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THIRD REPORT ON THE ACTIVITIES  
OF THE  
NEW EUROPEAN SOCIAL FUND

- 1974 Financial Year -

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Report from the Commission to the  
Council and to the European Parliament

THIRD REPORT ON THE ACTIVITIES OF THE NEW EUROPEAN SOCIAL FUND (1974  
FINANCIAL YEAR

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Five annexes are attached :

- 1) New Regulations in 1974
- 2) Summary table of operations approved for 1972-76
- 3) Graph showing trends in budgetary allocation
- 4) List of studies and pilot-projects
- 5) List of applications for assistance approved in 1974

FOREWORD

This Report on the activity of the European Social Fund covers the financial year 1974, in accordance with Article 6 of Council Regulation (EEC) No 853/72, it also includes a forecast of expenditure during the years 1976 - 1978.

As in the previous report, the Commission has endeavoured to highlight the main difficulties and problems encountered in operating the Fund in the past financial year. If the Fund is to carry out its task successfully, it requires the active and enlightened assistance of the authorities which share in this task at all levels - Community, national, regional and even local).

The diversity of the authorities is seen first of all in operations which involve the participation of the local or regional promoter right up to the national offices or agencies which are responsible for vocational training and the implementation of employment policy. The role of the Member States themselves should next be stressed, partly, of course, because they assure part of the financing (1), but also because they are responsible for formulating national employment policies, and have the sole right to submit projects and applications for assistance (2).

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(1) Under Article 8 of the Council Decision of 1 February 1971, assistance from the Fund is granted at the rate of 50% of eligible expenditure or - in the case of private-law bodies - to an amount equal to the expenditure undertaken by the public authorities.

(2) Article 6 *ibid.*

These projects and applications are submitted by the Commission - which approves them "up to the amount of the credits available" (1) - for consideration by the Committee of the European Social Fund, which is tripartite in its composition and plays an essential role in the operation of the Fund, particularly as the forum in which the so-called "Case Law" of the Social Fund is formulated during this consideration of specific files.

As to the general framework of activity, in particular the specific decisions by the Council on the opening up of new spheres for assistance from the Fund under Article 4 - as for example migrant workers and handicapped persons in 1974- and on the budgetary allocation of the Social Fund - these are the subject of Commission proposals which are presented to the Council for its decision following the Opinion of the Fund Committee.

The Council, however, first consults the Economic and Social Committee and the Parliament on proposals for regulations or decisions. Furthermore, the new Article 203 (8) of the EEC Treaty, which extends the budgetary powers of the Parliament for non-obligatory expenditure - as is the case of the Social Fund - became applicable in 1974 for the preparation of the 1975 budget.

This is the context within which the Commission plays its role.

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(1) Article 7, *ibid.*

This is why the success of the European Social Fund is and can only be a joint achievement. The difficulties, which are analysed objectively in this report, will be overcome by the spirit of co-operation and goodwill which has always prevailed hitherto, especially within the Committee of the Social Fund, whose contribution to the smooth operation of the European Social Fund the Commission would particularly like to stress.

CHAPTER I

OVERALL SURVEY OF ACTIVITIES DURING 1974

The general task assigned to the European Social Fund by Article 127 of the Treaty establishing the European Economic Community, of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community, was maintained by the Council Decision of 1 February 1971 on the reform of the Fund, which defined the new tasks of the Fund (1).

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(1) Council Decision 71/66/EEC Official Journal No L 28, 4 February 1971. The new tasks of the Fund are defined:

- in Article 3 (Scope as regards persons): the recipients must be members of the labour force who are, in principle, to pursue activities as employed persons; for activities as self-employed persons, however, a specific decision by the Council is required)
- 4 and 5 (areas of intervention), the two main passages of which are as follows:

Article 4 :

"The Fund can take action when the employment situation :

- is affected or in danger of being affected either by special measures adopted by the Council in the framework of Community policies, or by jointly agreed operations to further the objectives of the Community;
- calls for specific joint action to improve the balance between supply of and demand for manpower within the Community."

Article 5 :

"The Fund can also take action where the employment situation in certain regions, in certain branches of the economy or in certain groups of undertakings is affected by difficulties which do not arise from any particular measure taken by the Council within the framework of a Community policy, but which result indirectly from the working of the common market or impede the harmonious development of the Community.

In any such cases, assistance shall be granted to eliminate long-term structural unemployment and underemployment, to train a highly skilled labour force and, furthermore, for measures for the absorption and reabsorption into active employment of the disabled, and of older workers, women and young workers."

The scope of Article 5 is defined by Council Regulation (EEC) No 2396/71 (3 November 1971), and in particular by Article 1 of that Regulation.

Two areas of intervention were defined: one, which could be described as permanent, where assistance from the Fund, as defined in Article 5 of that Decision, "shall be granted without further action by the Council" (1). the other, based on Article 4 of that Decision, an article providing a framework for specific decisions by the Council, "on a proposal from the Commission, the latter acting either on its own initiative or at the request of the Council or of one or more Member States" (2). Even at the stage of the formulation of the legal framework and delimitation of the areas of intervention, the evolving nature of the Fund was evident, the aim being to ensure its adaptation to imbalances in employment whether existing or foreseeable, in particular as a result of Community policies or actions; at this stage, also, the open nature of the Fund is confirmed: it is a joint endeavour, as stressed in the foreword since, although it is the Commission which, under Article 4, makes a proposal for intervention by the Fund, it does so at the request of a Member State or of the Council.

However, the fairly demanding procedure which must be followed for the opening of new areas of intervention under Article 4 hinders flexibility in the operation of the Fund, a flexibility which has become more and more necessary as the crisis calls for more and more swift reactions.

From this, it follows that once a new area of intervention is opened, there is an essential need to maintain the greatest possible adaptability to circumstances in the management of the Fund.

(1) The end of Article 5 (2), *ibidem*.

(2) The end of Article 4 (1), *ibidem*.

It can be said, however, that, within the limits of the available appropriations, the Commission has endeavoured, on the basis of the work of the Fund Committee, to develop flexible "case law" which takes into account national priorities while at the same time seeking common denominators through which, as part of the desired Community solidarity, a qualitative improvement in the employment policy may be encouraged.

In choosing the priorities for management of the Fund and also in drafting proposals for the specific decisions adopted by the Council in June 1974 (relating to migrant workers and handicapped persons), the Commission has based itself directly on the Council Resolution of 21 January 1974 concerning a social action programme.

The preamble of the Resolution, after recalling that, at their Conference in Paris in October 1972, the Heads of State or of Government had "invited the Community institutions to draw up a social action programme providing for concrete measures and the corresponding resources particularly in the framework of the European Social Fund", concludes "that, to achieve the proposed actions successfully, and particularly in view of the structural changes and imbalances in the Community, the necessary resources should be provided, in particular by strengthening the role of the European Social Fund". The Paris Summit of December 1974 confirmed this view.



What was the budget of the Fund in 1974 ? For the financial year 1974, the appropriations allocated were 98.8 million ua under Article 4 and 168.4 million ua under Article 5, as compared with the corresponding appropriations for 1973, ie 68.8 million ua (Art. 4) and 153.4 million ua (Art. 5). The increase is therefore 43.6% in Article 4 and 9.8% in Article 5.

In 1975, the increase was slight, indeed negative in the light of inflation, in respect of the appropriations for Article 4, which amount to 110 million ua, as against 98.8 million ua in 1974; it is true that the small amount of appropriations used in 1974, owing to the lack of projects submitted, did not justify an appreciable increase when the draft 1975 budget was prepared, ie in the first six months of 1974. It was the rapid growth of unemployment in the fourth quarter of 1974 which led the Commission to begin preparation of a proposal for a specific Council decision under Article 4 "for structural adaptation". This is the reason for the request for the appropriations of 51.4 million ua to be carried forward (1) (Article 4) made to the Council at the beginning of 1975, in order to ensure an adequate financial basis for the initial stages of the implementation of the new proposal for action under Article 4. The strict provisions of the Financial Regulation on the carrying forward of appropriations - they expire if they have not been both committed and paid in the same year as that in which they were carried forward - make it necessary for appropriations to be carried forward as early as possible in the financial year.

With regard to Article 5, as a result of the use made by the European Parliament of its new, more extensive right of amendment in respect of non-obligatory expenditure (2), the appropriations for the financial year 1975 have been considerably increased, having risen from 168.4 million ua in 1974 to 245 million ua in 1975 (3). The increase, which was only 9.8% from 1973 to 1974, was 45.5% from 1974 to 1975. This is fully justified by the ratio of applications/available resources, which obliged the Commission, assisted by the Fund Committee, to operate a selectivity which,

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- (1) These are appropriations for Article 4 which were not committed at the end of the financial year 1974 and which were therefore not carried over automatically to the financial year 1975.
  - (2) New Article 203 (8) of the EEC Treaty.
  - (3) It added 35 million ua to the 210 million ua laid down by the Council (see Chapter II).

although desirable in principle, is likely, beyond a certain limit, to result in arbitrary cuts. This danger became clearly apparent in 1974 when, in the face of the enormous difference between requests and resources, the Fund Committee had to discuss how to choose between equally acceptable applications. The Commission is particularly indebted to the Committee for overcoming the tensions which are very often provoked by such difficulties and for adopting solutions, the severity of which was fortunately tempered by the grant, at the end of September 1974, of additional appropriations of 40.7 million u.s. (1).

This experience leads to two conclusions:

- the first is that as the resources of the Social Fund take the form of a "budgetary allocation" (the amount of these resources is fixed independently of the extent of the requirements, these being partly reflected in the volume of the applications and projects submitted), and also in view of the unforeseeable nature of the applications for assistance submitted by Member States, the introduction of increasingly precise and restrictive basic criteria is no substitute for prudent arbitration on each specific case by the Fund Committee; nor could such criteria compensate for the excessive difference between resources and applications for assistance. There is no way of ensuring complete and constant harmony between requirements and available resources, particularly since the level of applications, and of resources, may vary considerably, as in 1974 (2). The search for new fixed criteria would result in an increasingly finicky set of rules, which would constitute a further source of

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(1) See above -- This was a carry-forward/transfer, i.e., the carrying forward of appropriations which had not been committed -- and were therefore not carried forward automatically -- at the end of 1973, and a transfer from Article 4 to Article 5. It has already been stated that these appropriations had not been committed owing to the lack of projects submitted under Article 4. The late use of these appropriations, in the fourth quarter of 1974, presented, furthermore, very tricky administrative problems, which, fortunately, were resolved by good cooperation between the administrative departments of the Commission and those of the Member States.

(2) See below, Chapter II on the extent of these variations and their causes.

rigidity, paralyse the administration of the Fund and lead inevitably to a simple quota system, i.e., to the danger of mere financial standardisation, without any attempt at selectivity and promotion necessitated and called for by Community requirements and aims. The Commission efforts to promote a co-ordination of national employment policies, in accordance with the wishes of the Social Conference of 16 December 1974, can only be helped by the incentive role played by the Social Fund in its present conception.

- the second conclusion, the urgency of which is accentuated by the growth of unemployment is that, however useful the promotion of qualitative improvement may be, there are thresholds below which support from the Fund plays only a subsidiary, accessory role; in the last resort a promoter may even decide to drop an application altogether rather than change the form of presentation in order to meet the criteria and requirements of the rules, in particular the financial rules, of the Social Fund.

It must be realised that the budgetary allocation of the Social Fund, although certainly not negligible, since it amounted for Articles 4 and 5 together to 267.2 million u.a. in 1974 (and 355 million u.a. in 1975), is small compared with the resources of the national Ministries of Employment or specialised agencies, not to mention public and semi-public organisations, regional authorities, chambers of commerce, public or private undertakings which acting as promoters and financial contributors are responsible for an increasing proportion of the applications for assistance from the Member States.

The essentially subsidiary nature of the Social Fund is not so apparent when comparing the applications submitted with the available credits as when comparing credits and requirements. For not only do the applications submitted by Member States sometime represent only a very small proportion of similar operations carried out on their territory, but they cover only a fraction of existing requirements. How many migrant workers, for example, are able to attend vocational training courses ?

Again, how many people leaving agriculture have attended the existing training centres, and what is their maximum intake ? Is this not the real reason why the appropriations available for Article 4 were not used -- that intervention by the Fund depends on action and expenditure by the Member States ? The desire to safeguard financial solidarity, which takes into account "the problem of the regions and categories of workers most affected by employment difficulties"<sup>(1)</sup>, may thus be thwarted by the insufficient financial and administrative capacities of the States and regions whose needs are greatest. In other words, without a corrective mechanism, the promotional function of the Fund would automatically tend to favour the most prosperous and well organized States and regions, thus, paradoxically, contradicting its function of redistribution or financial solidarity.

For this reason the Commission has adhered strictly in its administration of the appropriations under Article 5 during the financial year 1974 to the priorities governing regions and groups of people laid down in Regulation (EEC) No. 2396/71. Under Article 2 of that Regulation, 60% of the appropriations available pursuant to Article 5 should be reserved "as a matter of priority for operations which are aimed at eliminating long-term structural unemployment and underemployment in areas" ..... "which, because they are less developed or there is a decline in the main activities, suffer a serious and prolonged imbalance in employment"(2).

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(1) Communiqué of the Paris Summit of 9 and 10 December 1974 (paragraph 26).

(2) Article 1 (1)(a) of the same Regulation which is referred to at the end of Article 2 quoted above.

The Commission has also been careful to observe, in considering the applications submitted, the priorities accorded to older workers women, and young people, in Article 1 (2) (c) of the same Régulation, and also to reserve a considerable proportion of the appropriations under Article 5 for handicapped persons.

No matter how restricted it may be, the financial and also psychological incentive constituted by assistance from the Fund for less favoured groups of people has played its part and must continue to do so.

This certainly does not mean that the Social Fund must limit, or did in 1974 (1) limit, its assistance to those groups alone. In the search to obtain the maximum impact for its interventions and in accordance with the Social Action Programme, the Commission undertook preparatory work in 1974 for the co-ordination of employment policies which will be supported by the new Standing Employment Committee (2). Furthermore, the Commission is studying ways of ensuring the best use of Community financial instruments, i.e. in addition to the Social Fund and the Regional Fund, the EAGGF (Guidance Section) and the European Investment Bank.

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- (1) As a result of the carry-forward/transfer of 40.7 million ua decided upon by the Council in September 1974 and referred to earlier, it has been possible to avoid such a limitation which is in itself undesirable and was intended, furthermore, only for "global" applications.
  - (2) The mechanism introduced when the new Social Fund was set up can therefore finally function completely: "The Committee (of the Fund) shall be regularly informed of the various aspects of general Community policy on social and economic affairs and of those activities of the Standing Committee on Employment which are likely to concern the activity of the Fund". Article 9 (4) of Council Regulation (EEC) No 2396/71 of 8 November 1971.

The necessary co-ordination of the financial instruments - which is difficult, not only for the Commission and the EIB, but also for the national and regional administrative departments, does not imply that the objectives coincide. The logic of the workings of the labour market is not exactly analogous to a regional viewpoint for example.

It is obvious that, already in 1974, economic trends have given rise to priority needs which have not all occurred in the regions recognised as having priority (1), although it must be emphasised that the problems of these regions have been severely aggravated by the effect of the recent changes in the economic situation. This has led the Commission to develop a proposal to open Article 4 to encourage the vocational training needed as a result of the structural readaptation of the economy. Furthermore it seems that priority needs could also be met by operations "aimed at facilitating adaptation to the requirements of technical progress of those branches of economic activity in which such progress gives rise to substantial changes in manpower and professional knowledge or skill"(2) and those "undertaken because of substantial changes in conditions of production or disposal of products in groups of undertakings with similar or connected activities which are thus forced to cease, reduce or transform their activities permanently"(2).

The reason for the low number of applications submitted by Member States for operations relating to adaptation to technical progress is the newness and the diversity of these operations, which, in view of their technical nature, are generally carried out by the undertakings themselves, and which therefore could be performed only in exceptional cases by national training departments. The Commission has also come up against the same difficulties - and all the more so in that there was also the question of compatibility of the aid measures with the Community rules governing competition - and has only gradually succeeded in elucidating from the Committee's discussions the principles on which

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(1) The list of priority regions and areas adopted for the European Regional Development Fund and presented by the Commission to the Council on 10 October 1973 (Doc. COM(73)1751) was used in 1974 as a basis for defining the regions eligible for assistance from the Social Fund.

(2) Article 1 (1)(b) and (c) of Regulation (EEC) No 2396/71.

there is sufficient agreement and which should enable promoters to appreciate the types of projects likely to benefit from assistance from the Fund.

For operations relating to groups of undertakings, the difficulty lay not so much in the legal interpretation - although difficulties arose at the application stage with regard to the concept of "groups of undertakings" - as in the determination of the threshold beyond which the cessation, reduction and above all transformation of an activity resulted in an imbalance on the labour market in a specific micro-region such as to justify assistance from the Fund, while ensuring that the aid received is compatible with the rules of competition of the Community Treaties. There was here a real danger of a plethora of fragmentary operations without any obvious significance for intervention from the Fund. The growth of unemployment which was very marked in the second half of the year, only heightened the danger of the dissipation of the Fund. The position adopted in 1974 during the examination of an application by the Fund Committee should be recorded here. The Committee did not follow the suggestions made by the Commission and its members expressed the unanimous opinion that priority should be given to the difficulties affecting groups or medium-sized undertakings, without any restriction to the priority regions.

This example of the judicious pragmatism of the Committee no doubt makes it easier to understand why the Commission is anxious to pay the closest attention to its opinions before taking its decisions.

## CHAPTER II

### FINANCIAL AND BUDGETARY ASPECTS

#### SECTION I -- Budgetary appropriations

##### 1. Preliminary remarks: procedural constraints

To help understanding of budgetary tables relating to the Social Fund, three facts should first be pointed out:

- a) in the general budget of the Communities there is a Title 5 "Funds" containing five chapters on the Social Fund:
- Chapter 50 relates to "Expenditure under Article 4 of the Council Decision of 1 February 1971 on the reform of European Social Fund";
  - Chapter 51 concerns "Expenditure under Article 5 of the Council Decision of 1 February 1971 on the reform of the European Social Fund";
  - Chapter 52 relates to "Social Fund -- Pilot schemes and preparatory studies".

These three chapters concern the new Social Fund which emerged from the reform of 1971 and which will be dealt with below. But for the sake of clarity, the first table shows the last two chapters that relate to the liquidation of the former Social Fund, which explains the decrease in the resources entered.

- Chapter 53 covers "Social Fund - Expenditure provided for under Article 125 (1)(a) of the EEC Treaty; this contains two items; 5301 -- vocational retraining; 5302 - resettlement;
- Chapter 54 which is only included by way of explanation, no funds having been allocated to it, covers "Social Fund - Expenditure provided for under Article 125 (1)(b) of the EEC Treaty"; this contains only one item 5401: retraining.



- b) The Financial Regulation of 24 April 1972 provides for appropriations specifically for the new Social Fund<sup>(1)</sup>: apart from appropriations for the financial year in question, in other words authorizations for expenditure, the budget for one financial year contains authorizations of commitments for the two following financial years. There is a practical reason for this provision: operations that receive aid from the Fund may extend over more than one year or even if they cover a shorter period of time may not coincide with the budgetary year. Consequently, the promoters of such operations must be able to count on a firm finance plan, particularly, as is frequently the case, when the operation cannot be undertaken without Fund backing. This clearly is a useful provision.

But since the national administrations do not operate on the same lines, a comparison of commitments by country can show considerable variations depending on whether or not the authorizations of commitments for the two financial years following the current financial year are included.

In the case of either appropriations for the financial year or authorizations of commitments: "Credits for action by the Fund under Article 4 shall be separate from those for action under Article 5"<sup>(2)</sup>. These are in fact two separate budget appropriations since a Council decision to transfer is needed if resources are to be reallocated from Article 4 to Article 5<sup>(3)</sup>.

- c) The provisions in the Financial Regulation with regard to the cancellation, reporting and transferring of credits have the effect of altering the amount of resources available.

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- (1) Regulation 72/165/EEC, incorporated in the Financial Regulation of 25 April 1973 applicable to the general budget of the Communities (73/91) (ECSC, EEC, EURATOM), OJ No. L 116 of 1 May 1973: Articles 104 and 105 under Title VIII "Special provisions applicable to the European Social Fund".
- (2) Article 9 (2) first paragraph of the Council Decision of 1 February 1971.
- (3) In other words, from one chapter to another of the Budget (see p. 18 under cc

- aa) When the appropriations of a financial year are not committed - following Commission approval of an application for aid from the Fund - before the end of the same financial year, these appropriations may be carried forward (non-automatic carrying forward) by the budgetary authorities to the following financial year with a corresponding increase in the funds available for that year. But if the appropriations carried forward are not committed and paid out before the end of the second financial year they lapse.
- bb) When the appropriations for one financial year have been committed following approval by the Commission during that financial year they are either paid out<sup>(1)</sup> or automatically carried over to the following financial year. But the credits that are automatically carried forward are also subject to the rule of cancellation if they are not paid out before the end of the financial year to which they have been carried forward<sup>(2)</sup>. The extreme rigour of this provision in the Financial Regulation has the most restrictive effect on the management of the Social Fund. The Commission has

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(1) Even if the operation is not complete, according to Article 4 of Council Regulation (EEC) No. 858/72 of 24 April 1972: "Payments on account may be made as the operation progresses on submission of a detailed statement of the expenditure relating thereto.....Payments on account may not total more than 85% of the assistance granted. The balance shall be paid after the Commission has received a general statement of expenditure drawn up on conclusion of the operation and accompanied by supporting documents." These administrative requirements and the time needed for checks and inspection mean that in practice most payments are not made in the year of the commitment. This causes considerable inconvenience to the promoters and also to the administration. The Commission is looking for possible solutions to the administrative problem, possibly by means of amendments to the Regulation.

(2) Financial Regulation of 25 April 1973 mentioned above, Article 6 (1)(c); "Appropriations for payments still outstanding by reason of commitments properly entered into between 1 January and 31 December ..... shall be carried forward automatically to the next financial year only".

proposed to put forward an amendment relaxing this provision so that the appropriation for the Social Fund will have the benefit of a derogation similar to that applicable to appropriations in the Guidance Section of the European Agricultural Guidance and Guarantee Fund which are "carried forward automatically for a period of five years"<sup>(1)</sup>.

An easing of the restriction<sup>(2)</sup> is all the more necessary since the cancellation of appropriations committed reduces resources actually available in the financial year to which the payment will ultimately be charged. For although the appropriations may be cancelled, the commitments still have to be met.

It is enough therefore (and this is by no means a far-fetched assumption) for requests for payment to be submitted late, in other words after the end of the financial year in which appropriations may be carried forward, in order to bring about this amputation of the funds later available<sup>(3)</sup>. It will be noted that, as opposed to the non-automatic carry forward - which applies to non-committed funds - and in fact increases the amount available for the interventions under Articles 4 or 5 which benefit from the carry

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- (1) Ibid, Article 6 (5): "Notwithstanding the provisions of paragraph 1, (see extract quoted in the previous footnote), the appropriations in the Guidance Section of the European Agricultural Guidance and Guarantee Fund in respect of payments still due pursuant to commitments entered into between 1 January and 31 December shall be carried forward automatically for a period of five years".
  - (2) But for a shorter period: two years according to the proposal of the Commission
  - (3) But the same situation can arise from applications that are merely late on account of the unavoidable administrative delays (see footnote 1, p. 19). This is why the Commission is considering an amendment to the regulations whereby a cut-off date would be fixed for the reception of applications.

forward, the automatic carry forward - applied to appropriations committed in the previous financial year but still outstanding - leads only to an apparent increase in resources.

- cc) The separation between appropriations under Article 4 and those under Article 5 may however be overcome by a transfer of appropriations. But since the appropriations under Article 4 are entered in Chapter 50 of the Budget and those under Article 5 in Chapter 51, proposals for transfers by the Commission have to be authorized by the Council as they entail a transfer from one Chapter to another<sup>(1)</sup>.

Thus, appropriations amounting to 40.7 million u.a. were carried forward, the transfer from Chapter 50 to Chapter 51 having been authorized by Council Decision of 23 September 1974.

- dd) This outline of procedural constraints would not be complete without at least a brief reference to the administrative practices which aggravate the effects.

.. Firstly, the so-called problem of "carry-overs" which to some extent accounts for the large amount of appropriations that lapsed at the end of the 1974 financial year - 23.85 million u.a., or 6.6% of total usable appropriations in 1974 under article 5 (i.e. appropriations for the financial year + non-automatic carrying forward + automatic carrying forward). A "carry-over" entails the cancellation of all or part of an application that has already been approved,

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- (1) As opposed to transfers from one Article to another in the same chapter, which are decided by the Commission, the Council makes the decisions on proposals for transfers from one chapter to another (Article 21 (3) of the Financial Regulation of 25 April 1973). Chapter I of this Report pointed out the difficulties (progressive balancing of appropriations under Article 4 and under Article 5) in the way of a proposal for a transfer of appropriations from Article 4 (Chapter 50 of the Budget) to Article 5 (Chapter 51 of the Budget).
- (2) Non-automatic carrying forward from the 1973 financial year to the 1974 financial year.

while requesting that funds be recommitted for the operations in question for the following financial year or years. If notification of this request for a "carry-over", which formally consists of a request for the rectification of an approval given by the Commission, occurs during the financial year, the corresponding appropriations are released and thus returned to the pool of available funds. But if, as often happens, notification is given during, or at the end of the fourth quarter, the appropriations may lapse owing to lack of time to reallocate the funds thus released<sup>(1)</sup>.

Late notification does in any case involve the Fund management in a difficult juggling exercise, seeking as best they can to avoid on the one hand cancellation of appropriations and on the other accusations of an arbitrary distribution of the new balance<sup>(2)</sup>.

- But however awkward the procedure for requests for a "carry-over" may be to implement, it is less harmful than the underlying and more general phenomenon of over-estimation of the amounts submitted for approval, which mainly accounts for this loss of appropriations. As shown above, the carry-over, provided it is not too late, does make it possible to prevent cancellation. But the problem here is not that requests for payment are submitted after the time limit<sup>(3)</sup>, but that they are submitted for amounts considerably lower than those

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- (1) When notification of a "carry-over" was submitted not only late but after the time limit, in other words after the end of the financial year, with a consequent cancellation of appropriations (as with the requests for "carry-overs" introduced in 1974 for appropriations in 1973 that were committed in 1973), the Fund Committee recommended a practical answer to the problem. Since the "carry-over" consists of a partial withdrawal followed by a new request for the following financial year, the request was rejected when it applied to the same operation. Approval of the new request would be tantamount to charging the same negligent promoter's project for a second time to the available appropriations. The Committee has recommended this "case-law" twice, at its sessions on 17-18 June 1974 and 27-28 November 1974.
- (2) and (3) This raises quite another problem from that entailed by a request for payment submitted after the time limit, which multiplies the difficulties since cancellation of the related appropriations is not matched by a parallel cancellation of the undertaking to pay. In the absence of a fixed time limit, funds in any subsequent financial year may be cut owing to the carelessness of those responsible for submitting a late request for payment.

originally approved and committed.

One of the chief motives for this behaviour can doubtless be ascribed to the rule that payment requested may be less but never more than the amount approved. By making a precautionary over-estimate, which inflation encourages, promoters provide for too wide a safety margin. Nine-tenths of the losses of appropriations in 1974 can no doubt be attributed to the psychological factor, whose negative effects are felt with full force on account of the inflexibility of the prevailing financial regulations<sup>(1)</sup>.

Partial refusals of endorsement played only a marginal role in 1974 when the final accounts were drawn up.

These preliminary remarks, illustrated with a few examples from 1974, seemed necessary to make it easier to understand the impact of the procedural constraints on budgetary and financial matters and easier to read the following tables.

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(1) See Table 7, p. 34 ss

2. Budgetary appropriations

Table 1

(Initial) appropriations of the financial years  
(in millions of u.a.)(1)

Article	Item	Heading	Appropriations in millions of u.a.			
			1972	1973	1974	1975
500		<u>Chapter 50</u> Expenditure under Article 4	7.5	68.8	98.8	110.0
510		<u>Chapter 51</u> Expenditure under Article 5	35.0	153.4	168.4	245.0
520	5200	<u>Chapter 52</u> Pilot schemes and preparatory studies	0.25	0.75	0.60	0.90
Total New Social Fund (Chapters 50-52)						
<u>Former Fund</u> (2)						
530		<u>Chapter 53</u> Expenditure provided for under Article 125(1)(a) of the EEC Treaty				
	5301	Vocational retraining	53.0	57.0	56.0	13.4
	5302	Resettlement	2.0	3.0	4.0	-
540		<u>Chapter 54</u> Expenditure provided for under Article 125(1)(b) of the EEC Treaty				
	5401	Conversion	-	-	-	-
Total Social Fund (Chapters 50-54)			97.75	282.95	327.8	369.3

(1) See p. 22, footnote (1).

(2) A summary of payments by the former Fund for the period 1960-1974 is in Table 6 (a) on p. 31(a).

Comments on Table 1

- The appropriations for 1973 were increased by a supplementary budget of 45 million u.a. to cover operations under Article 5, approved on 21 September 1973. The amount of 108.4 million u.a. initially fixed under Article 5 was thus increased to 153.4 million u.a.
- For the 1975 financial year, the European Parliament, for the first time using its right of amendment with respect to non-compulsory expenditure, by virtue of new Article 203 (8) of the EEC Treaty, increased appropriations under Article 510 (expenditure under Article 5) by 35 million u.a.<sup>(2)</sup>.

The authorisations of commitments "shall fix for the two following financial years the amounts up to which commitments may be entered into during the financial year concerned, under Articles 4 and 5 of the Council Decision of 1 February 1971. They shall be grouped according to budget year and broken down according to the budgetary nomenclature"<sup>(3)</sup>.

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- (1) For 1974: Council 74/144 EEC, EURATOM, ECSC: Definitive adoption of the general budget of the Communities for the 1974 financial year (OJ, 17th year, No. L 115, 29 April 1974).  
For 1975: European Parliament 75/136 EURATOM, ECSC, EEC: Definitive adoption of the general budget of the Communities for the 1975 financial year (OJ, 18th year, No. L 54 of 23 February 1975). The increasing intervention by the Parliament will be noted as symbolized by the title of the budget for 1975.
  - (2) Amendment No. 55 by the European Parliament in "Draft general budget of the European Communities for the 1975 financial year - Amendments introduced by the Assembly which have not been amended by the Council." (Council - 29 November 1974).
  - (3) Article 104 (3) of the Financial Regulation of 25 April 1973.



Table 2

Authorizations of commitments (in m.u.a.)

Financial year for which the commitment was authorized

Budget year	1973	1974	1975	1976	1977
<u>Article 4</u>					
1972	10	5			
1973		60	34		
1974			50	20	
1975				45	20
<u>Article 5</u>					
1972	20	10			
1973		60	30		
1974			60	30	
1975				90	45

Comments on Table 2:

As stated above, the appropriations for one financial year cover the payments to be made during that financial year; but these payments correspond either to commitments entered into during that same year (but as explained above, in practice payments are usually made in the following budget year as a result of the automatic carrying forward of outstanding payments), or to commitments already entered into in previous financial years by virtue of authorizations of commitments. The latter, it should be stressed, are divided by budget year with the result that the sum of appropriations actually available can be considerably altered, depending on whether the power to enter into commitments has been exercised or not. This power in some ways resembles a mortgage on the future, so that in view of the diversity of the behaviour of different States in this regard, inter-State comparisons can be interpreted very differently depending on whether authorizations of commitments are or are not included in the tables. (1)

(1) See table 6, section II and the summary table annex 2. The first table covers the agreements for the 1972, 1973 and 1974 operations, the second covers the authorisations for engagements for 1975 and 1976.

SECTION II - Resources available and utilization of appropriations

1. The Commission has received 181 applications representing 408.4 m.u.a. for operations planned in the 1974 financial year and 106.1m.u.a. for operations planned in 1975 and 1976.

Table 3 below compares these amounts with the resources available. It may be useful to recall that by resources available is meant the initial budget appropriation plus the appropriations carried forward on a non-automatic basis and consequently not committed during the previous year, as opposed to appropriations carried forward on an automatic basis, i.e., committed and still outstanding.

Table 3

Applications filed in 1973 and 1974 and resources available

	For 1973			For 1974			For 1975		
<u>Applications</u>	Art.4	Art.5	Total	Art.4	Art.5	Total	Art.4	Art.5	Total
	28.1	235.7	263.8	53.6	354.8	408.4	(partial data; see comments)		
<u>Resources available</u>	76.3	158.0	234.3	98.8	209.1	307.9	110.0	245.0	355.0
Of which:									
initial budget	68.0	153.4	222.2	98.8	168.4	267.2	110.0	245.0	355.0
Non-automatic carrying forward	7.5	4.6	12.1		40.7 (1)	40.7 (1)	(51.3) (2)	..	(51.3) (2)
<u>Non-committed appropriations</u>	40.7 (1)	..	40.7	51.3 (2)	1.1	52.4			

- (1) This appropriation of 40.7 m.u.a. under Article 4, not committed in 1973, was the subject of a carry-forward transfer under Article 5 in Sept. 1974.
- (2) This appropriation of 51.3 m.u.a. under Article 4, not committed in 1974, was the subject of an application to carry-forward in 1975 from the Commission to the Council at the beginning of 1975.

2. Applications for assistance under Article 4 were once again insufficient to exhaust the available appropriations. In 1973, 40.8% of the appropriations available under Article 500 of the budget were committed during the financial year; the situation improved slightly in 1974, since of a total of 98.8 m.u.a. entered under this Article, 47.4 m.u.a., or 48% were committed. The 40.7 m.u.a. not utilized in 1973 and carried forward to the 1974 financial year were transferred to Article 510 of the budget for actions under Article 5.

The opening of two new fields of action under Article 4 (migrant workers and handicapped persons) was decided by the Council on 27 June 1974 and came into force in mid July 1974<sup>(1)</sup>.

Bearing in mind the date and the time needed by promoters to work out their projects, it is obvious that the amount of applications for assistance with respect to the 1974 financial year was limited. Furthermore, with regard to handicapped persons, the restricted nature of the decision taken by the Council has limited recourse to appropriations under Article 4; consequently many applications have still been accepted under Article 5.

With regard to the 1975 financial year, applications for aid received in the first quarter of 1975 confirmed the trend shown by the previous commitment of 38.4 m.u.a. for authorizations of commitments: the appropriations of 110 m.u.a. entered under Article 500 of the budget will no longer be under-used. It may be that greater selectivity will have to be applied to applications under Article 4 as in the case of Article 5.

The application for a carry-over of 51.3 m.u.a. was submitted by the Commission to facilitate the immediate launching of restructuring operations which were the subject of a proposal by the Commission to the Council.

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(1) Article 4 of the two Decisions referred to:....."on the fifth day following its publication in the Official Journal of the European Communities." The publication is dated 9 July 1974: OJ No. L 185, pp. 20-23.

3. Applications for aid under Article 5 have once again far exceeded the amount of resources available. Applications exceeded the funds available by 50% in 1973 and even by 110% in 1974. Despite the self-imposed limitation on the part of national governments which led them to be more selective before forwarding applications to the Commission and to accept total or partial withdrawals during the examination of cases, resources were so low that without the additional contribution of the transfer of 40.7 m.u.a. in September 1974, the Fund Committee would have found itself in a position where it could do no more than adopt inherently unsatisfactory solutions (superimposition of criteria)<sup>(1)</sup>.

It should be recalled<sup>(2)</sup> that since 57.5 m.u.a. had already been committed in 1973 (through the procedure of authorizations of commitments for subsequent financial years) for the 1974 financial year for operations under Article 5, the amount of appropriations still in fact available under this heading was reduced on 1 January 1974 to 110.9 m.u.a. instead of the 168.4 m.u.a. entered in the budget.

4. Table 4 shows the cumulative amounts approved by the Commission, under Articles 4 and 5 and by country in m.u.a. for the operations to be carried out in 1974 alone.

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(1) See Introduction and for details Chapter III, Section 2, below.

(2) See previous Annual Report for the 1973 financial year, Chapter II, Section 2, Table 5, p. 16 of the offset edition.

Table 4

Country	Article 4	Article 5	Total
Belgium	0.9	5.6	6.5
Denmark	-	12.2	12.2
Germany	9.3	18.7	28.0
France	16.3	33.2	49.5
Ireland	7.2	9.6	16.8
Italy	4.8	67.7	72.5
Luxembourg	--	--	--
Netherlands	0.9	5.9	6.8
United Kingdom	8.0	54.2	62.2
<b>TOTAL</b>	<b>47.4</b>	<b>207.1</b>	<b>254.5</b>

The following table shows the amount of commitments accumulated at the end of 1974 for the 1975 and 1976 financial years, on the basis of authorizations of commitments referred to in Table 2.

Table 5

Commitments entered into for the 1975 and 1976 financial years (in m.u.a.)

Corresponding to previous approvals, as at  
31 December 1974

	1975	1976
Article 4	38.4	16.8
Article 5	53.4	10.5

Consequently, under Article 4, appropriations still in fact available on 1 January 1975 amounted to 110.0 m.u.a. - 38.4 m.u.a. = 71.6 m.u.a. (the application to carry-forward 51.3 m.u.a. was pending before the Council).

Under Article 5 appropriations still in fact available on 1 January 1975 amounted to 245.0 m.u.a. - 53.4 m.u.a. = 191.6 m.u.a.

5. In view of the complexity of the procedures and tables, it seemed worthwhile to recapitulate, for 31 December 1974 (1), the total number of commitments broken down by country and by Article (4 and 5) since the entry into force of the new European Social Fund (2) for operations carried out in 1972, 1973 and 1974 (1).

Table 6

Recapitulation of commitments, by Article and by country, expressed in m.u.a. since the entry into force of the new Social Fund on 1 January 1975 for operations carried out in 1972, 1973 and 1974 (2)

Member States	Operations Article 4	Operations Article 5	Total	%
Belgium	1.6	13.3	15.4	3.30
Denmark	-	17.3	17.3	3.68
Germany	18.8	39.1	58.0	12.36
France	30.7	64.0	94.7	20.17
Ireland	7.9	18.7	26.6	5.68
Italy	4.8	117.3	122.1	26.03
Luxembourg	-	0.07	0.07	0.02
Netherlands	1.7	13.7	15.4	3.28
United Kingdom	9.9	109.7	119.6	25.48
<b>TOTAL</b>	<b>75.4</b>	<b>393.7</b>	<b>469.4</b>	<b>100 %</b>

(1) Commitments under Article 4 cover the period 1 January 1973 to 31 December 1974. Those under Article 5 cover the period 1 May 1972 to 31 December 1974. It should be noted that the first two decisions (textile and agriculture) of the Council at the beginning of Article 4, dated 19 December 1972, were published in the Official Journal on 28 December 1972 and came into force "on the fifth day following its date of publication in the Official Journal of the European Communities."

For a summary of commitments and authorisations of commitments (period 1972-1976) see Annex 2.

(2) Figures and percentages are rounded .

6. Although the table is restricted to the six original Member States, it may be of interest to annex a similar recapitulative table concerning payments by the former Fund during the period 20 September 1960 - 31 December 1974. The figures and percentages are rounded.

Table 6a

Old Social Fund (in m.u.a.)

Member State	Vocational retraining (item 5301 of the budget)	Resettlement (item 5302 of the budget)	Total (Chapter 53 of the budget)	%
Belgium	12.7	-	12.7	3.3
Germany	155.8	4.0	159.8	42.1
France	48.0	2.5	50.5	13.3
Italy	136.4	4.3	140.7	37.1
Luxembourg	..	..	..	0
Netherlands	15.6	0.1	15.7	4.1
	368.5	10.9	379.4	100 %

SECTION III - The financial operation of the European Social Fund

1. Improvement of the general regulatory framework

While not wishing to duplicate the "Replies by the Commission of the European Communities to the observations contained in the report of the Audit Board on the accounts for the financial year 1973"<sup>(1)</sup>, attention should be drawn to some points in that document which are particularly relevant to the Social Fund.

- In the matter of control, "the capital importance of the coordination of the national and Community audits has been stressed by the Audit Board (point 3 of its report): the Commission expresses satisfaction at this because it considers that in the present state of development of the Communities the inadequacies of the Community audit can only be mitigated by strengthening the coordination with the national audits"<sup>(2)</sup>. In order to facilitate the task of the Audit Board, two internal notes (dated 15 June 1973 and 2 July 1974) have laid down the working methods to be used by the Commission departments<sup>(3)</sup>.
- In order to establish the "rules of implementation" provided for by Article 118 of the Financial Regulation of 25 April 1973, the Commission prepared a draft, set out in 17 chapters and 88 articles, which was approved by the European Parliament, the Court of Justice, and the Economic and Social Committee in the course of 1974.

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(1) EEC Directorate-General for Budgets: Document No. XIX/300/75 (volume I, 88 pages and II, 27 pages).

(2) Ibid, pages 7 and 8.

(3) See also the communication of 3 December 1973, entitled "Strengthening and improvement of budgetary control and procedures", which was sent to the Parliament and the Council. In addition to proposals of a political nature (the strengthening of the powers of Parliament in budgetary matters, the creation of a European Audit Office which would be totally independent and invested with the widest powers and means of investigation), the communication contains a summary of certain decisions taken by the Commission: creation of posts of controllers temporarily attached to the different operational Directorates-General, including the Social Fund; verification by random sampling by the national administrations, and audits carried out where there is presumptive evidence of fraud or bad management, etc.



The Council had not reached the end of its consultative procedure by March 1975. The Commission meanwhile decided to make the "rules of implementation" of the Financial Regulation provisionally applicable by its departments with effect from 1 January 1975<sup>(1)</sup>.

Lastly, the Commission adopted, on 20 December 1974, some "internal rules for the implementation of the general budget of the European Communities (Commission section)" which are applicable as from 1 January 1975 by all the Commission's departments<sup>(2)</sup>.

-- The definition of the unit of account in Article 10 of the Financial Regulation is based on gold. But inflation and monetary disorder have now opened an ever-growing gap between the official rates and the rate used by the financial institutions from day to day. The solution finally proposed by the Commission<sup>(3)</sup>, and adopted on 18 March 1975 by the Council, which already made use of it for the EEC/ACP Lomé Convention, was the creation of a new unit of account, known as the "basket unit of account", an average of the value of all the Community currencies. The expected extension of the use of this unit of account will bring about a profound change in management methods: claims and expenditure commitments will be stated in units of account and exchanged for their equivalent in the national currency in question at the rate obtaining on the date of settlement<sup>(4)</sup>.

## 2. Payment difficulties: causes and remedies

Section I of this Chapter outlined the main procedural restraints (carrying forward limited to one year, cancellation of appropriations,...) on the financial operation of the Fund. Instead of continuing the analysis along these lines and thus risk becoming too abstract, the best way of illustrating the difficulties in the field of payments is to describe exactly what happened in 1974.

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(1) Ibid., pages 9 and 10.

(2) Ibid., page 15.

(3) and (4) Ibid., pages 18 to 20.

- a) Of the 92 decisions to grant aid from the ESF, committing 181.5 m.u.a. in the 1973 financial year, adopted by the Commission in December 1973, only a small proportion (1.2 million u.a.) was paid out in 1973, the rest (180.3 million u.a.) being carried forward to 1974. Since the Financial Regulation limits the time for which commitments may be carried forward, the remaining money must be paid out before the end of the 1974 financial year, if the grant is not to be cancelled<sup>(1)</sup>. The Commission faced the difficult choice of adhering strictly to the rules - on which Financial Control, in accordance with its task, based its objection to various proposals for payment amounting in all to 48.6 million u.a. - or giving priority to the political imperative of financing promoters, whose good faith was not in dispute, with the appropriations allocated to projects already approved. The Commission decided to authorise these payments and at the same time took administrative steps to prevent the problems recurring.

Without going into details, which will be given their place in the next Report of the Audit Board and the Replies of the Commission of the European Communities, a summary of the difficulties met and their causes may be useful in indicating the measures which the Commission has decided to take.

- b) There are two main reasons for these difficulties:

- Firstly, the book-keeping systems of the beneficiaries were ill-adapted to the new complex regulations governing the Fund. The principle that aid from the Fund should be granted "on the basis of the actual cost of the operations"<sup>(2)</sup> implies a system of book-keeping in which each separate item of expenditure for which reimbursement is required can be identified. But this requirement in turn assumes that the minimum requirement for the introduction of a request for payment should be made clear and certain variations in interpretation, in particular concerning the various types of grant

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(1) Article 5 (5) of the Regulation ".... at the latest by 15 January following", i.e. by 15 January 1975, to be more precise.

(2) Article 3 of Council Regulation (EEC) No. 2396 of 8 November 1971.

eligible for aid from the fund should be eliminated. Even if experience shows that the use of lump sum rates is necessary or desirable<sup>(1)</sup>, rules and methods of calculation must be laid down in order to prevent unacceptable laxness.

- Secondly the time actually available for auditing is too short and too overloaded. This point has been sufficiently discussed in Section I of this Chapter and need not be repeated: problems of time limits for presenting requests for payment, disturbance of the administrative machinery caused by the late Council Decision (late September 1974) to carry forward 40.7 million u.a.; restriction of the period for which money may be carried over (1 year).
- o) Most of the remedies have already been suggested in this analysis of the causes of the difficulties met, and are their natural outcome. By their nature they cannot be eliminated at once but require continuous action at several levels. While not wishing to overlap with the next Annual Report, a list may be given of the main measures decided by the Commission on 5 March 1975, which must be taken in 1975;
  - Introduction of standard forms or dossiers for requests for approval and payment; simplified presentation of the Social Fund regulations.

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(1) Article 2 (2) of Regulation (EEC) No. 2397/71 states moreover that "the Commission may, in respect of certain aids, fix the maximum amount of assistance from the Fund or determine a method for calculating the costs towards which the Fund will contribute".

- Elimination of variations in interpretation of Community Regulations.
- Determination of cases where a lump-sum rate is inevitable, and definition of the calculating methods to be used.
- Introduction of a period of grace for requests for payment (modification of Council Regulation (EEC) No. 858/72).
- Preparation of directives for on-the-spot verification.
- Prolongation of the period in which carried over credits may be used.

d) These difficulties behind the delays in introducing requests for payment have naturally led to the loss of appropriations (see Section I (1) above)

This development is shown in Tables 7,8 and 9 which follow.

Table 7

Article 5 -- Financial situation at 1 January 1975 (in u.a.)

	<u>1974</u>	<u>1975</u>	
1. Total appropriations available in financial year	361.335.552,10	405.662.373,31	(a) carried-forward from 1973 to 1974 under Article 500 of the Budget and transferred to Article 510 by Council in September 1974.
of which -- initial budget	168.400.000,00	245.000.000,00	
-- non-automatic carry-over	40.712.331,47 (a)		
-- automatic carry-over	152.223.220,63	160.662.373,31	(b) 22.781.786,50 u.a. from appropriations automatically carried-forward from the 1973 financial year, 918,22 u.a. non-automatic carry-over from the 1973 financial year and 1.065.726,00 u.a. from the uncommitted appropriations for the 1974 financial year.
2. Appropriations cancelled	23.848.430,72 (b)	-	
3. Commitments:	207.108.863,63	53.391.449,21	
a) appropriations approved for 1972	2.395.259,60	1.061.840,00	
b) appropriations approved for 1973	45.942.669,32	10.928.823,61	
c) appropriations approved for 1974	158.770.934,62	41.400.785,60	(c) Includes 129.441.434,15 u.a. from the automatic carry-over from the 1973 financial year; 40.711.413,23 u.a. on transferred appropriations carried-forward (see note (a)) and 6.671.900,69 u.a. payments on appropriations from the 1974 financial year.
4. Payments made during the financial year	176.824.748,07 (c)	-	
5. Payments outstanding	160.662.373,31 (d)		(d) and therefore automatically carried-over to 1975.

TABLE 8

BREAKDOWN BY COUNTRY OF APPROPRIATIONS UNDER ARTICLE 5 IN THE 1974 FINANCIAL YEAR  
 1974 Financial year : Article 510 of Budget (in u.a.)

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	TOTAL
<u>A. Carried forward by Council</u>										
Appropriations (a) uncommitted on 31 December 1974 (b)	-	-	-	-	-	-	-	-	-	40.712.331,40 918,20
Committed on 31 December 1974	-	-	-	470.744,85	-	40.240.668,38	-	-	-	40.711.413,20
Paid on 31 December 1974	-	-	-	470.744,85	-	40.240.668,38	-	-	-	40.711.413,20
<u>B. Appropriations for 1974 financial year</u>										
Appropriations (initial budget) uncommitted on 31 December 1974 (c)	-	-	-	-	-	-	-	-	-	168.400.000,00 1.065.726,00
Committed on 31 December 1974	5.618.059,34	12.232.306,66	18.661.347,28	33.468.167,48	9.636.666,05	27.669.592,30	7.120,00	5.853.245,85	54.187.769,04	167.334.274,00
Paid on 31 December 1974 (d)	-	-	-	247.683,55	2.156.361,60	4.267.855,54	-	-	-	6.671.900,60
Payments outstanding (e)	5.618.059,34	12.232.306,66	18.661.347,28	33.220.483,93	7.480.304,45	23.401.736,76	7.120,00	5.853.245,85	54.187.769,04	160.662.373,30

(a) Transferred carry-over of 40.7 million u.a. See note (a) of Table 7. These appropriations were not committed in 1973 and thus formed a non-automatic carry-over requiring Council approval.

(b) And therefore cancelled, as carry-over is limited to 1 year (see note (b) to Table 7).

(c) Cancelled as no request for carry-over was sent to the Council (see note (b) to Table 7).

(d) See note (c) to Table 7.

(e) And therefore automatically carried-over to the 1975 financial year (see Table 7, note (d)).

TABLE 9

BREAKDOWN BY COUNTRY OF APPROPRIATIONS UNDER ARTICLE 4<sup>(1)</sup> IN THE 1974 FINANCIAL YEAR<sup>(1)</sup>  
(in u.a.)

1974 Financial year : Article 500 of the Budget

	Belgium	Denmark	Germany	France	Ireland	Italy	Luxembourg	Netherlands	United Kingdom	TOTAL
C. Appropriations for 1974	-	-	-	-	-	-	-	-	-	98.800.00,—
Uncommitted on 31 December 1974	-	-	-	-	-	-	-	-	-	51.362.732,25
Committed on 31 December 1974	925.600,00	-	9.288.918,04	16.305.921,75	7.239.197,21	4.772.076,10	-	861.187,85	8.044.366,80	47.437.267,75
Paid on 31 December 1974	-	-	-	-	1.797.962,40	170.599,38	-	-	-	1.968.561,78
Payments outstanding	925.600,00	-	9.288.918,04	16.305.921,75	5.441.234,81	4.601.476,72	-	861.187,85	8.044.366,80	45.468.705,97

(a) And therefore automatically carried-over to 1975.

(1) Since the commitment of credits under Article 4 is not as complex as under Article 5, Table 9 gives only the breakdown by country and should be used together with Table 8.

CHAPTER III

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THE OPERATIONS OF THE SOCIAL FUND

Introduction

This Chapter consists of four sections: (1) operations under Article 4; (2) operations under Article 5; (3) studies and pilot projects (Article 7 of Council Regulation (EEC) No. 2396/71); (4) effectiveness of Fund assistance.

In this introduction, a remark should be made concerning both the operations of the European Social Fund as a whole and operations carried out either under Article 4 or under Article 5, viz. that in practice it is not always possible to make a clear distinction between types of operation, for instance, when the regulations themselves partially obscure or blur the distinctions. Thus, Article 4 has been extended to cover handicapped persons, although the general provisions of Article 5 still remain in force. Moreover, the structure and organization of vocational training vary from one country to another and often within the same country, depending on the region, sector or even level of qualification: a former agricultural worker may have to attend a specific centre, which will not be the centre attended by a welder wishing to obtain a highly skilled qualification. In other words, the categories (economic sectors, regions, agriculture, women, etc.) referred to in the rules do not always closely coincide with operational categories, that is, the actual steps taken by the promoters, who operate in a specific local or regional setting, and where the training infrastructure possesses a specific technical capacity and material resources. Thus, former agricultural workers are frequently the subject of a "regional" operation under Article 5; similarly, an operation carried out on behalf of persons leaving agriculture may also affect a certain number of workers dismissed by a small textile firm.



Operations relating to agriculture and the textile industry have been merged under one and the same heading in the Article 4 tables, because of the frequency of such "mixed" operations.

Table 1 below gives an overall picture of operations in the 1974 financial year, broken down according to country and divided into three categories: Article 4 operations, Article 5 operations on behalf of handicapped persons and other Article 5 operations. A summary table, prepared on 31 December 1974<sup>(1)</sup>, giving a similar breakdown and covering the whole of the 1972/1976 period, is given in Annex 2 to this report.

Table 1

Operations approved for the 1974 financial year

Member States	1 9 7 4					
	Article 4	%	Article 5 handicapped	%	Article 5 other than handicapped	%
Belgium	925.600,00	1,95	1.489.547,82	3,45	4.128.511,52	2,52
Denmark	-	--	8.923.333,33	20,65	3.308.973,33	2,02
Germany	9.288.918,04	19,58	12.188.443,17	28,21	6.472.904,11	3,95
France	16.305.921,75	34,37	5.239.579,04	12,13	27.980.904,89	17,07
Ireland	7.239.197,21	15,26	966.816,00	2,24	8.669.850,05	5,29
Italy	4.772.076,10	10,06	2.625.621,00	6,08	65.068.344,48	39,70
Luxembourg	-	--	5.020,00	-	-	-
Netherlands	861.187,85	1,82	2.140.814,92	4,95	3.712.430,93	2,26
United Kingdom	8.044.366,80	16,96	9.630.840,00	22,29	44.556.929,04	27,19
	47.437.267,75	100,00	43.210.015,28	100,00	163.898.848,35	100,00

(1) Having been drawn up on 31 December 1974, this table, since it does not include the 1977 financial year, diverges slightly from the summary table drawn up on 1 January 1975, which is included as Table 6 in Chapter II.

SECTION 1 - Operations under Article 4

1. Two new areas for intervention under Article 4

Up to July 1974 the Social Fund had only intervened in the two areas specified by the two Council Decisions of 19 December 1972: (i) "in favour of persons occupied in the textile industry", whether employed or self-employed, and who are to pursue activities in that same capacity, either within that industry or outside it <sup>(1)</sup>; (ii) "for persons leaving agriculture to pursue non-agricultural activities", whether in an employed or self-employed capacity"<sup>(2)</sup>.

It should be noted that the Council limited the validity of the "textile industry" decision to three years, that is, until the end of the 1975 financial year.

By its two Decisions of 27 June 1974, the Council decided to open the intervention of the Fund to two new categories:

a) Migrant workers<sup>(3)</sup>

Although at the present stage in the development of the Community no concerted policy on migration exists <sup>(4)</sup>, the Council nevertheless considered it appropriate to provide assistance from the Social Fund for migrant workers, with two aims in mind:

- to improve the conditions accompanying the migration of workers and their integration into a new social and working environment;
- to ensure a better balance in the use of Community manpower, taking account of the need for growth in the central areas of the Community and the priority to be given to the development of backward areas.

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(1) OJ EC No. L 291/160 of 28 December 1972 (72/429/EEC).

(2) OJ EC No. L 291/158 of 28 December 1972 (72/428/EEC).

(3) OJ EC No. L 185/20 of 9 July 1974 (74/327/EEC).

(4) See "Action Programme on behalf of migrant workers and their families" submitted by the Commission to the Council (COM(74)2250 of 18 December 1974) pursuant to the Council Resolution of 21 January 1974 concerning a social action programme.

Such were the guidelines for the main points in the Council Decision.

This Decision provides for action at three levels:

- In the first place, assistance from the Fund is to be granted for operations, particularly vocational training operations, on behalf of workers who are migrating or have migrated from one Community country to another. These operations must form part of integrated programmes whereby the effectiveness and continuity of action throughout successive phases of migration may be ensured. The measures taken within the framework of the integrated programmes must, moreover, be consistent with the objectives of the Community policy on industrial and regional development (Article 1 of the Decision).
- Secondly, the Fund is to provide assistance towards measures designed to facilitate the reception and integration of migrants and their families into the social and working environment of the host country. Grants from the Fund are intended to cover "costs of allowances granted to reception, information and guidance services<sup>(1)</sup>" and the costs of basic language courses and specialized teaching<sup>(2)</sup> given to the children of migrant workers. Both Community migrant workers and migrant workers from non-member countries are eligible for such assistance (Article 2 of the Decision).
- Lastly, the Social Fund may grant assistance to encourage both the basic and further training of welfare workers and teachers dealing with migrant workers and their families (Article 3 of the Decision).

b) Handicapped persons (3)

At the same time as the adoption by the Council of the joint action programme for the vocational and social integration of handicapped persons, it was decided to give the Fund powers to intervene under Article 4 on behalf of handicapped persons. Since this new type of aid complements

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(1) Aid B 20.

(2) Aid not covering the cost of normal teaching. (cf. new aid B 24)

(3) OJ EC No. L 185/22 of 9 July 1974 (74/328/EEC).

rather than replaces that granted under Article 5, the Council considered that it should be concentrated on operations likely to have a multiplier effect and mainly directed at improving the quality of the teaching methods and facilities used to help to fit handicapped persons into social and working life.

Given this perspective, consideration can be given to operations of the following kinds:

- (i) short-term demonstration projects aimed at placing handicapped persons in the optimum position for achieving a successful integration. These are not the pilot schemes referred to in Article 7 of Council Regulation (EEC) No. 2396/71<sup>(1)</sup> but readaptation measures intended to apply, for the first time, the positive results obtained by experimentation. Application of such results on a wider scale would not be a "model" operation and would come under Article 5.
  
- (ii) courses of basic and advanced training for the various categories of staff active in the reintegration of handicapped persons (functional readaptation, guidance, training, placement) and for specialists in teacher training. The preparatory work for the Decision, particularly that undertaken under the joint action programme mentioned above, indicated that, through such courses, assistance from the Fund should aim at bringing about the following improvements in the training of instructors:
  - a deeper understanding of the many aspects of a handicap and the consequent need for a continuous, all-embracing process linking together the various phases of reintegration into social and working life;
  - training in autodidactic methods and in multidisciplinary work;
  - an aptitude for the preparation, supervision and assessment of the training programme.

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(1) cf. Section III of this chapter.

## 2. Approvals

Despite an improvement compared with 1973, the total amount for which applications were submitted under Article 4 in 1974 was still considerably less than the funds available in the budget <sup>(1)</sup>.

Table 2 below shows the operations approved under Article 4, as of 31 December 1974, for the 1974, 1975 and 1976 financial years, broken down according to the area of intervention <sup>(2)</sup>.

Table 2

Operations approved under Article 4 (m.u.a.)  
(Situation on 31 December 1974)

	For 1974	For 1975	For 1976	Total
Agriculture/ Textiles	37.8	24.3	14.9	77.0
Migrant workers	8.0	11.2	--	19.2
Handicapped persons	1.6	2.9	1.9	6.4
Total	47.4	38.4	16.8	102.6

It will be noted that the total for operations approved for the 1974 financial year, that is 47.4 million u.a., can be divided into:

- 1973 approvals for operations to be carried out in 1974, totalling 7.54 million u.a., and
- 1974 approvals for operations to be carried out in 1974, totalling 39.90 million u.a.

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- (1) The exact figures have already been given in Chapter II above.
  - (2) Except in respect of agriculture and textiles, for the reason given in the introduction to this Chapter.

3. Major characteristics of applications for assistance (Article 4)

At the beginning of this Chapter, mention was made of a certain overlapping between areas or categories (agriculture and textiles, agriculture and regions, handicapped persons Article 4 and Article 5); it should also be pointed out that, in principle, the decisions on the extension of Article 4 should not be regarded as the final stage or culmination of a policy but rather as the starting point for the coordination of objectives. To the extent that only limited coordination<sup>of objectives</sup> has so far been achieved there is the risk of numerous, highly diverse applications.

a) Persons occupied in the textile industry

The foregoing remark applies particularly to a number of applications in the textile sector where the existence of "quantitative or qualitative structural changes" are affecting, or threatening to affect employment may certainly be presumed to be taking place, but are not always clearly defined.

As regards movement to occupations outside the textile industry, two types of applications predominated: first, clearly defined operations indicating new occupations and second, general training projects for certain groups of persons.

The "Textile" applications approved in 1974 for operations to be carried out in 1974 were for a total of 5.13 million u.a., that is almost one eighth of the total for "Article 4" applications approved in 1974 for operations to be carried out in 1974 (that is, 39.90 million u.a.),

b) Persons leaving agriculture to pursue non-agricultural activities.

Here too, a large proportion of the applications were for groups of persons undergoing training within the general vocational training system. This is hardly satisfactory, since it does not provide sufficient guarantee that such operations are part of well-defined programmes drawn up in accordance with a specific retraining policy.

In 1974, however, programmes fully satisfying the requirements of the Council Decision were implemented in two countries experiencing a considerable drift from the land. They consisted largely of regional or local schemes to promote, in the same area, re-employment in the tourist trade, the building industry or environment improvement work in woodland or coastal districts. Some large public undertakings also applied to the Fund for assistance with specific programmes which involved changes in their recruitment policy to favour persons leaving agriculture.

The 1974 financial year saw considerable progress, therefore, in the use of the Social Fund as a catalyst in the retraining of former agricultural workers, which was the purpose of more than half the applications approved in 1974 for operations to be carried out in 1974 under Article 4, that is, 20.08 million u.a. out of 39.90 million u.a., leaving aside certain mixed operations of the "agriculture/textiles" type which accounted for 3.22 million u.a.

The time required for such programmes to yield results may have been underestimated. In any case, the above results show that it would be wrong to jump to the conclusion that a Council Decision has failed in its purpose just because no flood of applications ensues in the year immediately following.

Besides, as already pointed out, the overlap between regions receiving priority under Article 5 and certain farming regions experiencing a rapid drift from the land explains why promoters often thought it unnecessary to single out workers leaving agriculture among those benefiting from larger-scale operations of the "Regions" type, as defined in Article 5.

It is perhaps appropriate at this point to illustrate the function of the opinions of the Committee to which reference has already been made. From an examination of the applications submitted, it became clear that too narrow a definition of a "Person engaged in agriculture" could hinder applications of the "Agriculture" type under Article 4. Thus, national administrative practices, such as that of registering job-seekers under

the heading of the employment sought and not under their present or most recent employment (in this case, agriculture) could prevent such workers from being recognized as persons leaving agriculture.

In other cases, former agricultural workers living in shanty towns or remote rural areas where farming was the sole industry had not been registered as such because of an inadequate administrative infrastructure.

Taking these administrative inadequacies and the characteristics of rural life into account, the Committee adopted a looser definition. Thus, where a worker has not yet found another job or only succeeds in obtaining unskilled work, up to two years may elapse between his leaving agriculture and the commencement of assistance from the European Social Fund.

broader  
This definition also includes agricultural workers' children who are unemployed or underemployed after leaving school, as a result of agricultural reorganisation or modernisation, and the wives of agricultural workers, whether or not the husband continues to work on a farm.

c) Handicapped persons

Since the Council Decision only came into force in mid-July 1974, applications for assistance approved in 1974 for operations to be carried out in 1974 have been few, amounting to 3.44 million u.a. in all.

The difficulties of interpretation which arise from this Decision should not be disguised particularly as concerns the rather restrictive wording "short-term demonstration projects".

In any case the Decision is welcome in that it refers to an "initial Community action programme for the vocational rehabilitation of handicapped persons" (first indent of Article 1 (2) of the Decision); here again, there has been a real advance in 1974 as regards the European Social Fund's promotional role, which is performed in a coherent framework as defined by a programme.



d) Migrant workers

The applications approved in 1974 for operations to be carried out in 1974 were for a total of 8.02 million u.a., although the period for applications was short, since the Council Decision did not come into force until mid-July 1974. Little meaning can therefore be ascribed to the results obtained during such a short period of initial operation.

Mention should, however, be made of the imbalance in the volume of applications submitted by the various countries. The United Kingdom application, which is made in respect of several operations, accounts on its own for almost four-fifths of the total amount applied for.

About three-fifths of the total amount applied for was for the financing of the "costs of courses of specialized teaching which are given to children of migrant workers" (such aid does not cover the cost of normal teaching)<sup>(1)</sup>.

As for the integrated programmes specified in Article 1 of the Decision, which only applies in practice to Community workers<sup>(2)</sup>, the applications received dealt with one part of the whole process, namely preparation for emigration and skilled vocational training provided in the country of origin before emigration or in the host country for the benefit of the migrants themselves and their children.

Lastly, as usual, difficulties of interpretation still remain. Thus, in connection with the integration measures referred to in Article 2, the question arises as to how long a migrant is to be described as such and thus remain eligible for measures intended to facilitate reception and integration into the social and working environment.

The scope of Article 2 is difficult to define, in view of the diversity of the services provided by bodies which themselves vary so widely, e.g. reception centres, homes, hostels, etc.

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- (1) Aid B 2A, a new type of aid provided for in Council Regulation (EEC) No. 1761/74 of 27 June 1974, OJEC No. L 185/1 of 9 July 1974. It should be noted that this new type of aid can only be financed through operations under Article 4 (Article 2 of the Regulation).
- (2) "Persons moving or having moved from one Community country to another" first subparagraph of Article 1 (1).

These preliminary remarks show the need to adopt a method for the submission of applications and, above all, to lay down priority objectives accepted by all sides in the interests of Community solidarity.

## SECTION II -- Operations under Article 5

The Commission received applications under Article 5 for a total of 345.8 million u.a., a sum greatly in excess of the funds available. The budgetary and financial figures need not be repeated here<sup>(1)</sup>. It may be recalled, however, that the operations approved for the 1974 financial year on behalf of handicapped persons accounted for 43.2 million u.a., with the remaining operations under Article 5 accounting for 163.9 million u.a. The gap between the resources available and the sums requested had caused the Fund Committee to superimpose priorities on applications of the "global" type and on specific operations (the Commission guidelines of 28 November 1973 for the administration of the European Social Fund). Fortunately a relaxation from the rigours of these priorities proved possible thanks to the transfer to Article 5 operations of 40.7 million u.a. carried forward from the previous year. These extra funds were, of course, welcome but since their transfer was not effected until late September 1974 and were only valid till the end of the 1974 financial year<sup>(2)</sup>, the Commission and the Fund Committee found themselves faced with the difficult task of adjusting their priorities at the final meeting of the Committee on 27 and 28 November 1974. To the satisfaction of the Commission, it proved possible to carry out this delicate task without exceeding the increased funds now available and without causing divisions within the Committee, whose Opinions were accepted by the Commission.

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(1) cf. Chapter II above and, in particular, Section II and Table 1 of Chapter III.

(2) Decisions had to be taken regarding commitments by 31 December 1974 and regarding the corresponding payments by 15 January 1975 (cf. Chapter II, Section I).

## 1. Handicapped persons (Article 5)

Article 1 (3) of Council Regulation (EEC) No. 2396/71 of 8 November 1971 lays down only one condition for operations on behalf of handicapped persons, namely that they "may be able to pursue a professional or trade activity after medical rehabilitation, vocational training or retraining".

The gap between the funds available and the total sum applied for again made the allocation of resources a difficult problem; for, apart from Article 2 of the same Regulation which stipulates that 60% of the Article 5 appropriations shall be reserved for "regional" operations<sup>(1)</sup>, the Commission, assisted by the Fund Committee, is responsible for allocating the remaining 40% of the Article 5 appropriations in accordance with its assessment of Community priorities in the framework of the existing regulations. This assessment is based mainly on economic and social developments, with special reference to the general social policy guidelines laid down by the Council<sup>(2)</sup> after consultation with the Parliament and the ESC, and in particular the Council Resolution of 21 January concerning a social action programme. At its meeting of 10 June 1974, the Council adopted not only a Decision extending Article to cover handicapped persons (Decision of 27 June 1974) but also a Resolution establishing the first Community action programme for the vocational rehabilitation of handicapped persons. The Commission, therefore, in accordance with the almost unanimous opinion of the Fund Committee, agreed to set aside about one-fifth of the Article 5 appropriations for operations on behalf of handicapped persons, in view of the increase in funds, resulting from the carry-forward of 40.7 m.u.c. in September 1974 and the reduction in applications following the carry-overs effected at the end of the 1974 exercise.

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(1) These are, to quote Article 2 of the said Regulation, "operations which are aimed at eliminating long term structural unemployment and under-employment in those areas referred to in Article 1 (1) (a)", that is "in areas which, because they are less developed or there is a decline in the main activities, suffer a serious and prolonged imbalance in employment".

(2) And resulting from the activities of the Standing Committee on Employment (Article 9 (4) of Regulation (EEC) No. 2396/71).

It was agreed, however, that neither the criteria for the granting of assistance nor the percentage of appropriations allocated to handicapped persons, as adopted in 1974, should constitute a precedent for 1975.

It should be fully understood that both the Commission and the Fund Committee are reluctant to allocate the funds ad hoc, and wish to establish a stable body of "Case-law", but are equally reluctant, on the other hand, to set a precedent for the following year by fixing priorities without foreknowledge of the applications/funds available ratio or of changes in the socio-economic situation, such as the current employment crisis or changes in Council policy (e.g. the possible adoption by the Council in 1975 of a new "Article 4" for restructuring operations). Just as a consistent "Case-law" is required throughout the financial year to guard against the temptation to choose possibly arbitrary ad hoc solutions, so too the stereotyping of temporary solutions in a changing environment could lead to a loss of contact with reality and a lack of flexibility which would prevent the European Social Fund from performing its promotional function.

Priority was in fact given to operations which were new in nature or in scope, provided that they formed part of a continuous general programme extending from the end of medical treatment to the placement of the handicapped person in the economy at large.

It may be noted that vocational rehabilitation in sheltered workshops -- a measure which has raised some difficult problems now under study in 1974 provided that those benefiting from such rehabilitation do resume employment, that is, providing that favoured in some countries than in others, is only a step towards finding the handicapped trainee a job in the

Second preference was given to operations forming part of the same programme, but which could not claim to be "new".

Third preference was given to those operations which were isolated, non-promotional or not in keeping with the spirit of the programme adopted by the Commission and Council, where the emphasis is on the quality of the rehabilitation work.

Aid from the European Social Fund was granted to all applications which had been given first preference and to about half of the applications given second preference, with the exception of Ireland, Northern Ireland and Italy, which received the full rate in view of their pressing needs and economic difficulties.

## 2. Other operations (Article 5)

The operations approved for the 1974 financial year accounted for a total of 163.90 million u.a. In 1974 over 72% of the funds (as compared with 85% in 1973) went to three countries -- Italy (39.70%), the United Kingdom (27.19%) and Ireland (5.29%) -- and almost 90% to these three countries plus France (17.07%).

- a) "Regions": Operations of the "regional" type, within the meaning of Article 5, formed the majority of applications submitted, far more than the minimum of 60% laid down in Article 2 of Regulation (EEC) No. 2396/71<sup>(1)</sup>.

The list of priority regions and areas prepared for the European Regional Development Fund and submitted by the Commission to the Council for this purpose on 10 October 1973<sup>(2)</sup> continued to serve as a basis in 1974 for the demarcation of "regions" within the meaning of Article 5.

When dealing with "global" applications (that is, applications for those parts of national programmes which related to eligible regions),

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(1) cf. point 1 of Section II above.

(2) doc. COM(73)1751.

the Fund Committee was obliged initially to consider limiting assistance from the Fund to operations intended for three groups of unemployed worker from the priority regions. It was necessary to superimpose criteria, because of the shortage of funds, and to single out three groups specified in Article 1 (2)(c):

- young people under 25 years who are unemployed through lack of qualifications or whose qualifications are no longer in demand;
- women over 35 years who wish to pursue a professional or trade activity for the first time or whose qualifications after a lapse of time are no longer those in demand;
- workers who are difficult to place in employment again on account of their age (that is, over 50 years of age, as agreed for the C 12 type of aid).

The transfer of 40.7 million u.a. made it possible to abandon these criteria and to extend assistance from the Fund to all other classes of unemployed worker, provided they came from priority regions.

Given the number and the diversity of the applications submitted, only a few general remarks can be made concerning the opinions of the Committee, apart from the major aspects already outlined.

aa) A strict interpretation of the texts generally prevailed, due undoubtedly to the limited resources available. Thus, any training courses of a general educational type and ordinary apprenticeships were systematically eliminated<sup>(1)</sup>. Only once did the Committee make an exception, when dealing with a marginal case where the distinction between ordinary schooling and

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(1) "Assistance from the Fund may not be granted to finance the initial training of young people immediately after completion of their term of compulsory schooling." (Last sub-paragraph of Article 3 (2) of Regulation (EEC) No. 2396/71). Admittedly, the rest of the text reads: "Nevertheless, assistance from the Fund may be granted for young people who, although available on the labour market, are unable to find work because of lack of qualifications or because there is no demand for the qualifications they possess".

vocational training seemed to hinge artificially on the use of school premises by vocational training bodies. The size of national education budgets, and even of allocations for technical education alone, no doubt had a dissuading effect.

Similarly, no consideration was given to "continuous training", since the Committee regards it as further training to enable workers to adapt to normal changes in their employment and to bring their knowledge up to date. The notion "high qualifications" was also interpreted in the strict sense: a distinct upgrading had to take place, with a move to a better job and higher salary.

bb) A second approach was to give preference to projects based on vocational training. Applications concerning activities subordinate to training were eliminated if the main operation, the training operation itself, did not figure in the application. Thus, applications relating merely to course preparation expenses or the A 24 type of aid<sup>(1)</sup> or resettlement were not given preference when submitted individually and unaccompanied by a training operation. Committee "Case-law" allowed some relaxation of these rules for resettlement operations not linked to a specific training programme. A distinction was made and

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(1) A 24: "Necessary expenses incurred by undertakings establishing themselves in less developed regions in respect of allowances paid to newly engaged workers. The aim of paying such allowances shall be to ensure that workers are fully remunerated; the amount of the allowance may be payable over a maximum period of 6 months and be equal to 30% of the average gross wage or salary recorded in the undertaking in respect of corresponding posts. The workers concerned must be receiving further vocational training in the undertaking, or, owing to a lack of practical experience, be unable to ensure the output anticipated from the qualifications recorded at the time of their engagement." (Council Regulation (EEC) No. 2397/71 of 8 November 1971).

preference accorded where the resettlement took place in the region of origin, even if not linked to a vocational training operation, provided that the region of origin was also a priority region.

- cc) The third method of selection, which was also the most difficult to apply, was to choose between similar applications in the light of the promotional character of the Fund. The recognition of the promotional nature of a specific operation obviously calls for a detailed assessment. While it would be impossible, without going into a wealth of detail, to give the reasons why the Committee chose to acknowledge this promotional function in each case, it would be very difficult, on the other hand, to specify general trends without a risk of being arbitrary.

It is possible, nevertheless, to detect a trend away from "global" applications if only because the existence of promotional elements is difficult to prove in such cases. The Committee realised, however, that, while "global" programmes for which the Fund was simply requested to finance an annual budgetary instalment without there being an increase in the size of the programme could not be encouraged, they should not go to the other extreme and accept only "individual" operations. It must be recognised that general programmes often constitute the most efficient method of training. Individual operations may be perfectly well defined but their promotional function is difficult to gauge since they do not form part of a general programme for a specific purpose. It has been observed that, in regions with a low industrial density and a predominance of small and medium-sized firms, the insertion of operations into larger-scale programmes may be a very artificial arrangement. From this rather brief account of the situation, it may be deduced that a balance must be kept between opposite extremes. Equally, as far as procedure is concerned, a strong emphasis must be placed on the presentation of operations within the framework of a "specific programme", as laid down in paragraph 4 of Article 1 of the Regulation (EEC) No 2396/71 (1).

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(1) "Save in exceptional cases, such operations shall contribute towards the implementation of a specific programme directed at remedying the causes of imbalance affecting employment; such programme shall be set up for the area, branch of the economy, groups of undertakings or categories of persons concerned. It shall, in particular, indicate clearly the economic inter-relationship of the operations being planned and shall state the objectives and methods for attaining them."



In the last analysis, however, real guarantees are provided not by procedures, but by attitudes; a very promising feature of 1974 has been the considerable rise in the number of applications submitted by large public undertakings, chambers of commerce, regional and municipal authorities, etc., for this is probably the area in which new initiatives can best be taken and assistance from the Fund can have a genuinely catalytic and promotional effect. This does not, of course, mean that such new initiatives cannot be taken or encouraged by the national bodies which are not only responsible for the co-ordination of employment policy, but which also have the advantage of large scale capacity.

It can be noted moreover that this promotional characteristic of the Fund has worked to the advantage of the priority regions such as Ireland, the Mezzogiorno and Northern Ireland.

Without attempting to discuss future orientations these remarks on the "regional" operations under Article 5 may be concluded with a reiteration of the fact that in 1974 such operations predominated greatly.

- b) "Technical Progress": These are operations which "are aimed at facilitating adaptation to the requirements of technical progress of those branches of economic activity in which such progress gives rise to substantial changes in manpower and professional knowledge and skill" (Article 1(1)(b) of Regulation (EEC) No. 2396/71). The 1974 financial year was a running-in period for this type of assistance. Few applications were submitted, since uncertainty seemed to continue to inhibit not only national agencies but also those undertakings or professional groupings which ought to have been the natural

promoters of such operations and, at any rate, the indirect beneficiaries. This did not, however, make it any easier for the Commission to find principles enabling it to explain clearly to promoters the meaning of this legislative provision.

From the few applications submitted in 1974, a better picture emerged of the type of measure which would be eligible for assistance from the Fund. The consensus of opinion within the Committee as regards future policy is outlined in Chapter V. This confirms the tendency, already observed in 1974, to make it a requirement that the operations should be open to all undertakings belonging to the same economic sector, in order to avoid distortions of competition between such undertakings. This was unquestionably one of the major obstacles which the Commission encountered in 1974 when working out principles to deal with applications of the "Technical Progress" type.

- c) "Groups of Undertakings":<sup>(1)</sup> Here again, a problem of definition could have arisen; in fact, the main difficulty proved to be the question of the amount of assistance from the Fund. In the first place, undertakings have difficulty in forming groups for the submission of a joint project when they are independent of each other, and, what is more, frequently in direct competition ("similar activities"). In the second place, while the major industrial or financial conglomerates (holding companies, groups, etc.) admittedly correspond to the definition of a group, it is doubtful whether in highly integrated conglomerates the various component undertakings have any separate existence; in other words, is it still a group or simply one giant undertaking with various places of business? And in the case of holding companies controlling a highly diversified industrial empire,

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(1) Operations which "are undertaken because of substantial changes in conditions of production or disposal of products in groups of undertakings with similar or connected activities which are thus forced to cease, reduce or transform their activities permanently" (Article 1 (1)(c) of Council Regulation (EEC) No. 2396/71).

How is one to isolate the undertakings or establishments "with similar or connected activities" from the whole of which they form part? That is to say, if a large enterprise absorbs a dozen small and medium-sized undertakings and introduces rationalization measures forcing some of these undertakings to "cease, reduce or transform their activities permanently", can it apply for assistance from the Fund "because of substantial changes in conditions of production or disposal of products", when such changes are of its own making, the result of its own policy decisions? And when consideration is given to the difficulties of such undertakings, are their financial links with the rest of the group and the prosperity of the latter to be taken into account or not? Is there not a danger here that the intervention of the European Social Fund could be incompatible with the rules of competition of the Community treaties?

From the administrative point of view, the most awkward problem would seem to be that, if a very large group experienced a crisis, creating problems which fell within the competence of the Social Fund, the resources of the Fund available for such purposes could be completely exhausted by a single operation.

In 1974 the applications submitted related mostly to conversion operations in medium-sized undertakings experiencing difficulties and located in areas with only one industry. The criterion adopted was the extent to which the difficulties experienced by the undertaking might disturb the local labour market.

Even if changes in the economic situation result in this approach being considered too one-sided and in a move towards greater selectivity, the priority which the Committee has tended to give to small and medium-sized undertakings would still seem to be specially applicable to operations of the "Groups of Undertakings" type.

SECTION 3 : Pilot schemes and preparatory studies

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1. In 1974 the appropriations allotted to Chapter 52 of the Budget, item 520 entitled "Social Fund Pilot Schemes and Preparatory Studies" amounted to 600,000 u.a., compared with 750,000 units of account in 1973. Article 7 of Regulation (EEC) No. 2396/71 of the Council determines the use to which these resources are put by the Commission. Thus they may be used "to promote, carry out or give financial assistance to preparatory studies and pilot schemes in order to give guidance to the Council and the Commission in the choice of areas in which the Fund should be able to intervene and to enable the Member States and those responsible for operations to choose the most effective aid and organize the implementation thereof to the best effect". The contribution of the Commission to pilot schemes may not exceed 50 % of the actual cost, the other half being the responsibility of the administrations or interested public or private organizations.

2. The Commission, in agreement with the Committee of the Fund, decided that a selection of the studies and reports should be made generally available. Certain activities dealt in fact with very specific topics. On the other hand the chief objective of some studies ("to give guidance to the Council and the Commission ....") might make it inadvisable to publish them: the effect of announcing that they would be published might compromise the quality of studies which were often based on confidential information. But, in order to improve general information, it was decided, to draw up, as they are completed, a summary sheet of the studies and schemes likely to have an important impact on the activity of the Social Fund and to distribute it widely in interested circles.

3. The list of the studies and pilot schemes financed in 1974 appears in Annex 4 of this report. The main topics with which they deal are as follows:

- a) Migrant workers: here assistance should be given towards implementing the Council Decision of 27 June 1974:
  - determination of the requirements of migrant workers and obstacles to their integration into the environment of the host country;
  - research into the activities of clubs for young people;
  - means of ensuring improved integration in the textile sector;
  - drawing up of an "integrated programme" covering the time from the preparation for departure to the organization of the return to the region of origin;
  - training of teaching staff and social workers and organisers.
- b) Multipurpose training in various sectors: the meat industry; deep-sea divers; persons experiencing difficulty in remaining in steady employment.
- c) Two pilot schemes on occupational rehabilitation: One concerning mentally handicapped persons, the other blind persons. (See the Council Decision of 27 June 1974 in favour of handicapped persons).
- d) Data processing: Training in the applied data processing sector in industry; reduction of the imbalance of employment in the computer sphere.
- e) A study dealing with the reintegration of women aged over 35 into the labour market.

f) A study aimed at establishing criteria for assessing the effectiveness of contributions from the Social Fund.

g) A pilot scheme aimed at drawing up a training programme for management development advisers.

4. In addition, during 1974, a series of studies were completed, which had been financed by appropriations from the previous financial years.

a) Several of them concerned migrant workers:

-- A pilot scheme carried out by the Association of the Pretraining Centre in Marseilles developed a programme and a training method for instructors in rehabilitation and pretraining;

-- a study carried out by the "Centre Animazione Sociale Italiano" (Italian Centre for Social Training) in the Brussels municipality points out the possibilities of an original method for motivating migrant workers, concentrated in one district of a large town, to integrate into the social life of the host country. This method consists of placing a cultural instruction team in a district to organize certain activities which meet the needs of this section of the population: linguistic activities, the teaching of reading and writing, help for children who have educational problems, pretraining in the context of a "workers' university";

-- The Association "Hommes et Migration" -- "Men and Migration" -- in Paris has developed visual aids on 15 topics for introducing newly-arrived migrants to the social life of the host country (food, accommodation, health, transport, purchases, etc.). When they have been tested, 300 series of them will be distributed to the various training services for migrant workers;

-- Two studies have been made on the education and vocational training of the children of migrant workers in Sarra and Moselle. They both stress the effect of the degree of integration of families in the host country on the level of scholastic and vocational training of their children. The operations to be undertaken for children, which are advocated by these studies, include: the provision of information for primary school teachers on the problems of migrant workers and their children, attendance at nursery schools, "binational" culture during school hours,

psycho-pedagogical teams for children with scholastic problems, the development of 'new ways' of learning languages, more easily accessible vocational teaching at which attendance should be facilitated and encouraged.

Lastly, a study followed by a pilot scheme, carried out by the International Centre for Vocational and Technical Advanced Training in Turin, has made it possible to draw up a programmed teaching course with audio-visual aids designed to give initial training to potential migrants in the field of mechanical maintenance, methods and techniques.

- b) In the agricultural sector, following the general study carried out on the retraining of workers who leave this sector, a pilot scheme and study were carried out in two specific regions.

The pilot scheme was carried out by the Regional Association of Family Welfare Services for farmers in the Veneto. Its aim was to test a new training method for instructors and organizers in rural environments intended to help farmers to retrain in order to pursue an activity in another sector. The group of instructors and organizers trained in this way should form the nucleus on which the region will rely in order to implement the vocational retraining programme which it has drawn up.

- The study was carried out by the Foundation for Social Research (Paris) in the Bas-Rhone-Languedoc region. It analyses the employment problems posed in this region by changes in the type of farming and fixes suitable measures to solve them, taking into account the prospects of economic development of the region.

- c) In the distribution sector of the food industry, the project carried out by the Centre di Perfezionamento in Reggio Emilia made it possible to develop a programme and methods suitable for assessing the training of instructors and organizers, taking into account the new requirements resulting from technological developments in this sector.

- d) Lastly, a study made by the Soris (in Turin) analyses the existing resources and requirements connected with the implementation of the development plans of two regions of the Mezzogiorno, the Basilicata

and Sardinia, for the vocational training of the local labour force.

5. Of the activities undertaken in 1973 two are still in progress:
- a study, together with a pilot scheme designed to develop a new technique for the training of adults in order to provide trainees with knowledge which will enable them to solve more successfully the training and retraining problems which they encounter in their professional life (Lernen von Problemlöseverhalten in Erwachsenenalter);
  - a pilot scheme and an assessment study aimed to develop a training programme for instructors and organizers for community development in rural areas.

6. The Commission organized a seminar on data processing and the training of adults at Luxembourg on 9-13 December 1974. Its central theme was the staff training problems posed within an organization (undertaking, administration) by the introduction of a data processing system, the development of this system or the development of its applications.

It appeared that, since data processing had remained to a very large extent the business of specialists, the resistance to social change induced by data processing in all spheres was a much greater obstacle than technical difficulties. In short, data processing raises fewer problems as a technological process (hard and soft ware, material and logistics) than as a social process affecting human organization, communications and development.

The essential need is not so much to train data processing specialists, programmers, as to train people to use data processing, that is to say to make possible the integration of data processing systems into the context intended for application, taking into account what is both a major principle and an inescapable constraint in our societies, i.e.



the fact that change must be understood in order to be accepted.

This seminar had a high level representation for both large manufacturing firms and services concerned with data processing and administrative bodies and circles specializing in training, teaching and research. In conclusion, it was proposed that the Community should undertake a two-fold task:

that of informing and educating citizens as a whole. Two special areas were selected for this acclimatization work: the school system and adult education system;

- that of training connected with employment and the working world. This operation should be able to make specific use of the aid of the European Social Fund.

It was stressed that both these tasks presupposed an intensive effort to train teachers and instructors and widespread distribution of information by the systematic use of colloquia, information sessions and exchanges of experience and by the publication of information concerning the findings of research and experiments.

SECTION IV - Effectiveness of assistance

The growing expenditure of the Social Fund calls for improved information on the intrinsic quality of the Fund-assisted operations, quite apart from the accounting or financial controls. To enable the Fund to perform its promotional role, it was necessary to set up a small unit capable of making an independent assessment of the results and methods of the vocational training programmes which constitute the main basis for applications for assistance.

In 1974 the Commission set up for this purpose a group of independent vocational training experts, who were given the task of studying a number of selected programmes, in conjunction with the competent national offices (or agencies). The prime objective is to encourage the flow of information to the national offices (or agencies) concerned and then to attempt, by exchanging the results of the tests and analyses, to bring about the catalytic effect which the Fund is supposed to have, for the benefit of all the administrations and bodies in the Community which deal with vocational training.

As a beginning, the group of experts undertook to study, during the second half of 1974, four projects which had been approved by the Commission:

- a) a project for the retraining of textile workers in the United Kingdom;
- b) a project consisting of a number of training operations in the Groningen province of the Netherlands;
- c) a training project for ex-agricultural workers in a Gaeltacht region of Ireland;
- d) a training programme for young workers in the Trento region of Italy.

These four projects were selected on the basis of their size, their geographical distribution and the type of aid being given, so that, taken

together, they would constitute a sufficiently representative sample of the types of assistance granted by the Fund.

However, their diversity prevented any comparison between the projects themselves. It seemed more important, at this initial stage, to obtain a sample representative of the whole and to analyse each project individually, in its specific context, taking the objectives of each project as given and studying the training methods used to achieve these objectives.

However, in order to ensure some uniformity between the studies made of such varied projects, the group of experts agreed on a common framework for analysis before studying these four projects. The group of experts was able to accomplish its task, thanks to the full co-operation given by the competent national offices (or agencies) which facilitated contacts with promoters, instructors and trainees, and commented on the draft study reports prepared by the experts.

This was, of course, only an initial phase and the group of experts had to perfect its own methods of investigation. However, apart from the benefit derived by those directly concerned at all levels and the group's own achievements in improving its reference scales for training methods and placement rates following training, one conclusion would already seem possible at the end of this initial stage: the list of aids needs to be reviewed since certain types of appropriate training are ineligible for assistance from the Fund as the legislative texts stand at the moment.

The group of experts is to expand and confirm its conclusions during the 1975 financial year, for which its programme of work includes studies of the training activities of the Irish Industrial Training Authority AnCo, the Italian Vocational training agency ISFOL and of selected Chambers of Commerce in France.

CHAPTER IV

CRITIQUE OF THE INFLUENCE OF THE ESF ON COMMUNITY  
EMPLOYMENT POLICY

At the end of this examination of the budgetary and financial aspects of the Social Fund and the management of operations under Articles 4 and 5, three major questions arise, as indicated in fact by the European Parliament (1):

- 1) First, the size of the budgetary allocation of the new Social Fund. As a percentage of the total of the Community budget, this figure (5.26%) is limited; it is equally limited in relation to national administrative expenditure - and above all in relation to national expenditure - on vocational training or retraining and aid to the movement of workers in the Community; it is very modest compared to the needs of the nine Member States, in the present employment situation.

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- (1) The European Parliament made the following remark on the general outline of the second annual report (1973 financial year): "One is left with the impression on reading the report that it was drawn up to meet the administrative needs and concerns of the Commission itself, rather than the general need to bring about through the Fund positive effects on the development of the common market in employment, and better co-ordination and harmonisation of national policies in that area". (Report by Mr van der Gun: Commission on Social Affairs and Employment - EP Doc. No 380/74 of 5 December 1974).

2) Second is to find out if aid from the Fund has an additional and promotional effect at financial level (1). Does aid from the Fund really increase the resources available to a given national body or ministry? If the Member State does not increase, in due proportion the allowance granted to the body or ministry by the sum expected from the Social Fund, this is not even a "zero-sum game" - since the appropriations for vocational training in the country remain unchanged - but an unproductive detour (for the Community framework, however light, as in this case, is surrounded by ad hoc national frameworks), unless one supposes that quite apart from the redistributive function there is an improvement in quality, i.e. a better social yield while the amount of credit remains the same. It remains to be seen whether the established mechanisms favour or not the chances of such an improvement in quality.

In this respect the Social Fund must be considered a potentially remarkable instrument placed at the disposal of the Member States. However, regardless of the incentive it gives, it is finally the national administrations who play the decisive role in using the Fund as a means of promotion. The Commission thus hopes for a closer co-operation between its services and the national administrations and national organisations (or agencies) so that aid from the Fund will supplement the national efforts rather than act as a simple substitute.

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(1) On the financial level alone, apart from operations. On their intrinsic promotional nature, see above Chapter III Section 4 Effectiveness of Fund Assistance.

3) The third and most important question, on which the European Parliament quite rightly lays special stress, is to ensure liaison between action of the Social Fund and the promotion of a Community policy on employment (1). Three particular constraints limit the Commission in carrying out this liaison :

- a) The first derives from the limited resources available to the Social Fund (2): obviously, above a certain level, aid from the Fund would of necessity influence national aid.
- b) The second arises from the fact that only the Member States are competent "to forward to the Commission applications for assistance from the Fund" (3). The Fund provides in fact only 50 % of the actual cost of training carried out by public administrations, etc.,. The public authorities must guarantee completion of operations undertaken by bodies or other agencies governed by private law (4). Moreover it is not only a question of promoting initiatives, but of encouraging their development and the widespread application of successful projects, which can be stimulated by means of greater participation of those concerned (5).

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(1) See above, at the beginning of the present chapter, the comment of the European Parliament quoted in the footnote.

(2) See point one above.

(3) Article 5 (1) of Regulation No. 2396.

(4) In this case the Fund contributes an amount equal to any expenditure taken over by the public authorities (Article 8, Decision of 1 February 1971).

(5) In addition, the promoters concerned must be made aware that their operations are benefitting from the Fund.

- c) The third constraint consists of the legal, material and psychological limits met by the Commission in its efforts to co-ordinate employment policy at Community level. The resolution of 21 January 1974 on a social action programme and the 'tripartite' Social Conference of 16 December 1974, which led to the revival of the Standing Committee on Employment have of course laid new foundations and given new political support without which the very idea of such co-ordination would have been inconceivable. Nevertheless, the difficulties involved in such a co-ordination of employment policy, once we go beyond the first exchanges of views and information which have already taken place and proved satisfactory, should not be underestimated.

In the field of information - employment figures, unemployment figures, statistics on training, public speaking in this field and, in each case, the corresponding forecasts - the existing situation, where the "non-comparability" of data must always be acknowledged, must be radically improved from both the technical and the material point of view. And the Commission is aware that rapid and significant development in the co-ordination of employment policy implies a considerable increase in the human and material resources assigned in each Member State to the promotion of an active employment policy.

There remain psychological or political limits to the growth in awareness of Community solidarity which hinder this co-ordination. This is evidenced by the difficulties encountered so far in attempts to fulfil obligations to participate in joint sectoral meetings in branches of industry experiencing difficulty. This in spite of the declarations of principle made by the Social partners at the Social Conference (December 1974) and the Standing Committee on Employment (February 1975). But even if all the legal, technical and psychological or political obstacles to the Community harmonisation of policy or national action in the field of employment are cleared away, the convergence of economic policies must be translated into concrete terms, which implies a full co-ordination of employment policies. The difficulties must be overcome if Community social policy and the policy of its essential financial instrument, the Social Fund, is to play a fully significant role in the current employment crisis. These difficulties must be overcome if Community social policy, together with its essential financial instrument, the Social Fund, is to find its full significance in the current employment crisis.



But while the ways and means of a more active Community economic policy and its associated policies (industrial, competition, regional, commercial) are being set up and strengthened, the most urgent need must be met, namely not only to preserve but to strengthen the Social Fund which remains the most suitable instrument for tackling the concrete employment and retraining problems of Member States. (1)

An immediate and useful solution, although it is only a beginning, could be for the government members of the Committee of the Social Fund to give regular assessments of the applications for aid presented in the context of all national aid.

Such a development in the role of the Committee of the Fund would meet the wishes already expressed by some of its members; it would be facilitated by the support and impulse which the Standing Committee on Employment would give to the general guidelines; it would be an effective way of setting up a significant link between the Social Fund and employment policy and would, moreover, give the concertation of employment policy a content capable of benefitting and involving the Member States and thus the Standing Committee on Employment.

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(1) Pursuant to the Council Resolution of 21 January 1974 concerning a Social Action Programme: "Considers that, to achieve the proposed action successfully, and particularly in view of the structural changes and imbalances in the Community, the necessary resources should be provided, in particular by strengthening the role of the European Social Fund".

## CHAPTER V

### GUIDELINES FOR THE FUTURE

In this chapter the Commission will define the guidelines which it proposes to follow in order to ensure that the Social Fund will fulfil its role with a constantly growing effectiveness.

In order to do so, the potential contribution of the Fund in the present crisis must be defined and its scope and limits set. General principles will then be indicated for the Fund's operations as a whole. The chapter ends with a provisional estimate of the financial requirements.

### Section I - The European Social Fund and Employment Prospects

At present 4.4 million people are out of work in the Community and another 1.1 million are working short-time. The deterioration has been general with young people and migrant workers among the most severely affected.

Although there are still hopes of an economic recovery next year, its extent is as yet uncertain. In many Member States there are fears that the general conditions governing expansion in coming years will not allow employment figures to return to the relatively high levels they reached before 1974.

#### 1) Principle employment problems (1)

There is no single way of restoring the employment level: this will depend on a number of important measures to be taken in various fields:

1. The extent of economic recovery in each State will depend on the capacity to respond to the new international economic situation and the changing structure of home demand;
2. Redeployment of production in the light of this new situation;
3. Reduction of the gaps between the jobs offered and the qualifications or aspirations of job-seekers.

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(1) These problems have been analysed in more detail in several Commission reports - in particular "Employment Problems and the Energy Situation" (SEC (74) 1358 final of 2 May 1974).

The last-mentioned factor has itself several facets. Suitable action would take the form of:

- a) Improving the prospects of job-seekers by raising or adapting their level of qualifications and improving information on job vacancies;
- b) Adapting jobs to workers' needs, by making them more attractive and allowing greater participation in the life of the firm and in major decisions;
- c) Counteracting regional imbalances.

But a solution must also be found for two basic sources of imbalance on the employment market: first, the inadequate liaison between education and employment - a main factor in unemployment among young people (1); the second - the inadequate consideration given to employment implications when deciding on investment or general economic policy (2).

## 2) Role of the European Social Fund

To determine the role of the Social Fund in the current context raises difficulties which must be closely examined. They are basically of three types:

- a) The Social Fund is essentially an instrument for stimulating the training and retraining of workers. It cannot by itself create new jobs, which is the most urgent need at the present time. However, it can facilitate and prepare the creation of these jobs when demand has been restored but development is hampered by lack of training. Training and retraining may not trigger an economic revival, but they contribute to the success of the re-deployment and the extent of recovery;

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(1) document No SEC (75) 1706 "Measures to Reduce Youth Unemployment".

(2) It is becoming more and more generally admitted that the effect on employment of measures in these fields requires careful analysis because of the complex nature of the labour market and its components. The least one can say is that this analysis is still at a very primitive stage.

- b) In the present crisis, structural and short-term factors are so closely linked that in practice it is often hard to separate them. The Social Fund is essentially an instrument of structural policy and can obviously have little effect on the purely short-term aspects of unemployment. It can, on the other hand, help to increase the resources available for vocational training for those expecting a new job in the context of an economic recovery.
- c) Unlike the period before 1973, the present difficulties of the labour market are not limited to categories or regions which have always been at a disadvantage. The core of the labour market ("middle-aged male workers in the central regions of the Community") is now touched as well as the peripheral regions and categories. Nor is there any way of forecasting how long this situation will continue.

The combination of all these factors means that the Social Fund, like the national organisations, must act in a situation of uncertainty. The most viable and promising activities cannot at present be clearly identified.

On the other hand, there is a tendency, in order to clarify the position for promoters, to abandon trying to cover the whole potential field and to concentrate the work of the Social Fund on certain regions or categories. Thus, at its meeting of 17 June 1975, the Council of Ministers decided to give immediate priority to measures directed against unemployment among young people, a problem causing particular concern at present. Although this problem is of primary importance, it should not be forgotten that it is merely a special symptom of the general problem of global unemployment.

To concentrate the efforts of the Social Fund on a specific problem would mean curing a symptom without necessarily removing the underlying causes.

The Commission feels that the Social Fund must be used to promote the active employment policy in its totality. Since, by their very nature, its efforts supplement those of the Member States, they must of necessity be differentiated, with preference being given to certain sectors, regions or categories as the case may be.

## SECTION II - General guidelines

In the following pages the Commission attempts to define the aims and guidelines which it feels should be given priority in the near future. In determining these, account was taken of :

- guidelines arising from Council decisions
- the incentive role of the Social Fund vis-à-vis national policies.

It is difficult to give an exact figure for total public spending by all Member States on adult vocational training (including trainees' pay) but the figures available indicate that the Social Fund accounts for 5-10%.

Although this does not make the Fund a deciding factor, it nevertheless allows it to exercise a considerable stimulating influence if properly guided.

### 1. Guidelines derived from Council Decisions

These guidelines can be summarised as follows:

- a) To support certain social objectives, which are Community priorities, on behalf of special categories of workers (Article 4: handicapped people, migrant workers and more recently young people under 25).
- b) To help to increase the share of vocational training devoted in the Member States to the underdeveloped regions and to certain categories of workers.
- c) To help gear workers retraining to the consequences of economic change:
  - either in the context of certain Community policies (Article 4: agriculture, textiles). This type of intervention should be developed.
  - or, independently of this context but within the limits permitted by Article 5. This particularly concerns programmes aimed at encouraging technical progress. These may be assisted provided the operations are not confined to a single or very limited number of firms. In the Commission's opinion, this objective can be met in situations where the promoters are unable to finance the necessary training schemes themselves, or for experiments of interests for the Community, e.g. because of the new type of training offered.

## 2. Complementary guidelines

Because of financial limitations guidelines additional to those arising explicitly from Council Decisions must be adopted. These deal with the incentive role of the European Social Fund.

1 Aid from the Social Fund must be used to boost the overall effort made by Member States in the field of adult vocational training.

2 When pursuing this objective, variations in the intensity of need must be taken into account and special attention paid to the efforts made by certain countries to close the gap between them and their partners. The Commission considers it highly desirable, for this purpose that differential rates of intervention should be established.

3. On the operational level, the Commission would suggest:

- to encourage coordinated operations, combining, for example, measures taken by firms with those taken by the various public services concerned with employment (training, guidance, placement, jobs creation). Only then does the idea of a specific programme take on its full significance.
- to attach particular importance to innovating or exemplary actions, and make them more widely known.

## SECTION III - Forecasts of Social Fund expenditure

The following information constitutes an initial outline of the foreseeable expenditure of the European Social Fund during the next three years, in accordance with Article 6 of Council Regulation (EEC) No. 858/72. This expenditure will be detailed in accordance with normal budgetary procedures and in relation to the subsequent development of the Fund.

The specific features of a forecast of this kind should be noted.

1. It is difficult to base such a forecast on an estimate of training or retraining "requirements". This term, which is imprecise, may be given very different interpretations and result in arbitrary estimates.

2. The Social Fund must intervene at "crisis" points recognised as affecting the Community. It is a mistake to think, particularly in the present situation, that the amount of assistance corresponding to these two general criteria can be foreseen.

Furthermore, the intervention of the Social Fund is subject to the level of aid granted by the public bodies of Member Countries. The Social Fund constitutes the end of a chain which starts with the promoters of projects and continues through the public bodies. The forecast of expenditure should, therefore, be based on the technical potential of promoters to provide assistance and the financial capacity of the public bodies. The first cannot be assessed, but some estimates can be made of the second.

3. It should be added that most Member Countries do not make multiannual forecasts of their expenditure on adult training. The Commission, therefore, has to use its own independent forecasts.

The financing of the European Social Fund consists of assistance (at the rate of 50% on eligible expenditure) for aid measures and action by public authorities or bodies in Member Countries relating to adult vocational training, and to mobility.

In these circumstances, a positive basis for discussion is provided by:

- (i) making a summary of measures by public bodies in Member Countries relating to adult vocational training in recent years, and defining the trend of such measures;
- (ii) predicting future trends, taking into account those factors likely to cause modifications.
- (iii) deciding upon the best rate of increase for the resources of the European Social Fund in the light of the trends thus projected for the Member Countries.

The future trends cannot, of course, be ascertained with any satisfactory degree of certainty (only one Member Country is making multiannual forecasts of its expenditure in this area). One can, however, outline possible develop-

ments on the basis of a few figures:

a) Public measures by Member Countries:

The studies made by the Directorate-General for Social Affairs suggest that, over the period 1971-1974, public expenditure on vocational training increased at an average rate of about 20% at current prices. These studies are based on a sample of public financing bodies covering about one-third of the national counterpart to contributions made by the European Social Fund. Although there are many promoters of projects, there is only a very small number of public bodies financing the national public counterpart to the contribution of the European Social Fund: seven or eight such bodies alone cover half of the counterpart contributions committed for 1973, and the figure for 1974 differs only slightly.

In the next three years, this expenditure appears likely to increase at annual rates contained in a bracket of 15-40% at current prices.

An increase rate of 15% would represent a pessimistic view: budgetary restrictions would be maintained for several years; despite the stabilization of unemployment at a higher level than before the energy crisis (but lower than its present level), the demand for vocational training would be low, because:

- the demand from firms would remain restricted, and
- the jobs available would provide little incentive for workers.

Even with such a pessimistic set of hypotheses, it is difficult to imagine that expenditure on vocational training would be very much lower than in 1971-74, a period of full employment.

The increase rate of 15% represents a minimum hypothesis.

At the other extreme is the following optimistic view: under the pressure of the redeployment to be effected, and the high level of unemployment, the budgetary authorities will make a great effort to assist vocational training. Firms and workers will show a marked response to this effort.

Even in the most favourable circumstances, it is difficult to imagine that



the supply of vocational training will substantially increase.

The supply of training depends on the existence of physical capacities and the availability of teachers. The Member Countries do not appear to have undertaken any major action in this field recently which might belie such reasoning.

Although the ceiling may reach a higher level in some countries, it is reasonable to consider that, for all the Member Countries, it will scarcely exceed 35% at current prices.

If these two extreme hypotheses are brought closer together and if an attempt is made to tighten the bracket, it seems likely that the actual increase rate of national public expenditure could be 20-30% per year at current prices, or 15-25% at constant prices (for 1974).

b) The development of the proportion of expenditure payable by the European Social Fund.

On the basis of the present area of intervention, the appropriations of the European Social Fund should increase at a rate of 20-30% per year in order to maintain their relative position in national operations.

A lower rate would represent a drop in this position, which would be inadmissible given the persistence of employment problems.

Several arguments could be put forward to justify an increase in the proportion: in particular, there is the likelihood of additional applications linked to Regional Fund's measures, and the very probable increase in applications in certain areas (particularly in connection with the Community's undertakings towards migrant workers, women and young workers). Allowing for the usual time required for the preparation of projects or applications, such an increase should be expected in the near future.

The number of bodies likely to call upon the European Social Fund for assistance is bound to increase, in particular in those countries where there is at present very little contact with the Fund. The probable result will be an increase in applications eligible for submission to the Social Fund.

The Commission considers, however, that it is more reasonable to adopt, as a main guideline for its Social Fund forecasts, an average annual increase rate of 25%, for the present areas of intervention, with the aim of stabilizing its proportion of the public expenditure of Member Countries. This position is based mainly on two considerations.

Firstly, the granting of assistance to young people under Article 4 was decided upon at the Council meeting of 17 June 1975. The Council has also undertaken to consider by 30 November 1975 a Commission proposal aimed at facilitating the geographical and vocational mobility of persons employed in the sectors most affected by the recession, account being taken of the regions with the most serious employment difficulties.

Secondly, as a result of the rapid increase in appropriations and operations over recent years, the incentive provided by the Social Fund is already becoming perceptible. Priority must be given in the immediate future to the qualitative improvement of the applications and their correspondence with Community priorities.

For all these reasons, the Commission feels that, for the next few years, an average annual rate of increase of 20-25 % should be envisaged for the present areas of intervention.

c) Consequences of the opening up of new areas of intervention.

The guidelines described above are limited to the present areas of intervention. It is obvious that the opening up of a new area is likely to bring about an increase in eligible expenditure.

Increases of this kind are directly linked with the political choices to be made. Owing to the rapid development of the employment situation, it is not possible to anticipate three years in advance the additional tasks which the Community will have to assume. The question of assistance from the Fund for structural readaptation measures linked with the crisis must be dealt with now, however, and it is taken into consideration in the specific forecasts which follow.

Conclusions for Forecasts of European Social Fund expenditure

The figures for the forecasts described above are as follows:

1. For 1976, an annual increase rate of 25%, on the basis of the 1975 budget, which is 355 million u.a., gives about 450 million u.a. for all the areas of intervention already covered, at current prices.

Including expenses on the new areas of "young people" and "sectors in difficulties" which the Council is to consider by 30 November 1975, the appropriations required was estimated at 500 million u.a. at current prices for the financial year 1976. This takes account of the possibility of overlap between actions undertaken under the new areas of intervention and those which could have been undertaken under areas of intervention which were already approved.

2. In accordance with Commission budgetary practice, the multiannual forecasts were expressed in the constant prices of the current financial year. The evaluation of the 1976 appropriations, i.e. 500 million u.a. at current prices, corresponds to 450 million u.a. at 1975 constant prices, the expected rise in prices being about 10%. For the two subsequent financial years, 1977 and 1978, the real increase rate adopted is 10-15%, corresponding to the rate of 25% forecast above at current prices. There could be an increased effort to assist structural readaptation, particularly in 1977, if the high level of unemployment were to persist. An additional increase of 5% in the appropriation assigned to Article 4 for 1977 allows for this eventuality.

The forecasts for the two financial years are, therefore, as follows, in m.u.c. at 1975 constant prices:

A P P R O P R I A T I O N S			
	Article 4	Article 5	TOTAL
1977	225 - 240	275 - 290	500 - 530
1978	245 - 275	300 - 325	545 - 600

3. It should be noted that, as a result of the opening up of new areas of intervention, a balance between the appropriations for Article 4 and those for Article 5 should gradually be achieved, as laid down in Article 9 (2) of the basic Council Decision of 1 February 1971 (71/66/EEC).

LIST OF ANNEXES

1. New regulations in 1974:
  - (a) Council Decision of 27 June 1974 on action by the European Social Fund for migrants workers (74/327/EEC - O.J.E.C. n° L 185 of 9.7.1974).
  - (b) Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons (74/328/EEC - O.J.E.C. n° L 185 of 9.7.1974).
  - (c) Regulation (EEC) n° 1761/74 of the Council of 27 June 1974 amending Council Regulation (EEC) n° 2397/71 of 8.11.1971 on aid which qualify for assistance from the European Social Fund (O.J.E.C. n° L 185 of 9.7.1974).
2. Summary table of approved operations (Article 4 and Article 5) broken down by country, for 1972/1976 agreed on 31.12.1974.
3. Graph: Trends in budgetary allocations of the Social Fund (old and new) by budget chapters.
4. List of studies and pilot-projects financed in 1974.
5. List of applications for assistance which were agreed in 1974, by country and by type of intervention.

COUNCIL DECISION

of 27 June 1974

on action by the European Social Fund for migrant workers

(74/327/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Council Decision of 1 February 1971 <sup>(1)</sup> on the reform of the European Social Fund, and in particular Article 4 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament <sup>(2)</sup>;

Having regard to the Opinion of the Economic and Social Committee;

Whereas the means of action and operation of the Fund are defined by Council Regulation (EEC) No 2396/71 <sup>(3)</sup> of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund;

Whereas, in its resolution of 21 January 1974 <sup>(4)</sup> concerning a social action programme, the Council considered that, to achieve the proposed actions successfully in the social field, the necessary resources should be provided, in particular by strengthening the role of the European Social Fund;

Whereas the aforesaid resolution provides for an action programme for migrant workers and members of their families;

Whereas, at the Council meeting held on 12 June 1972, the Council and the representatives of the Governments of the Member States meeting within the Council adopted certain considerations and conclusions concerning employment policy and invited the Commission to examine the possibility of action by the European Social Fund to improve the conditions of the free movement of workers;

Whereas the cost of measures for migrant workers must be borne primarily by the host country;

Whereas the imbalance noted in the field of employment within the Community reveals the need for specific joint action to assist migrant workers and members of their families;

Whereas the purpose of such specific joint action must be, in particular, to improve the social and living

conditions of migrant workers and members of their families;

Whereas, in order to ensure that action to assist migrant workers in the Community is more fully effective and remains uninterrupted throughout the various stages of migration, it is necessary that operations which are to benefit from the Fund, form part of integrated programmes having regard both to the labour requirements of the host country and the development requirements of the country of origin;

Whereas operations facilitating the reception and integration into the social and vocational environment of the host country of persons who have left their country of origin should also qualify for assistance from the Fund;

Whereas operations facilitating the training of welfare workers and teaching staff should also qualify for assistance from the Fund;

Whereas the reform of the European Social Fund decided on by the Council enables a contribution to be made to the costs resulting from plans under development or to be developed in the Member States with the aim of stimulating the employment and geographical and professional mobility of migrant workers,

HAS DECIDED AS FOLLOWS:

Article 1

Integrated programmes

1. Operations forming part of an integrated programme designated to facilitate the employment and geographical and professional mobility of persons, other than frontier workers, moving or having moved from one Community country to another in order to take up employment therein shall be eligible to receive assistance from the Fund under Article 4 of the Council Decision of 1 February 1971.

An integrated programme shall be taken to mean all the measures necessary to ensure the effectiveness and continuity of action throughout successive phases of migration, which may run from preparation for emigration to return to the country of origin.

<sup>(1)</sup> OJ No L 28, 4. 2. 1971, p. 15.

<sup>(2)</sup> OJ No C 23, 8. 3. 1974, p. 15.

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

<sup>(4)</sup> OJ No C 13, 12. 2. 1974, p. 1.

Integrated programmes must be consistent with the objectives of industrial and regional development policy laid down in the joint actions decided upon by the Community.

2. Those aids which feature on the list established by 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, as amended by Regulation (EEC) No 1761/74<sup>(2)</sup>, may receive assistance from the European Social Fund under paragraph 1.

#### Article 2

##### Integration measures

1. Operations which, although not part of an integrated programme, are intended to facilitate the reception and integration into their social and working environment of persons, other than frontier workers, who have left their country of origin to take up employment in a Community country, and of members of their families shall also be eligible to receive assistance from the Fund under Article 4 of the Council Decision of 1 February 1971.

2. Aids B 20 to B 24 provided for in Regulation (EEC) No 2397/71 may receive assistance from the Fund under paragraph 1.

#### Article 3

##### Welfare workers and teachers

1. Operations to facilitate the basic and advanced training of welfare workers and teachers responsible

for integration courses for migrant workers or their children shall also be eligible to receive assistance from the Fund under Article 4 of the Council Decision of 1 February 1971.

2. Aids A 10 to A 23 and B 10 to B 22 provided for in Regulation (EEC) No 2397/71 may receive assistance from the Fund under paragraph 1.

#### Article 4

##### Final provisions

This Decision shall enter into force on the fifth day following that of its publication in the *Official Journal of the European Communities*.

It shall apply to operations of which the draft has received the approval of the Commission, before the expiry of a period of three years after the entry into force of this Decision.

Done at Luxembourg, 27 June 1974.

*For the Council*

*The President*

K. GSCHIEDLE

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

<sup>(2)</sup> See page 1 of this Official Journal.

**COUNCIL DECISION**  
**of 27 June 1974**  
**on action by the European Social Fund for handicapped persons**  
**(74/328/EEC)**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Council Decision of 1 February 1971 <sup>(1)</sup> on the reform of the European Social Fund, and in particular Article 4 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament <sup>(2)</sup>;

Having regard to the Opinion of the Economic and Social Committee;

Whereas the means of action and operation of the Fund are defined by Council Regulation (EEC) No 2396/71 <sup>(3)</sup> of 8 November 1971, implementing the Council Decision of 1 February 1971, on the reform of the European Social Fund;

Whereas, in its resolution of 21 January 1974 <sup>(4)</sup> concerning a social action programme, the Council considered that to achieve the proposed actions successfully in the social field, the necessary resources should be provided, in particular by strengthening the role of the European Social Fund;

Whereas the above resolution provides for the implementation of a programme for the vocational and social integration of handicapped persons;

Whereas, on 27 June 1974, the Council adopted a resolution <sup>(5)</sup> establishing the initial Community action programme for the vocational rehabilitation of handicapped persons;

Whereas the employment situation regarding handicapped persons calls for specific joint action to improve the balance between supply of, and demand for, manpower within the Community;

Whereas assistance from the Fund should facilitate short-term demonstration projects aimed at improving the quality of vocational rehabilitation facilities and the organization of training and advanced training courses for the personnel required to ensure the vocational and social integration of handicapped persons;

Whereas assistance from the Fund should not discriminate as to the origin or the nature of the handicap;

Whereas self-employed activities, in certain cases, are more suited to the capabilities of handicapped persons;

Whereas the reform of the European Social Fund decided on by the Council enables a contribution to be made to the costs resulting from plans under development or to be developed in the Member States with the aim of stimulating the employment and geographical and professional mobility of handicapped persons,

HAS DECIDED AS FOLLOWS:

*Article 1*

1. Specific operations to facilitate the employment and geographical and professional mobility of handicapped persons shall be eligible to receive assistance from the Fund under Article 4 of the Council Decision of 1 February 1971, provided that they form part of an operation involving:

— the integration, within an overall continuous process, of all stages of medical rehabilitation, vocational training or rehabilitation and procedures prior to employment;

— the development of facilities and application of methods for medical rehabilitation and vocational training or rehabilitation suited to the requirements of handicapped persons by placing them in the best conditions to bring about vocational and social integration or reintegration which is adequate in relation to the position of able-bodied workers.

2. The following measures may be given consideration in this context:

— short-term demonstration projects aimed at improving the quality of vocational rehabilitation facilities to the extent that they conform with Chapter II, point 2 of the initial Community action programme for the vocational rehabilitation of handicapped persons;

— the organization of training and advanced training courses for:

<sup>(1)</sup> OJ No L 28, 4. 2. 1971, p. 15.

<sup>(2)</sup> OJ No C 23, 8. 3. 1974, p. 15.

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

<sup>(4)</sup> OJ No C 13, 12. 2. 1974, p. 1.

<sup>(5)</sup> OJ No C 80, 9. 7. 1974, p. 30.



- persons employed in the medical rehabilitation, vocational guidance, training, vocational training or rehabilitation and re-employment of handicapped persons,
- those responsible for the training of instructors.

*Article 2*

1. Irrespective of the origin or nature of their handicap, the Fund may intervene in favour of persons considered capable, after medical rehabilitation and vocational training or rehabilitation, of working in paid employment.

2. Operations concerning handicapped persons who are to pursue self-employed activities shall also be eligible to receive assistance from the Fund under the conditions laid down in Article 1 and in paragraph 1 of this Article.

*Article 3*

Those aids which feature on the list established by 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, as amended by Regulation (EEC) No 1761/74<sup>(2)</sup>, may receive assistance from the European Social Fund.

*Article 4*

This Decision shall enter into force on the fifth day following that of its publication in the *Official Journal of the European Communities*.

It shall apply to operations of which the draft has received the approval of the Commission, before the expiry of a period of three years after the entry into force of this Decision.

Done at Luxembourg, 27 June 1974.

*For the Council*

*The President*

K. GSCHEIDLE

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<sup>(1)</sup> OJ No L 249, (0. 11. 1971), p. 58.

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<sup>(2)</sup> See page 1 of this Official Journal

I

*(Acts whose publication is obligatory)*

**REGULATION (EEC) No 1761/74 OF THE COUNCIL**  
**of 27 June 1974**  
**amending Council Regulation (EEC) No 2397/71 of 8 November 1971 on aid**  
**which may qualify for assistance from the European Social Fund**

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European  
Economic Community;

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 3  
thereof;

Having regard to the proposal from the Commission;

Whereas the Council, pursuant to Article 4 of its Deci-  
sion of 1 February 1971, adopted a Decision on 27  
June 1974 <sup>(2)</sup> on action by the European Social Fund  
for migrant workers; whereas, in order that the objec-  
tives of the specific joint action provided for by the  
said Decision may be more fully attained, Council  
Regulation (EEC) No 2397/71 <sup>(3)</sup> of 8 November 1971  
on aid which may qualify for assistance from the Euro-  
pean Social Fund, should consequently be amended;

Whereas, in order to facilitate the reception and inte-  
gration of migrant workers and members of their fami-  
lies into their social and working environment, provi-  
sion should be made for an aid to assist the children  
of migrant workers to adjust to their new educational  
environment,

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

Done at Luxembourg, 27 June 1974.

HAS ADOPTED THIS REGULATION:

*Article 1*

The list of aids under heading B 2 in Article 1 of  
Regulation (EEC) No 2397/71 shall be supplemented  
by the following text:

'B 24 — costs of courses of specialized teaching  
which are given to children of migrant  
workers; such aid shall not cover the  
cost of normal teaching.'

*Article 2*

Article 3 of Regulation (EEC) No 2397/71 shall be  
replaced by the following text:

'Pursuant to Article 5 of the Council Decision of 1  
February 1971 on the reform of the European  
Social Fund, the Fund may contribute towards the  
financing of operations for implementing the aids  
listed in Article 1, with the exception of B 24.'

*Article 3*

This Regulation shall enter into force on the fifth day  
following that of its publication in the *Official  
Journal of the European Communities*.

*For the Council*

*The President*

K. GSCHIEDLE

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

<sup>(2)</sup> See page 20 of this Official Journal.

<sup>(3)</sup> OJ No L 249, 10. 11. 1971, p. 58.

SUMMARY TABLE OF OPERATIONS AGREED FOR THE PERIOD 1972-1976 (in u.a.)  
(Situation on 31.12.1974) (1)

MEMBER STATE	1972				1973				1974					
	Art. 5 Handicapped	%	Art. 4	%	Art. 5 Handicap.	%	Art. 5 without Handicap.	%	Art. 4	%	Art. 5 Handicap.	%	Art. 5 Without Handicap.	%
BELGIUM	1.740.957,12	6,04	729.000,00	2,56	1.470.893,42	4,70	5.005.658,00	3,95	925.600,00	1,95	1.469.547,82	3,45	4.128.511,52	2,52
DENMARK	-	-	-	-	3.203.333,33	10,22	1.851.113,33	1,46	-	-	9.923.333,33	20,65	3.308.973,33	2,02
GERMANY	10.116.530,05	35,10	9.542.941,53	34,05	6.418.574,45	20,49	3.962.978,13	3,13	9.288.918,04	19,58	12.168.443,17	28,21	6.472.904,11	3,95
FRANCE	9.036.279,36	31,35	14.252.047,00	51,13	7.410.063,39	23,65	14.350.067,59	11,33	16.305.921,75	34,37	5.239.579,04	12,13	27.980.904,99	17,07
IRELAND	-	-	708.300,80	2,52	442.674,72	1,41	9.855.278,40	6,84	7.239.197,21	15,26	966.816,00	2,24	8.069.850,05	5,29
ITALY	5.951.539,76	20,76	39.118,75	0,14	1.086.227,58	5,38	41.994.959,43	33,16	4.772.076,10	10,06	2.625.621,00	6,08	65.056.344,49	39,70
LUXEMBOURG	23.000,00	0,08	-	-	11.980,00	0,13	-	-	-	-	5.020,00	-	-	-
NETHERLANDS	1.921.933,70	6,67	807.320,45	2,87	2.213.367,62	7,00	3.748.508,28	2,96	861.187,85	1,82	2.140.814,92	4,95	3.712.430,93	2,20
UNITED KINGDOM	-	-	1.490.000,00	5,73	8.445.000,00	26,96	47.060.220,00	37,17	8.044.366,80	16,96	9.630.840,00	22,29	44.556.929,04	27,19
OVERALL TOTAL	29.929.249,99	100,00	29.057.008,53	100,00	31.332.664,51	100,00	126.626.722,15	100,00	47.437.267,75	100,00	43.210.015,28	100,00	163.898.849,35	100,00

\* This sum includes actions carried out in 1972 for a total expenditure of 4,260,206,20 u.c.

V/406/75- E

(1) This explains the slight gap - due to exclusion of the 1977 exercise - which separate the overall total as indicated in the summary table in Chapter II and drawn up on 1.1.1975 (see Chapter II, page 28 and the note).

## SUMMARY TABLE OF OPERATIONS AGREED FOR THE PERIOD 1972-76 (in u.a.)

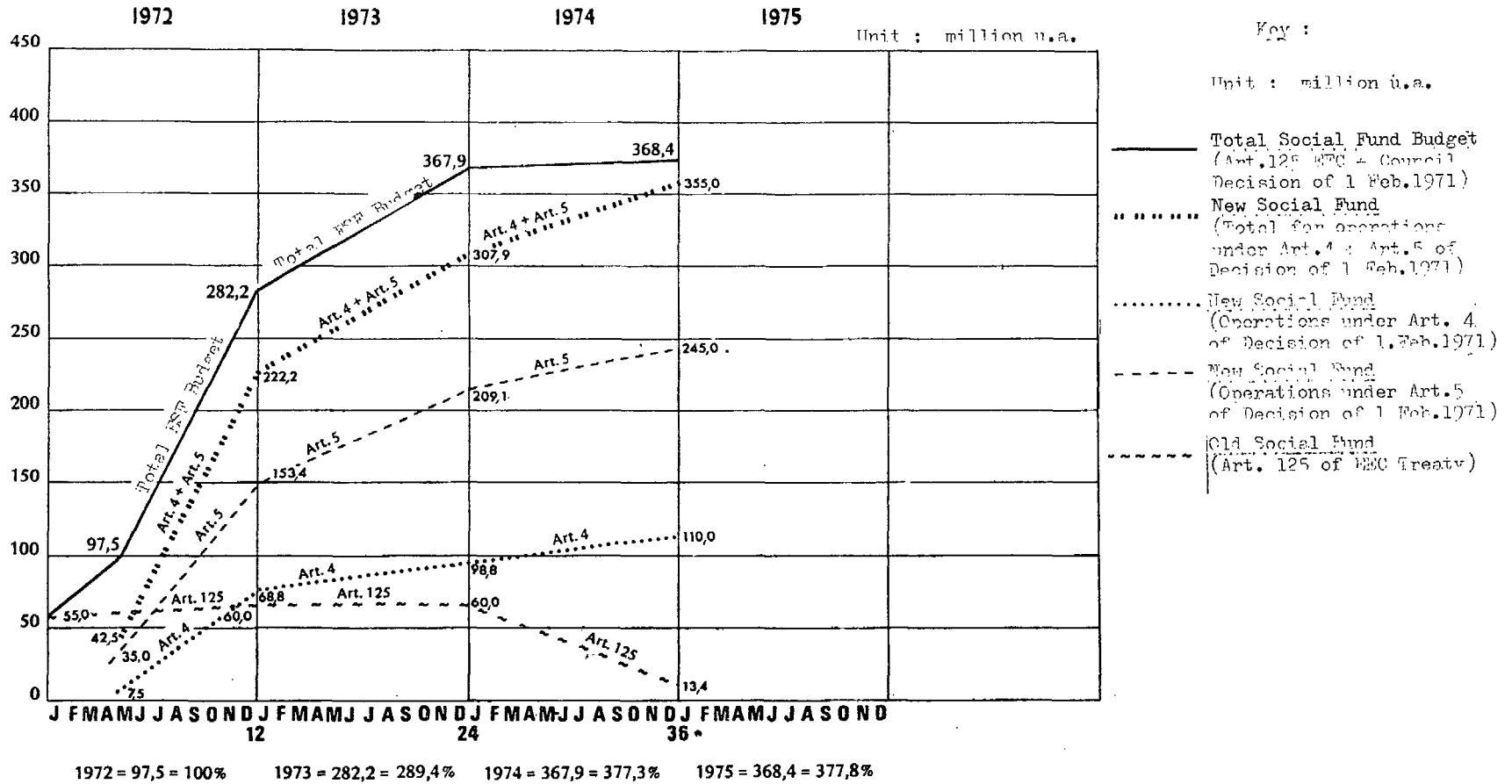
(Situation on 31.12.1974 continued)

1975						1976						TOTAL GENERAL
Art. 4	%	Art. 5 handicapés	%	Art. 5 sans handicapés	%	Art. 4	%	Art. 5 handicapés	%	Art. 5 sans handicapés	%	
1.021.400,00	2,66	-	-	3.274.700,10	6,13	-	-	-	-	203.000,00	1,94	13.980.277,98
-	-	-	-	-	-	-	-	-	-	-	-	17.286.753,32
499.784,15	1,30	-	-	444.180,33	0,83	-	-	-	-	88.852,46	0,85	59.055.006,42
8.418.375,49	21,90	-	-	3.116.103,53	5,84	2.484.305,18	14,79	-	-	246.817,27	2,35	108.950.504,49
3.386.079,60	8,81	-	-	1.021.186,62	1,95	196.431,19	1,17	-	-	145.951,20	1,39	31.449.765,79
24.353.204,04	63,36	-	-	31.664.888,91	59,31	13.877.669,00	82,59	-	-	8.781.678,65	83,00	200.846.226,70
-	-	-	-	-	-	-	-	-	-	-	-	69.920,00
-	-	-	-	46.685,08	0,09	-	-	-	-	-	-	15.452.278,83
755.835,60	1,97	-	-	13.803.704,64	25,85	243.829,20	1,45	-	-	1.013.342,40	9,67	135.444.667,68
36.435.278,88	100	-	-	53.391.449,21	100	16.802.534,57	100	-	-	10.479.641,98	100	588.524.401,21

European Social Fund

(Art. 125 of EEC Treaty and Council Decision of 1 February 1971)

TRENDS IN BUDGETARY ALLOCATIONS



List of preparatory studies and pilot schemes submitted for 1974 (1)

(European Social Fund)

(Article 7)

1. Migrant workers

			<u>in u. a.</u>
30/74 ET	Study of the socio-economic and occupational integration needs of migrants	Centre d'Etude des Problèmes de Population Active et d'investissement en ressources humaines (CEPPAO) Bruxelles	29,000.--
34/74 ET	Study-day preparatory to action by the Social Fund to assist reception centres for young migrant workers	Organisation Européenne des Unions de Foyers et Services pour Jeunes Travailleurs	1,400.--
42/74 EP	Scheme for the training of migrants to facilitate their integration into the British textile sector	The Cotton and Allied Textiles Industry Training Board - Manchester	10,200.--
44/74 ET	Study preparatory to the experimentation of an "integrated programme" going from the preparation to the organisation of the return of a group of Italian migrants to their region of origin	Institut Européen Inter-universitaire de l'Action Sociale - Marcinelle	15,200.--
46/74 ET 47/74 EP	Training of teaching staff and social workers for immigrant workers and their children	Institut International de Recherche et de Formation (IRIFED) - Paris	41,410.18 34,208.42

ET : preparatory study

EP : pilot scheme

			<u>in u. a.</u>
49/74 EP	Training programme for bilingual instructors - organizers (Italian - German)	Istituto per la Formazione e l'Orientamento dei lavoratori migranti (IFOLM) Rome	65,983.60
51/74-75 EP	Model training programme for welfare workers responsible for migrant workers	Katholisches Sozialinstitut - Freising (Germany)	36,202.19
<u>2. Multipurpose training</u>			
31/74 LT 35/74-75 EP	Multipurpose training for the meat industries in Brittany	Association pour le Développement de la Promotion Sociale en Bretagne (ADPSE) - Rennes	26,160.44 166,008.---
38/74 EP	Introduction of science subjects into occupational training for industry	Ente Nazionale ACLI per l'Istruzione Professionale (ENAIIP) Rome	33,896.48
43/74 LP	Polyvalent training programme for highly-skilled divers	Training Service Agency (a public body within the Manpower Services Commission) London	18,540.---
52/74 EP	Preparation and validation of a programme of versatility training for persons experiencing difficulties in retaining stable employment	AnCO - The industrial Training Authority - Dublin	30,024.---
<u>3. Data-processing</u>			
36/74-75 EP	Creation of a training centre for the sector of data-processing applied to industry	Université du Travail Paul Pastur (Charleroi)	71,800.---

			<u>in u. s.</u>
39/74 ET	Evaluation study into the potential contribution of training staff to minimise employment disequilibrium in the computer field and the means of achieving it	Institute of Personnel Management - London	26,400.--
<b>4. <u>Handicapped</u></b>			
37/74 EP	Occupational and social resettlement of young mentally handicapped adults	"Rencontres Européennes à Gratte" (Belgium); "Chantier Européen de Jeunes à Gratte" (France) "Kortman-Stichting Gratte" (the Netherlands)	12,211.50
50/74 EP	Training of handicapped persons in the use of a typewriter actoned by light impulses	Centre de Réadaptation "De Hoegsraat" Leersum (the Netherlands)	22,514.--
<b>5. <u>Women</u></b>			
40/74 ET	Reintegration into the labour market of women over 35 years of age	Industrial Relations Unit (Dept. of Extra-Mural Studies) - Manchester University	5,520.--
<b>6. <u>Trainers</u></b>			
41/74 EP	Training programme for Management Development Advisers	Department of Employment - London	24,648.--
<b>7. <u>Textile</u></b>			
48/74 ET	Stocking and tights industry within the EEC	Soc. Capelin - Geneva	16,637.68



in u. a.

8. European Social Fund

33/74 ET	Setting-up of machinery to measure the efficiency of occupational training schemes subsidised by the Social Fund	9,900.--
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9. Regions

45/74 ET	Study preparatory to an operation in which the European Social Fund will be asked to intervene (shipyard / declining regions)	Campbeltown Shipyard Ltd. N. Scotland	1,500.--
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TOTAL.....	699,364.49 (1)
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(1) 104,220.69 u. a. of which are charged against financial year 1975.

LIST OF APPLICATIONS FOR AID AGREED IN 1974 BY COUNTRY AND BY TYPE OF INTERVENTION.

NOTE

The figures presented in the columns headed "No. of workers" and "Assistance Requested" are purely indicative :

- a) The figures for Assistance Requested are adjusted between the time of the initial presentation of the application, when first exploratory contacts are made, and the time of the final agreement. As a general rule, the figures given correspond to the figures available at the time of the agreement.
- b) As regards the number of workers, the figures given at the time of the initial presentation are corrected in keeping with changes made in the amount requested, especially on the basis of criteria of acceptability. The information should nevertheless be interpreted on a case by case basis, taking account of the variety of the aids which can be applied. They call for caution especially as regards global demands. The data on number of workers should be considered as simply giving an indication of the size of operations.

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Période in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés No workers included Anzahl Arbeit- nehmer	Concours (in 1000 u.c.) demandés/requested beantragt total/ingesamt	Assistance (in 1000 u.a.) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 R.E.) total/ingesamt
B	Agriculture	Office national de l'emploi (ONEM)	Janv. 1974 - déc. 1975	500	620	620	
E	Textile	Office national de l'emploi (ONEM)	Janv. 1974 - déc. 1975	1.500	1.324	1.324	
L							
C	Trav. migrants	Adm. communale St. Josse-ten-Noode	Nov. 1974 - juin 1975	60	3	3	
I							
G	Handicapés	Fonds nat. reclassement social des handicapés	Janv. 1974 - déc. 1974		2.816	1.490	
U							
F	Régions	Office national de l'emploi (ONEM)	Janv. 1974 - déc. 1975	11.460	8.628	6.643	
		Office national de l'emploi (ONEM)	Janv. 1974 - déc. 1976	3.300	740	740	
I	Handicapés	Ministère des Affaires Sociales	Janv. 1974 - déc. 1974		17.847	8.923	
F							
I	Régions	Ministeriet for grønland Sekretariatet for Arbejdsmarkedssuddannelserne	Janv. 1974 - déc. 1974	1.350	1.032	623	
J			Janv. 1974 - déc. 1974	4.540	2.440	2.305	
M	Groupe d'entreprises et régions	Sekretariatet for Arbejdsmarkedssuddannelserne	Janv. 1974 - déc. 1974	450	328	312	
A							
R							
K							

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 u.c.) demandé/requested beantragt	(in 1000 u.a.) proposé/proposed vorgeschlagen	(in 1000 RE)
					total/inggesamt		total/inggesamt
R E P U B L I C I T É F R A N C O I S E	Agricul- ture	Bundesanstalt für Arbeit	Janv. 1974 - déc. 1974	3.650	6.453		6.453
		Handwerkskammer Nieder- Bayern Oberpfalz	Janv. 1974 - déc. 1974	250	23		23
	Textile	Bundesanstalt für Arbeit	Mars 1974 - déc. 1974	+ 2.000	2.652		2.652
	Travail- meurs mi- grants	Internationaler Bund für Sozialarbeit	Sept. 1974 - Août 1975	591	229		229
		Internationaler Bund für Sozialarbeit	1975	8.209	336		336
	Handicapés	Bundesanstalt für Arbeit ... und andere Träger	Janv. 1974 - déc. 1975		12.188		12.188
	Régions	Der Senator für Arbeit und Soziales in Berlin	Janv. 1974 - déc. 1974	850	820		404
	Bayerisches Staatsminis- terium für Arbeit und Sozialordnung	Janv. 1974 - déc. 1974	650	96		96	
	" " " "	Janv. 1974 - déc. 1974	1.400	571		462	
	Bundesanstalt für Arbeit	Janv. 1974 - déc. 1976	2.890	8.781		6.140	

ays country and	Category Catégorie Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations is carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 uc)	(1000 u.a.)	(1000
					demandé/requested	proposé/ proposed	
					beantragt	vorgesch	
					total/ingese	total/ingese	
F R	Agriculture	Ministère Agriculture	Janv. 1974 - déc. 1976	7.200	13.517	13.517	
		Commissariat général au tourisme	Janv. 1974 - déc. 1974	434	535	535	
A N	Agriculture et textile	S.N.C.F.	Nov. 1974 - Oct. 1975	2.800	1.420	1.420	
C E	Textile	Féd. franç. Ind. Maille et Bonneterie	Janv. 1974 - Avril 1974	221	135	135	
		Ministère du développement industriel et scientifique	Janv. 1974 - déc. 1974	4.680	686	488	
	Migrants	Secrétariat d'Etat trav. imm. promoteurs divers	14 juillet 1974 - déc. 1975	17.216	2.900	1.343	
	Handicapés	Centre orientation sociale	Sept. 1974 - août 1976	90	168	168	
		Ministère du travail	Janv. 1974 - déc. 1974		17.090	212	
		Union caisses centrales de la mutualité agricole	Janv. 1974 - déc. 1975	250	1.084	297	
		Association Pont-Achard	Nov. 1974 - déc. 1976	320	43	43	

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 u.c.) demandé/requested beantragt	(in 1000 u.a.) proposé/proposed vorgeschlagen	(in 1000 R.E)
					total/inggesamt	total/inggesamt	
F	Régions	Chambre Commerce Albi	Janv. 1974 - déc. 1974	15	31		31
R		Centre régional promo- tion travail (CREPT)	Janv. 1974 - déc. 1974	90	65		65
A		Association Promotion Sociale Gironde	Janv. 1974 - déc. 1974	140	132		132
N		Centre Etudes Indus- trielles (CESI)	Janv. 1974 - déc. 1974	62	261		261
C		Chambre Commerce Angoulême	Janv. 1974 - déc. 1974	410	398		398
E		Ass. gérance Ecole ap- prentissage maritime La Rochelle	Janv. 1974 - déc. 1974	41	30		30
		Chambre commerce Loire Atlantique Nantes (CEPIC)	Janv. 1974 - déc. 1974	60	122		122
		Ass. formation prof. et promotion sociale Loire Atlantique	Janv. 1974 - déc. 1974	730	263		263
		Municipalité St. Nazaire (Loire Atlantique)	Janv. 1974 - déc. 1974	325	18		18
		Féd. Reg. maisons fami- liales, inst. rurale d'éduc. et orient. et centres format. Bays de la Loire	Janv. 1974 - déc. 1974	615	141		141

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours (en 1000 u.c.) demandé/requested beantragt total/ingesamt	Assistance (in 1000 u.a.) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 R.E.)
F	Régions	Lycée technique Cholet- Luçon (Min. Educ. nat.)	Janv. 1974 - déc. 1974	30	14	14	
R							
A		Centre Etudes Industr. (CESI) Nantes -Chantenay)	Janv. 1974 - déc. 1974	177	126	126	
N							
C		Association gérance éco- les apprentissage marit. Lorient-Kergorlay	Janv. 1974 - déc. 1974	135	116	116	
E							
		Ass. dév. promotion soc. Bretagne (Rennes)	Janv. 1974 - déc. 1974	185	129	129	
		Commissariat gén. au Tou- risme	Janv. 1974 - déc. 1974	1.276	371	371	
		Ministère du Travail	Janv. 1974 - déc. 1974	6.250	14.655	9.309	
	Régions Progrès technique	Promoteurs divers 3 ré- gions en reconversion Ministère du Travail	Janv. 1974 - déc. 1974	5.437	6.106	1.980	
		Promoteurs divers Sud-Est	1974 - 1975	777	3.500	1.287	
	Régions	Secrét. gén. départ. Outre-Mer	1974 - 1975	15.900	7.602	7.459	
	Régions Progrès technique	Promoteurs diverses ré- gions prioritaires	1974 - 1975 - 1976	1.867 2.246	1.704	501 1.518	

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 u.c.) demandé/requested beantragt	(in 1000 u.a.) proposé/proposed vorgeschlagen	(in 1000 R.E.) total/ingesamt
F	Régions	Institut formation tech- nique manutention (art.5)	Oct. 1974 - juin 1975	47	92		58
R		I.F.T.I.M. (art.4)		25	35		35
A	Régions + grou- pe d'en- treprise	S.N.I.A.S.	Oct. 1974 - déc. 1974	330	2.365		959
C	Progrès technique	Centre internat. télé- mécanique d'enseigne- ment et de formation	Janv. 1974 - déc. 1974	2.150	162		162
E		Compagnie gén. de Geophysique	Janv. 1974 - déc. 1974	270	207		207
		Centre formation assis- tants en gestion indus- trielle	Janv. 1974 - déc. 1974	45	208		208
		Ecole de travaux en plon- gée sous-marine	Janv. 1974 - déc. 1974	50	165		
		Ministère Aménag. Terri- toire	1974 - 1975	1.940	2.964		2.964
	Groupes d'entre- prises et régions	Ass. formation et promo- tion profess. de la Chau- sure	Janv. 1974 - déc. 1974	255	477		477
		Centre interprof. forma- tion chambre commerce Angouême	Janv. 1974 - déc. 1974	72	55		55



Pays	Catégorie	Organismes responsables	Période de réalisation	Effectifs	Concours	Assistance	Zuschuss
Country	Category	Responsible bodies	des opérations	concernés	(in 1000 u.c.)	(in 1000 u.a)	(in 1000 R.F.)
Land	Kategorie	Träger	Periode in which the	N° workers	demandé/requested	proposé/proposed	
			operations are carried	included	beantragt	vorgeschlagen	
			out	Anzahl			
			Verwirklichungsperiode	Arbeit-	total/ingesamt	total/ingesamt	
			der Massnahmen	nehmer			
F	Groupes	Ass. Meusienne Inter-	Sept. 1974 - avril 1975	580	790	762	
R	d'entre-	prof. Formation et					
A	prises	Promotion - Ministère					
N		Travail, Emploi et Po-					
C		pulation - Chambre com.					
E		Montpellier					
		Ministère du Travail	Oct. 1974 - avril 1975	15	17		

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 uc)	(in 1000 ua)	(in 1000 R.E.)
					demandé/requested	proposé/proposed	
					beantragt	vorgeschlagen	
					total/inggesamt	total/inggesamt	
I R L A N D E	Agriculture	Industrial Development Authority	Janv. 1974 - déc. 1975	2.100	933		933
		Gaeltarra Eireann	Janv. 1974 - déc. 1974	1.200	373		367
	et textile	An Chomairle Oiluna (Anco)	Janv. 1974 - déc. 1974	2.750	2.288		2.168
		Shannon Free Airport Dev. Company Ltd (SFADCO)	Janv. 1974 - déc. 1974	200	85		85
	Agriculture	O Dwyer Steel Co Ltd.	Mai 1974 - mai 1975	40	8		8
		Aer Lingus Teoranta	Oct. 1973 - sept. 1974	60	115		86
	et textile	Industrial Dev. Authority	Mai 1974 - sept. 1976	4.000	2.484		2.484
		I.J.M. Company Ltd.	Janv. 1975 - déc. 1976	42	67		67
		J.& L.F. Goodbody Ltd.	Avril 1974 - avril 1976	111	62		62
		Glenn Abbey Ltd.	Janv. 1974 - déc. 1975	55	41		34

Land Country Pays	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 uc) demandé/requested beantragt	(in 1000 ua) proposé/proposed vorgeschlagen	(in 1000 R.E.) total/ingesamt
I R L A N D	Textile	Industrial Dev. Authority	Janv. 1974 - déc. 1974	9	3		3
		Montmellick Textiles Ltd	Avril 1974 - avril 1976	20	5		5
	Textile agriculture	Tullamore Yarns Salts	Avril 1974 - avril 1976	57	8		8
		Navan Carpets Ltd.	Avril 1974 - avril 1976	32	17		17
E	Handicapés	Health Board and Nat. Rehabilit. Board	Janv. 1974 - déc. 1974	± 4.320	496		496
		Private bodies	Janv. 1974 - déc. 1974		470		470
Régions		Irish Industrial Train- ing Authority (ANC°)	Janv. 1974 - déc. 1974	3.850	4.120		3.783
		Irish Management Inst.	Janv. 1974 - déc. 1974	5.060	1.200		592
		Ind. Development Auth.	Janv. 1974 - déc. 1975	1.950	1.035		1.035
		Dwyer Steel Co Ltd.	Mai 1974 - mai 1975	66	20		12
		Arthur Guinness Son and C°	Janv. 1974 - déc. 1976	170	424		106
		Shannon Free Airport Dev. Co Ltd.	Janv. 1974 - déc. 1974	400	103		103
		I.D.A.	Oct. 1974 - déc. 1976	748	510		510
		Department of Education	1) 1er Janv. au 31 août 74 2) Sept. 74 au 31 août 1975	4.400	7.048		2.436
		National Manpower Serv.	Janv. 1974 - déc. 1974	830	55		55
		I.J.M. Co Ltd.	1975 - 1976	21	34		34

Pays Country Land	Category Categorie Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Période in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 uc) demandé/requested beantragt	(in 1000 ua) proposé/proposed vorgeschlagen	(in 1000 R.E.) total/ingesamt total/ingesamt
I R	Régions Agric. Textile	Tuney Meat Packers Art.4	Nov. 1974 - avril. 1975	60	103		27
		Art.5		38			8
L		Botany Weaving Mill Art.4	Avril 1974 - avril 1976	7	20		7
A		Irish Paper Sacks Art.5	Janv. 1975 - déc. 1975	9	34		13
N		Art.4		8			12
D		Department of Education Art.5	Janv. 1974 - août 1975	1.170	692		692
E		C.E.R.T. Art. 5	Janv. 1974 - Août 1975	2.860	3.743		2.464
				665			699
		Janelle Art. 5	Avril 1974 - déc. 1975	75	8		8
		Art. 4		20			33
		Surfit Corrugated lates Art. 5	Févr. 1974 - déc. 1976	105	115		115
		Art. 4		40			29
		Irish Sugar Co Ltd. Art.5	Nov. 1974 - 1975/76	48	69		13
		Art.4		30			18
	Régions Progrès technique	Dept. of local Govern- ment	Janv. 1974 - déc. 1974	700	24		24
		An Foras Forbatha	Janv. 1974 - déc. 1974	350	42		37

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours (en 100 uc) demandé/requested beantragt total/ingesamt	Assistance (in 1000 ua) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 P.E.) proposé/proposed vorgeschlagen total/ingesamt
I T A L I E	Agriculture	Società Montefiore	Janv. 1974 - déc. 1976	5.675	4.650	4.650	
		Ente Delta Padano	Janv. 1974 - déc. 1974	250	499	499	
	Agric. Régions Progrès technique	Regione Marche Art. 4 Art. 5	Janv. 1975 - déc. 1976	2.680 ) 1.303 )	2.774	1.005 ) 1.152 )	
	Agric.	I.A.L. (Ist. Addestramento Lavoratori)	de 1974 à 1977	2.445	4.278	2.609	
		Regione Lombardia	de 1974 à 1976	6.000	15.375	11.533	
	Textile	Adm. Region. Toscana	de 1974 à 1975	552	607	607	
	Travailleurs migrants	I.F.O.L.N.	Sept. 1974 - nov. 1976	14.100	48.910	5.939	
		Minist. Affari Esteri Promotori vari	Sept. 1974 - sept. 1975	-	6.223	2.868	
		E.N.A.I.P.	14 juill. 1974 - déc. 76	26.910	3.511	2.141	
	Handicapés	Regione Veneto Art.4 Art.5	Oct. 73/74 - 1975	300 ) 1.630 )	701 ) 1.429 )	701 ) 1.429 )	
		Régione Lombardia Art.5	1974 - 1975 - 1976	1.700	443	443	

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Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours	Assistance	Zuschuss
					(en 1000 ue.) demandé/requested beantragt total/ingesamt	(in 1000 ua.) proposé/proposed vorgeschlagen total/ingesamt	(in 1000 RE)
I	Handicapés	ENAIIP	Oct. 1974 - sept. 1976	480	893		893
T		ENAOI	1974	400	1.037		0
A		ANMIL	Janv. 1974 - Juil. 1975	195	772		456
LE		Assoc. Nle Scuola It. (ANSI)	1974 - 1976	80	426		30
I		Istitut per Agricoltura	Oct. 1974 - déc. 1977	1.150	1.958		1.599
E		Istitute Naz. Previdenza Sociale	Janv. 1974 - déc. 1974	155	298		298
	Handicapés	Adm. prov. de Parme	Janv. 1975 - déc. 1976	90	590		590
	Agricul- ture	ENAIIP	Nov. 1974 - déc. 1976 1974 - 1975 - 1976	352 ( 400 ( 100	317 ( 2.709 ( 2.709		308 ( 2.709 ( 2.709
	Régions	Ultra - SPA	Janv. 1974 - déc. 1975	120	102		102
		A.N.A.P.	Janv. 1974 - déc. 1976	1.740	14.142		4.229
		Plasmon Sud	Janv. 1974 - déc. 1975	224	109		79
		Isra SpA	Janv. 1974 - déc. 1975	315	150		150
		Regione Veneto	Janv. 1974 - déc. 1975	14.820	16.133		10.071
		E.N.I.	Mai 1974 - déc. 1976	2.210	4.246		3.844

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours (en 1000 us) demandé/requested beantragt total/ingesamt	Assistance (in 1000 ua) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 RE)
I	Régions	Videocolor SpA	Oct. 1974 - mars 1975	500	350	350	
T		General Impianti )	1974 - 1976	( 11	31	3	
A		Valeo )	1974 - 1976	( 100	53	9	
L		Drago )	1974 - 1975	( 38	25	3	
I		Aeromeccanica Sud )	1974 - 1976	( 67	327	10	
E		Siderurgica Merid. Stefana	1974 - 1976	280	457	457	
		Manifatture Tessili Pugliesi	1974 - 1976	40	56	48	
		Intermotor	1974 - 1976	166	319	308	
		Fiat SpA	1973 - 1975 1974 - 1976	1.700 50	2.000 556	261 37	
		ENAP	1974 - 1975 - 1976	350	246	226	
		Dorothy SpA	1974 - 1975 - 1976	60	25	25	
		INIP	1974 - 1975 - 1976	1.080	981	981	
		Olivetti SpA	1974 - 1975	2.964	1.139	0	
		Ente Naz. per Laboratori Rimpatriati	Mai 1974 - 1975	400	80	80	
		Regione Abruzzi	1974 - 1975 - 1976	310	525	367	

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours (en 1000 uc) demandé/requested beantragt total/ingesamt	Assistance (in 1000 ua) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 RE)
I	Régions textile	Montefibre Art.5 Art.4	Janv. 1974 - déc. 1976	1.850 5.675	4.000 4.651	1.507 4.651	
T	Régions	Iri	Janv. 1974 - déc. 1976	12.025	15.338	11.395	
A	Progrès techn.						
L	Régions Progrès techn.	Efin	Mai 1974 - 1975	1.177	1.680	1.311	
I	Groupe entrepr.						
E	Régions agric.	Regione Toscana Art.5 Art.4	Janv. 1974 - déc. 1974	175 175	154	0 80	
	Régions agric. Groupe entrepr.	Montedison SpA Art.5 Art.4	Mai 1974-1975-déc. 1976	3.215 1.055	8.771	5.680 953	
	Progrès techn.	Consorzio per il pro- gresso didetto e metodologico	1975 - 1976 - 1977	270	443	443	
	Groupe entrepr. textile	Geconf Art.4 et 5	Mai 1974 - juillet 1975	(4) 212 (5) 202	(4) 410 (5) 260	(4) 310 (5) 260	
	Groupe entrepr.	Egan	Janv. 1974 - déc. 1974	120	155	155	
	régions	Standa SpA	Juin 1974 - mai 1975	450	781	382	



Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the opera- tions are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés No workers included Anzahl Arbeit- nehmer	Concours (en 1000 u.c.) demandé/requested beantragt total/ingesamt	Assistance (in 1000 u.a.) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 R.E.)
L U X E N B O U R G	Handicapés (Art. 5)	Office placement et rééduc. prof. trav. handicapés	Janv. 1974 - déc. 1974	22	14.080	5.020	
		Ass. ass/c. accidents section ind. agric. forest.	Janv. 1974 - déc. 1974	1.200 110	28 7	0 0	
	Agriculture	Ministerie van Sociale Zaken	Janv. 1974 - déc. 1974	600	861	861	
S B A S	Handicapés	Ministerie van Sociale Zaken	Janv. 1974 - déc. 1974	4.000	4.209	2.141	
		Régions	Ministerie van Sociale Zaken	Janv. 1974 - déc. 1974	5.195	4.038	3.477

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeit- nehmer	Concours		Assistance		Zuschuss	
					(en 1000 uc)	(in 1000 ua)	(in 1000 RE)	demandé/requested beantragt	proposé/proposed vorgeschlagen	total/ingestamt
R O Y A U M	Agricul- ture	Dept. of Employment	Janv. 1974 - déc. 1974	300		154		154		
		Cosira - Sicras	Mai 1974 - déc. 1974 (C) (S)	2.612 932	(C) (S)	403 207	(C) (S)	154 45		
	Tyrone Crystal Ltd.	Nov. 1974 - déc. 1976	69		233		103			
	Agric.+ régions	The Construction In- (4) dustry Training Board(5)	Oct. 1974 - 31 juillet (4) 1976 et 77 (5)	.450 5.358	Art.4 Art.5	531 1.699	(4) (5)	.425 1.347		
E U N I	Textile	Dept. of Employment	Janv. 1974 - déc. 1974	650		272		272		
		Ministry of Health and Social Services Northern Ireland	Janv. 1974 - déc. 1974	1.600		295		295		
		Wool Jute Flax Industry Training Board	1974 - 1975	850		61		31		
	Trav. migrants	Home Office Deprt. Em- ployment	Juillet 1974 - déc. 1975	142.500		6.359		6.344		
	Handicapés	Dept. of Employment Social Service	1974			30.844		9.631		
		Employment Service Agency	1974 - 1975			545		545		
		Dept. of Health and Social Security	Août 1974 - déc. 1974			670		700		

Pays Country Land	Catégorie Category Kategorie	Organismes responsables Responsible bodies Träger	Période de réalisation des opérations Periode in which the operations are carried out Verwirklichungsperiode der Massnahmen	Effectifs concernés N° workers included Anzahl Arbeitnehmer	Concours (en 1000 uc) demandé/requested beantragt total/ingesamt	Assistance (in 1000 ua) proposé/proposed vorgeschlagen total/ingesamt	Zuschuss (in 1000 RE)
R	Régions	The Training Services Agency	Janv. 1974 - déc. 1975	22.185	72.480		25.688
O		The Training Services Agency	Mars 1974 - août 1975	1.670	1.718		773
Y		Ministry of Health and Social Services	Janv. 1974 - déc. 1974	12.920	12.719		9.520
A		T.S.A.	Janv. 1974 - déc. 1974	3.435	15.002		539
U		Dpt. of Employment	Janv. 1974 - déc. 1874	100	4.531		7.440
M		Footwear Industry Training Board	Janv. 1974 - déc. 1975	735	675		675
E		Strathearn Audio Ltd.	1975 - 1977	1.360	1.033		1.030
U		Northern Ireland Electricity Service	Oct. 1974 - sept. 1975	(4) 156 (5) 77	(4) 72 (5) 36	(4) (5)	72 36
N		Andus Electronics	Mai 1974 - 30 avril 77	35 106	27 91		27 91
I	Régions agric. + textile	D.I. Smyth	Oct. 1973 - mars 1975	36	13		13
		Tools and Cans	Mai 1974 - déc. 1975	18 73	27 110		40 110
		Tufted Carpet	Mai 1974 - déc. 1975	28 84	17 24		17 24
		Breton	Mai 1975 - avril 1976	16 48	20 8		20 7