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Report

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

on the outcome of the conciliation meeting with the Council on the review of the texts relating to the reform of the European Social Fund

Rapporteur: Mr E. PAPAEFSTRATIOU

PE 87.245/fin.
On 17 May 1983, the European Parliament requested the Council to open the conciliation procedure laid down by the agreement between the three institutions of 4 March 1975, in connection with regulation implementing the Council decision on the reform of the European Social Fund.

The conciliation meeting between Parliament and the Council was held on 19 September 1983.

At its meeting of 2 November 1983 the Committee on Social Affairs and Employment appointed Mr PAPAEFSTRATIOU rapporteur on the outcome of the conciliation pursuant to Rule 38(4) of the Rules of Procedure.

On 3 November 1983 the committee considered the report and adopted it by 13 votes in favour with 4 abstentions.

The following took part in the vote: Mr Papaefstratiou, chairman and rapporteur; Mr Frischmann, vice-chairman; Mr Barbi (deputizing for Mr Barbagli), Mr Calvez, Mrs Cassanmagnago Cerretti, Mr Ceravolo, Mr Dalsass (deputizing for Mr Estgen), Mr Eisma, Mr Ghergo, Mrs Kellett-Bowman (deputizing for Mr Tuckman), Mrs Maij-Weggen, Mr Van Minnen, Mrs Tove Nielsen, Mr Ouzounidis (deputizing for Mr Dido), Mr Patterson, Mr Prag and Mr Simpson.

The explanatory statement will be made orally.

The report was tabled on 4 November 1983.
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ANNEX I : Letter of 14 October 1983 from the President-in-Office of the Council

ANNEX II : Joint Declaration by Parliament and the Council on the review of the rules of the ESF

ANNEX III : Letter of 17 October 1983 from President Thorn
The Committee on Social Affairs and Employment hereby submits to the
European Parliament, pursuant to Rule 38(4) of the Rules of Procedure,
the following motion for a resolution:

**MOTION FOR A RESOLUTION**

embracing the opinion of the European Parliament on the outcome of
the conciliation meeting with the Council on the review of the texts
relating to the reform of the European Social Fund

The European Parliament,

- having regard to the proposal from the Commission of the European
  Communities to the Council (Doc. 1-903/82),

- having regard to the opinion of the European Parliament

- having regard to the 'Common positions' of the Council of the European
  Communities (Doc. 1-576/83),

- having regard to the letter from the Council of 14 October 1983
  and to the Joint Declaration annexed thereto (Doc. 1-924/83),

- having regard to the decision taken by the Council on 17 October
  1983,

- having regard to the report of the Committee on Social Affairs and
  Employment (Doc. 1-986/83),

A. whereas there are still substantial differences of opinion between
  Parliament and the Council on the common positions adopted by
  the Council at its session of 2 June 1983,

B. whereas, therefore, it felt obliged to initiate the conciliation
  procedure,

1. Recalls that the European Parliament delegation involved in the
  conciliation talks considered the following to be essential:

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- the participation of Parliament in determining the annual guidelines of the European Social Fund,

- the elimination of all forms of discrimination as between those eligible for Fund assistance,

- the need to take account of the economic capacity of the regions, taking per capita GDP as a yardstick for the granting of Fund assistance in addition to the criteria adopted by the Council, namely structural unemployment and youth unemployment,

- a fairer distribution of the Fund's resources as between men and women,

- access to Fund assistance for certain private bodies,

- inclusion in the regulation of a clause on the financing of services and technical guidance schemes designed to create jobs;

2. Calls attention to the fact that it limited its demands to the above key issues with a view to promoting a constructive dialogue during the conciliation procedure, the aim of which, as the interinstitutional agreement of 1975 affirms, is to reconcile differences of opinion between the Council and Parliament;

3. As far as the outcome of the conciliation procedure is concerned, calls attention to the official letter from the President-in-Office of the Council, the Joint Declaration by Parliament and the Council and the letter from Mr Thorn, President of the Commission, annexed hereto;

4. Reaffirms, however, that the European Social Fund cannot be considered to have been properly reformed until a number of fundamental demands made by Parliament are accepted, in particular:

- that per capita GDP be included among the criteria applied for the granting of Fund assistance to the non-priority regions,

- that provision be made for the Fund to finance services and technical guidance schemes designed to create jobs, and

- that certain private bodies should have access to Fund assistance;
5. Calls on the Commission to undertake to submit, by 1 July 1984, proposals for selection criteria for applications from the non-priority regions based on a reliable statistical method; calls on the Council to consult it on these proposals and, if need be, to agree to the opening of a further conciliation procedure to ensure that Parliament plays a full part in the formulation of such an important basic part of the Community's social policy;

6. Reaffirms the principle enunciated in the text of the Joint Declaration, namely that the provisions adopted 'should make it possible to confirm the structural instrument character of the European Social Fund in the field of employment and vocational training as an important means of promoting employment and give it sufficient flexibility to enable it to adjust more readily to developments in the labour market in future years';

7. Endorses the decisions taken by the Council following the conciliation meeting with its delegation, bearing in mind the urgent need for the European Social Fund to begin to operate as soon as possible on the basis of new rules;

8. Approves, therefore, subject to the above observations, the Council's decision as supplemented by the Joint Declaration.
Mr Pieter DANKERT  
President of the European Parliament  
Case Postale 1601  
LUXEMBOURG  
(Grand Duchy of Luxembourg)

Sir,

Following the meeting of the Conciliation Committee on 19 September 1983 on the review of the texts concerning the European Social Fund, I would confirm that the Council has agreed to amend Article 6(2) of the decision on the tasks of the Fund as follows:

"2. The Commission shall forward to the European Parliament and the Council the guidelines drawn up in close collaboration with the Member States taking account of any views expressed by the European Parliament and shall publish them in the Official Journal of the European Communities."

I would also confirm that the Council has agreed to the statement set out in the Annex hereto.

The Council considers for its part that the conciliation procedure with the European Parliament can thus be closed. In view of the urgency - acknowledged by the European Parliament itself - of the decisions to be taken to render the European Social Fund operational on the basis of the new rules adopted, I should be grateful if you would let the Council know whether the European Parliament can also agree to the closing of the conciliation procedure.

.../...
If so, the Council will finally adopt the texts on the European Social Fund at its meeting on 17 and 18 October 1983.

Please accept, Sir, the assurance of my highest consideration.

G. VARFIS
Declaration

Conclusions adopted at the conciliation meeting between the European Parliament and the Council on the review of the rules of the European Social Fund

The Conciliation Committee met in Brussels on 19 September 1983 to discuss the review of the rules governing the European Social Fund and reached the following conclusions:

1. The text of the common positions adopted by the Council represented, within the context of the European Parliament’s Opinion, a balanced solution overall.

2. The formula adopted for young people under the age of 25, who would receive a major part of the Fund's resources, was very wide in its scope and it would therefore be possible to include all categories of persons, including those for whom the European Parliament had made special requests.

Under the new rules adopted it would also be possible to grant aid from the Fund to specific categories of workers over 25, such as women, the disabled and migrant workers.

As regards the Fund making a contribution in the form of the provision of services and technical advice aimed at creating jobs, this meant giving the Fund a new task, the implementation of which must be studied by the Commission.

In particular, the Member States were asked to ensure that, when projects financed by the Fund were implemented, account was taken of the seriousness of unemployment as it affected women.
The guidelines for management of the Fund must comply with the Community's priorities and support for innovatory projects must generally come within the context of a Community programme.

Industrial and sectoral restructuring aspects were specifically mentioned in the texts adopted.

As regards the 40% share earmarked for particularly underprivileged regions, it was noted that the Commission, in accordance with the provisions adopted, would make every effort, as regards management, to ensure that this allocation was actually used.

It was also understood that, as regards various important aspects, in particular the drawing up of regional classification criteria, the Commission would submit proposals later, after more detailed studies which would begin immediately (1). Obviously the Council would not fail to consult the Parliament in due course and conciliation on this matter could be resumed if necessary.

(1) This text would be accompanied by the following statement amending the statement adopted by the Council on Article 7 of the basic Regulation:

"The Council asks the Commission to continue its studies with a view to achieving reliable statistical machinery, taking account inter alia of the criterion of GDP per capita, and presenting suitable proposals ...". 

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3. In general, all the provisions adopted should make it possible to confirm the structural instrument character of the European Social Fund in the field of employment and vocational training as an important means of promoting employment and give it sufficient flexibility to enable it to adjust more readily to developments in the labour market in future years.

4. In conclusion, the participants in the conciliation meeting jointly expressed their determination to do everything in their power to ensure that these provisions could take effect as soon as possible.

In addition, the Council agreed to amend Article 6(2) of the Decision on the tasks of the Fund (7709/83 SOC 148) as follows:

"2. The Commission shall forward to the European Parliament and the Council the guidelines drawn up in close collaboration with the Member States taking account of any views expressed by the European Parliament and shall publish them in the Official Journal of the European Communities".
Following the conciliation meeting concerning the European Social Fund on 19 September and subsequent consultations between the institutions, I am happy to confirm that the Commission agreed today that the following form of words be inserted in its minutes:

"With a view to facilitating the procedure laid down in Article 6 of the decision concerning the reform of the Social Fund, the Commission expressed its intention of making contact with the Parliament before taking its decision concerning the guidelines."

Yours sincerely,

Gaston E. THORN

Mr. Piet DANKERT
President of the European Parliament
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1040 Brussels