

THE IMPACT OF EEC FINANCIAL ASSISTANCE ON IRISH ECONOMIC DEVELOPMENT

SINCE 1973

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INTRODUCTION

Ireland became a member of the European Economic Community on January 1 1973. The decision to join an enlarged EEC had many motives, political and economic. Among the most important was the belief that membership would contribute positively to the further development of the Irish economy both in terms of the stimulus it would give to investment and growth and, more directly, because of the flow of funds that we could expect to obtain from Europe.

The purpose of the present paper is to assess how far financial assistance to Ireland from the Community has contributed to development of the economy. The analysis is intended to answer a number of questions:

- (i) how has Community financial assistance to Ireland grown since 1973?
- (ii) how has Ireland's share of the Community budget and of other finances developed as compared with our Community partners?
- (iii) what has been the relationship between EEC financing and:
 - (a) development of the size and structure of the national budget (with particular emphasis on the capital budget);
 - (b) investment growth?

The basic assumption underlying the presentation in the paper is that Community membership was intended to underpin the policy of rapid economic growth that had been accepted as a major objective right through the sixties and early 70s. In this sense, European monies were seen as providing additional resources for economic development. While, of course, the first oil crisis and the subsequent distortions of the world economy (notably the emergence of high inflation, accompanied later by widespread recession, and the need to finance substantial budget deficits), changed the priorities, it is still worth looking at ways in which Community financing was used to assist the Irish economy in the past 11 years, particularly as regards the development of national budgetary policy.

NON-FINANCIAL ASPECTS OF COMMUNITY POLICIES

Before, discussing financial assistance from Community sources, something which normally gets most publicity, it is well to stress that the impact of the Community in

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Ireland is also felt in an even more fundamental way through other Community policies. The development of the common market, commercial policy, strategies in the fields of political cooperation, assistance to developing countries, industrial policy, the terms of trade effects of the CAP and the harmonisation of legislation and standards can all be said to have an impact on Ireland which is not diminished in any way by the fact that they do not involve EEC expenditure in Ireland on any significant scale. Moreover, the Commission, in pursuance of regional policy objectives, attempts to achieve a modulation of other policies in order to take account of special regional problems. A case in point is competition policy where, through monitoring national regional aid systems in order to limit competitive bidding by different Member States in the field of regional aids, the Commission facilitates higher concentration of aids in regions of greatest need such as Ireland.

The case of agricultural policy deserves particular mention especially at this critical stage in Community development. While, as we will see, expenditure under the common agricultural policy is the major source of Community financial transfers to Ireland, total expenditure on the CAP represents less than 1 1/2 per cent of Community GDP which is about the same order of magnitude as farm price supports in the United States. Moreover, the major advantage is derived, not from the actual payments made, but from assuring a stable market for the products covered. Thus, only 20 per cent of milk production, and 5 per cent of beef output were sold into intervention in 1983.

EVOLUTION OF EEC FINANCIAL AID TO IRELAND

Financial assistance from the Community comes from the Budget in the form of grants and subsidies and by way of loans from the European Investment Bank, the ECSC and the new Community Instrument (NCI). Annex Tables 1 & 2 give particulars of Budget transfers and of loans respectively while Table 1 below summarises the trends.

Table 1: Financial Flows from EEC 1973 and 1983 (£IR million)

| Grants and Subsidies | 1973 | 1983 | Loans | 1973 | 1983 |
|----------------------|-------------|--------------|--------------|-------------|--------------|
| Agricultural Fund | | | | | |
| - Guarantee | 37.1 | 436.7 | EIB | 11.1 | 168.5 |
| - Guidance | - | 75.7 | ECSC | 0.2 | - |
| Social Fund | | -91.9 | NCI** | - | 49.7 |
| Migrant workers | - | 25.1 | | | |
| Regional Fund | 1.8(75) | 58.2 | | | |
| EMS Interest Stubs | 44.5(79) | 43.6 | | | |
| Others | 0.1 | 2.1 | | | |
| Total | 37.1 | 733.3 | Total | 11.3 | 218.2 |

* These figures for Budget transfers relate to actual disbursements of EEC grants and subsidies which in many cases differ from the amounts committed in the

Budget The differences are due to the fact that commitment appropriations in the Community Budget refer to the amounts to be earmarked in the Budget year regardless of when they are actually spent, whereas payment appropriations relate to the actual disbursements in the year, these being made, by and large, *pari passu* with expenditure on works etc.

**The New Community Instrument was set up in 1978 to provide loan finance for infrastructure and energy or for projects which are likely to contribute to reducing regional imbalances or improving employment prospects, Funds from NCI are channelled through the EIB.

Clearly the scale of Community activity in Ireland in terms of the level of financial flows has risen enormously since 1973. Grants and subsidies in 1983 were equivalent to almost 20 times their level in 1973 and even when allowance is made for a substantial rise in Ireland's contributions to the Community (from £IR 6.1 million in 1973 to £IR 185.4 million in 1983) the balance sheet in 1983 shows a receipts/contributions ratio of almost 4 to 1 in favour of Ireland. The growth of grants and subsidies has been influenced above all by EAGGF Guarantee payments which accounted for 60 per cent of total transfers in 1983. The steep rises in Agricultural Fund payments from the mid-seventies until 1980 and again in 1982 and 1983 were due to sales into intervention of Irish dairy products and beef. From the mid-70s, there were also significant increases in transfers from the Regional Fund and payments from the Social Fund rose appreciably since the beginning of the 80s. The interest subsidies which were paid from 1979 to 1983 in connection with Ireland's participation in the European Monetary System will also be noted and the large increase in EIB loans (including NCI) between 1979 and 1982 was due in considerable measure to the availability of these subsidies. Borrowing from the EIB was, however, sharply cut back in 1983 to its level of 1979

IRELAND'S SHARE OF COMMUNITY FUNDS

Ireland's share of grants² and loans relative to those of its European partners is shown in Annex Tables 3 and 4. It will be seen that up to 1981 Ireland's share increased considerably. It has since fallen off, however, due to a fall in the share of EMS interest subsidies consistent with the drop in borrowing from the EIB, but also to declines in the shares of the European Regional Fund (from 6.4 per cent in 1981 to 5 per cent in 1983) and the Social Fund (10.5 per cent in 1981, 9.8 per cent in 1983) Structural grants per head of population are far and away the highest in the Community being equivalent to 6.5 times the Community average. The increased shares of Italy and the U.K. in structural funds starting about 1978, while not rising as fast as in the case of Ireland, will also be noted as well as the substantial proportion of the total going to Greece since it acceded to the Community in 1981. This reflects the emphasis in the application of structural funds to countries with the most serious regional problems.

The Irish share in Community loans rose markedly in 1979 but has since fallen, especially in 1982 and 1983. The most notable recent other changes in shares of loans have been the rise in the Italian share since 1979 again due to the effects of the

EMS interest rebate There have, however, been considerable year to year variations in national shares of Community loans, reflecting both the lending terms generally in world markets and the external borrowing policies of the different Member States

The general conclusion that can be drawn from the above analysis is to confirm the very big increase in Community activity in Ireland, both in absolute terms and in its share of Community funds as a whole. The evolution of expenditure, both gross and net of contributions by Ireland to the Community budget, reflects the continually increasing Community influence in the country. This can be seen most clearly by examining the relationship between grants and loans on the one hand and GDP on the other. This is done in Annex Tables 5 and 6. In 1983, Community structural grants were equivalent to 2.4 per cent of GDP as against the Community average of 0.2 per cent. Only in the case of Greece (1.5 per cent) did the ratio exceed 0.5 per cent. The growth of dependence on Community structural funds has been steady, rising from 0.3 per cent in 1983 to 1 per cent in 1979 and thereafter more steeply to its present level. Our dependence on Community loans at 1.6 per cent of GDP (2.9 per cent in 1980) compares with the EC average of 0.3 per cent.

COMMUNITY EXPENDITURE, NATIONAL DEVELOPMENT AND COMMUNITY REGIONAL DISPARITIES

Annex Table 7 shows the relationships between Community transfers to Ireland (other than EAGGF Guarantee) and public expenditure. Up to 1976, these EEC transfers to Ireland were equivalent to less than 1 per cent of public expenditure.³ They increased from 1977 onwards, passing 3 per cent of public expenditure in 1979. At the same time, the part played by Community loans rose to almost 25 per cent of the Public Capital Programme in 1979 although it subsequently fell back, being 12.5 per cent in 1983.⁴

Community monies, whether by way of transfers or loan finance can be said, therefore, to now make a significant contribution to financing the Irish economy. The question is what effect has this money had on Irish economic development? Taking the most important flow first, EAGGF Guarantee and the market stabilisation derived from it, there is little doubt that the improvement in farm incomes which followed accession to the Community, notably between 1975 and 1978, provided a significant boost to the economy generally in the second half of the seventies.⁵ Community aid also helped finance the accelerated industrialisation programme of the late 1970s.

Yet for all our rapid growth, income disparities as between Ireland and the rest of the Community as measured by gross domestic product per inhabitant showed little improvement during the last decade. Valued at current market prices and exchange rates, GDP per head in 1981 was about the same proportion of the Community average (54 per cent) as it was in 1970.⁶ The poor performance in raising income levels is partly due to the rapid population growth in the 1970s, a factor which underlines the size of the task involved in increasing living standards with a rapidly

rising population. Another important influence on our income levels was the decline in the value of the pound sterling, and subsequently of the Irish pound, relative to other European currencies. The weakness of the currency is itself a measure of the poor structure of the Irish economy.

In the light of these figures, it is clear that, notwithstanding the major contribution of the Community to Ireland, no significant narrowing in disparities between Ireland and the rest of the Community has occurred

EUROPEAN STRUCTURAL AID AND THE PUBLIC CAPITAL PROGRAMME

In attempting to answer the question how far has EEC aid helped the Irish economy, it is also necessary to examine how far Community financial assistance has been additional to that provided for from other sources and, in particular, how far has it contributed to increased investment. Since Community investment aid, structural grants and loans, is channelled through the Irish public capital programme, we can usefully examine the evolution of EEC structural funds and loan finance relative to the year to year changes in the Public Capital Programme. This is done in Table 2.

Table 2: Community Structural Transfers and Loans to Irish Public Capital Programme 1975-1983

| | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---------------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| 1 EEC Finance | | | | | | | | | |
| - Structural Transfers* | 6.4 | 15.7 | 24.0 | 40.1 | 117.3 | 166.4 | 193.9 | 249.0 | 269.4 |
| - Loans | 23.2 | 35.4 | 52.2 | 78.5 | 243.5 | 255.9 | 244.8 | 246.7 | 218.2 |
| Total (£m) | 29.6 | 51.1 | 76.2 | 118.6 | 360.8 | 422.3 | 438.7 | 495.7 | 487.6 |
| 2 Public Capital Programme (£m) | 471 | 548 | 659 | 816 | 977 | 1,259 | 1,693 | 1,898 | 1,748 |
| (1) as % of (2) | 6.3 | 9.3 | 11.6 | 14.5 | 36.9 | 33.5 | 25.9 | 26.1 | 27.9 |

* EAGGF Guidance, ESF, ERDF, EMS subsidies

Source: Annex tables 1, 2 & 7

In examining these figures, it must first be acknowledged that considerable reservations are attached to comparisons between the magnitudes involved: the financing of the public capital programme must be seen in the context of the total market situation for capital funds, the nature of capital needs (including allocation of borrowed funds to finance budget deficits) and national economic policy generally, including the need to limit total borrowing. This being said, it would,

nevertheless, appear on a preliminary examination, that increased availability of Community capital funds did contribute significantly to the public capital programme in 1979 and 1980, being equivalent to one-third or more of public capital spending. It fell to over a quarter in 1981 to 1983 but was still much higher as a proportion of the public capital programme than before 1979.

Clearly, therefore, EEC monies have been substituted for other financing of capital expenditure as part of national budgetary strategy. This is borne out by the more rapid increase in EEC finance between 1978 and 1983 (413 per cent) than the growth in the public capital programme in the same period (214 per cent). The relatively slow rise in public investment has been particularly in evidence since 1981 and indeed expenditure on the public capital programme actually fell in 1983 and is estimated to show a further fall in volume in the current year. The recent cut backs must be seen in the light of the budget strategy for reduction of foreign borrowing which fell by IR£355 million in 1982 following a fall of IR£140 million a year earlier.

Looking back over the period since 1975, however, the overall picture is of a faster growth in current than capital expenditure, growth of over 5 times in current spending 1975 and 1984, less than 4 times for capital. Looking at year to year growth rates, only in 1977 and 1981 did capital spending rise significantly faster than current expenditure. Most of the relative growth in current as against capital spending has occurred since 1981.

It would appear, therefore, that so far from adding to public investment, Community structural financial flows to Ireland have been largely in substitution for other capital flows. Indeed the growth of 42 per cent in Community structural transfers between 1981 and 1983 must be seen in the context of 3 per cent total growth in the Public Capital Programme.

Another way of looking at the additionality question is to see how investment in items in the public capital programme towards which finance has been provided by the EEC has progressed. The EAGGF Guidance has provided assistance to farm development schemes while the Regional Fund has part financed expenditure on telecommunications, sanitary services, roads, industry and energy. Table 3 summarises the development of expenditure since 1975 on these headings in the public capital programme relative to other items in the programme.

In general, it would seem that expenditure on headings in the public capital programme aided from the Regional Fund rose faster than the programme in general up to 1983. Agricultural investment (aided by EAGGF Guidance) grew less rapidly. Some of the items aided from the ERDF have been affected by the cutback in capital spending in 1983 and 1984. This was particularly the case with expenditure on industrial promotion which has been adversely hit by the recession. Telephone expenditure has also felt the effects of reduced demand. Capital spending on agriculture has also been cut back partly because of falls in demand for

credit and also because of suspension of part of the Farm Modernisation Scheme. Despite these reversals in trend, the fact is that, with the exception of industrial investment, the growth in items on which Regional Fund monies have been concentrated (notably Roads, Sanitary Services, Telecommunications and Energy) have been in excess of the rise in capital spending as a whole. The only other items which showed significant increases were housing, post-primary schools and hospitals.

Table 3: Increases in Public Capital Programme 1975-1984

| | 1975 | 1982 | 1983 | 1984 (est) | Increase 1975 to 1984 - % |
|--------------------|------|------|------|---------------|---------------------------------|
| | £IRm | | | | |
| TOTAL | 470 | 1898 | 1740 | 1798 | 282 |
| of which. | | | | | |
| Roads | 14 | 80 | 92 | 98 | 471 |
| Sanitary Services | 19 | 94 | 97 | 99 | 421 |
| Telecommunications | 47 | 225 | 206 | 190 | 304 |
| Industry | 89 | 392 | 317 | 317 | 256 |
| Energy | 43 | 299 | 257 | 306 | 612 |
| Hospitals | 10 | 49 | 53 | 55 | 450 |
| Agriculture | 61 | 109 | 82 | 77 | 26 |
| Other | 187 | 650 | 636 | 656 | 251 |

Source: Budget various-years

Before concluding, it is useful to examine the effects of the increase in Community financial flows on the growth in investment generally in the economy. Gross fixed capital formations grew steadily from the mid seventies being 23.3 per cent of GDP in 1975 and 31.7 per cent in 1979. It fell to just under 30 per cent in 1980 and 1981 and to 25.6 per cent in 1982 and 22.2 per cent last year. The Irish figures for all years since 1974 have been ahead of all Member States.¹⁰ However, investment per capita and per person employed is still less than the Community average.¹¹

CONCLUSIONS

The flow of Community finance, including price supports, and loan finances to Ireland now constitutes a major participation by the Community in aiding Irish economic development. Despite that support, however, Ireland's position in relation to Community regional disparities in GDP per head showed no improvement since we joined the Community. Add to this the serious structural problems facing the economy, notably high unemployment, and continuing inflation (if recently at a somewhat reduced rate) as well as the prospect of having to provide jobs for the large numbers of young people who will be coming on to the labour force over the next decade. We see then the magnitude of the difficulties involved in fulfilling the objective provided for in the preamble to the Treaty of Rome of

ensuring the harmonious development of the economies of the Member States "by reducing the differences existing between the various regions and the backwardness of the less favoured regions" The hard fact is that despite the increase in the flow of Community resources the amount is still completely inadequate

There is, however, some evidence that Community monies, grants and loans, have contributed to greater growth in public investment than would have occurred without EEC funds This is notably the case for productive infrastructure and industry Nevertheless, since 1981, we have seen that EEC monies replaced other sources of financing the public capital programme, the volume of the programme was, of course, drastically cut in line with the strategy for reducing foreign borrowing.

Moreover, with the stagnation in the public capital programme, the increased flow of Community monies served to bolster up the relatively higher levels of current spending in the last 3 years. This is an unwelcome development The major long term structural problem facing the Irish economy is the achievement of a rate of economic growth sufficient to raise living standards for a population whose growth is the fastest in the western world Attainment of that objective will demand a continuing policy of high investment. The task of the Community is to develop structural programmes which support such investment policies It is important that Community transfers should not be used to sustain consumption expenditures but should continue to provide a basis for productive development over and above what might have taken place without Community support This was what we sought in 1973 and the events of the last 11 years both good and bad have served to underline the important role of Community aid in support of development of the Irish economy

FOOTNOTES

1. The level of surplus production sold into intervention differs from year to year and between countries Irish sales of surplus butter and skim milk in 1983 amounted to 27 per cent and 34 per cent respectively of total production The corresponding figure for beef was 13 1/2 per cent. Surplus production of milk products by the U.S.A. was considerably higher than Irish levels in 1982
2. In considering the national shares of grants, EAGGF Guarantee payments are omitted, despite their importance, since they reflect world price and Community production trends rather than positive policies affecting national budgets. The analysis here relates to structural grants (i.e. EAGGF Guidance, Regional Fund, Social Fund and EMS Interest Rebates) which can be said to affect more immediately public investment priorities Unlike the figures in Annex Tables 1 and 2 which relate to payments (see footnote 1 to Table 1 on page 3) the statistics in Annex Tables 3 and 4 refer to commitments
3. Actual commitments by the EEC, notably from the structural Funds (Social, Regional and EAGGF Guidance), were very much higher - 6.4 per cent of public expenditure in 1977 The figures used here relate however, to actual payments of EEC monies, cf. also footnote 1 to Table 1
4. It must be recognised of course that loan finance has to be repaid. Nevertheless, the availability of such finance from the Community at

- favourable borrowing terms and the contribution that it can make towards speeding up the pace of economic development in Ireland are important factors in assessing the Community contribution to the national economy
5. The volume of GDP rose at an average annual rate of 4.1 per cent in Ireland between 1970 and 1980 as compared with 2.9 per cent for the Community of 10. Although considerably reduced thereafter, it was well above the Community average
 6. The proportion rose to 58 per cent in 1982 and 1983. Valued at purchasing power parities which attempt to eliminate the effects of international currency fluctuations, GDP per head in Ireland was 62 per cent of the EC average both in 1970 and 1983
 7. It may be argued that while it was legitimate to apply the additionality principle to grants, the Commission has constantly endeavoured to ensure the application of the principle in respect of Regional Fund aid, the same is not true in the case of loan finance. While substitution of Community loans for other borrowed funds can be accepted as perfectly in order, such finance is, nevertheless, intended to contribute to the advancement of investment programmes.
 8. cf. Financial Statement of the Minister for Finance 1983, p. 10 of Budget 1984 booklet.
 9. Figures to 1981 from National Income and Expenditure 1981; those for 1982 and 1983 are from European Economy
 10. except for Luxembourg in a few years.
 11. 77 per cent of the EC average in the case of investment per head in 1982, 95 per cent for investment per person employed

ANNEX TABLE 1
Grants and Subsidies from the European Communities

(£ IR million)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. EAGGF | | | | | | | | | | | |
| - Guarantee | 37.1 | 63.8 | 102.2 | 102.0 | 245.1 | 365.6 | 396.5 | 381.1 | 304.6 | 344.3 | 436.7 |
| - Guidance | - | - | 0.6 | 2.6 | 7.3 | 9.7 | 18.5 | 27.8 | 48.0 | 59.6 | 75.7 |
| 2. European Social Fund | - | 3.6 | 4.0 | 4.6 | 8.2 | 19.3 | 28.8 | 46.7 | 45.3 | 73.2 | 91.9 |
| 3. Social security for migrant workers | 1.5 | 1.3 | 2.0 | 2.2 | 3.3 | 4.7 | 7.0 | 9.4 | 13.7 | 21.1 | 25.1 |
| 4. European Regional Fund | - | - | 1.8 | 8.5 | 8.5 | 11.1 | 25.5 | 46.4 | 54.6 | 66.1 | 58.2 |
| 5. EMS interest subsidies | - | - | -- | -- | -- | -- | 44.5 | 45.5 | 46.0 | 50.1 | 43.6 |
| 6. Other | 0.1 | 0.3 | 0.8 | 0.8 | 1.3 | 1.4 | 2.1 | 2.2 | 1.8 | 1.6 | 2.1 |
| 7. <u>Total (1-6)</u> | 38.7 | 69.0 | 111.4 | 120.7 | 273.7 | 411.8 | 522.9 | 559.1 | 514.0 | 616.1 | 733.3 |
| 8. <u>Less</u> UK & Italian MCA Subsidies | - | - | - | 24.0 | 128.0 | 140.0 | 78.0 | 13.5 | 0.3 | - | - |
| 9. <u>Gross Total (7less8)</u> | 38.7 | 69.0 | 111.4 | 96.7 | 145.7 | 271.8 | 444.9 | 545.6 | 513.7 | 616.0 | 733.3 |
| 10. <u>Less</u> Budget Contrib. | - 6.1 | 7.8 | 10.7 | 14.9 | 23.9 | 43.1 | 69.2 | 94.4 | 115.2 | 137.1 | 185.4 |
| 11. <u>Net Total (9less10)</u> | 32.6 | 61.2 | 100.7 | 81.8 | 121.8 | 228.7 | 375.7 | 451.2 | 398.5 | 478.9 | 547.9 |

Source : Dept of Finance and Report on Developments in the European Communities' Stationery Office, various issues.

ANNEX TABLE 2Loans from the EC 1973 - 1983

(£ IR million)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| E.I.B. | 11.1 | 24.8 | 22.0 | 35.4 | 52.1 | 78.5 | 168.1 | 224.7 | 225.1 | 224.4 | 168.5 |
| E.C.S.C. | 0.2 | - | 1.2 | - | 0.1 | - | 17.5 | 3.1 | 7.8 | 0.2 | - |
| N.C.I. | - | - | - | - | - | - | 58.0 | 28.1 | 11.9 | 57.3 | 49.7 |
| T O T A L : | 11.3 | 24.8 | 23.2 | 35.4 | 52.2 | 78.5 | 243.6 | 255.9 | 244.8 | 281.9 | 218.2 |

(*) The loan of £ 156 million provided in 1976 (and since repaid) as a balance of payments relief because of the burden of oil costs is not included.

Source : Dept. of Finance and Report on Developments in the European Communities, various issues.

ANNEX TABLE 3

Receipts from the Community Structural Funds(1) 1973-1982 (% by member State)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|-------------|------|------|------|------|------|------|------|------------|------------|------------|------|
| Ireland | 3.4 | 4.4 | 4.7 | 5.7 | 5.4 | 6.7 | 8.7 | 9.0 | 9.3 | 9.0 | 8.5 |
| Italy | 20.1 | 21.0 | 25.7 | 27.3 | 19.9 | 33.9 | 36.3 | 36.8 2) | 36.8 2) | 31.4 2) | 32.8 |
| U.K. | 15.8 | 17.4 | 22.3 | 19.6 | 23.1 | 22.5 | 21.9 | 20.9 | 22.1 | 24.3 | 23.8 |
| Germany | 27.9 | 21.8 | 16.4 | 16.4 | 19.4 | 14.2 | 9.6 | 9.4 | 6.9 | 5.7 | 5.7 |
| France | 19.4 | 21.6 | 20.6 | 20.5 | 22.2 | 16.3 | 17.3 | 18.2 | 12.6 | 18.4 | 14.2 |
| Netherlands | 5.3 | 4.9 | 4.1 | 4.1 | 3.5 | 2.1 | 2.3 | 2.1 | 1.4 | 1.4 | 1.3 |
| Belgium | 5.6 | 4.4 | 3.4 | 3.4 | 3.5 | 1.9 | 2.1 | 1.9 | 1.3 | 1.6 | 1.2 |
| Luxembourg | 0.1 | 0.2 | 0.1 | 0.0 | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.0 |
| Danemark | 2.5 | 4.2 | 2.7 | 2.9 | 2.9 | 2.2 | 1.7 | 1.7 | 1.7 | 1.4 | 1.6 |
| Greece | - | - | - | - | - | - | - | - | 7.8 | 6.7 | 10.7 |

(1) The four structural funds included are the EACGF guidance section, European Regional Development Fund, European Social Fund and Interest Rebates under the EMS loan arrangements. Totals do not add exactly due to rounding. (2) excluding amounts in respect of special measures in favour of U.K.

Source : Commission of the E.C.

ANNEX TABLE 4

Community Loans (1) by Member State (€) 1973-1983

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Ireland | 2.3 | 3.9 | 2.0 | 2.7 | 3.3 | 4.1 | 10.6 | 9.2 | 9.3 | 7.7 | 4.7 |
| Italy | 18.9 | 29.1 | 28.3 | 22.2 | 29.5 | 35.5 | 33.6 | 35.0 | 48.2 | 40.4 | 41.3 |
| U.K. | 6.9 | 18.3 | 35.3 | 42.9 | 30.4 | 24.8 | 33.0 | 25.8 | 8.5 | 13.9 | 15.2 |
| Germany | 40.4 | 20.1 | 1.2 | 18.2 | 10.3 | 6.5 | 5.9 | 3.5 | 2.7 | 3.8 | 4.6 |
| France | 29.6 | 22.2 | 16.4 | 9.7 | 20.7 | 17.2 | 11.7 | 16.0 | 12.6 | 15.2 | 20.7 |
| Netherlands | 0.1 | 2.6 | 2.7 | 1.9 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.8 | 0.6 |
| Belgium | - | 2.2 | 2.5 | 2.0 | 0.5 | 2.3 | 4.2 | 6.2 | 10.8 | 2.9 | 0.6 |
| Luxembourg | - | - | - | 0.0 | 0.0 | 3.8 | 0.6 | 1.7 | - | 0.7 | 0.0 |
| Denmark | 1.6 | 1.5 | 1.4 | 0.4 | 2.0 | 4.2 | 0.5 | 2.5 | 3.7 | 5.8 | 5.5 |
| Greece | - | - | - | - | - | - | - | - | 4.2 | 8.9 | 6.8 |
| T O T A L (2) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

(1) EIB, ECSC, EURATOM and NCI

(2) Totals do not add exactly due to rounding

Source : Commission of the E.C.

ANNEX TABLE 5
Member States' receipts from the Community Structural Funds 1973-1982
(as % of GDP)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|-------------|------|------|------|------|------|------|------|------|------|------|------|
| Ireland | 0.25 | 0.40 | 0.60 | 0.84 | 0.79 | 1.01 | 1.98 | 2.12 | 2.35 | 2.37 | 2.39 |
| Italy | 0.06 | 0.08 | 0.14 | 0.18 | 0.13 | 0.24 | 0.39 | 0.39 | 0.45 | 0.42 | 0.44 |
| U.K. | 0.04 | 0.06 | 0.10 | 0.11 | 0.13 | 0.13 | 0.18 | 0.17 | 0.19 | 0.24 | 0.26 |
| Germany | 0.04 | 0.06 | 0.05 | 0.05 | 0.05 | 0.04 | 0.04 | 0.05 | 0.04 | 0.04 | 0.04 |
| France | 0.04 | 0.05 | 0.07 | 0.07 | 0.08 | 0.06 | 0.10 | 0.12 | 0.09 | 0.16 | 0.13 |
| Netherlands | 0.04 | 0.04 | 0.05 | 0.05 | 0.04 | 0.03 | 0.05 | 0.05 | 0.04 | 0.05 | 0.05 |
| Belgium | 0.06 | 0.05 | 0.06 | 0.06 | 0.06 | 0.04 | 0.07 | 0.07 | 0.06 | 0.08 | 0.07 |
| Luxembourg | 0.03 | 0.06 | 0.06 | 0.06 | 0.05 | 0.09 | 0.19 | 0.15 | 0.15 | 0.17 | 0.07 |
| Denmark | 0.04 | 0.08 | 0.08 | 0.09 | 0.09 | 0.07 | 0.09 | 0.11 | 0.12 | 0.11 | 0.13 |
| Greece | - | - | - | - | - | - | - | - | 0.90 | 0.81 | 1.46 |
| EEC 10 | 0.05 | 0.05 | 0.08 | 0.09 | 0.09 | 0.09 | 0.14 | 0.15 | 0.17 | 0.19 | 0.21 |

Source : Commission of the E.C.

ANNEX TABLE 6
Member States' receipts from the Community Loans 1973-1982
 (as % of GDP)

| | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|-------------|------|------|------|------|------|------|------|------|------|------|------|
| Ireland | 0.40 | 0.83 | 0.59 | 0.78 | 0.95 | 1.21 | 3.18 | 2.92 | 2.36 | 2.30 | 1.62 |
| Italy | 0.14 | 0.26 | 0.37 | 0.29 | 0.38 | 0.49 | 0.47 | 0.50 | 0.58 | 0.60 | 0.69 |
| U.K. | 0.04 | 0.14 | 0.38 | 0.46 | 0.34 | 0.28 | 0.37 | 0.28 | 0.07 | 0.16 | 0.20 |
| Germany | 0.09 | 0.07 | 0.12 | 0.10 | 0.06 | 0.04 | 0.04 | 0.02 | 0.02 | 0.03 | 0.04 |
| France | 0.14 | 0.12 | 0.12 | 0.07 | 0.15 | 0.13 | 0.09 | 0.14 | 0.09 | 0.14 | 0.23 |
| Netherlands | 0.01 | 0.05 | 0.08 | 0.05 | 0.00 | 0.04 | 0.00 | 0.00 | 0.00 | 0.03 | 0.03 |
| Belgium | 0.00 | 0.06 | 0.10 | 0.07 | 0.02 | 0.09 | 0.18 | 0.30 | 0.48 | 0.18 | 0.04 |
| Luxembourg | 0.02 | 0.05 | 0.12 | 0.04 | 0.02 | 3.87 | 0.64 | 2.08 | 0.00 | 0.16 | 0.00 |
| Denmark | 0.06 | 0.07 | 0.10 | 0.02 | 0.12 | 0.27 | 0.03 | 0.22 | 0.27 | 0.53 | 0.57 |
| Greece | - | - | - | - | - | - | - | - | 0.48 | 1.20 | 1.15 |
| EEC 10 | 0.11 | 0.13 | 0.18 | 0.17 | 0.17 | 0.18 | 0.19 | 0.21 | 0.17 | 0.22 | 0.26 |

Source : Commission of the E.C.

ANNEX TABLE 7

EEC Grants and Subsidies (1) to Ireland-1973 to 1983
related to Public Expenditure and GDP

| Year | (1) Grants & Subsidies | (2) Public Expenditure | | | (1)÷(2) |
|------|------------------------------|---------------------------|--------------------|--------------------|---------|
| | | Current | Capital | Total | |
| | | £IRmillion | | | |
| 1973 | 1.6 | 803 ² | 322 ² | 1.125 ² | - |
| 1974 | 5.2 | 744 ³ | 290 ³ | 1.034 ³ | - |
| 1975 | 9.2 | 1.350 | 471 | 1.821 | 0.5 |
| 1976 | 18.7 | 1.669 | 548 | 2.217 | 0.8 |
| 1977 | 28.6 | 1.944 | 659 | 2.603 | 1.1 |
| 1978 | 46.2 | 2.391 | 816 | 3.207 | 1.4 |
| 1979 | 126.4 | 2.893 | 977 | 3.870 | 3.3 |
| 1980 | 178.0 | 3.696 | 1.259 | 4.955 | 3.6 |
| 1981 | 209.4 | 4.741 | 1.693 | 6.434 | 3.3 |
| 1982 | 271.7 | 5.896 | 1.898 | 7.794 | 3.5 |
| 1983 | 296.6 | 6.671 | 1.748 | 8.419 | 3.5 |
| 1984 | - | 7.001 ⁴ | 1.798 ⁴ | 8.799 ⁴ | - |

Sources :

Col (1) : Dept of Finance and Report on Developments in the
European Communities - various issues

(2) : Budget - various years

Footnotes :

- 1) Total Grants and subsidies less FEOGA Guarantee
- 2) Financial year 1973-74
- 3) Nine months Apr-Dec 1974
- 4) Estimate