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REPORT

drawn up on behalf of the Committee on Social Affairs and
Employment

on the proposal from the Commission of the European
Communities to the Council (COM(85) 451 final -
Doc. C 2-86/85) for a regulation amending Regulation
(EEC) No. 2950/83 on the implementation of Decision
83/516/EEC on the tasks of the European Social Fund

Rapporteur: Mr F. PISONI

WG(VS)/2686E

PE 100.874/fin.

By letter of 11 September 1985 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 126 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 2950/83 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund.

On 7 October 1985 the President of the European Parliament referred this proposal to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Budgets for its opinion.

At its meeting of 19 September 1985 the Committee on Social Affairs and Employment appointed Mr Iodice rapporteur.

At the meeting of 15-16 October 1985 Mr Iodice was replaced by Mr F. Pisoni.

The committee considered the Commission's proposal and the draft report at its meeting of 15 October 1985.

At the same meeting the committee decided by 10 votes to 0 with 8 abstentions, to recommend to Parliament that it approve the Commission's proposal, subject to the following amendments.

The committee then adopted the motion for a resolution as a whole by 10 votes to 0 with 8 abstentions.

The following took part in the vote: Mr WELSH, chairman; Mr SALISCH, vice-chairman; Mr F. PISONI (substitute), rapporteur; Mrs d'ANCONA, Mr BACHY, Mrs CHOURAQUI, Mr GAIBISSO, Mrs GIANNAKOU-KOUTSIKOU, Mr HINDLEY (deputizing for Mr DIDO), Mr HUGHES (deputizing for Mr STEWART), Mr LE CHEVALLIER, Mrs MAIJ-WEGGEN, Mrs MARINARO (deputizing for Mrs HOFFMANN), Mr McMAHON (deputizing for Mrs DURY), Mr MEGAHY, Mr RAGGIO, Mrs SQUARCIALUPI (deputizing for Mr ALAVANOS) and Mr TUCKMAN.

The opinion of the Committee on Budgets is attached.

The explanatory statement will be presented orally.

The report was tabled on 17 October 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Social Affairs and Employment hereby submits to the European Parliament the following amendments to the Commission proposal and motion for a resolution together with explanatory statement:

- I. Proposal from the Commission for a regulation amending Regulation (EEC) No. 2950/83 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund

Text proposed by the Commission of
the European Communities

Amendments tabled by the Committee
on Social Affairs and Employment

Preamble unchanged

Amendment No. 1

First recital to read as follows:

whereas the Community objective of reducing the number of unemployed persons can be achieved equally well by assisting the creation of jobs for self-employed persons as by creating jobs for employed persons,

whereas the Community objective of reducing the number of unemployed persons can be achieved, inter alia, by assisting the creation of jobs for employed persons and, creating jobs for self-employed persons, provided that the sectors concerned are clearly specified,

Second recital unchanged

Amendment No. 2

Insert a third recital as follows:

whereas the possibility for self-employed workers to receive assistance from the Fund will require a corresponding increase in the financial resources available to this instrument,

Text proposed by the Commission of
the European Communities

Article 1

Article 1(c) of Regulation (EEC)
No. 2950/83 is replaced by the
following:

'(c) the granting, for a period not exceeding 12 months per person, of aid for recruitment to additional jobs or for employment in projects for the creation of additional jobs which fulfil a public need, and of income support in connection with the creation of jobs for self-employed persons, for young people under 25 who are seeking employment and long-term unemployed; the jobs referred to must be stable or likely to provide additional training or experience with a vocational content giving access to the labour market and facilitating employment in a stable job;'

Article 2

This regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

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

Amendments tabled by the Committee
on Social Affairs and Employment

Amendment No. 3

Article 1 to read as follows:

Article 1(c) of Regulation (EEC)
No. 2950/83 is replaced by the
following:

'(c) the granting, for a period not exceeding 12 months per person, of aid for recruitment to additional jobs or for employment in projects for the creation of additional jobs which fulfil a public need, and of income support in connection with the creation of jobs for self-employed persons, for young people under 25 who are seeking employment and long-term unemployed; the jobs referred to must be stable or likely to provide additional training or experience with a vocational content giving access to the labour market and facilitating employment in a stable job;'
assistance for the creation of jobs for self-employed persons may be granted only if this type of expenditure falls within the framework of new and specific national measures capable of combatting unemployment. Fund assistance may only be granted during the initial stage of these measures.

Amendment No. 4

Article 2 to read as follows:

This regulation shall enter into force on 1 January 1987.

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

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation (EEC) No. 2950/83 on the implementation of Decision 83/516/EEC on the tasks of the European Social Fund

The European Parliament,

- having regard to the proposal from the Commission to the Council¹
 - having been consulted by the Council (Doc. C2-86/85),
 - having regard to its resolutions of 17 May 1983², 30 March 1984³, 12 February 1985⁴ and 15 March 1985⁵,
 - having regard to the report of the Committee on Social Affairs and Employment and the opinion of the Committee on Budgets (Doc. A 2-124/85),
 - having regard to the result of the vote on the Commission's proposal,
1. Takes note of the Commission's proposal which is aimed at extending aid for the creation of additional jobs to cover jobs for self-employed persons as well as those for employed persons;
 2. Recognizes that, in view of the serious employment situation facing young people in particular, it is legitimate to take any measures which can contribute - on however small a scale - to reabsorbing unemployment;
 3. Is nevertheless worried that, given the limited budget resources available to the Fund, this new type of Social Fund expenditure, whose true impact and effect on the budget are not known, may
 - increase the disparity between the number of applications submitted and the appropriations available,
 - invalidate the efforts to improve quality made by the Commission in its guidelines for the period 1986-1988, which are designed to avoid spreading aid too thinly to ensure that Fund assistance is meaningful,
 - call into question the principle of the conditionality of Community aid by running the risk of becoming a direct channel of finance to national budgets;
 4. Is firmly convinced that the Fund should not act as an alternative to the measures already in progress at national level, but should assist national employment policies on a selective basis in accordance with the principle of additionality, which should improve the quality of both the type and results of the projects carried out;

¹ OJ No. C 237, 18.9.1985

² OJ No. C 167, 20.6.1984

³ OJ No. C 117, 30.4.1984

⁴ OJ No. C 72, 18.3.1985

⁵ OJ No. C 94, 15.4.1985

5. Considers it appropriate, with this in view, that the proposed amendment to these Community provisions should serve to encourage and complement the introduction by national governments of measures in this field and should therefore be restricted to the initial phase of these measures;:
6. Believes that the adoption of this regulation should be conditional on an increase in the Fund allocation, since it will be unrealistic and wasteful to commit the meagre resources available under this instrument to new types of expenditure;
7. Stresses that the most recent statistics show that the rate of unemployment among women below the age of 25 is increasing proportionally to a greater extent than other categories and stresses once again the need for the Commission to take account of this fact when granting this new type of aid;:
8. Calls on the Commission to report within two years of the entry into force of this regulation on the results achieved from its implementation and on the sectors concerned;
9. Calls on the Commission to adopt, pursuant to Article 149, second paragraph, of the EEC Treaty, the amendments which it has tabled to the Commission proposal;
10. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mr Michael WELSH, chairman of the Committee on Social Affairs and Employment

Strasbourg, 21 October 1985

Dear Mr Welsh,

The Committee on Budgets considered the proposal in question at its meeting of 15/16 October 1985.

The Committee on Budgets stressed that the European Parliament's main priority, as frequently expressed, was the fight against unemployment, particularly among young people. It was therefore in favour of all efforts by the Community to achieve this end. Extending aid for the creation of additional jobs to cover jobs for self-employed persons as well as for employed persons was a justifiable and necessary measure.

The Committee on Budgets also made the following observations:

- It noted that the proposed adjustment to Article 1(c) of the regulation would have no effect on the overall volume of the Social Fund appropriation.
- Increasing the appropriations earmarked for aid under this article with effect from 1986 was a necessary follow-up to the proposal and would entail a need for a redistribution of resources.
- The definition of self-employed work (self-employed workers) must be as broad as possible and must accord with the concept already established in Community law.

Yours sincerely,

(sgd) Jean-Pierre COT

Present: Mr COT, chairman; Mr RYAN, first vice-chairman; Mr ABENS, Mr CORNELISSEN, Mr FICH, Mrs FUILLET, Mrs HOFF, Mr LANGES, Mr LOUWES, Mr MERTENS, Mr NORMANTON, Mr PRICE (deputizing for Mr CURRY), Mr SCHREIBER (deputizing for Mr ARNDT), Mr VON DER VRING and Mr van der WAAL (deputizing for Mr CICCIOMESSERE).