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THE SECOND ANNUAL REPORT ON THE ACTIVITIES

OF THE NEW EUROPEAN SOCIAL FUND

FINANCIAL YEAR 1973

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## FOREWORD

The Social Fund, created under the Treaty of Rome (Article 123 and seq.), underwent a substantial reform in 1971, the essential elements of which are set out in Council Decision no 71/66. The purpose of these reforms was to transform the Fund into an instrument of a more active employment policy and to link it more effectively with Community policy objectives.

A yearly report is to be drawn up on these operations of the Fund (1). The first report produced by the Commission in September 1973, outlined the major points contained in the new regulations and described in brief the operations undertaken during the first period of implementation (May - December 1972).

The present report covers the activities of 1973. In the light of the observations and requests made on the one hand by the European Parliament and the Economic and Social Committee during their discussion on the first report and on the other hand by the Council of Ministers during its deliberations on the Community Social Action Programme the report endeavours to present a more detailed analysis of the operations undertaken in 1973 and to highlight the main problems encountered.

In particular the deliberations of the Council brought to light certain preoccupations about the functioning and the possible extension of aids eligible under the Fund. The Commission undertook at that time to present its views in this report: an examination of these matters has led the Commission to conclude that no formal proposals would be appropriate before the normally scheduled date (1976).

The report is supplemented by a number of annexes including the list of operations examined in 1973 and the texts of the regulations adopted during the year.

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(1) Council Regulation 858/CEE, article 6)

## CHAPTER I

### OVERALL SURVEY OF ACTIVITIES DURING 1973

The primary aim of the Social Fund is to promote the improvement of the employment situation within the Community by encouraging measures designed to prepare workers more effectively to play their rightful role in the productive activities of the Community. In the majority of cases its interventions deal with training and readaptation schemes.

The reforms introduced in 1971 were intended to adapt the mechanisms of intervention provided for by the Treaty so as to enable these objectives to be met more effectively. These reforms were based on the experience accumulated by the Member States in this area over the previous 10 years.

In the late Sixties it became apparent to the original Six that the promotion of full and better employment could not simply rely on the achievement of a rapid rate of growth. The existence, in all the Member States, of conspicuous pockets of unemployment side by side with areas where labour was in short supply and the pace of the changes accompanying growth showed the need for what has been called an "active" employment policy. At the same time the rising aspirations of workers with regard to their conditions of employment were creating new requirements.

The need for a frontal attack on the problem of unemployment, under-employment and readaptation as a result of rapid change is now universally recognized, but there is still some way to go before the methods resulting in effective measures can be fully identified. Member States are being led to broaden their efforts and to reexamine and review their administrative structures and practices so as to make them more consistent with the requirements of development and with workers' rights. At present all of the Member States, with their own timescales and procedures, are going through a period of reorganization and experiment. Experience has shown

that there is no simple plan or formula for implementing an "active" employment policy. What is called for is an effort of imagination, innovation and participation: it will be necessary to proceed pragmatically and to modify actions in the light of complex and changing realities which vary from one country (or even from one region) to another.

This analysis, in certain of its essential aspects, formed the basis for the reform of the Social Fund. The new system is characterized both by the selectiveness of the interventions (in place of the automatic actions provided for under the previous system) and by the effort to reinforce their incentive character.

It is against this background that the balance-sheet for the Social Fund's first fully operational year must be viewed. The 90 dossiers submitted to the Commission cover a wide range of operations and constitute a broad sample of the efforts undertaken by the Member States to develop their employment and training policies. These cases, moreover, will provide at the appropriate moment an excellent starting point for the comparison of experiences and for the interchange of ideas. This report will however concentrate on problems directly linked with the administration of the Fund and the policy which it is promoting.

In adopting a selective system, the Council and the Commission have undertaken the transfer to Community level of part of the political process of choice together with the risks which this inevitably entails. The consequences of this transfer must be fully appreciated; its main aspects are presented below.

## Section I - Guidelines

The Commission, after consultation with the Social Fund Committee has decided to adopt a gradual and careful approach in laying down guidelines for the Fund since it has very quickly become apparent that reliance

on rigid and permanent "intervention guidelines" would result in measures which were divorced from reality, especially when the diversity of circumstances and national policies is taken into account.

On the other hand, the promotion of national employment policies, and the achievement of greater coherence between them presupposes the establishment of guidelines, which while precise, ought to be sufficiently flexible to cover the wide variety of situations.

One of the very first steps in this direction was the adoption, by the Commission on November 28 1973 of a note for guidelines for the administration of the European Social Fund (1); it stressed three main points: 1) the importance of the Social Fund as an incentive; 2) the priority to be given to the development or implementation of measures of a preventive, anticipatory or exemplary nature; 3) finally, the importance of the priority categories of the Social Fund.

## Section 2 - Extension of Article 4 to cover new categories

The Commission presented three proposals to the Council aimed at extending Article 4 to cover new categories of workers, namely handicapped persons, migrant workers and shipbuilding workers.

### a) Handicapped persons

During 1973 the size and number of applications under Article 5 for support for handicapped persons were much greater than expected. This indicated the need for the Community to concentrate its efforts on priority operations aimed at the quantitative and qualitative promotion of the efforts being made by harmonizing and coordinating them as far as possible in accordance with jointly formulated guidelines. With this in mind, the extension of Article 4 to cover handicapped persons was included as a priority measure in the Commission's Social Action Programme and in the Resolution adopted by the Council.

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(1) of annex I.

b) Migrant workers

The regional imbalance between labour supply and demand has caused a constant increase in the number of workers leaving the underdeveloped regions to seek employment in the industrialised regions. The migrant labour force employed in the Member States at the beginning of 1973 was estimated at some 6.200.000 persons, of whom 27% were from the Member States. In view of the urgent need to improve their situation, the Commission proposed to the Council within the framework of the Social Action Programme the extension of article 4 to migrant workers as a priority measure.

c) Shipbuilding workers

The European shipbuilding industry faces the risk of surplus production capacity and is contending with strong international competition. As part of an overall policy on shipbuilding the Commission has proposed the extension of Article 4 of the Social Fund to workers in the shipbuilding industry who have to change their jobs, improve their qualifications or change their place of residence.

These three Commission proposals have received broad support in the European Parliament and from the Economic and Social Committee (1).

Section 3 - Development and use of the Fund's resources

The initial appropriation for 1973 amounted to 177,5 million u.a. (68,8 million u.a. for Article 4, 108 million u.a. for Article 5, and 0,7 m.u.a. for pilot studies). The great number of applications submitted under Article 5 prompted the Commission to request an additional budget of 140 million u.a. in respect of this Article. The supplementary budget adopted by the Council was for 45m. u.a.

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(1) The Commission's proposals for migrant workers and for handicapped workers were adopted by the Council on June 10 1974.

The financial situation obtaining at the end of the 1973 financial year is dealt with in Chapter II of this report. It clearly shows an imbalance between the two Articles: whereas the applications submitted under Article 4 finally amounted to less than the appropriations available, applications under Article 5 were substantially in excess of the appropriations, even after taking into account the additional amounts allocated by the Council. It will be recalled, in this connection, that the provisions of Article 9 (2) of Council Decision No. 71/66 stipulate that the bulk of the appropriations available must, over the long term, be earmarked for interventions under Article 4.

#### Section 4 - The Improvement of Methods of Administration and Examination

During the year the Commission finalized a number of measures to improve the administration of the Fund. The chief measures involved relate to the practical implementation of the principle that applications should be prior to the launching of projects and the arrangements for the supervision of expenditure (see Chapter II and annex 2).

Among the problems dealt with in Chapter IV below, the Commission attaches great importance to the improvement of the methods of examination and selection.

The Commission and the Social Fund Committee have to compare situations and actions taken in different countries, to weigh their merits and to fix their relative priority. This presupposes the development of appropriate methods (in particular for examining the efficiency of aids); it also involves policy choices - the inevitable corollary of the financial solidarity represented by the Social Fund.

In this respect, one of the main problems arises out of the considerable number of "global" applications submitted by certain national administrations. These applications, representing in financial terms more than 4/5 of the total applications submitted, frequently cover the financing

of the whole range of operations undertaken by these administrations in the priority areas (see p. 23). These applications most often cause problems as to the priority character of the operations which they embrace, especially from the point of view of the promotional role of the Fund. The development of an appropriate method for scrutinizing these applications is one of the major tasks for the months ahead.

In addition, the departments responsible for the day-to-day administration of the Fund are conscious of a twofold need, (a) the formulation of more precise Community guidelines notably with regard to regional and industrial matters and (b) the determination of interventions on the basis of the particular problems which each of the proposed operations is facing.

The Commission is convinced that the progress demanded by the Council as regards the efficiency of the Social Fund (in its resolution of 21 January 1974 on the Social Action Programme Resolution) depends primarily on the points mentioned above.

The Commission has noted the views expressed in the Council by certain member countries with regard to three additional important questions.

The first two concern the possible extension of Fund contributions on the one hand to permanent education and on the other hand to training infrastructures.

The problems of permanent education are currently being studied at Community level as part of a general review of educational matters. Because of financial limitations the greatest care must be exercised in the extension of the Fund into this area, given the range of needs to cover and the responsibilities of employers themselves.

As regards training infrastructures, the Commission is at present looking into the problems encountered by certain Member States and also the alternative financing possibilities which exist at Community level. (1)

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(1) See Chapter IV section 6.



The concern felt over the disparities between the real costs of intervention - another question raised by certain members in the Council - has already been reflected in Article 3 (3) of Council Regulation 2396/71. The Commission hopes to begin, on the basis of the initial results obtained, an examination of the situation with the Member States. (See Chapter IV, section 5) It does not, however, feel it is appropriate at this stage to present formal proposals.

The balance-sheet for the first full year of operation of the reformed Social Fund can be regarded as satisfactory from the quantitative point of view; in particular the division of the interventions between different Member States is noticeably more in keeping with the intensity of their needs than in the past. From the qualitative point of view, the areas where improvements are called for are fairly clear. The majority of these improvements do not directly concern the regulations as such. While the present arrangements certainly do contain a number of ambiguities or contradictions the Commission feels that these can be dealt with without recourse to modifying the regulations; the Commission and the Member States should direct their efforts towards generating better applications, deepening their understanding of the various situations and interventions and improving the selection procedures.

The Commission feels it preferable that any possible changes to the rules and regulations should be considered in the context of the examination to be made by the Council for 1977. It proposes to begin its preparatory work for this purpose in 1975.

CHAPTER II  
FINANCIAL AND BUDGETARY ASPECTS

Section I - Budgetary allowances

The financial resources of the European Social Fund are covered by Chapters 50 to 52 of the Commission Budget. The appropriations made annually include both authorizations for expenditure for the first year and authorizations for commitments for the two following years.

The appropriations made by the Council for Social Fund actions in the financial year 1973 had originally been fixed at 177.5 m.u.c. (compared with 42.5 m.u.a. in 1972, the first year of operation). This sum was increased to 223 m.u.a. by a supplementary budget for Article 5 actions of 45 m.u.a. adopted on September 21, 1973. At the same time authorizations for commitments in 1974 and 1975 were fixed at 120 m.u.a. and 64 m.u.a. respectively.

The following table shows the appropriations to the Social Fund for its first three financial years.

Table 1

	<u>Budgetary Appropriations for each financial year (m.u.a.)</u>		
	<u>1972</u>	<u>1973</u>	<u>1974</u>
Article 4	7.5	68.8 <sup>a</sup>	98.8
Article 5	35.0	153.4 <sup>a</sup>	168.4
Studies	0.25	0.75	0.6
Total	42.75	222.95	267.8

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<sup>a</sup> In addition the sums of 7.5 m.u.a. and 4.5 m.u.a. were carried forward from 1972 for Articles 4 and 5 respectively.

These figures should be taken in conjunction with those in Table 2 which shows the corresponding authorizations for commitments in subsequent years.

Table 2

Authorizations for commitments (m.u.a.)

Year for which commitment authorized

Year of budget	1973	1974	1975	1974
<u>Article 4</u>				
1972	10	5		
1973		60	34	
1974			50	20
<u>Article 5</u>				
1972	20	10		
1973		60	30	
1974			60	30

Section 2 - Use of resources

The Commission received 90 applications involving 263.8 m.u.a. for 1973 actions and 102.3 m.u.a. for actions in subsequent years. These are compared below with the available resources.

Table 3

Applications made and Resources available (in m.u.a.) (I)

	For 1973			For 1974			For 1975		
	Art.4	Art.5	Total	Art.4	Art.5	Total	Art.4	Art.5	Total
Applications	28.1	235.7	263.8	7.5	82.6	90.1	2.6	9.6	12.2
Resources available	76.3	158.0	234.3	60.0	60.0	120.0	34.0	30.0	64.0

(1) includes credits not used in 1972 and reported for 1973 (see table 1-note a.)

Requests for support under Article 4 did not use up all the credits available. For Article 5, however, applications for 1973 actions exceeded available resources by more than 50%. Table 4 presents an analysis (by country and article) of the commitments made for 1973 actions (in m.u.c.). (I)

Table 4

Country	Art. 4	Art. 5	Total
Belgium	0.7	6.5	7.2
Denmark	-	5.1	5.1
Germany	9.6	10.4	20.0
France	14.4	21.8	36.2
Ireland	0.7	9.1	9.8
Italy	0.04	43.7	43.74
Luxembourg	-	0.04	.04
Netherlands	0.8	6.0	6.8
UK	1.9	55.5	57.4
TOTAL	28.1	158.0	186.1 (2)

The following commitments for 1974 and 1975 were made by the end of 1973 out of the authorizations for commitment shown in Table 2.

Table 5

Commitments made for 1974 and 1975 (m.u.a.)

	<u>1974</u>	<u>1975</u>
Article 4	7.5	2.6
Article 5	57.5	6.7

These figures include commitments of 4.80 m.u.a. (for 1974) and 0.24 m.u.a. (for 1975) authorized in 1972.

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- (1) These commitments include the report of 4.6 m.u.a. from 1972 (see table 1, note a): the money reported from Article 4 has not been used and has been annulled.
  - (2) These figures are taken from the table in annex 4: the "total" line does not correspond exactly with the sum of the figures, which have been rounded to the first decimal place.

Because of the commitment of 57.5 m.u.a. to Article 5 actions in 1974 as indicated above the amount remaining available to support further Article 5 actions in 1974 is reduced from 168.4 to 110.9 m.u.a. Almost all of this sum of 57.5 m.u.a. has been committed to operations in Italy.

### Section 3 - Cost limits

In July 1973 the Commission fixed maximum amounts of assistance for certain types of aid which qualify for support from the European Social Fund, in conformity with article 292 of Council Regulation 2371/71. This applies to resettlement expenses, accomodation expenses and expenses incurred in maintaining the level of income of elderly workers during retraining. Details of these regulations will be found in Annex 3.

No limits have been fixed for other types of aid. The general problem of the basis for assessing the cost of aids is taken up in Chapter IV (Section 5).

### Section 4 - Control of expenditures

The control function is exercised at all stages both of commitment of Social Fund credits in favour of applications and of payment of costs incurred in the execution of those applications.

Examination of claims for payment is designed to check (i) their conformity with the stated actions as originally submitted and approved (ii) that the numbers of beneficiaries of the actions concerned approximate to the original estimates (iii) that the distribution of expenditure between the different types of aid approved is generally in balance with that originally envisaged.

It should be noted that the Member States also carry out local checks of expenditure with regard to contributions from public funds at national level. This is an indispensable preliminary to checks made by the Fund's services, which also benefit more generally from the cooperation of the financial services of the Member States-

Payment on account of up to 85% of approved costs is provided for on submission of a detailed statement of expenditure. The remaining payments are withheld pending final verification of expenditure by the Fund's services; except for very small claims this verification is carried out "on-the-spot". The method of control used is "random sampling" (chosen on a statistical probability basis) for costs of an "individual" nature (e.g. maintenance of income, travelling expenses) and "spot" checks of particular source documents in the case of general or "group" expenses (e.g. depreciation of buildings, energy costs).

These controls are backed up in certain cases by the "directed controls" made by Financial Control staff at a more detailed level with specific regard to certain categories of aid chosen for particular attention at the time of making controls. All claims for payments on the basis of approved commitments for any particular financial year must be made by the Member States before the end of the following financial year and must also be paid within that year. The smooth and efficient operation of the system of payment control therefore depends on the early submission by Member States of claims for payment. If payment controls cannot be completed in time, credits can be lost. Accordingly, the Commission has submitted a proposal to the Social Fund Committee that claims for payments must be made before 30 September of the following financial year. For its part the Commission has taken steps to speed up the examination and payment of claims.

CHAPTER III

THE OPERATIONS OF THE SOCIAL FUND

This chapter provides an overall picture of the operations undertaken in 1973. (1)

The applications submitted to the Commission were extremely diverse as regards the size, nature and object of the schemes concerned. It is therefore necessary to review the applications, not only in terms of the categories set out in Articles 4 and 5 but also according to their major intrinsic characteristics. (2)

Section 1 - Operations by category (3)

The decisions taken in 1973 enabled 87 applications for assistance to be granted, involving a total expenditure of 255.2 million u.a.: 186.1 million u.a. were committed to be spent in 1973 and 69.1 million u.a. were authorized for commitment for the following years.

The decisions are divided as follows:

38.2 million u.a. for action under Article 4 (or 15% of the total)  
made up of: 33.4 for agriculture  
              4.8 for textiles  
217.0 million u.a. (or 85% of the total) for action under Article 5  
made up of: 173.7 for regions  
              12.0 for technical progress and groups of enterprises  
              31.3 for handicapped persons

A table in the annex to this chapter gives a breakdown of the decisions taken.

- (1) See annex 6 for a description of the internal procedures followed in the examination of applications.
- (2) The figures given in this chapter on the amounts of money and the number of workers involved refer (unless otherwise stated) to decisions taken in 1973 for the three years 1973, 1974 and 1975.
- (3) It is often difficult to separate the different applications into distinct categories. In particular, a few applications which have been counted as wholly "regional" in the analysis include some technical progress operations.

1. Operations under Article 4

In 1973, total applications within the scope of article 4 amounted to well under the funds available.

The support decided under this Article is summarized in the following table:

Table 1  
Operations under Article 4 (millions of u.a.)

	Commitments			Total
	1973	1974	1975	
Agriculture	24.5	6.9	2.0	33.4
Textiles	3.6	0.6	0.6	4.8
Total	28.1	7.5	2.6	38.2

The agricultural applications accounted for the bulk of decisions taken under Article 4. There were six such applications, involving 30,000 persons from agriculture (and the sum of 33.4 million u.a.), being trained for non-agricultural work. All these applications (with one exception) were submitted by public bodies in the Member States.

The applications related to two large operations (involving 22 and 9.6 million u.a. in France and Germany respectively), and to four smaller operations in four other countries. Although Italy and Ireland have proportionately the largest rural populations, Italy submitted no application and Ireland only one, for an amount of no more than 100 000 u.a. Applications under this heading were often very similar to those presented under Article 5 "Regions".

In many of these applications there were few indications about complementary actions to facilitate the transfer of persons from agriculture to other branches of activity; nor was there any indication of the



improvements expected on the age structure of agricultural employment in the areas concerned - one of the principal reasons for the opening of Article 4 to persons in agriculture.

Such considerations will be of a primary importance as soon as the total applications exceed the funds available.

As regards textiles, the Commission received seven applications for a total amount of 4.8 million u.a. and involving 9700 workers in five Member States.

"Textile" applications were often based on specific programmes for the restructuring of the textile industry; in some cases however, they corresponded to requests by national administrations, for aid to workers leaving the textile industry. In these cases, the same considerations as those mentioned in connection with agricultural workers apply.

All the applications submitted under Article 4 were approved without any reduction.(1)

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(1) The "amount requested" as stated for each application in annex 5 is the amount requested at the stage of examination of the application by the Social Fund Committee. By the time an agreement is finalised this amount may have been modified.

2. Operations under Article 5

Under Article 5, the Commission received 77 applications for a total amount of 328 million u.a. a much greater amount than the resources of the Fund could provide. As a result the Commission had to develop guidelines in consultation with the Social Fund Committee to allow a selection of projects and more importantly to provide a guide to the amount of assistance which should be given to approved projects. (1) The details of the consequences of the application of these criteria are given in table 2.

Table 2

Applications and operations under Article 5

	I Applications submitted			II Applications approved			Difference between I and II	
	Number	Amount 1973	Amount 1974-5 (commitm.)	Number	Amount 1973	Amount 1974-5	Number	Amount 1973
Total Article 5	77	235.7	92.2	74	158.0	59.0	3	77.7
Areas	38	151.9	86.1	38	118.2	55.5	0	33.7
Technical progress	16	10.5	4.4	13	8.2	3.5	3	2.3
Groups of undertakings	1	0.3	-	1	0.3	-	0	0.0
Handicapped persons	22	73.0	1.7	22	31.3	-	0	41.7

(1) See annex 1.

(a) Applications for regions

The Commission received 38 applications for a total amount of 238 million u.a., from all the Member States except Luxembourg.

All the applications were approved. Reductions affected fourteen of them (26 % of the amount applied for). Final allocations were 173.7 m.u.a., to operations affecting 312.000 trainees.

In order to effect these reductions an endeavour was made to take intensity of needs into account, based, in the first instance on certain statistical data (viz. regional levels of unemployment as compared with national and Community averages, level of personal income relative to the national average) and whether a difficult situation existed for certain groups due to the decline of the region. This resulted in a selection process performed basically by pruning those sections from applications which dealt with zones regarded as having less priority.

At a later stage it was possible to use the proposals of the Commission on the definition of regions and zones in difficulty.

The amount involved in the approved applications exceeds the minimum of 60 % for regional applications laid down in Article 2 of Regulation (EEC) no. 2396/71 of November 8 1971.

The main countries to benefit were the United Kingdom, Italy and Ireland, who together received 85 % of the total funds in this category. Many of the applications submitted dealt with rural areas - which explains the overlap existing between this category and the category "Article 4 - Agriculture". Most of the money was allocated to applications requiring over five million u.a.

(b) Applications for technical progress schemes

Sixteen applications were submitted, by five Member States, for a total amount of 14.9 million u.a. All but two of the applications were on

behalf of small or medium sized schemes limited in scope but clearly defined. These applications, submitted by undertakings or by public bodies acting in close cooperation with the employers, usually involved precise arrangements for the employment of trainees.

Selection was guided by two requirements:

1. the requirement that training was necessary because of technical progress and not because of some other development and 2. that the whole or a substantial part of a branch of industry had to be involved in the scheme and not just one or two undertakings in that branch.

Five applications were reduced by 2.6 million u.a. Three applications for a total amount of 1.6 million u.a. were refused, because, although considered very worthwhile they did not fully correspond to requirements referred to above. Finally 13 operations concerning 16.800 trainees were supported by an allocation of 11.7 m.u.a.

(c) Groups of undertakings

The only application in this category came from Denmark and involved 500 trainees for a total amount of 280.000 u.a., which was granted without reduction.

(d) Handicapped persons

Twenty-two schemes were submitted, from all the Member States, for a total amount of 74.7 m.u.a.

All the applications were accepted for 1973; the amounts applied for had to be reduced in all but six cases.

All these schemes were submitted by the public authorities in the Member States, except for certain Irish schemes, in which specialized voluntary organizations participate. This resulted in 31.3 m.u.a. being allocated to operations involving 67.400 trainees.

Although Article I.3 of the Social Fund regulations provides that the limitations imposed for the other Article 5 operations do not apply in the case of the handicapped, the Commission took account, to some extent, of regional criteria in its selection of the parts of the applications to support. It thus hoped to avoid subordinating the fate of the handicapped to a flourishing labour market situation and to avoid taking an interest in categories in difficulty only under a subsidiary heading when the workers not presenting any special problems have found employment.

Section 2 - Major characteristics of applications

The applications eligible for consideration were dissimilar in many respects; the comparison of their merits, so necessary for selection purposes was thus made extremely difficult. This dissimilarity exists even within the various categories of operations mentioned in the previous section. It reflects not only difference in the purpose and nature of operations, but also in the institutional arrangements.

1. There is a wide range of size in the applications presented. Table 3 (below) shows the number of applications falling into the different categories:

Table 3

Size distribution of requests

A. By Amount

Amount applied for:	0-1 m.u.a.	1-2.5 m.u.a.	2.5-5 m.u.a.	5 + m.u.a.
Number of requests:	52	13	7	18

B. By Number of Workers

Number of workers:	0-500	500-1000	1000-5000	5000 +
Number of applications:	34	15	20	21

The total amount applied for by the largest group (more than 5 m.u.a.) came to 293 m.u.a. as compared with 73 m.u.a. for all the other applications (1).

A similar range and a similar preponderance in importance of the larger projects is shown by the classification of applications according to the number of trainees involved. The larger size projects tend to belong predominantly to the "regions" category. Further details will be found in table 2 given at the end of the chapter.

2. One of the most important characteristics of a training programme is the nature of employment prospects for trainees at the end of their training period. At one extreme there is the case of workers being retrained within their own firm; at the other there is the training of unemployed in order to increase their opportunity of finding employment. An examination of the applications shows that just under 50% of them stated clearly that future employment had been planned for the trainees and specified where this employment could be.

In general, as schemes became larger in size the tendency for employment opportunities to be specified decline (see table 3 at end of chapter).

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(1) Some further details can be given of the 21 applications which either concern more than 5,000 workers or are for amounts of more than 5 m.u.a. 13 were submitted under "regions", 1 under "Technical progress", 5 under "handicapped", and 2 under "agriculture". 5 of the 21 applications can be considered as comparatively precise as regards concrete specific opportunities for employment at the end of the programme. The remaining 16 are promoted by public authorities, involves a wide range of courses and generally do not include specific arrangements for employment. The fact that 10 of these applications alone received 104 m.u.a. shows the importance of this category.

3. Another important and related characteristic is the nature of promoter of the application. The two most important categories here are:

- a) Private or public employers (30% of applications);
- b) The Department responsible, at national or regional level, for overall training (usually the Department of Employment, although Education, Health and Industry departments can also be involved) (45% of applications).

These two extreme categories correspond to definite patterns. In the case of employer sponsored projects, the aim and nature of the operation is determined by the firm's own requirements and the trainee is already with the firm or will be taken on by it on finishing training. In the case of training authority requests on the other hand, the aims are more general, the employment outlets are usually less assured.

Approximately 25% of the requests are presented by bodies other than the two types designed above - e.g. training agencies for industries, regional development agencies, etc...

Drawing on the experience of 1973 and on the findings which have been presented above the Commission services currently draw a practical distinction between "individual" and "global" applications. This distinction which should be regarded as an initial benchmark is helpful in the examination of applications.

An "individual" application concerns an operation which is clearly defined and characterized, and is centered on a precise training or re-organization scheme. It is usually submitted by an employer (or by an organization which operates in close cooperation with an employer) and relates to a limited range of qualifications which satisfy his requirements.

A global application relates to a set of actions which are much more clearly differentiated both in content and in purpose: the connection between such actions is essentially based on their common location in the same national or local government agency (usually the body responsible for training) and on the fact that they are implemented in training centres belonging to that office. Global applications often cover all the training measures carried out by such agencies in priority areas.

Problems in selection arose particularly with regard to the global applications (see chapter IV - section 3).

### Section 3 - Studies and pilot projects

In 1973, the credits that the Commission could employ under Article 7 of Regulation No. 2396/71 in order to promote studies and pilot schemes were mainly devoted to the training of trainers and to the improvement of pedagogic methods of vocational training appropriate to different economic sectors or categories of persons.

#### a) The principal operations undertaken in 1973

Several of these studies and pilot schemes relate to migrant workers and have as their main objective the search for means to overcome the obstacles to integration faced by migrant workers and their children in their new social and work environment. Other studies and pilot schemes examine the problems involved in the retraining of workers leaving agriculture and the development of the appropriate measures to remedy these problems; this work concerns the regions of Vénétie and the Bas-Rhône-Languedoc.



One study and one pilot scheme concern under-developed regions. The objective of the study is to analyse vocational training needs in certain parts of the Mezzogiorno; the pilot scheme is intended to establish and evaluate a training programme for trainers-leaders in the context of community development in rural areas of Ireland; the role of such people will be to facilitate the adaptation of these areas in line with economic and social developments which take the form of a strong trend towards urbanisation and a profound restructuring of the agricultural environment.

Another pilot project concerns the food trade sector; the objective is to contribute to the restructuring of distribution methods in the food trade and to develop an appropriate programme and methods of technician training in order to meet the new needs stemming from technological developments in this sector. This pilot scheme is taking place in Reggio-Emilia.

A study of a more general nature has the objective of developing a teaching model designed to encourage adults to make vocational changes, to assist them to cope with the problems that they meet in their work and to teach them "how to learn" when they have long since left school.

b) General line of approach

These studies and pilot schemes are basically aimed at the development of methods and programmes of training, particularly in the field of the training of trainers. The Commission believes that since adult vocational training will from now on take place in a context characterised by change and by a diversity of factors to be taken into account, such training

must, alongside its quantitative development, undergo a qualitative transformation of its interventions; as a result, only an intensive effort aimed at improving methods and programmes will permit a response to new demands and assure the economic as much as the human and social efficacy of adult vocational training.

The majority of the studies and pilot schemes are still in progress. The Commission expects their results to be of interest to all the Member Countries.

ANNEX TO CHAPTER III

Table 1 Support approved in 1973 (in millions of u.a.)

	1973		1974	1975	TOTAL	
	Amount	%	Amount	Amount	Amount	%
<u>Article 4</u>	<u>28.1</u>	<u>100</u>	<u>7.5</u>	<u>2.6</u>	<u>38.2</u>	<u>100</u>
Agriculture	24.5	87	6.9	2.0	33.4	87
Textile	3.6	13	0.6	0.6	4.8	13
<u>Article 5</u>	<u>158.0</u>	<u>100</u>	<u>52.5</u>	<u>6.5</u>	<u>217.0</u>	<u>100</u>
Regions	118.2	75	50.2	5.3	173.7	80
Technical Progress	8.2	5	2.3	1.2	11.7	6
Groups of undertakings	0.3	0.2			0.3	0.1
Handicapped	31.3	20			31.3	14
TOTAL	186.1		60	9.1	255.2	

Table 2 - Break-down of applications by category and size (1)

<u>Category</u>	0 to 1 m.u.a.	1 to 2.5	2.5 to 5	more than 5	Total (m.u.a.)
Agriculture	1	-	-	32	33
Textile	3	2	-	-	5
Regions	8	13	15	202	238
Technical Progress and groups of undertakings	2	2	6	5	15
Handicapped	3	5	13	54	75
TOTAL	17	22	34	293	366

(1) Each figure in this table gives the total size of all the applications of the size indicated at the top of the column and in the category indicated. The table shows the clear preponderance of regional demands of more than 5 m.u.a.

Table 3 - Applications with employment specified, by size of application

Number of workers	0-500	500-1000	1000-5000	5000++
Number of applications	34	15	20	21
Number of applications with specified employment	26	8	7	6
% of applications with specified employment	76	57	37	31

CHAPTER IV

IMPROVEMENTS TO BE CONSIDERED IN THE LIGHT  
OF THE EXPERIENCE OF 1973

The purpose of this chapter is to outline the points on which the Commission feels it should concentrate its efforts at improvement in the immediate future. These points deal with the overall balance between the various types of operation financed, the methods of selection, and lastly with the management of the Fund.

The first section will be devoted to a general survey of these problems. The following sections will deal in greater detail with the main problems.

Section 1 - General survey

1. A good deal of progress still has to be made on the methods of approach to selections among the admissible applications (Section 2).
2. The problems posed by the number and, in particular, the size of the "global applications" require particular attention (Section 3).
3. The small number of applications submitted in favour of operations benefiting certain special categories of workers (Article 1 (2)) gives rise to a certain amount of justified concern, particularly in the light of the guidelines of the Social Action Programme (Section 4).
4. The question of the disparity between countries or between projects, in respect of the unit cost per worker of the operations to be financed has aroused concern from certain Member States.

Regulation No 2396/71 provides for an examination of this problem by the Council at the end of the first financial year (Section 5).

5. The possibility of Community aid for the establishment of vocational training infrastructures has been raised in the Council. Initial thoughts on this question will be found in Section 6.

6. The application of Council Regulation no. 2396/71 has also showed up certain problems of interpretation especially with regard to the identification of the priority regions, the concepts "group of undertakings", "technical progress" (article 1.1.b.c.), "occupations requiring high qualifications" (article 1.2a) and the meaning of "specific programme" (article 1.4). These problems are being dealt with, as they arise, in consultation with the Committee of the Social Fund.

## Section 2 - Methods of selection

The previous chapter (in particular section 1) dealt briefly with the methods of selection used in 1973; their limitations are evident. The Commission feels that their improvement constitutes a task of major importance.

The lines on which the Commission is working at present - in close liaison with the Committee of the Social Fund - are based on the following factors (1):

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(1) See note on the guidelines of the Social Fund (annex I).

1. The object of Community intervention is to support and stimulate the efforts of the Member States themselves towards objectives which are discussed and defined on a joint basis.
2. Community intervention must therefore aim to develop progressively the promotional aspects of the actions carried out in the Member States.
3. In practice, these promotional aspects can be identified under the following three headings:
  - (a) The development of the connections, often very inadequate, between the operations for which aid is sought and the major Community policies (for example, agriculture, commercial policy);<sup>(1)</sup>
  - (b) A better dovetailing of the particular retraining programme in the socio-economic context of the undertaking, the sector or the region (for example with the investment programmes or with the search for new fields of employment);
  - (c) The stimulation given to the volume and quantity of the training effort particularly in relation to potential employment outlets.

The application of the general guidelines must be differentiated according to each category of operation.

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(1) See for instance below on article 4 agriculture (page 31).

(1) The operations under Article 4.

A marked increase in the applications presented under Article 4 can be expected. This will result from the opening of the Article to new categories (handicapped and migrants) following the recent Council decision. Furthermore on the basis of the similarities observed in 1973 between the Article 4 "agricultural" applications and the Article 5 "regional" applications the services of the Commission invite the national services to investigate to what extent operations of the type formerly financed on the basis of Article 5 could use Article 4 credits reserved for workers leaving agriculture.

As regards the "sectoral" fields already opened (agriculture and the textile industry), this report has already stressed the considerable disparity between the applications submitted and the established Community guidelines, in particular in the agriculture sector, where one of the main objectives should be to improve the age structure of the working population. Future applications should give more details of the objectives in view and the way in which the promoters propose to attain them.

For the areas consisting of individual categories (handicapped and migrant workers) which were not opened until 1974, the Commission has indicated in its proposals the philosophy which it intends to apply. This is based on the formulation of integrated programmes aiming at the dovetailing of social and economic objectives.

The extension of Article 4 must not under any circumstances be reduced to a simple transfer justified by considerations of budgetary convenience. Rather, it should imply the formulation of common objectives, the interpretation of which must, of course, in any given case take account of special situations.



(2) Operations under Article 5.

These tend to differ more widely depending on national priorities. It is still desirable, nevertheless, to place increasing stress on the promotional aspects of these operations.

For the applications corresponding to the two categories "groups of undertaking" and "technical progress", the experience gained is still insufficient for meaningful conclusions to be drawn. The Commission feels the objectives of the Social Fund would be better met by the presentation of a greater number of applications dealing with these groups.

In respect of the applications relating to the priority regions the Commission will be guided by the proposals it has presented and by the decisions which will be taken in this area. It feels it is necessary to take account of, in as balanced a way as possible, of the following points:

- (i) The relative seriousness of regional situations, measured principally by the unemployment rate and the average income level;
- (ii) The extent to which the operations to be financed are directed in the light of the potential employment opportunities for the trainees;
- (iii) The quality and the content of the training programmes;
- (iv) The conformity of the proposed operations with the guidelines of Community policy.

Section 3 - The problem of global applications

The vast preponderance of global applications in the total number of applications submitted (17 of them represent 80% of the total amount involved in the applications received in 1973) calls for a more particular examination of this problem, which has arisen up to the present time in the context of Article 5, under the regions and handicapped heading.

These applications certainly have considerable advantages from the administrative point of view, and the nature of the operations covered allows a simplified preparation and presentations of the dossiers. The groupings thus effected reduce the administration costs for the Commission departments.

On the other hand, they have major disadvantages from the point of view of the selective and promotional policy which the Social Fund must support. Since, they generally cover as pointed out in chapter III, a vast number of current operations corresponding to the normal duties of national or regional departments, these applications, as submitted at present, do not lend themselves easily to a detailed examination of their objectives and methods. Under these circumstances, it is difficult to identify either the significant promotional aspects or the other aspects which might justify Community support.

It would however, be undesirable to proscribe them since the "globalisation" of the training projects at the level of all the priority areas of a country or at the level of a single region is simply a result of the nature of the bodies promoting the projects. Any such prohibition could well unduly penalise a large section of the public training and retraining sector.

On a provisional basis, the Commission endeavoured in 1973 to apply greater strictness in the application of regional criteria. In this way, it was possible, in respect of the seven major global regional applications, to reduce the total value of the amounts approved from 180 to 120 million u.c. by excluding certain areas which were judged to be of lesser priority. This reduction was made by reference to the location of the centres or of the homes of the trainees.

This method of reduction is, however, far from ideal. If the Social Fund is really to become as effective an instrument as possible for the support of an active employment policy in the member countries, it is important that the guidelines for its choices should go beyond the simple application of a regional scale and should also be concerned with the intrinsic characteristics of the operations, the areas of employment they are aiming at and their outcomes in terms of employment.

With this aim in mind, the Commission is exploring, in respect of the applications currently before it, the possibilities of improving its selection methods. It is trying, in particular, to implement two approaches:

- (I) The first consists of granting a degree of priority to that part of global applications concerned either with certain regions which are of particular interest or certain categories of beneficiary corresponding to the guidelines of the Social Action Programme (women, young people, older workers);
- (II) The second consists in further linking support of the Fund to the presentation and discussion of a specific programme within the meaning of Article 1.4 of Regulation No. 2396/71. Such a programme should indicate the guidelines followed by the promoting administration (as regards job opportunities, types of training etc.) and the links established by it with other public departments and with firms in order to increase its effectiveness, notably in reducing structural unemployment in the context of the general development of the region in question. Such a programme should also make it possible to choose priorities on the basis of national and community needs and within the limits of the available funds. The Commission intends to study, in liaison with the Committee of the Social Fund and the competent national departments, the conditions for a realistic implementation of Article 1.4 of Council regulation 2396/71.

Section 4 - Applications relating to particular categories of workers

Article 1.2 (c) of Regulation No. 2396/71 of 8 November 1971 lists certain categories of workers who have also been specially mentioned in the Social Action Programme: workers who are difficult to place in alternate employment on account of their age, women over 35 years, young people under 25 who are unemployed. The listing of these categories can only be interpreted as implying that the Council grants particular priority to these groups. This was in fact confirmed when it adopted the Social Action Programme in December 1973.

In practice, there was hardly any opportunity to exercise this priority in the course of 1973. The applications for intervention (and especially the global applications) no doubt often included among their beneficiaries a certain number of persons falling within these categories but, in the view of the Commission, the priority required was for actions aiming specifically at the solution of the problems encountered by these categories. The applications submitted contained very few actions of this nature.

This situation would appear to be the result of the following factors:

1. The application of Article 1.2 is subject to admissability under Article 1.1; thus, a project designed to promote female employment, for example, must be admissable under the heading of one of the three criteria "regions", "technical progress", or "group of undertakings". This seems to have considerably diminished the chances of applications being made in accordance with the priorities of Article 1.2 (c).

2. It appears, moreover, that training programmes designed on the basis of the needs particular to these three groups are, in any event, at a disadvantage in the Member States. Such programmes would call for a more systematic procedure, one which considers the employment of the categories as an objective in itself. This leads inevitably to the search, going well beyond the question of vocational training, for the means to provide a fundamental remedy for the socio-economic reasons for their disadvantaged position on the Labour market.

3. In the case of young people, the exclusion of initial training (Art. 3.2 (f)), and consequently of apprenticeship, has also restricted the operations of the Fund in this field.

The Commission feels nevertheless that the major difficulties are not of a legal nature. It is currently putting a particular emphasis on helping these groups in the framework of Article 5 and the pilot experiments.

The Commission is convinced that the basic solution is to examine the causes of the scarcity of programmes aimed at the three abovementioned categories of workers and to remedy these causes, by promoting cooperation of the national services on this point.

The work in hand, in the context of the Social Action Programme concerning the employment of women already suggests that the attention should be paid, for example, to the inadequacy of family aids the scarcity of crèches and to the insufficient number of training staff experienced in the problems of women's employment. The proposals and recommendations which will be presented in this area at the end of 1974 will take account of the need to improve the interventions of the Social Fund.

Section 5 - Bases for assessing the cost of assistance from the Fund.

Regulation (EEC) n°2396/71 stipulates that, in the light of the results of the activity of the Fund and the findings of the Commission at the end of the first financial year, a reexamination shall be carried out of the "bases on which assistance shall be granted from the Fund". In particular the aim will be to reduce any discrepancies between the assistance granted and the actual costs (Article 3 (3), Regulation (EEC) n°2396/71). This problem arises out of the considerable discrepancies noted in the calculation of training costs, even where similar types of training are involved.

These discrepancies (which emerge quite clearly from the figures contained in the applications for assistance) pose something of a problem since it does not seem reasonable that identical operations in two different countries should be the subject of excessively unequal payments - especially if the poorer countries or areas are left with the feeling that in the majority of cases the discrepancy is to their disadvantage.

In 1971 the Commission had initially proposed that the Council should adopt scales fixing the amounts of the payments on a lump-sum basis. This scheme ran into a certain amount of opposition in the Council, the main objections being as follows:

- the drawing up of scales adapted to suit the various types of training necessary for an extremely wide variety of professions could well be a gigantic task with uncertain results
- the experience accumulated to date (even at national level) does not appear to offer an adequate basis for a proper calculation of such scales.

In the face of these objections the Council provisionally adopted a solution based on the actual costs, while at the same time making provision for a reexamination in the near future, as recalled above.

Since then experience has confirmed these discrepancies in costs. Following a study of a sample of applications it emerged that costs incurred to maintain incomes could vary per person per month from less than 100 u.a. to more than 350 u.a. for a given country and that the total costs per person could vary from less than 200 u.a. to more than 1,000 u.a. (1)

However, these discrepancies were not consistently to the disadvantage of any specific countries. On the contrary, initial findings based on current applications show a very wide scatter within a given country and greatly varying results from one country to another.

Moreover, the Commission feels that in a field like the readaptation of workers, the question of assessment procedures cannot be considered in isolation from the actual training content. It does not consider that, of the numerous problems associated with the launching of the Social Fund, the disadvantages arising out of payments made on the basis of the actual cost incurred can be said to be among the most pressing.

However, rational administration of the Fund would appear difficult without some means of comparing the levels and bases of the expenditures submitted by the various countries and without evolving a sort of "profile" of the unit costs in respect of readaptation and vocational training. Obviously a task of this kind must also be related to the question of the efficiency of the aids.

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(1) This study was based on the *ex ante* assessments accompanying the 1973 applications for assistance. The "actual" costs will not in fact become apparent until after the end of this year. These will enable a more valid judgement to be made on the disparities.

Such a task could involve the following:

- reviewing the methods adopted by the Member States themselves in order to resolve the difficulties which may result from cost discrepancies between operators.
- conducting a practical study, in collaboration with the Member States, on the reliability of a system of scales
- examining the problems which may result from differences in accounting procedures from one country to another
- examining the consequences of actual cost discrepancies between Member States.

Section 6 - The possibilities of Community aid for the development of vocational training infrastructures

The attention of the Commission has been drawn to the difficulties experienced by certain Member States in the establishment of the necessary infrastructures for vocational training. The aids provided for by the Social Fund cover current operations (training expenses, the upkeep of trainees, general costs, etc...) but they do not extend to help in the setting up of new infrastructures (in particular the creation of new centres). The amortisation of these infrastructures is of course eligible under the Social Fund but this is sometimes of limited use. The inadequacy of vocational training infrastructures in certain regions of the Community can, in effect, penalise these regions in their access to the support of the Fund since they are not in a position to formulate and consequently to present applications for aid to the Commission.



In view of the major importance of vocational training resources for employment policy, and of the considerable inequalities between countries (or between regions) in the level of organisation of their vocational training, the Commission feels that the problem needs particular attention. In the proposals on the creation of a Regional Fund it had allowed for the possibility of Community financing of infrastructures, including those of vocational training. The delay in decisions on Regional Policy has led the Commission to look for a temporary solution in the meantime.

Without excluding the possibility of a solution based on the extension of the types of aid covered by the Social Fund, the Commission is exploring in the first instance the opportunities provided by the financial instruments currently available on a Community level.

Nevertheless it should be stressed that in certain cases, the problems mentioned are far from purely financial. Drawing in particular on the findings of recent studies the Commission tends to believe that the obstacles to overcome in the creation of adequate infrastructures are found just as much in the areas of organisation and the training of trainees.

In such cases the Commission is ready to envisage every kind of direct support, having recourse to existing expertise in the Community on the organisation of Centres, and the training of instructors, with the cooperation of the Member States.

CHAPTER V

PROSPECTS FOR THE YEARS AHEAD

The estimates presented below were prepared by the Commission in the context of the drawing up of its draft budget for 1975. They will not of course prejudice the final decisions of the Council on this budget. Furthermore, the risk of unforeseen developments has to be taken into account. The future trend of financial requirements for Social Fund support will depend on the one hand on employment prospects and especially on the importance of changes and "crisis points" in the labour market. But it will also depend on decisions which are to be taken in the framework of article 4, to determine common actions and define their content in new areas.

The uncertainties inherent in all forecasts are particularly great with respect to these two factors; they are further increased by the consequences, still difficult to assess, of the recent developments in the energy sector. The flexibility of the Social Fund is essential for its efficiency; <sup>it</sup> should not be endangered by mechanical reference to forecasts which can only be based on what was known at the time of their production.

Section I - Overall observations

The great majority of interventions which can be foreseen for the next 2 or 3 years may be broadly categorised as follows :

- areas already opened (or whose opening is proposed) under article 4 :  
agriculture, textiles, migrants, handicapped persons
- actions aimed at remedying unemployment or structural under-employment (article 5)
- actions needed to face up to the consequences of the energy crisis.

The latter which should constitute the main new element can come under article 4 if they are clearly localised, for example, in the energy sector. But - apart from specific Community actions - the very widespread and still unpredictable character of the consequences of the crisis must lead to consideration of a very flexible range of interventions, different from country to country.

Such interventions which come under article 5, rather than article 4 should very probably make up the major part of the support planned to deal with the consequences of <sup>the</sup> energy crisis, especially in the short-run and before the common features of the problem have been precisely determined.

This analysis has implications for the division of provisions for expenditure between article 4 and article 5.

The balance between the credits allocated to article 4 and 5 is regulated by article 9 of Council Decision 71/66. This stipulates on the one hand that credits for article 5 may not be less than 50% of the total available credits; on the other hand it lays down that "in the long term the greater part of the available credits must be reserved for action under article 4".

In the annual budgets the proportion of the total credit which was allocated to article 4 actions was 17% in 1972, 30% in 1973 and 36% in 1974. Actual expenditure under article 4 was markedly below these levels and in 1973 represented only 15% of the total expenditure. This gap is caused both by the time needed to formulate and adopt the decisions to open article 4 and by further time-lags in putting operations into effect which are in keeping with the Community norms established by the decisions to open the article.

There is every reason to believe that these lags, though they should gradually lessen, will still continue in 1975 and even in 1976. If the above remarks on the role of article 5 in facing up to the consequences of the energy crisis are also borne in mind it appears that only a slight modification in the current balance between article 4 and article 5 is called for : attempting to reach too rapidly the long-term objective of a majority share of credits for article 4 would seem too strict under present conditions and could lead to difficulties in adapting budgetary provisions to real priority needs.

The measures which the Commission have taken until now to secure the Community interest in article 5 operations should help to dispel certain understandable worries as to the risk of seeing this article covering operations whose Community interest is debatable.

On the basis of these considerations the Commission is led to present forecasts of expenditure comprising :

- for article 4 a stabilisation in real terms of available credits in 1975 and a substantial increase in 1976 in order to allow the opening of new areas especially in response to the changes arising out of the situation in the supply of energy
- for article 5 a rapid increase in 1975-tied up for the main part with the immediate consequences - very different according to each country - of this situation. In 1976, stabilisation should set in.

## Section 2 - Financial estimates for 1975

The estimates set out below take account of :

- the experience of 1972, 1973 and 1974
- forecasts of general economic trends and the consequences which will flow from them following the broad lines sketched at the beginning of this section as to the balance which should be struck between articles 4 and 5 in 1975.

### Article 4

Table I

	Budget appropriations (m.u.a.)	
1972	1973	1974
7.5	68.8	98.8

The operations to be financed under this article would appear to justify a global provision of 110 m.u.a. (I). This corresponds to a stabilisation of credits in real terms in comparison with 1974 and takes account of the relationship observed between forecasts and actual expenditure incurred in past years. Figures are given below on the division between different areas : these have only an indicative value; the actual division made must depend on the applications submitted and their relative priorities at the time of examination;

(I) All terms in this chapter are given in current terms.

- for the areas covered at present (agriculture and textiles) an increase of the order of 10% in real terms would involve an expenditure of 50 to 60 m.u.a. (taking rising prices into account); this estimate may appear too low, bearing in mind the recent acceleration in the rate of presentation of applications
- for handicapped persons an amount of the order of 10 m.u.a. could be envisaged in the light of the Council decision to open article 4 for the handicapped and of the present rate at which applications are being made
- for migrants the envisaged expenditure could reach 40 m.u.a.; this would allow the financing of interventions which could benefit some tens of thousands of migrant workers (of the 6 million registered in the Community) and to the members of their families
- for shipbuilding expenditure could be between 10 and 20 m.u.a.; according to the latest estimates the readaptations which this will allow should affect some 20.000 workers per year (out of the 400.000 employed in this sector).

Additional interventions are envisaged for certain sectors such as for example data-processing. These would have to be within the overall ceiling of 110 m.u.a.

The repercussions of the energy situation on employment could necessitate additional interventions, either in the energy sector itself or in those sectors indirectly affected by the recent changes (I). While no separate estimate has been made regarding possible interventions of this kind for 1975, they have been taken into account for 1976 and 1977.

Article 5

Table 2 - Budget appropriations (million u.a.)

1972	1973	1974
35	153.4	168.4

(I) see "Employment and the Energy situation - A report on the repercussions of the energy crisis on the employment situation in the Community - SEC(74)1358.

The departments concerned have estimated the increase in applications (excluding those for handicapped persons) at approximately 10% in real terms (20% in value); on the basis of the experience of the past acceptance percentages this would indicate a provisional amount of 200 million u.a.; with this amount it should be possible, in particular, to cover more effectively the operations involving women workers and young workers and those aimed at promoting under the head of technical progress new forms of production and new ways of using energy resources.

The majority of claims for handicapped workers will remain within article 5. Consequently, the majority of credits for this area of intervention should also be allocated to article 5. A provision of 40 m.u.a. has been made for this reason in addition to the 20 m.u.a. envisaged in article 4 (as mentioned above).

In addition it would appear that 40 million u.a. should be provided to finance operations covering a wider variety of needs resulting from the energy crisis (situations requiring readaptation or change in certain sectors or undertakings as a result of changes in demand). These operations could affect some 20,000 workers, i.e., about 0.02% of the Community's labour force. It should be noted that the most recent estimates regarding possible implications for the energy situation refer to a minimum net effect on employment of the order on employment of the order of 0.4% at the end of 1974.

Overall, the article 5 estimates would amount to 280 million u.a. for 1975.

### Section 3 - Estimates for 1976 and 1977

The Commission foresees that expenditure for 1976 under article 5 should remain at the same level as for 1975, with a 10% increase for 1977.

The bulk of the increases for which provision is to be made should be in respect of article 4. This increase could result on the one hand from the extension of applications for intervention for areas already opened by the Council or whose opening is proposed by the Commission

and on the other hand by the opening of certain new areas, principally arising out of the developments brought about by the energy crisis.

In the estimates for expenditure on studies and pilot schemes a marked increase will be necessary starting from 1975, on account of the continuing growth in the scope of the activities of the Social Fund. This will help in the preparation of operations at the level both of the choice of actions and of methods of intervention.

Table I

Summary of foreseeable expenditure  
(excluding authorisations for commitment)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Article 4	98.8	110	200	250
Article 5	168.4	280	280	310
Studies and pilot experiments	0.6	0.9	1	1.1
<u>total</u>	267.8	390.9	481	560.1

## CONCLUSIONS

The employment situation in the Community - already characterised by great inequalities between countries and between regions - is currently causing justified concern, in view of the consequences of the energy situation and persistent inflation. In fact it may well become a major preoccupation in the near future.

The problems which the member states have to face in this matter arise from a central dilemma: how to increase the flexibility of the productive resources and of the labour force, while at the same time reducing the burden of adaptation for workers and avoiding as far as possible recourse to an enforced geographical mobility.

The basic role of the Social Fund as reformed in 1971 is to help in the resolution of this dilemma. The Fund gives the Community a flexible instrument adapted to the needs of an active employment policy. Around this instrument the Commission is elaborating progressively a realistic, but ambitious policy. Its aim is to achieve the proper links both with national employment policies, and with the major areas of present Community action.

1973 was for the Social Fund a year of initial experience. The difficulties observed, and presented frankly in this report, are undoubtedly substantial. They do not reflect solely the gaps and the ambiguities of Community policies but just as much the obstacles met by member States in the formulation and implementation of their employment policies.

These problems can be solved, and these ambitions can be achieved, if two conditions are met:

The First condition relates to the real purpose of Social Fund interventions. Financial solidarity - though an important aspect - does not imply subordinating all considerations to the simple criterion of the transfer of resources, as in some cases in 1973. In the present situation, the transfer of resources can only be the corollary to countries and regions own efforts. And the incentive function of the Social Fund is at least as important as its transferring function.



The second condition concerns the scope of the selections made. An instrument such as the Fund is constantly exposed to the danger of being spread too thinly. Two factors increase this risk. There is first the temptation to be "social" in the undesirable sense of the word. Secondly the Social Fund is one of the very few Community instruments whose actions are tangible and concrete. Dispersal can only be avoided by a rigorous effort in orientation and selection, and by patient explanations of Community policy.

The Social Fund is an instrument which must support national efforts, by stimulating and pushing them toward a greater mutual coherence. It cannot tackle every problem but rather <sup>must</sup> concentrate on some key issues; its management and its future development must above all be guided by the need to ensure that, for each operation the Community intervention has its roots in the specific role of the Community.

Finally, the performance of the Social Fund will depend on the ability to identify the key points of support for the member States. The understanding of each country's own problems cannot be achieved in an improvised way. It presupposes a close liaison between the national and Community services, and a frank communication with the Social Partners. It calls for active consultations on national policies.

These are the targets the Commission expects to emphasize upon. It is convinced the progress to be made does not call, at the moment, for a radical transformation of the regulations; rather it depends above all on the quality of the applications, the improvement of their examination and above all on the relations which should develop at and between regional, national and Community level in employment policy.

## LIST OF ANNEXES

1. Guidelines for the Administration of the European Social Fund (28 November 1973).
2. Commission's decision of 28 November 1973 on the submission of Applications for assistance from the European Social Fund (73/434/EEC).
3. Regulation (EEC) n° 2005/73 of the Commission of 25 July 1973 on the fixing of a maximum amount of assistance from the European Social Fund for certain types of aid.
4. Table showing amount of aid, numbers of workers and no. of schemes approved, by country and type.
5. Complete list of applications for aid.
6. Description of procedures followed.

ANNEX I

COMMISSION OF THE EUROPEAN COMMUNITIES  
DIRECTORATE-GENERAL FOR SOCIAL AFFAIRS

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COMMITTEE OF THE EUROPEAN SOCIAL FUND

Guidelines for the administration of  
the European Social Fund - document  
approved by the Commission in its  
meeting of 28 November 1973 and forwarded  
to the Members of the Committee for  
information.

Brussels, 28 November 1973.

PRIORITIES IN RESPECT OF THE APPROVAL OF  
APPLICATIONS FOR ASSISTANCE FROM THE SOCIAL FUND.- 1974

In the light of its experience with the Social Fund and particularly on account of the inadequacy of the resources available to meet the total amount of requests for assistance from the Fund, the Commission is obliged to lay down priorities within the framework of the criteria of acceptability defined by the current Decisions and Regulations.

The constant growth in the actual requirements (despite continuing unemployment and structural underemployment) and the adaptation of Community and national policies to meet this growth which affect the employment situation require the use of a flexible corpus of legislation, favouring the maximum use of the Fund for an employment policy open to innovation and capable of meeting the special and widely varying requirements which must be satisfied.

It seems essential to encourage a policy of preventive and anticipatory employment, both within the framework of Article 4 and within that of Article 5 of the Council Decision of 1 February 1971. The encouragement of such an anticipatory policy is the best means of rendering professional mobility positive, to the extent that it is inevitable, both for society as a whole and to the workers concerned. The measures against unemployment and underemployment cannot remain purely quantitative if we wish to solve the actual employment problems, even in respect of the regions with special difficulties.

The Commission is convinced that the Social Fund would become much more effective if it concentrated its relatively restricted means on well-defined and exemplary operations, such as would bring about qualitative improvements in the employment policy.

This requires that the provisions of Article 5(2) of Regulation No. 2396/71 should be interpreted more rigidly than was the case in the financial year 1973. The requirement to lodge preliminary applications for assistance, provided for in that Article, is of real value only if the aid of the Community can be granted quickly and be related to the intrinsic value of each project.

The Commission has, therefore, decided to adopt the following guidelines in respect of approvals, while retaining its full powers to assess each case, on the basis of the original data and the advice given by the Social Fund Committee.

1. All applications for assistance

- a) The Commission declares its readiness to grant a definite priority to operations which are complementary and additional to the programme already decided upon without the assistance from the Social Fund. The Commission will support any action which is genuinely new in character, and which has a particular promotional or catalyst affect.
- b) Even if the applications cover the attainment of a series of objectives the Commission will grant a definite priority to programmes which include clearly-defined operations, assessed within the overall process of implementation, independent of the limits of the annual budget.

The Commission will consider the possibility of giving Community aid to proposed operations according to the extent to which such operations favour the quantitative or qualitative development of the operation.

The Commission will also give priority to applications contributing to the achievement of desirable Community solidarity.

- c) The Commission will favour the approval of applications for assistance falling under any of the action programmes approved by the Community, eliminating any which seem incompatible with these programmes. More particularly in so far as the Social Action Programme is concerned the Commission will give preference to projects favouring the integration or reintegration into economic employment of the categories of workers in difficult situations listed in Article 1(2)(c) of Regulation No. 2396/71.
- d) The Commission will ensure that assistance from the Fund for vocational training or retraining, will be granted in the context of a policy of structural reorganisation or foresighted administration.
- e) The Commission will favour the approval of applications coming under the heading of a policy of preventive and foresighted employment, such as are likely to give a positive "content" to professional mobility.

2. Applications for assistance primarily intended to solve the problems arising in the regions in difficulties

The Commission shall be guided by the proposals and ultimate decisions to be taken in the regional policy sector concerning the definition of regions and zones in difficulties, and shall stress the body of "information which may be useful for appraising the scope and effectiveness of the planned operations" (Article 5, par. 2) and the integration of these operations in a "specific programme directed at remedying the causes of imbalance affecting the employment situation" (Article 4, par. 1). In this respect the Commission will take the following aspects into particular account : the level of qualification, the value and stability of the openings available, the relative cost per worker in terms of the invested capital, the effects of training in the region, the extent of participation and commitment by the local authorities and the two sides of industry, the creation of vocational training infrastructures, including also the training of trainers and socio-economic counsellors.

Priority shall be granted to operations providing the appropriate employment openings in the region of origin, or to "integrated" operations facilitating the subsequent return of a worker to his own region, without excluding assistance to migration within the same country or to another Community country.

The Commission will encourage vocational training which will give workers qualifications which will be an incentive to the establishment of new activities in the area.

The Commission will also grant priority to operations intended to aid the transfer of activities from countries or regions where there is overemployment to countries or regions where there is a surplus of manpower.

3. Applications for assistance in respect of economic branches of activity and groups of undertakings :

The Commission will grant priority to applications favouring structural reorganization, and especially to those forming part of a fore-sighted employment policy and which appear to be socially and economically desirable to ensure the rational maintenance of long-term employment and promotion of workers. The Commission will encourage such operations in those sectors which have common problems and where there are imbalances which obstruct the harmonious development of the economic and monetary union.

4. Applications in respect of handicapped people

While awaiting the decision of the Council on the Commission's proposal regarding the entry into force of Article 4 relating to handicapped persons, the Commission will give priority to the cases falling within the province of the Social Action Programme in this connection.

5. Operations under Article 4 (Agriculture - textiles)

The Commission will grant priority to measures which aim at providing programmed redeployment and structural reorganization, calculated to prevent serious social difficulties and further structural imbalances in the sectors concerned. The Commission will adopt the same attitude towards any other sectors which may subsequently fall under Article 4 of the Council Decision of 1 February 1971.

## COMMISSION DECISION

of 28 November 1973

on the submission of applications for assistance from the European Social Fund

(73/434/EEC)

THE COMMISSION OF THE EUROPEAN  
COMMUNITIES,

Having regard to Council Regulation (EEC) No 2396/71 <sup>(1)</sup> of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, and in particular Article 13 thereof;

Having regard to the Opinion of the European Social Fund Committee;

Whereas pursuant to Article 5 of Council Regulation (EEC) No 2396/71 of 8 November 1971, only the Member States shall be competent to forward to the Commission applications for assistance from the European Social Fund; whereas these applications must be submitted prior to the carrying out of the operations inherent in the projects to which they relate;

Whereas within the framework of the new European Social Fund the provisions of Article 5 should help in determining and implementing at a Community level as coherent a policy as possible in the field of employment; whereas in this light the provisions in question imply that the Commission shall have enough time to assess, with full knowledge of the facts, the applications which are submitted to it and to act thereon within the prescribed time;

Whereas, irrespective of exceptional and urgent cases it is consequently necessary that each application for assistance from the European Social Fund shall be submitted to the Commission not later than three months before the commencement of operations inherent in the projects;

Whereas the implementation of the new European Social Fund and the concern to avoid any break in continuity in its activity has had the result, during a certain period, that, in spite of all their efforts, the Member States have not been able, in every case, to submit a formal application for assistance prior to

the carrying out of operations inherent in the projects; whereas this situation, about which the Fund Committee was rapidly informed, makes it necessary to apply practical measures of a temporary nature,

HAS ADOPTED THIS DECISION:

*Article 1*

From 1 May 1974 applications for assistance from the European Social Fund forwarded by the Member States in accordance with the provisions of Article 5 of Council Regulation (EEC) No 2396/71 of 8 November 1971 must, irrespective of exceptional and urgent cases, be submitted to the Commission not later than three months prior to the carrying out of operations inherent in the projects which are the subject of these applications.

*Article 2*

1. In derogation from the provisions of Article 1, applications submitted by the Member States after the date of notification of this Decision and before 1 May 1974 shall be taken into consideration on the condition that they are submitted to the Commission prior to the carrying out of the operations inherent in the projects which are the subject of the applications in question.

2. Applications now before the Commission departments shall be taken into consideration in as far as it is necessary to ensure the achievement of the European Social Fund objectives and to guarantee the continuity of the Fund's activities.

*Article 3*

This Decision is addressed to all Member States.

Done at Brussels, 28 November 1973.

*For the Commission*

*The President*

François-Xavier ORTOLI

(<sup>1</sup>) OJ No L 249, 10. 11. 1971, p. 54.



**REGULATION (EEC) No 2005/73 OF THE COMMISSION**  
of 25 July 1973

**on the fixing of a maximum amount of assistance from the European Social Fund for certain types of aid**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 2397/71 <sup>(1)</sup> of 8 November 1971 on aid which may qualify for assistance from the European Social Fund, and in particular Article 2(2) thereof;

Having regard to the Opinion of the Committee of the European Social Fund obtained on 26 October 1972;

Whereas the Commission is responsible for fixing the maximum amount of assistance from the European Social Fund for aid of categories B 12, B 13, B 20, B 21, C 11 and C 12; whereas the appropriate conditions exist for establishing the amount for aid of categories B 12, B 13, B 21 and C 12;

Whereas Article 8 of the Council Decision of 1 February 1971 <sup>(2)</sup> fixes the rates of contribution by the Fund, and whereas Article 3(3) of Council Regulation (EEC) No 2396/71 <sup>(3)</sup> of 8 November 1971 stipulates that assistance from the Fund shall be granted on the basis of the real cost of the operations; whereas, under these conditions, the fixing of a maximum amount cannot have the effect of derogating from those principles;

Whereas the fixing of a maximum amount may imply, for certain categories of aid, the taking into account of the duration of the operation and, where appropriate, the age of the recipients;

HAS ADOPTED THIS REGULATION:

*Article 1*

The maximum amount of assistance from the Fund for resettlement expenses — aid of category B 12 — shall be fixed at 500 units of account per person benefiting from an operation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 25 July 1973.

*For the Commission*  
*The President*  
François-Xavier ORTOLI

*Article 2*

The maximum amount of assistance from the Fund for other expenses resulting from the move, in particular those occasioned by the separation from the family — aid of category B 13 — shall be fixed at 2 units of account per day and per person benefiting from the operation.

Assistance may be granted only for a period not exceeding six months from the day on which the new professional or trade activity is begun. However, this period may be extended by three months if the recipient has not been able to settle near his new place of employment after the six-month period has expired.

*Article 3*

The maximum amount of assistance from the Fund for benefits received from hostels accommodating young people who have been obliged to leave their homes in order to pursue a professional or trade activity — aid of category B 21 — shall be fixed at 1.3 units of account per day for each person benefiting from the operation.

Assistance may be granted only for a period not exceeding one year from the day of arrival at the hostel.

Moreover, the Fund may only provide aid for young people who on the date when they enter the host country are under 25 years of age.

*Article 4*

The maximum amount of assistance from the Fund for expenses incurred in helping to maintain the level of earnings of elderly workers who undergo locational retraining — aid of category C 12 — shall be fixed at 15% of the gross average earnings recorded in the undertaking for corresponding jobs.

<sup>(1)</sup> OJ No L 249, 10. 11. 1971, p. 58.

<sup>(2)</sup> OJ No L 28, 4. 2. 1971, p. 15.

<sup>(3)</sup> OJ No L 249, 10. 11. 1971, p. 54.

## ANNEX 4

Table 1 (a) Amount of Assistance (for year 1973)  
(in m.u.a.)Table 1 (b) Number of workers  
(in 100s)Table 1 (c) Number of schemes  
approved

Country	Agri- culture	Tex- tile	Re- gions	Techn Pro- gress	Handi- capped	Total Art. 4-5	Agri- cul- ture	Tex- tile	Reg. + Techn. Progr.	Handi- capped	Total	Agri- culture	Tex- tile	Re- gions	Techn Progr Groups entered	Handi- capped	Total
Belgium	0.13	0.59	5.00	-	1.47	7.19	1	6	125	20	153	1	1	2	-	1	5
Denmark	-	-	1.57	0.28	3.20	5.05	-	-	35	60	95	-	-	2	1	1	4
Germany	9.56	-	3.96	-	6.42	19.94	85	-	50	50	185	1	-	3	-	1	5
France	13.47	0.89	7.78	6.57	7.41	36.12	202	58	269	228	757	1	1	3	5	1	11
Ireland	0.10	0.61	8.60	0.06	0.44	9.81	1	13	500	38	550	1	2	5	2	8	18
Italy	-	0.04	41.11	0.88	1.70	43.73	-	1	1355	12	1367	-	1	18	3	3	25
Luxembourg	-	-	-	-	0.04	0.04	-	-	-	7	7	-	-	-	-	3	3
Netherlands	0.81	-	3.32	0.43	2.21	6.77	5	-	49	32	85	1	-	3	3	2	9
United Kingdom	0.41	1.46	47.06	-	8.45	57.40	7	19	910	220	1147	1	2	2	-	2	7
TOTAL	24.50	3.59	118.40	8.22	31.34	186.05	300	97	3291	674	4362	6	7	38	14	22	87

Keys	Catégorie	Organismes responsables	Période de réalisation des opérations	Nombre de travailleurs	Montant demandé (en 000 u.c.)	Montant agréé
B E L G I C U E	Régions	Office National de l'emploi (ONEM)	Mai 72-Dec.73	7.000	6.845	4.210
		Office National de l'emploi (ONEM)	Mai 72-Dec.74	5.500	1.149	1.011
	Handicapés	Fonds National de Reclassement Social	Jan.73-Dec.73	2.000	3.222	1.471
	Agriculture	Office National de l'emploi (ONEM)	Jan.73-Dec.73	100	130	130
	Mortale	Office National de l'emploi (ONEM)	Jan. -Dec.73	650	590	590
D A N E M A R K	Régions	Udenrigsministeriet (Groenland)	Jan.73-Dec.73	2.000	352	352
		Secretariat for Arbejdsmarkeds-uddannelseserne	Jan.73-Mars 74	960	789	789
	Handicapés	Social Ministeriet	Jan.73-Dec. 73	6.000	13.467	3.203
		Secretariat for Arbejdsmarked-uddannelseserne	Jan.73-Dec. 73	500	460	refusé
		Secretariat for Arbejdsmarkeds-uddannelseserne	Jan.73-Dec. 73	500	280	280
R. A L E M A G N E	Régions	Senator für Arbeit und Soziales-Land Berlin	Mai 72-Dec. 73	1.600	1.384	1.384
		Ministerium für Arbeit und Sozialordnung - Land Bayern	Juil.72-Dec.73	1.900	1.337	802
		Bundesanstalt für Arbeit	Jan. -Dec.73	1.500	4.240	1.776
	Handicapés	Ministerium für Arbeit und Sozialordnung	Jan. -Dec.73	5.000	11.812	6.418
	Agriculture	Bundesanstalt für Arbeit	Jan. -Dec.73	8.500	13.962	9.563

	Régions	Région Provence-Côte d'Azur	Jan. 73 - Dec. 73	1.700	944	944
F		Secrétariat général des départements d'Outre-Mer	Jan. 73 - Dec. 74	13.700	6.834	6.834
R		Chambre de Commerce et d'Industrie d'Angoulême	Jan. - Dec. 73	300	288	288
A	Progrès technique	Ministère des Transports	Jan. - Dec. 73		1.147	refusé
E		Centre International de Télé-mécanique d'enseignement et de Formation	Jan. - Dec. 73	3.540	240	240
C		Compagnie Générale de Géophysique	Jan. - Dec. 73	250	211	211
E		Ministère de l'Équipement et du Logement	1973 - 1974	1.500	2.934	2.934
		Commissariat général du Tourisme	Jan. - Dec. 73	5.300	2.830	2.830
		Assemblée permanente des Chambres de Commerce et d'Industrie	Jan. - Dec. 73	800	1.278	1.277
	Handicapés	Ministère du Travail, de l'Emploi et de la Population	Jan. - Dec. 73	22.300	19.247	7.410
	Agriculture	Ministère de l'Agriculture et de Développement rural	1973, 74, 75	20.200	22.327	22.327
	Textile	Ministère du Développement industriel et scientifique	Jan. - Dec. 73	5.774	890	890

I	Régions	Department of Labour pour le compte de	Jan. 73 - Déc. 73	56.500	6.591	6.106
R		Irish Management Institute				
L		National Manpower Service				
A		AMCo - IDA - Shannon Free				
F		Airport Development Company				
D		Council for Education, Recruitment and training for the Hotel In- dustry (CERT)	Jan. 73 - Déc. 73	1.000	202	202
E		G.W.I. Limited, Collooney, Co.Sligo	1973 - 1976	260	168	158
		Gaeltarra Eireann	Jan. 73 - Déc. 73	570	234	235
		Department of Education	Jan. 73 - Déc. 73	10.200	3.673	1.672
		Industrial Development Authority	1973 - 74 - 75		186	68
	Progrès technique	An Foras Forbartha	Jan. - Déc. 73	320	26	26
		Department of Local Government	Jan. - Déc. 73	750	34	29
	Handicapés	Rehabilitation Institute	Jan. - Déc. 73	400	210	194
		St. Michael's House	Jan. - Déc. 73	100	29	14
		National Rehabilitation Board	Jan. - Déc. 73	2.200	169	51
		Central Remedial Clinic	Jan. - Déc. 73	110	34	5
		Cork polio and general after care Association	Jan. - Déc. 73	200	109	9
		Eastern Health Board	Jan. - Déc. 73	500	135	120
		Retos Limited	Jan. - Déc. 73	200	46	46
		Cherry Group Sheltered Workshop	Jan. - Déc. 73	60	5	2
	Agriculture	Aer Lingus Teoranta	Jan. - Déc. 73	64	100	100
	Textile	Industrial Development Authority	1973 - 74 - 75	1.000	1.686	1.636
		Industrial Development Authority	1973 - 74 - 75	140	137	87

F	Régions	Ente Nazionale Idrocarburi (ENI)	1972 - 1976	4.200	6.931	6.931
T		Ente Partecipazione Finanziamento Industria Manifatturiera (EFIM)	1972 - 1973	1.470	1.784	1.784
A		Centro Internazionale di Adde- stramento Professionale nell' L				
		Industria (CIAP)	Fév. 73 - Déc. 74	370	687	687
I		Istituto Ricostruzione Industriale (IRI)	Mai 72 - Déc. 73	2.500	2.200	1.539
E		Ente Siciliano Minerario.	Mai 72 - Jul.73	180	891	607
		Ente Partecipazione Finanziamento Industria Manifatturiera (EFIM)	Fév. 73 - Déc. 74	430	833	833
		Ministero del Lavoro e della Previdenza Sociale	Jul.73 - Déc. 74	84.000	100.025	35.000
		Cassa per il Mezzogiorno	Oct. 72 - Jul.73	260	191	120
		Appel SpA, Arnaz	Mai 73 - Mai 74	135	222	222
		Provincia Autonoma di Trento	Oct. 72 - Sept.75	2.600	6.670	6.238
		Ente italiano di Servizio Sociale (EISS)	1973 - 1974	1.150	3.056	2.762
		Ministero del Lavoro e della Previdenza Sociale	Oct. 73 - Mai 74	800	1.195	1.195
		Cavi telefonici del Mezzogiorno (SpA)	Nov. 72 - Déc. 74	525	204	182
		Cassa per il Mezzogiorno	Oct. 73 - Jul.75	2.100	2.050	2.050
		ENI	Jul.72 - Mars 74	900	1.284	1.003
		Ente Partecipazione e Finanziamento Industria Manifatturiera (EFIM)	Oct. 73 - Mars 75	430	614	614
	Régions + progrès technique	Istituto Ricostruzione Industriale (IRI)	Mai 72 - Déc. 74	20.000	17.457	11.200
		Istituto Ricostruzione Industriale (IRI)	Janv.73 - Déc. 74	9.650	9.672	8.343

I	Progrès technique	Olivetti SpA, Ivrea	Mai 72 - Déc. 73	510	630	160
T		Ente Nazionale Idrocarburi (ENI)	Oct. 72 - Déc. 74		93	refusé
A		Montedison SpA - Milano	Janv.73 - Déc. 75	3.000	4.070	2.732
L		Société Herwin Golber. Chieli-				
I		Scala	73 - Déc. 74	470	670	670
E	Handicapés	Ministero del Lavoro e della Pré- videnza sociale	1972 - 1976	460	1.853	604
		ENAOELI	Mai 72 - Déc. 73	300	533	327
		Associazione Nazionale fra muti- liti ed invalidi del lavoro	Mai 72 - Déc. 74	400	1.043	754
	Textile	EFIM	Juil.73 - Déc. 74	60	111	111
L	Handicapés	Association d'assurance contre les				
U		accidents (section industrielle)	Jan. - Déc. 73	600	25	25
X		Association d'assurance contre les				
D		accidents (section agricole et				
M	forestière	Jan. - Déc. 73	60	9	9	
B		Office de placement et de rééducation				
O		professionnelle	Jan. - Déc. 73	13	8	8
U						
R						
G						

P A Y S E B A. S	Régions	Ministerie van Sociale Zaken (Directoraat Generaal voor de A: bedrijfsvoorziening)	1972 - 1973	100	148	148
		Ministerie van Sociale Zaken	Jan. 73 - Déc. 73	2.000	2.076	2.076
	Progrès technique	Ministerie van Sociale Zaken	1/1/1972 - 31/10/1973		1.581	1.581
		Ministerie van Sociale Zaken	Jan. . - Déc. 73	165	72	72
		Ministerie van Sociale Zaken	Mai 1972 - Déc. 1972	440	345	355
	Handicapés	Ministerie van Sociale Zaken	1972 - 1973	100	22	8
		Ministerie van Sociale Zaken	Jan. - Déc. 73	1.200	323	323
		Ministerie van Sociale Zaken	Jan. - Déc. 73	2.000	7.764	1.890
	Agriculture	Ministerie van Sociale Zaken	Jan. - Oct. 73	500	807	807

R O Y A U M E - U N I	Régions	Department of Employment	Jan. - Déc. 73	80.000	45.333	37.974
		Ministry of Health and Social Services, Northern Ireland	Jan. - Déc. 73 ±	11.000	9.086	9.086
	Handicapés	Department of Employment	Jan. - Déc. 73	22.000	19.612	8.266
		Ministry of Health and Social Services, Northern Ireland	Jan. - Déc. 73 ±	800	2.400	180
	Agriculture	Department of Employment	Jan. - Déc. 73 ±	700	431	431
	Textile	Ministry of Health and Social Services, Northern Ireland	Jan. - Déc. 73 ±	800	516	516
		Department of Employment	Jan. - Dec. 73 ±	1.150	943	943



The Procedure used in the Assessment of Applications

All applications are submitted to the Commission by the Member States so that a pre-selection at Member-State level has already been effected. The applications are first examined at Directorate-General level in order to ascertain

- if they satisfy the conditions laid down in the regulations for action by the Fund
- if they involve aid provided for by the Fund
- if they meet the objectives of the Fund.

In the interest of ensuring that the actions supported by the Fund are set in the under context of general Community policy all related services within the Commission (industrial, financial, agricultural, competition, regional) are consulted. Any legal problems which the application may have raised are examined. After this consultation at Inter-Directorate-General level proposals for aid to the operations applied for are made to the Social Fund Committee. This consultative body usually meets four times a year and adds the indispensable perspective of tripartite interests (central government and the social partners) at the Member-State level.

Finally, in the light of the recommendation of the Social Fund Committee individual agreements are made with the Member States by the Commission itself.