

**Finding the Economic and Social Cohesion in Europe:
the birth and first steps of the European Investment Bank and European Social Fund**

(Paolo Tedeschi - abstract)

The Treaties of Rome (signed on March 1957) included some articles which were dedicated to the economic and social cohesion in Europe. For the EEC fathers was important to reduce the gap between the EEC poorest regions and the richest ones: they thought it was necessary to strongly cut the gap concerning the GDP and the quality of life. The improvement of the per capita income allowed to reduce the south-north migration flows and to increase the demand for the EEC products (and so it enlarged the EEC labour market too). Furthermore, this could reduce the appeal and growth of movements linked to the USSR.

So all politicians who really wanted to build the EEC had to find the economic and social cohesion in Europe, a new concept which evidently implied the existence of a strong solidarity between the EEC countries and citizens. In this regard, two new institutions were indicated in the Treaties of Rome (articles 123 and 129): the European Investment Bank (EIB) and the European Social Fund (ESF). They became operational in 1958 and they were explicitly designed to solve the problems of regional economic disparities in the EEC and to help countries that could further exacerbate their negative economic conditions after the creation of the Common Market.

The EIB was, in the idea of Italian negotiators, the necessary “compensation for [...] the economic backwardness that the country asked for acceding to the trade liberalization imposed by the process of European integration”. The Italian entry in the EEC was in fact possible only if there existed a real financial support for the solution of regional disparities that could worsen as a result of the creation of the EEC and the related end of the all tariffs and protections in the Common Market.

The EIB financed the development of new industrial plants in the poorest regions in EEC and the creation of new infrastructures connecting the EEC regions to develop the Common market. The EIB partially financed the projects (50% max.) and the effective amount of the financing depended on the guarantee to be given by investors and the state where the project was realized. All money had to be reimbursed and the state was the last responsible for the payment of the debt.

The ESF had to improve opportunities in employment in the Common Market the professional skills of workers: so it financed (max 50%) the vocational training courses for unemployed people (in particular for young workers and women). Skilled workers obviously had more opportunities to find a job and to receive better wages. The ESF extended to all sectors the aids existing in the ECSC for workers missing their job because of the growth of the competition in the steel and coal markets.

During the Sixties the EIB and ESF attempted their goal: they improved the economic and social cohesion in the EEC. They in particular financed the Italian Mezzogiorno, the poorest EEC region.