply cohesive nature of a policy of claims based on these three objectives should not be underestimated and it should therefore be possible to gain support from all the trade union forces, whether socialist, social-democratic or Catholic, and whether Italian, German, French, Belgian or Dutch. This is a unitary platform which — faced with the internationalisation of major capital and monopolies that underpins the 'Common Market' — may provide a concrete and cohesive content for the internationalism of the working class throughout Europe.

Bruzio Manzocchi