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Guidelines for the management of the European
Social Fund during 1979 – 1981, and transitional guidelines for 1978

(Communication from the Commission to the Council)

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GUIDELINES FOR THE MANAGEMENT OF THE EUROPEAN SOCIAL
FUND DURING 1979 - 1981, AND TRANSITIONAL GUIDE-
LINES FOR 1978

INTRODUCTION

(a) Duration

In accordance with Article 3(a) of Council Regulation No 2396/71 (1), these guidelines cover 1979/1980/1971 and will be reviewed each year. Nevertheless, part II Chapter E concerns aid for women in 1978; part V envisages, as far as Fund aid is concerned for 1978, the prolongation of the guidelines established for 1977 as well as the application of certain transitional provisions in view of the guidelines relating to future years.

(b) Objectives

On the basis of Article 3(a) of Regulation (EEC) No 2396/71 (1) the guidelines are based on the economic and social situation in the Community. They take account of the size of imbalances on the labour market as well as the economic capacities available to remedy them.

In the economic crisis currently affecting the Community, workers are encountering increasing difficulty in finding employment, even after having attended vocational training courses. For this reason, in the guidelines which follow, the Commission has endeavoured to concentrate its assistance on those training operations most closely linked to employment.

On the other hand, the situation is very different in areas of the Community which, because they are less developed or there is a decline in the main activities, suffer a serious and prolonged imbalance in employment. In these areas, the carrying out of large-scale training programmes to produce a skilled workforce is essential to attract investment.

Moreover, young persons, particularly at the outset of their working lives, remain one of the categories of person the most seriously hit by the crisis; for this reason, the Commission is to continue to support operations providing the young unemployed or job seekers with the indispensable basis for their integration into working life; in addition the Commission is widening its intervention, on the one hand for young persons having already worked, and on the other hand for certain specific programmes it wishes to encourage.

(1) Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Council Regulation No 2893/77 of 20 December 1977 (OJ No L 249, 10 November 1971, p 54; No L 337, 27 December 1977 p 1)

On the basis of employment problems peculiar to each field of intervention, the Commission has endeavoured to concentrate its assistance on the regions and areas of the Community where employment problems are particularly severe. With this aim in mind the Commission places particular emphasis on the regions and zones eligible for Regional Fund assistance which are affected by serious industrial restructuring problems and for which community policies exist or will be established.

Given the employment situation, the Commission wishes to experiment in 1978 with assistance to promote, within the various fields of intervention, aid measures to foster better conditions for employment in Greenland, the French Overseas Departments, Ireland, Northern Ireland and the Mezzogiorno (2).

L. GENERAL ASPECTS

A. Priorities

1. The Commission selects priority applications taking into account the objectives stated above and the situation in each field of intervention - including the budgetary situation. In some fields these priority applications are classified at one level of priority and in others at various levels of priority, in descending order.
2. Priority is not accorded to applications in any field of intervention:
 - (a) concerning operations which do not appear to contribute sufficiently to reducing imbalances in the labour market ;
 - (b) limited to providing for expenditure accessory to training programmes (e.g. travel expenses to take examinations);
 - (c) concerning operations where the training provided is less than one hundred hours. In the case of certain programmes intended for workers in small-scale undertakings situated in rural areas, the duration of training may be less than 100 hours if it is shown that longer courses cannot be organised.

Specific limits are provided for in part II section C for migrant workers and members of their families and in part III section B for adaptation of the workforce to the requirements of technical progress;

- (d) concerning the textile and clothing sectors, involving products which offer no prospects for future employment, as indicated in the second paragraph of point II B.

(2) Regions referred to in Article 1 of Council Regulation (EEC) No 2895/77 of 20 December 1977 concerning operations qualifying for a higher rate of intervention by the European Social Fund (OJ No L 337, 27 December 1977, p 7).

B. Allocation of appropriations

The Commission divides the appropriations available for each field of intervention into two annual instalments, in line with information provided by the Member States on the volume of applications which they intend to submit; as a rule, the Commission approves twice yearly, applications.

C. Duration of approved operations

Operations are divided into two categories :

- a) Those carried out in a continuous manner as part of overall national or regional programmes
- b) Those relating to specific programmes generally spread over a number of years. These specific programmes will not, outside of exceptional cases, be considered if they exceed a period of three years.

Applications presented by Member States are approved by the Commission in the following manner :

- for continuous programmes, a maximum period of 12 months;
- for other programmes, for the duration of the programme as foreseen in the application.

Where an application is rejected, the Member State or the body responsible for the programme may not take advantage of any subsequent changes in the guidelines to request the partial re-examination of any rejection.

D. Weighted reduction

1. In those fields of intervention where the available appropriations do not allow the financing of all operations classified as eligible, a reduction is calculated on applications classified at the lowest level of priority for which appropriations are still available (or, if necessary, on non-priority applications).

The rate which determines the total amount of the reduction to be made in each Member State is equal to the volume of applications classified at the level of priority submitted to the reduction, weighted by:

- the national unemployment rate compared with the Community average
- gross national product per head compared to the Community average.

The reduction is only applied to certain applications chosen in consultation with the authorities of the Member States.

2. With a view to limiting as far as possible the size of the reduction, the Commission is studying a complementary selection system for applications and this could be the subject of a later decision.

E. Preparatory studies and pilot schemes

The principles referred to under I do not apply to preparatory studies and pilot schemes.

II. INTERVENTIONS BASED ON ARTICLE 4 OF COUNCIL DECISION 71/66/EEC (3)

A. Operations relating to persons leaving agriculture

(Council Decision 72/428/EEC) (4)

1. Priority is accorded to applications relating to operations on behalf of persons (farmers, hired agricultural workers, or family workers) who leave farming (5) - or left not more than two years previously - to take up employment in another sector of activity or who wish to pursue an activity in addition to agriculture particularly tourism and craft activities.

These operations must be:

- reserved exclusively for persons who leave agriculture or
- carried out in the areas listed in Directive 75/268/EEC (6) or in areas with an agricultural income lower than the Community average.

2. Other operations are not accorded priority.

(3) Council Decision of 1 February 1971 on the reform of the European Social Fund amended by Council Decision 77/801/EEC of 20 December 1977 (OJ No L 28, 04.02.1971, p. 15, Nr L 337, 27.12.1977, p. 8).

(4) Council Decision 72/428/EEC of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non agricultural activities as amended by Decision 77/802/EEC of 20 December 1977 (OJ No. L 291, of 28.12.1972, p. 158, No L 337, 27.12.1977; p. 10) as provided for in Annex II of the Treaties establishing the European Communities, this decision applies equally to fishing.

(5) These guidelines will be reviewed in the light of decisions taken by the Council concerning common fisheries policy.

(6) Council Directive 75/268/EEC of 28 April 1975 on hill farming and certain underprivileged areas (OJ No L 128, 19.05.1975, p. 1).

B. Operations relating to workers in the textile and clothing industries
(Council Decision 76/206/EEC (7))

1. The same level of priority is accorded to applications relating to operations:

- in favour of persons having to leave the textile and clothing sectors in order to pursue activities in another sector of economic activity and carried out in textile producing areas with a particularly high rate of unemployment, or
- in favour of persons employed in the textile and clothing sectors who, as a result of structural adaptation measures, are retrained for jobs in another branch of the same sector, showing prospects of viability at Community level in the foreseeable future. Training operations which lead directly to employment on products considered particularly sensitive because of the high level of market penetration by low-priced imports (from developing countries) (8), or for which a critical situation is recognised on the basis of the internal Community market (9), can only be considered insofar as the products involved are capable of reaching a satisfactory level of competition, particularly in terms judged of average costs (10).

2. Other applications are not accorded a priority.

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(7) Council Decision 76/206/EEC of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries as amended by Council Decision 77/802/EEC of 20 December 1977 (OJ No. L 39, 14.02.1976, p. 39, No L 337, 27.12.1977, p. 11).

(8) The relevant product categories are those contained in Groups I and II of Annex A to Commission' Regulation (EEC) No 3019 of 30 December 1977 making the importation into the Community of textile products originating in certain third countries subject to authorization and to quantitative limits (OJ No L 357, 31.12.1977).

(9) In particular: man-made fibres, stockings and tights and worsted yarn.

(10) See the Commission position on aid to the industry in question: documents SEC(71) 363 final communicated to the Member States on 30 July 1971 and to the new Member States on 19 December 1973; supplements communicated on 4 February 1977 (Annex IV/382/76 to the letter of 04.02.1977).

0. Operations concerning migrant workers and members of their families
(Council Decision 77/803/EEC) (11)

The following are eligible for priority:

1. First level priority

Applications concerning:

- (a) operations which are part of integrated programmes and comprise measures involving at least two phases of the migration process, although the same individuals need not necessarily be concerned by both phases (12) (Article 1 of Decision 77/803/EEC) or
- (b) operations involving language tuition or tuition with a linguistic bias for young persons who have left school or for adults. These courses must be intended to facilitate integration into the social and working environment of the host country and have a minimum duration of 50 hours (Article 2 of Decision 77/803/EEC); or
- (c) operations connected with basic and advanced training programme for social workers and for teachers responsible for integration courses for migrant workers or their children. The basic courses should have a minimum duration of 100 hours and the advanced courses a minimum duration of 50 hours (Article 3 of Decision 77/803/EEC), or
- (d) demonstration actions leading to improvements in the quality of teaching adapted to the needs of the children of migrant workers (Article 2 of Decision 77/803/EEC).

2. Second level priority

Applications concerning:

- (a) courses to facilitate the integration of migrant workers into the social and working environment; they should have a minimum duration of 50 hours (Article 2 of Decision 77/803/EEC);
- (b) operations involving special tuition for the children of migrant workers, to the extent to which they are extensions of existing programmes or new measures (Article 2 of Decision 77/803/EEC).

3. Other applications are not accorded a priority.

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- (11) Council Decision 77/803/EEC of 20 December 1977 on action by the European Social Fund for migrant workers (OJ L 337, 27.12.1977, p.12); see also Council Resolution of 9 February 1976 concerning an action programme for migrant workers and their families (OJ Nr C 34 of 14.02.1976, p. 2) This Decision concerns different types of programme; integrated programmes (paragraph 1. (a) refers) are limited to persons who move within the Community from one country to another; this limitation does not apply to the other programmes (see paragraphs 1.b, c, d and 2. a, b)
- (12) These programmes may include for example: - teaching adapted for children of migrant workers within the framework of compulsory schooling; on this subject see Council Directive 77/486/EEC of 25 July 1977 concerning schooling of children of migrant workers (OJ Nr. L 99, 06.08.1977 p. 32)

D. Operations for persons affected by employment difficulties (young people) (Decision 75/459/EEC) (13)

1. First priority

- (a) vocational preparation measures geared to integration into working life and access to skilled training for young persons with no other opportunity to receive vocational training;

in accordance with the Commission Recommendation on vocational preparation for young people who are unemployed or threatened by unemployment (77/467/EEC)(14) these operations should include adaptation measures such as :

- modern teaching methods appropriate to the age and maturity of the young people;
- include vocational guidance and practical work experience;
- offer basic training for a given category of occupations;
- liaise on an active and regular basis with manpower services and potential employers,

and take into account local or regional labour market requirements in terms of current or foreseen demand for semi-skilled or skilled manpower;

or

- (b) occupational retraining measures organised on a pragmatic basis and limited to young persons with basic training for which there is no demand, and who have been unemployed or registered as job seekers for at least six months; this does not include university graduates;

or

skilled training for young women and girls which is designed to demonstrate a willingness to seek a balance between male and female participation in the various occupations and to encourage the access of women to employment where they have been traditionally under-represented.

In both these cases, the operations must be carried out to meet current or foreseen demands for labour: to this end, it must be demonstrated that operations relate to available vacancies, it should be shown that placement may be regarded as assured, either because of employers' recruitment plans, or on the basis of past results obtained by the organisations in question for programmes of the same type.

(13) Council Decision 75/459/EEC of 22 July 1975 on intervention by the European Social Fund for persons affected by employment difficulties, as amended by Council Decision 77/802/EEC of 20 December 1977 (OJ No L 199, 30 July 1975, p 36, OJ No L 337, 27 December 1977, p 10)

(14) Commission Recommendation 77/467/EEC of 6 July 1977 to Member States on vocational preparation for young persons who are unemployed or threatened with unemployment (OJ No L 180, 20 July 1977, p 18)

These operations must include teaching methods appropriate to the specific situation of young people and must strengthen the links between the various stages of the vocational integration process from initial guidance to employment; or

- (c) vocational training operations carried out in regions where, because of a lack of economic resources, training capacity has not yet been adjusted to the major employment integration difficulties encountered by the young; applications concerning such operations may also be classified as first priority, if they can demonstrate that assistance from the Fund would improve the adjustment of training capacity, in accordance with the objectives of these guidelines.

Nevertheless, the main emphasis of Fund assistance in first level priority must, however, be related to the operations referred to under (a).

2. Second priority

Applications concerning :

- (a) vocational training programmes as a follow-up to vocational preparation operations approved as first priority; such operations must take account of local or regional labour market requirements in terms of the current or foreseen demand for skilled labour; or
- (b) operations concerning training provided under employment-training contracts.

In both cases, the operations must include teaching methods appropriate to the specific situation of young persons.

3. Other applications are not accorded priority.

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With the exception of operations in favour of young women and girls, assistance available under paragraphs 1 and 2 above is reserved for operations for :

- young first-job seekers in Greenland, the French Overseas Departments, Ireland, Northern Ireland and the Mezzogiorno (15), in regions with a youth unemployment rate above the Community average and in certain other regions where the youth unemployment rate exceeds very clearly the national average. The Commission will establish the list of relevant regions on the basis of the results of the biennial statistical enquiry on labour forces; such list to be reviewed periodically.

In the absence of a Community definition, the Commission services will base their classification of all applications on the laws and procedures in force in Member States in order to assess the situation of "young first-job-seekers". With regard to vocational preparation, however, priority is given only to young persons under 20 years of age.

- young unemployed persons having already worked without benefitting from Fund aid under Article 5 of Decision 71/66/EEC (16) - by reason of the fact that the operations concerned did not take place in regions considered as having priority for that field of intervention (see Chapter III part A).

E. Operations relating to women

(Council Decision 77/804/EEC) (17)

Experience in the management of the Fund indicates the need to await at least one year's operational experience before drawing up precise guidelines for a new field of intervention.

Applications will therefore be examined on a case by case basis in 1978 taking into account the need to encourage specific new programmes - as distinct from traditional actions more appropriate to other fields of intervention - and measures designed to support Community objectives towards the realisation of true equality of opportunity for women in the world of work.

Particular favour will, therefore, be accorded to applications which, linked to concrete employment prospects, are designed to improve the job balance between the number of males and females in helping women enter training for posts at a suitable level where they are at present under-represented.

It is desirable that adequate attention be paid to accompanying measures such as guidance and job information; placement compatible with training received; and, in the case of women returning to work after interruption, adequate re-training in self-presentation on the job market.

(16) Article 5 paragraph 1 a) of Council Decision 71/66/EEC,
see footnote (3)

(17) Council Decision 77/804/77 of 20 December 1977 on intervention by the European Social Fund for women (OJ No L 337, 27 December 1977 p 14)

III. AID MEASURES BASED ON ARTICLE 5 OF COUNCIL DECISION 71/66/EEC (18)

1. Operations concerning regions (19)

1. First level

Applications concerning the following are eligible for priority:

Applications concerning those operations involving basic programmes for persons in the lowest ability range, and those involving vocational training in Greenland, the French overseas Departments, Ireland, Northern Ireland and the Mezzogiorno, for :

- workers who are unemployed, threatened with unemployment, under-employed or forced to cease activities in a self-employed capacity, insofar as they offer employment prospects ;
- workers whose qualifications must be adapted to enable them to pursue highly skilled occupations.

2. Second level

Other operations in regions of intervention of the European Regional Development Fund (21) affected by serious problems of industrial restructuring for which Community policies exist or will be established. Such operations should involve specific programmes developed for persons threatened with unemployment and geared to maintaining their jobs, or for persons who are unemployed and for whom a job may be regarded as assured either because of job offers made by employers, or on the basis of the record of past results of the bodies concerned in respect of programmes of the same kind.

3. Third level

Applications of the same kind as those in the preceding paragraph and carried out in the other regions eligible for European Development Fund aid (21).

4. Fourth level

Applications relating to operations referred to in the regions and zones mentioned in paragraphs 2 and 3 (21) and concerning basic programmes intended to allow those unemployed with insufficient skills, to benefit from vocational training or to do a job requiring only the minimum of qualifications.

5. Fifth level

Applications relating to operations carried out in the regions mentioned in paragraphs 2 and 3 (21) and concerning other programmes of training of the unemployed.

6. Other applications are not accorded priority.

(18) Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund, as amended by Council Decision 77/801/EEC of 20 December 1977 (OJ No L 28, 4 February 1971, p 15, OJ No L 337, 27 December 1977, p 8).

(19) Article 5 (1) (a) of Council Decision 71/66/EEC, referred to under (17)

(20) See footnote (2)

(21) Article 3 of Council Regulation (EEC) No 724/75 of 18 March 1975 setting up the European Regional Development Fund (OJ No L 73, 21 March 1975, p 1).

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In the absence of a Community definition the Commission will use as a basis the laws and procedures in force in the Member States to assess the concepts of the various categories of workers ("unemployed workers", "under-employed workers", "workers threatened with unemployment", "workers forced to cease activities in a self-employed capacity", "workers requiring advanced training").

B. Operations concerning adaptation to technical progress and groups of undertakings (22)

For these two fields a provisional budget has been fixed, not exceeding 10% of the appropriations available under Article 510 of the budget.

Technical progress

Applications concerning the following are eligible for priority:

1. First level

Operations implemented in branches of economic activity where the introduction of new technology or production techniques endangers the level of employment (threat of unemployment);

2. Second level

Operations implemented to encourage the modernisation of production and management techniques in small-and medium-sized undertakings;

3. Third level

Operations designed to apply for the first time in a Member State a new technology capable of being of benefit to the whole of a sector;

4. Fourth level

Operations implemented in expanding branches of economic activity where the introduction of new technology or production techniques leads to the creation of new jobs, insofar as the skills in demand are innovative or where there is such a shortage of this type of skilled labour that the development of new technology is liable to be jeopardized.

5. Other applications are not accorded priority.

(22) Article 5(1)(b) and (c) of Council Decision 71/66/EEC referred to under (17)

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- (a) The operations referred to above - whether they involve initial programmes or follow-ups to these programmes - must be open to a whole economic sector whose adaptation to technical progress is not contrary to the principles of Community policy. Programmes designed for an individual undertaking can only be financed in the case referred to under 3.
- (b) The operations listed above may be designed to retrain workers or keep them in the same occupation, but in either case they should not simply involve routine adaptation measures (as an indication only: the duration of training should be at least 200 hours, including those for the unemployed, those threatened with unemployment or the under-employed).
- (c) The concept of technical progress will be assessed according to the location and size of undertakings.

Groups of undertakings

1. Applications concerning operations designed to promote the inter-sectoral mobility of workers affected by large-scale redundancies who can be provided with stable re-employment through development activities are eligible for priority.

The operations referred to above, even if they involve only one undertaking at a time, should apply to sectors undergoing major long-term structural changes, as a result of difficulties in production conditions or product marketing occasioned by raw materials supply problems or market developments.

2. Other applications are not accorded priority.

C. Operations in respect of handicapped persons (23)

The following are eligible for priority :

1. First level

Applications concerning :

- (a) special programmes to promote the placement of handicapped persons in open employment, including agriculture. These programmes should be carried out in areas in which activities designed to integrate handicapped persons into open employment are least developed.

These programmes should form part of appropriate structures and should employ adequate teaching methods and means of social and occupational integration

or

- (b) new demonstration activities which are directly related to work problems and which are either designed to improve methods of rehabilitating and placing handicapped persons in employment or involve new elements which might be included in existing laws or practices. If several applications dealing with programmes of the same type are submitted, only one from any Member State may be taken into consideration (this provision will not prevent the financing of the final stage of programmes already partially approved in previous years).

In both cases the operations should involve a certain continuity in the various stages from functional rehabilitation to placement.

2. Second level

Applications concerning new experiments meeting the conditions listed above, under 1, where several schemes of the same type are submitted.

3. Other applications are not accorded priority.

(23) Article 5 (1)(d) of Council Decision 71/66/EEC referred to under (17).

II. PREPARATORY STUDIES AND PILOT SCHEMES

(Article 7 of Council Regulation (EEC) No 2396/71)(24)

These schemes are designed to guide the Council and the Commission in their choice of future areas of intervention and to promote the more effective use of existing Fund aids.

Priority will be given to pilot schemes rather than studies, which fulfil the majority of the following conditions :

1. are innovatory in character,
2. are designed to contribute to improved or additional employment,
or
3. are designed to contribute to the raising of training standards, particularly polyvalent training, especially in operations the subject of applications for Fund aid under Articles 4 or 5, or
4. are potentially applicable in the Community generally,
5. are concerned with :
 - youth unemployment
 - setting up of small craft industries,
 - creation of employment opportunities for women in jobs where they are under-represented,
 - training for new skills demanded by technological changes,
 - training of instructors.

To facilitate comparative examination of applications on the broadest possible basis, it is desirable to move towards a system of selection of pilot schemes for aid from the Fund in two separate batches per annum. Projects to begin in the second half of 1979 should therefore be submitted by 1 November 1978, those for the first half of 1980 by 1st May 1979 and so on.

V. GUIDELINES FOR 1978

1. The guidelines applicable to 1977 (25) are extended to 1978. However, in order to ensure a gradual transition towards the guidelines laid down for 1979, 1980 and 1981, the Commission will apply certain parts of the latter guidelines in all cases where employment trends so justify, on condition that this does not result in less favourable treatment of applications.

As regards handicapped persons, the guidelines laid down for 1979, 1980 and 1981, as given above in part III Section C, are applicable for 1978. The selection of applications involving new schemes will, however, have to take into account the significant volume of such schemes already in receipt of assistance.

2. The method of weighted reductions set out under I.D. is applicable for 1978.
3. During 1978 and in the different fields of intervention, priority applications will be selected on a case by case basis amongst applications not exceeding 12 months' duration and which put into effect aids for promoting better conditions for employment (26). Only operations carried out in Greenland, French overseas Departments, Ireland, Northern Ireland and the Mezzogiorno will be considered priority cases (27). These operations are classified as first level priority.

These operations can be independent of training activities but, in certain cases, can constitute an extension of training or integration into working life.

This category of aid can cover expenditure incurred in the direct or indirect payment of contributions to the gross wages of newly-engaged workers.

The Commission will lay down guidelines for 1979 and subsequent years in the light of the decisions which will be taken concerning the new categories of aid to promote employment of young persons, for which the Council invited the Commission on 28 October 1977 to submit proposals. The guidelines for 1979 and subsequent years will take into consideration together the two categories of aid concerning employment.

(25) Guidelines on the management of the Social Fund for the financial year 1977 (OJ No C 141, 15 June 1977, p 2)

(26) Aids listed in Article 3(1)(e) of Council Regulation (EEC) No 2396/71 of 8 November 1971, referred to under (1)

(27) See footnote (2).