

mined by the date of birth given on the application. The total for each period includes persons whose year of birth was not reported or not tabulated. The percentage distributions by age are based on the number with age recorded.

Summary data.—The data in tables 1–3 are grouped in periods that reflect significantly different experience under OASDHI. The major events affecting the issuing of social security numbers and suggesting the grouping of years used here are as follows:

<i>Period</i>	<i>Event</i>
1937–39.....	Beginning of program.
1940–50.....	No major changes in program.
1951–54.....	Major extensions of coverage.
1955–61.....	Additional coverage extensions.
1962–64.....	Taxpayer registration program.
1965–66.....	Establishment of Medicare.
1967.....	No major change in program.

Comparison of the total number of issuances in the several periods is difficult because of the large differences in the number of years in these intervals. The analysis by age of enrollee and by type of application becomes more meaningful, however, when the data are grouped in this way.

Type of application.—The distribution in table 4 shows the effect of the special procedures and the issuing of social security numbers for other than social security purposes. The breakdowns between issuance on Forms SS-5 and 3227, beginning with the third quarter of 1965 and data on issuances to Federal civil-service annuitants for the last half of 1965 are based on a sample of approximately 1,000 cases a quarter.

SOCIAL SECURITY ABROAD

SOCIAL SECURITY CHANGES IN ITALY*

On February 12, 1969, the Italian Government and the four largest labor unions reached an agreement to increase pensions and modify certain social security reform measures promulgated last year. This action brought to an end 3 months

of recurring strikes in which as many as 16 million out of a total of 20 million wage earners supported 9 million pensioners by walking off their jobs several times for 24-hour periods. The provisions of the settlement have been incorporated in a Cabinet-approved bill passed by the Italian Parliament on April 30, 1969. The new law became effective June 1, 1969, and certain benefits specified in the measure are retroactive to January 1, 1969. The dispute over social security pensions has been one of the major problems facing the new government, which was installed in December 1968.

Background

Much of the conflict over pensions grew out of the 1968 reform of the social security system (promulgated under Law No. 238 of March 9, 1968), in which small pension increases and a number of structural changes were introduced as the first steps in a projected series of reform measures.¹ The new levels of benefits represented the maximum the Government felt it could grant at the time, but they were still considered inadequate by union demands. The union negotiators, who had called for raising the statutory minimum pension for qualified workers at age 65 to 30,000 lire a month,² contended that the 1968 pension increases, which brought the minimum to L.21,900 were inadequate to compensate for the rise in the cost of living that had taken place since mid-1965, when pensions were last adjusted. The unions also advocated repeal of two provisions of the 1968 law that had proven to be unpopular—the reduction or elimination of pensions for retired workers who chose to continue in remunerative employment and the abolition of seniority pensions, which permitted retirement at any age after 35 years of service. In addition, the unions demanded that the Government increase its contribution to the social or minimum pension fund to replace the share now paid by workers and employers (7.28 percent of the payroll tax). The workers' share would then be used to augment the wage-related pension funds. Labor also asked that benefits be adjusted automatically for each 5-percent increase in the cost of living and that

¹ See *Social Security Bulletin*, July 1968, pp. 20–22.

² 625 lire equal \$1.

labor be given a greater voice in the control and administration of the social security funds.

The new legislation was prepared by the Council of Ministers and embodies both the changes agreed upon by Government and labor and the methods for financing these changes. The importance of this measure is indicated by the fact that in calendar year 1969 the increase in pension payments will amount to 517 billion lire (\$827 million), or the equivalent of 1.2 percent of the 1967 gross national product. The measure represents a second round of across-the-board pension increases within a year and affects almost the entire active labor force (insurance is compulsory for wage earners and salaried employees in industry, commerce, agriculture, and certain state enterprise and for farmers, tenant farmers, self-employed craftsmen and professionals, and tradesmen).

Principal Features of the New Law

Increases in minimum pensions.—Under the new law, minimum pensions for retired wage and salary workers aged 65 and over have been increased from L.21,900 to L.25,500 (\$40.00) a month. For those under age 65, minimum benefits have been increased from L.18,000 to L.23,000 (\$36.80) a month. Monthly pensions of retired, self-employed persons (farmers, artisans, and tradesmen) have been raised from L.13,200 to L.18,000 (\$28.80). Benefits are paid 13 times a year, including an extra monthly payment in December as a Christmas bonus.

Pensions in force.—All current wage-related pensions above the minimum paid by the National Social Security Institute have been increased 10 percent. For those retiring after January 1, 1969, the maximum ratio of pension to average salary for the last 3 years of employment will be increased from 65 percent, as provided in the 1968 law, to 74 percent after 40 years of contributions. This benefit will ultimately be increased to 80 percent by January 1, 1976. Under the 1968 law, it was predicted that an 80-percent replacement would not be reached until 1980.

Earnings test.—The right to receive a pension and still continue to earn a salary (possible until

1968) will be restored in part. Earnings will not affect a pensioner's right to an old-age benefit if he is aged 65 or over or if he is under age 65 and is receiving no more than the minimum pension. Those under age 65 who receive more than the minimum pension and up to L.100,000 a month will have their pensions reduced by half if they continue to work. Those under age 65 who receive more than L.100,000 will have their entire pension withheld if they work.

Seniority pensions.—A seniority pension may be granted to persons who are under the pensionable age but have earned the right to early retirement after 35 years of service. This type of pension was discontinued in the 1968 revision of the social security law. It has been reinstated in the new legislation, with the significant proviso that the pensioner not be permitted to work while receiving a seniority pension.

Broadened eligibility for social pensions.—A new social pension of L.12,000 (\$19.20) per month has been granted to persons over age 65 who have never been insured under social security and have neither an income nor relatives who are able to support them.

Beginning in 1971, the Government is pledged to assume gradual responsibility for contributions to the minimum or social pension fund. By 1976, responsibility for contributions to this fund by workers and employers will have been fully assumed by the State. The 7.28 percent of the payroll tax formerly earmarked for the workers' social pension fund will then be directed into the wage-related pension fund, as demanded by labor.

Cost-of-living adjustments.—The new law establishes a mechanism for tying the level of benefits to variations in the cost of living. If at the end of the calendar year the cost of living has risen by at least 2 percent, pensions will also be increased by 2 percent. If the cost of living increase is less than 2 percent, pensions will be adjusted at the end of the following year regardless of the percentage increase.

Administrative Reorganization

Representation of labor on the governing boards

of the National Social Security Institute has been increased, particularly on the administrative council where out of a total of 41 members, labor representation will be increased from 11 to 17 members.

Costs and Financing

The financial burden of the new program appears to be substantial in a country where expenditures on social security in terms of national income already represent one of the world's highest (17 percent in 1967). For calendar year 1969, the new features of the pension program are expected to cost L.517 billion (\$827 million), broken down as follows:

Item	Costs (in billions of lire)	Costs (in millions of dollars)
Total.....	517	827
Increased minimum pensions.....	338	541
Increased wage-related pensions.....	82	131
Establishment of new social pensions.....	60	96
Increased ratio of pension to average salary.....	13	21
Liberalization of earnings test.....	24	38

The new expenses are to be financed by (a) the sale of Government bonds (L.327 billion or \$523 million); (b) existing pension funds (L.95 billion or \$152 million); and (c) a 10-lire (1.6 cent) increase in the price of gasoline (L.95 billion or \$152 million).

Over the 7-year period 1969-75, total costs of the new measures have been roughly estimated at L.8,041 billion (\$12,865 million).

Recent Publications*

SOCIAL SECURITY ADMINISTRATION

OFFICE OF RESEARCH AND STATISTICS. "Epidemiological Factors in Disability: I. Major Disabling Conditions," by Lawrence D. Haber. *Social Security Survey of the Disabled: 1966*. (Report No. 6.) Washington: The Office, 1969. 24 pp. Limited free distribution.

* Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

One of a series of reports based on data from the 1966 social security survey of the disabled.

SOCIAL AND REHABILITATION SERVICE

COHEN, WILBUR J., and LALLY, DOROTHY. "International Social Welfare: A Report on the First U.N. Conference of Ministers of Social Welfare." *Welfare in Review*, Vol. 7, Jan.-Feb. 1969, pp. 1-8. 35 cents.

Deals with the planning and administering of social welfare programs.

"Demonstration Projects in Public Assistance, Fiscal Year 1968." *Welfare in Review*, vol. 7, Jan.-Feb. 1969, pp. 1-8. 35 cents.

Resume of projects begun or continued in fiscal year 1968 and approved under Sec. 1115 of the Social Security Act.

GENERAL

American Management Association. *Mobilizing for Urban Action: Challenge to Business*. New York: The Association, 1968. 64 pp. \$2.50.

Summary and recommendations of a conference on the role of the private sector in solving public problems.

BJORK, GORDON C. *Private Enterprise and Public Interest: The Development of American Capitalism*. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1969. 243 pp. \$7.50.

Views modern American capitalism as a pragmatic and evolutionary solution to the problems of social and economic organization.

BLAUG, MARK. *Economic Theory in Retrospect*. (rev. ed.) Homewood, Ill.: Richard D. Irwin, Inc., 1968. 710 pp. \$11.

History of economic analysis from the 18th century to about 1960.

BOWER, JAMES B., and others. *Financial Information Systems: Theory and Practice*. Boston: Allyn and Bacon, Inc., 1969. 640 pp. \$15.95.

Challenges the traditional theories of accounting, management, and finance.

CHANDLER, ALFRED D., JR., and others, eds. *The Changing Economic Order: Readings in American Business and Economic History*. New York: Harcourt, Brace & World, Inc., 1968. 513 pp. \$5.25.

COMMITTEE FOR ECONOMIC DEVELOPMENT. *Fiscal and Monetary Policies for Steady Economic Growth*. New York: The Committee, 1969. 85 pp. \$1.

Examines role of fiscal and monetary policies in attaining high employment, price stability, balance in international payments, and economic growth.

CRAWFORD, ELISABETH T., and BIDERMAN, ALBERT, D., eds. *Social Scientists and International Affairs: A Case for a Sociology of Social Science*. New York: John Wiley & Sons, Inc., 1969. 333 pp. \$11.95.

Articles exploring the relationship between social scientists and the Federal Government in the international field since the beginning of World War II.

FALLING, HAROLD. *The Sociological Task*. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1968. 141 pp. \$5.25

Chief issues in sociological theory and methods.