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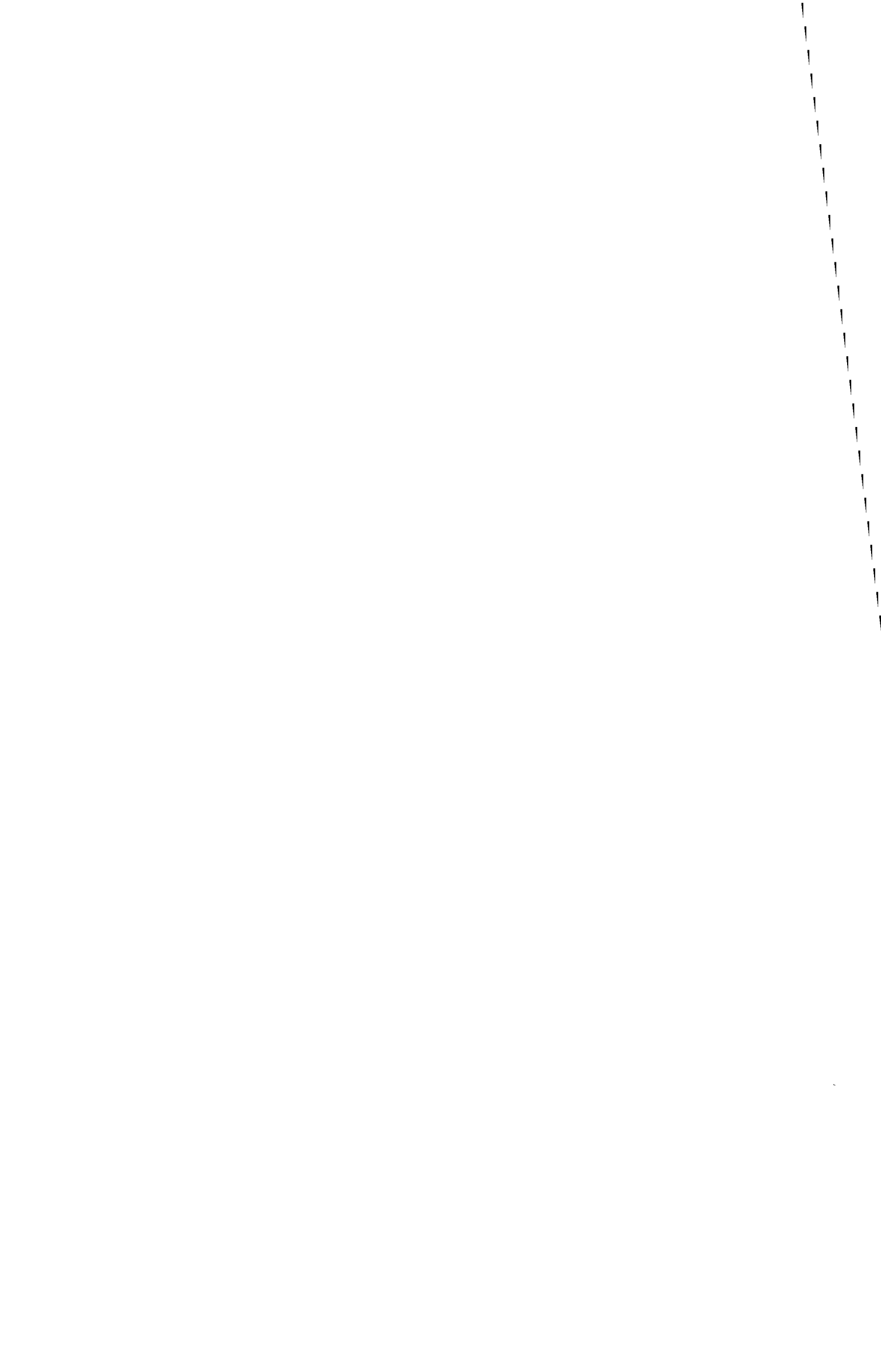
Report

Drawn up on behalf of the Committee on Economic and
Monetary Affairs

on the proposal from the Commission of the European
Communities to the Council (Doc. 1-639/83 - COM(83)
477 final) for a Regulation on special measures in
favour of Greece in the social field

Rapporteur : Mr Ioannis PAPANTONIOU

PE 86.818/fin.



By letter of 18 August 1983, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on special measures in favour of Greece in the social field.

On 12 September 1983, the President of the European Parliament referred this proposal to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Budgets, Committee on the Environment, Public Health and Consumer Protection and the Committee on Social Affairs and Employment and the Committee on Regional Policy and Regional Planning for their opinions.

At its meeting of 19-20 September 1983 the Committee on Economic and Monetary Affairs appointed Mr PAPANTONIOU rapporteur.

The committee considered the draft report at its meeting of 17-19 October 1983 and adopted it unanimously with 4 abstentions.

The following took part in the vote : Mr MOREAU, chairman; Mr HOPPER, vice-chairman; Mr PAPANTONIOU, rapporteur; Mr BEAZLEY, Mr BONACCINI, Mr CABORN, Mr HERMAN, Mr LEONARDI, Mr MEGAHY (present pursuant to Rule 93.2 of the Rules of Procedure), Mr MULLER-HERMAN, Sir Brandon RHYS-WILLIAMS, Mr WAGNER and Mr WELSH.

The opinion of the Committee on Social Affairs and Employment is attached.

The opinions of the Committee on Budgets, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Regional Policy and Regional Planning will be published separately.

The report was tabled on 21 October 1983.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement :

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 on special measures in favour of Greece in the social field

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(83) 477 final)¹;
 - having been consulted by the Council (Doc. 1-639/83);
 - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Social Affairs and Employment and the Committee on Regional Policy and Regional Planning (Doc. 1-919/83),
 - having regard to the result of the vote on the Commission's proposal;
- A. Considering the particular characteristics and weaknesses of the Greek economy from the point of view both of its state of development and of its structures, and the need for certain financial support by the Community for Greece in order to tackle those structural inadequacies and to facilitate the progressive participation of the country in the common policies, as recognized by the Commission and the European Council²;
- B. having regard to the fact that structural deficiencies are particularly pronounced in the field of vocational training, especially in urban centres;
- C. noting that the European Regional Development Fund already contributes in Greece to the setting up of eight new training centres, but nothing is envisaged for Athens, which alone accounts for more than one third of the total population;
- D. considering the total inadequacy of the system of treatment and of medical, vocational and social rehabilitation of persons with mental illnesses and mental disabilities, which do not allow Greece to fully participate in

¹ OJ No. C 232, 30.8.1983, p. 3

² See COM(83) 134 final and the conclusions of the Stuttgart Summit

Community social policy for the promotion of the social integration of the disabled;

- E. considering that the serious inadequacies of Greek social infrastructure prevent Greece from taking full advantage of European Social Fund aid, and from giving its people the kind of opportunities for rehabilitation and vocational training taken for granted in the rest of the European Community;
1. Supports the proposal of the Commission for the construction, adaptation and equipment both of vocational training centres in urban zones where the European Regional Development Fund is not allowed to intervene, and of centres for the treatment and medical, vocational and social rehabilitation of the mentally ill and the mentally disabled;
 2. Approves the general approach proposed by the Commission aimed at dealing with Member States' problems through coordination and mutual assistance; supports in particular, the Commission's conception of its proposals as special measures enabling Greece to benefit from the assistance of the European Social Fund to the same extent as the other Member States, and to participate fully in Community social policy for the disabled;
 3. Notes, however, that the limit imposed on the financial support for vocational training centres as a proportion of eligible public expenditure is significantly lower than the corresponding limit on the support for centres for the disabled and may unduly restrict the scope of such programmes;
 4. Considers, as too cumbersome the procedure laid down in Articles 11 and 12, according to which the Member States would give their opinion on single projects twice: once through their representatives in the ad hoc committee provided for in Article 11, and then at Council of Ministers level;
 5. Considers that every possible effort must be made at Community level to enable the proposed financial assistance measures to be implemented as from 1 January 1984, to which end the relevant appropriations will have to be entered in the Community budget for 1984;
 6. 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.

EXPLANATORY STATEMENT

1. The Commission¹ in its response to the Greek Government's Memorandum of 19 March 1982⁽²⁾, whereby the Commission envisaged the possibility of certain EEC financial support in favour of Greece in order to tackle the structural inadequacies of the Greek economy and to facilitate the progressive participation of the country in Community policies. The European Council at its Summit in Stuttgart gave its full support to the Commission analysis and proposals.
2. In the document in question, the Commission proposes, for a certain period of time, certain financial assistance in the social field, and, in particular, the creation of vocational training centres in urban zones and of centres for the treatment, medical, vocational and social rehabilitation of the mentally ill and mentally disabled.
3. These special measures are not eligible for grants under any of the EEC financial instruments but concern essential actions to be undertaken in Greece, which is among the regions designated by the Council as being in priority need of Social Fund aid, is to have concrete possibilities of access to the European Social Fund and, its people are to be ensured the kind of opportunities for rehabilitation and vocational training taken for granted in the rest of the Community.
4. Community action in the field of vocational training seems really necessary in Greece, where only 1 training place for each 340 persons is available. The situation is even more serious in the largest urban areas: less than one training place for each 3,500 inhabitants. Furthermore, most existing training centres and equipment are completely out of date and unsuitable for modern training requirements and frequently incapable of being modernised at an economic cost.

It is in order to remedy these structural inadequacies that the European Regional Development Fund already contributes to the provision of new training centres in Greece.
5. But the ERDF in its present form cannot intervene in Athens which alone accounts for more than one third of the total population. Ad hoc assistance for Athens in the form of financial support as provided for in the proposal in question is therefore necessary. Article 5, second paragraph of the Commission document on the other hand, clearly excludes any accumulation of ERDF aid and aids proposed in the draft regulation. Furthermore in the explanatory

¹ COM (83) 134 final

² S.I. (82) 203

memorandum the Commission states that projects benefiting from support provided for in the draft regulation "would be excluded from all forms of accelerated depreciation provided for in other Community financial instruments and special Community actions for the operation of these centres."

5. Full support is also to be given to the Commission proposal for EEC financial assistance in the modernisation of the Greek system of treatment, medical vocational and social rehabilitation of the mentally ill and the mentally disabled. This would in fact enable Greece to fully take part in the common social policy for the promotion of the social integration of the disabled.
6. In particular, community aid, as provided for by the Commission, is essential for the carrying out of the reform recently enacted by Greece concerning a new system of treatment and rehabilitation administered by decentralised units at "Nomi" level.
7. As regards the general framework in which this proposal is included, the approach proposed by the Commission seems to be correct : helping a Member State to participate in Community life - and the corresponding benefits - both through a coherent action based on projects that are interrelated within the framework of a programme, and a certain coordination by the Commission.
8. Notes, however, that the financial support for projects relating to vocational training centres cannot exceed 55% of eligible public expenditure while the financial support for projects relating to the centres for the disabled cannot exceed 75%. The lower limit imposed on the former projects may unduly restrict their scope.
9. However a remark should be made relating to the procedure laid down in Articles 11 and 12 concerning decisions on applications for aid. In fact, this procedure even though modelled on those already existing, seems to be too cumbersome, whereby the Member States would intervene twice on the same project : once through their representatives in the ad hoc committee provided for in Article 11, and then at Council of Ministers level.

OPINION

(Rule 101 of the Rules of Procedure)
of the Committee on Social Affairs and Employment

Draftsman: Mr PAPAEFSTRATIOU

On 20 September 1983, the Committee on Social Affairs and Employment appointed Mr PAPAEFSTRATIOU draftsman of the opinion.

The committee considered the draft opinion at its meeting of 17 October 1983. It adopted the draft opinion on 18 October 1983 unanimously.

The following took part in the vote: Mr PAPAEFSTRATIOU, chairman and rapporteur; Mr PATTISON and Mr FRISCHMAN, vice-chairmen; Mrs CASSANMAGNAGO CERRETTI, Mr VAN MINNEN, Mr PATTERSON, Mrs KELLETT-BOWMAN (deputizing for Mr TUCKMAN); Mr PRAG, Mr GONTIKAS (deputizing for Mr CARTINI) and Mr VGENOPOULOS (deputizing for Mr DIDO).

I. EXPLANATORY STATEMENT

A. The background of the proposal for a Council Regulation on special measures in favour of Greece in the social field.

In 1981 and 1982 the Greek Government submitted specific proposals to the Commission of the European Communities regarding the special structural problems facing Greece: by resolving these problems Greece would be able to benefit more from accession to the EEC. In its response on 29 March 1983¹, the Commission recognized the specific characteristics of the Greek economy in the Community context concerning both its degree of development and its structures and concluded that the Community should not remain indifferent to these structural inadequacies of the Greek economy, since this was the chief obstacle for the creation of conditions favourable to the progressive participation of the new Member State in Community policies and the corresponding aids.

Specifically, in the context of its action with regard to Greece in the social sector, in its reply the Commission proposed special financial assistance for the modernization of the vocational training system and for improving the existing structural system aimed at the social and occupational rehabilitation of certain categories of handicapped persons².

In its proposal for a Council regulation, on which the European Parliament's Committee on Social Affairs and Employment has been called on to deliver an opinion, the Commission specifies its intentions set out above and makes proposals for assistance from the Community for:

- the construction, adaptation and equipment of vocational training centres,
- the construction, adaptation and equipment of centres for the treatment and medical, vocational and social rehabilitation of the mentally ill and mentally disabled³.

For each of the above two types of intervention the Commission proposes assistance amounting to 60 million ECU for the period from 1 January 1984 to 31 December 1988. These sums are to be inscribed as non-obligatory expenditure in the general budget of the European Communities.

¹COM(83) 134 final, 29 March 1983

²COM(83) 134 final, paragraph 74 and 75, page 20

³COM(83) 477 final, 8 August 1983

B. A short survey of the special structural characteristics of the Greek economy

The Commission proposals refer to two specific and restricted sectors, both of which illustrate, however, the special structural characteristics of the Greek economy. Certain basic characteristics of this are listed below in very general terms, this being the best way of presenting an objective view of the situation and consequently of assessing the special assistance proposed by the Commission. To this end, due account must be taken of the following:

- The Greek state never underwent the phase of economic development which in other western European countries led to the industrial revolution;
- Greece is a country which was formerly predominantly agricultural and has subsequently developed a disproportionately important tertiary sector; traditionally turned towards the outside world, it has not yet succeeded in creating the economic and social structure appropriate to the level of development of Greek society;
- whereas Greece as a whole is the poorest region of the Community, there are also enormous differences in the level of development of the various regions;
- the population of the Attic Basin (the region surrounding the capital) today represents rather more than one third of the total population of Greece, compared with one-sixth in 1951.
- approximately 60% of jobs in the industrial sector are concentrated in the Athens region but the population has grown at a pace which has not been matched by the creation of the necessary infrastructures and social services;
- whereas in 1971 the Athens region produced approximately 50% of the GNP in 1977 it accounted for only 26.9% of public investment and only 2.8% of state budget appropriations for various infrastructure projects in 1976;
- the level of development of the rural areas, which account for half the population of Greece, is very low and fluctuates, according to area, between 25 and 50% of the Community average;
- with the continuing recession, approximately 10% of the working population are unemployed in 1983, whereas the corresponding figure for 1981 was only 4.1% approximately. Given that only 42% of the working population are employed in salaried posts (whereas the corresponding figure in the advanced countries is 82% on average) and that there is severe under-

employment in rural areas, it is clear that statistics tend to underestimate the real number of unemployed;

- the credits allocated to Greece by the European Social Fund amounted to 30.57 million ECU in 1981 and 60.42 million ECU in 1982, or 3 and 4% respectively of the Fund's total budget¹. If account is taken of the fact that the credits returned because of the non-execution of the programmes selected for the 1981 - 1982 period amounted to 10.1 million ECU - and this only up to the end of 1982¹ - it is clear that the real percentage of credits granted by the Fund is much lower.

C. The proposed measures for special financial assistance for Greece in the social sector

The Commission's proposal and the special measures it contains refer to financial aid from the Community both for vocational training and for a reform of the system of psychiatric treatment.

(1) Assistance for vocational training

Greece's inadequacies in the field of vocational training are particularly pronounced. It is notable that at present there are only 27,000 vocational training places for a population of just under 10 million, (i.e. only one place for each 340 inhabitants. Although funds for new vocational training centres may be provided from the European Social Fund, the Commission proposal still fills a real need.

The rules which still govern the functioning and mission objectives of the European Social Fund strongly favour regional interests. This means that the region of the Basin of Attica is unable to benefit adequately from the various aids from the two Funds, the Social Fund and the Regional Development Fund, despite the fact that it is the region with the greatest concentration of the forces of production and at the same time has a very under-developed infrastructure. For example, as regards vocational training centres, the Athens region has only one place for 3,500 persons between 20 and 44 years of age.

In order to overcome these inadequacies, the Community is to provide financial assistance amounting to 60 million ECU for the five-year period from 1984 to 1988, which will provide appropriate support for efforts

¹ COM(83) 134 final, 29 March 1983, paragraph 70, page 18

at national level aimed at creating within this period 71 new vocational training centres with a capacity of 17,000 places, 53 of which (12,000 places) are planned for the Athens region.

This programme should not be viewed as a delaying factor of a necessary but inevitably gradual and long-term decentralizing process. The aim of the programme is - on the basis of the situation today - to develop and further improve the system of vocational training in the Athens region as part of efforts to modernize the productive machinery and to combat as effectively as possible unemployment, which owing to the abovementioned characteristics is becoming more and more serious in this region.

Assistance for reforming the system of psychiatric treatment

The second part of the Commission's proposals forms part of the policy for the vocational and social rehabilitation of the mentally ill and the mentally disabled, the main lines of which were adopted in the resolution of the Council and of the Member States' representatives meeting in the Council on 21 December 1982¹.

The infrastructure existing in Greece in this sector is at present wholly inadequate and the whole system of treatment and of medical, vocational and social rehabilitation of the mentally ill and disabled urgently needs to be reformed. There are today 9,000 patients hospitalized in public and 4,000 in private institutions.

The whole system is extremely closed and centralized and the percentage of patients returning to normal life is particularly low. The following factors will give some idea of the situation:

- in most institutions patients are treated together, regardless of whether they are young or old, or suffer from different forms of mental disorders;
- most institutions operate in the large urban centres (Athens and Salonika) where, in fact, approximately 83% of Greece's psychiatrists are concentrated. As a result, there are regions where there is a grave shortage of psychiatric institutions and of psychiatrists;
- the lack of specialized para-medical staff (specialized nurses, therapists) is particularly acute;

- finally, there is no real system for the vocational and social rehabilitation of the mentally ill and disabled;

The Commission's proposal for assistance amounting to 60 million ECU for the five-year period 1984 to 1988 aims to cover the costs of medical treatment and the creation of appropriate infrastructures which are not eligible for aid under the Social Fund. The latter may intervene only in the case of expenditure for the rehabilitation and vocational training of the disabled. This financial contribution constitutes a supplementary aid to the Greek authorities in their efforts to achieve a thorough reform of the whole system, which will cost an estimated 200 million ECU over a five-year period.

II CONCLUSIONS

The European Parliament's Committee on Social Affairs and Employment,

- having regard to the situation in Greece outlined in the above explanatory statement,
 - whereas there is an urgent need for all Community efforts aimed at the full integration of the new Member State,
 - whereas, furthermore, the proposed measures are designed to enable in future the new Member State to take appropriate advantage of the corresponding Community aid,
1. Shares the view of the Commission of the European Communities that owing to the existing structural weaknesses in the economic and social sector, Greece is not yet in a position to benefit fully and properly from the aid afforded by the various financial organs of the Community and notably by the European Social Fund;
 2. Points out that, under the present system of Community financial support, a large part of the expenditure intended for the necessary structural improvements in regions of intense productive activity but with very inadequate infrastructures is not eligible for support;
 3. Considers, therefore, that the most suitable form of support is to grant special financial assistance to Greece for the social sector
 - under the procedure provided for in Article 235 of the Treaty establishing

the European Economic Community - within the framework of the measures proposed by the Commission;

4. Considers that every possible effort must be made at Community level to enable the proposed financial assistance measures to be implemented as from 1 January 1984, to which end the relevant appropriations will have to be entered in the Community budget for 1984;
5. Considers that if this financial aid is to continue on a stable basis appropriate financial measures must be provided for in good time at Community level and recommends the adoption of such measures within a suitable period of time;
6. Recommends the European Parliament's Committee on Economic and Monetary Affairs, which is the committee responsible, forthwith to adopt this report on the basis of the proposals of the Commission of the European Communities.

