

Brussels, 6 July 1959.

THE EUROPEAN SOCIAL FUND

The draft regulation approved by the European Commission - Statement by Prof. Petrilli, a Member of the Commission of the E.E.C.

At its meeting of Wednesday, 1 July, the European Commission approved the definitive text of the draft regulation of the European Social Fund drawn up in implementation of Article 127 of the Treaty of Rome.

The draft in question will now be transmitted to the Council of Ministers of the Community, who will make the final decision after consulting the Economic and Social Committee and the European Parliamentary Assembly.

As is known, the task of the Social Fund, under Article 123 of the Treaty establishing the E.E.C., is "to improve opportunities of employment of workers in the Common Market and thus contribute to raising the standard of living" and "to promote within the Community employment facilities and the geographical and occupational mobility of workers".

In other words, and in the light of other articles of the Treaty, such as Article 125, the Social Fund will act to further occupational re-training and the resettlement of unemployed workers. In fact the Fund will cover 50% of expenses incurred by a State or by a body under public law for the purpose of ensuring productive employment of workers by means of re-training and of resettlement allowances. At the same time, as is expressly stated in the above-mentioned Article 125, the Fund will agree "to grant aids for the benefit of workers whose employment is temporarily reduced or wholly or partly suspended as a result of the conversion of their enterprise to other productions, in order that they may maintain the same wage-level pending their full re-employment".

This Fund will be administered by the Commission assisted by a Committee presided over by a member of the Commission itself and composed of representatives of Governments, trade unions and employers' associations. This is laid down in Article 124 of the Treaty.

As far as the functioning of the Fund is concerned, this necessitates a precise interpretation of the provisions of the articles of the Treaty which deal with it. Technical terminology varies from country to country, as do national laws and regulations. Hence the necessity of

adopting at Community level uniform ideas for the application of the provisions of the Treaty and the achievement of the objectives of the Fund. The interpretation given to the prescribed rules takes into account the necessity mentioned above, and its conception will allow the Fund to bring to bear the most efficient means in favour of all cases to be submitted to its examination.

Furthermore, since the Treaty does not contain exact provisions on the organisation, machinery and working procedures of the Fund, the draft regulation approved on 1 July develops these various points. This draft regulation consists of three parts: in addition to delimiting the field of application of the Fund, the first defines the basic conceptions (unemployed workers, occupational re-training, resettlement and the conversion of an enterprise to other productions); the second part establishes the procedure for the granting of aid by the Fund, fixing the presentation, examination and verification of applications; finally the third part concerns the Committee charged under the Treaty with assisting the Commission in the administration of the Fund.

The value of the Commission's decisions of 1 July has been brought out by Prof. Petrilli, Chairman of the Social Affairs Group. After emphasizing the importance of the Social Fund in the general harmony of the Treaty of Rome, he declared: "Since the interventions of the Fund operate a posteriori in the form of reimbursement of half the expenses borne by the Member State or bodies under public law for the occupational re-training of unemployed workers and for the payment of resettlement allowances in the case of change of residence, or tide-over allowances in that of conversion of enterprises, they will, just because they are directly proportionate to the reimbursable expenses, be able to give efficient stimulus to efforts made on the national plane. To my mind, it is legitimate to expect that the work of the Social Fund will make an effective contribution to the expansion of the volume of employment in the Community and will in particular favour the geographical and occupational mobility of workers".

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