

INFORMATION MEMO

Operations of European Social Fund in 1967

The EEC Commission has prepared a balance-sheet of the operations of the European Social Fund for 1967.

In the course of the year the EEC Commission, which administers the Fund, adopted 49 decisions refunding a total of 13.964.239,64 u.a.. These payments cover 50% of expenditure by the beneficiary countries on retraining and resettlement schemes by which 46.026 unemployed workers found new jobs.

Payments made in 1967, by country, were:

<u>Country</u>	<u>Payments in u.a.</u>	<u>Number of workers</u>
Belgium	663.745,70	920
France	1.757.396,36	1.625
Germany (FR)	5.077.584,38	13.859
Italy	5.373.616,65	28.511
Luxembourg	4.065,46	4
Netherlands	1.087.831,09	1.107
E.E.C.	<u>13.964.239,64</u> =====	<u>46.026</u> =====

Taking into account the refunds made and the contributions from the member States to finance the Fund's expenditure, its operations in 1967 involved the transfer of 2.580.768,72 u.a. to Italy, 609.027,70 u.a. to Germany and 110.334,31 u.a. to the Netherlands from France (2.711.160,32 u.a.), Belgium (565.107,39 u.a.) and Luxembourg (23.863,02 u.a.)

Between September 1960, when it started operating, and 31 December 1967, the Fund has made payments totalling over 54.000.000 u.a. The schemes which qualified for these reimbursements have made it possible to re-employ about 554.000 workers.

Annexe:

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Annexe

HOW THE EUROPEAN SOCIAL FUND WORKS

The European Social Fund, which was set up by the Treaty of Rome and began operating at the end of 1960, has the function of promoting employment opportunities in the Community and the geographical and occupational mobility of workers.

For this purpose it refunds, on application from member States, 50% of expenditure on :

- (a) Retraining and resettlement of unemployed or underemployed workers;
- (b) Making up the pay of workers whose employment has been reduced or suspended following industrial conversion.

The Fund, however, has never yet engaged in industrial conversion operations.

The Fund's operations have three main features :

- (i) Financial : The Fund makes only money grants; it offers no other form of aid
- (ii) Indirect : The grant is made not to workers and firms but to States and public bodies promoting operations falling within the scope of the Fund;
- (iii) Retrospective: The Fund's aid is retrospective only; it therefore has no power to take the initiative.

The Fund is administered by the EEC Commission, which is assisted by an advisory committee of representatives of the Governments, trade unions and employers. The Committee must be consulted on all matters regarding the Fund.

The Social Fund is not a fund in the ordinary sense of the term. It appears as a chapter in the Community's general budget, but it is not financed according to the same criteria as the rest of the budget. The money for the Fund is provided by the member States according to a special scale: Germany and France pay 32% each; Italy pays 20%; Belgium 8.8%; the Netherlands 7% and Luxembourg 0.2%.

Since the reimbursements received by the individual member States are quite independent of what percentage they contributed, at the end of each financial year some States are creditors and other debtors. Consequently there are transfers of funds from one country to another, which constitute a tangible proof of Community solidarity.

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