



European  
Commission



## THE EUROPEAN SOCIAL FUND INVESTING IN PEOPLE

What it is and what it does

*Social  
Europe*

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## WHAT IS THE EUROPEAN SOCIAL FUND?

The European Union is committed to creating more and better jobs and a socially inclusive society. These goals are at the core of the Europe 2020 strategy for generating smart, sustainable and inclusive growth in the EU. The current economic context makes this an even more demanding challenge.



### Working to boost employment

The ESF is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens. It does so by investing in human capital, which is a prerequisite for a competitive workforce. ESF financing of EUR 10 billion a year is boosting job prospects for millions of European residents, with particular attention paid to those facing obstacles to work, for example young people or older workers. This focus on disadvantaged groups is part of boosting 'social inclusion' – a sign of the important role that employment plays in helping people integrate better into society and everyday life.

### Projects for people

The ESF is not an employment agency – it does not advertise jobs. Rather, it finances projects in EU countries to help millions of people improve their job prospects. It does this by funding tens of thousands of local, regional and national employment-related projects throughout the EU: from small projects run by neighbourhood charities to help local disabled people find suitable work, to nationwide projects to promote vocational training among the whole population. There is a huge variety in the nature, size and aims of ESF projects, and they address a wide variety of target groups. There are projects aimed at education systems, teachers and schoolchildren; at young and older job-seekers; and at potential entrepreneurs from all backgrounds. People are the focus of the ESF.

# THE ESF - HOW IT IS HELPING AND WHO IT IS HELPING

## A fund for solidarity

Europe's less-wealthy regions have 35% of its population and receive over two-thirds of the ESF budget, while the remaining third goes to the more wealthy regions. So while all countries and regions receive ESF support, those that need it most get more. And this support has a huge impact. Every year, the ESF helps some 11 million people. Of these, over 7 million are unemployed or inactive; 5.7 million are women and over 3 million under 25 years old. Close on 1 million are from migrant groups and ethnic minorities – such as the Roma, among others, while 400 000 have a disability. At a time of high unemployment, ESF spending is making a real difference to peoples' chances of getting a job and improving their living standards.

## Setting priorities

The European Commission and the EU countries together set the ESF's priorities and how it spends its considerable resources. There are projects to boost the adaptability of workers and enterprises with training for

new skills and new ways of working. Others focus on improving access to employment: by helping young people in their transition from school to work or training less-skilled job-seekers to improve their job prospects. Indeed, vocational training and lifelong learning opportunities to equip people with new skills forms a large part of many ESF projects.

## Working in partnership

Defining what the ESF should do, and monitoring how it works, is done in partnership by the EU, national and regional authorities and the social partners: trade unions and employers' associations. Actual ESF projects are run by a wide range of organisations – public employment agencies, charities and social enterprises, professional training providers, or a combination of these. The key feature is that spending is channelled through organisations with local knowledge that can make the best use of these resources to improve people's job opportunities and prospects.



## WHAT THE ESF IS DOING

### Strengthening people's jobs and prospects

The financial crisis has led to a redoubling of efforts to keep people in work, or help them return to work quickly if they lose their jobs. The crisis threatens many organisations and workers – and in response, a range of ESF activities are supporting employment. Where working hours are reduced, ESF programmes are supporting workers who undertake training to improve their skills and benefit their companies. Where job losses are unavoidable, the ESF can intervene to give workers the new skills that employers want – to help the workers rapidly return to work.

### Green jobs for growth

The Spanish 'Green Jobs' programme is helping a total of 28 000 workers by equipping them with the environmental skills and qualifications needed in a changing economy. Priority is given to workers from companies and sectors threatened with restructuring, to help them return to work quickly. The initiative also supports some 1 000 new businesses aiming to foster the growth of new green enterprises.

### Teaching skills in Latvia

Public-sector spending cuts in Latvia motivated the 'Raising teachers' project which offered retraining opportunities to some 22 000 educators. Some retrained for jobs in other sectors, such as accountancy and project management. Others chose to upgrade their teaching skills to include new subjects and higher grades.

### Public services you can count on

When job losses threaten, the public employment services are often the first point of call for help. They play a vital role in getting people back to work and providing information on training opportunities. In some cases – particularly in less-developed regions – they need to improve their services to job-seekers and others. ESF projects in many countries are boosting the quality of public services – through staff training, new computerised systems, and better strategic planning and organisation. This is often done in partnership with other EU countries that share their expertise.

## Improving education and training opportunities



The proportion of highly-skilled jobs in the employment market is rising, while demand for low-skilled jobs is falling. And this trend is forecast to continue in the future. This is one important reason why the ESF supports better education and more vocational training opportunities. ESF spending is addressing the whole education and training sector – from primary school through higher education to lifelong training for workers of all ages. Furthermore, better education has other benefits – well-qualified people earn more during their working lives than those with few or no skills and qualifications.

ESF projects are improving school education systems by updating curricula, implementing IT systems, developing teachers' skills, and encouraging parents to get more involved in their children's education. Many activities target fewer school drop-outs. Without qualifications, a young person's job prospects are severely reduced, so by encouraging them to complete their education, the ESF gives them better job opportunities. But such activities do not stop at the school gates. In higher education, the ESF is building better links between universities and the business world – to ensure that young people's skills are relevant and in demand, and can lead to sustainable careers.

The ESF is funding activities across the EU to help people acquire the skills they need to get a job and improve their employability. Training and skills projects cover a wide range of activities, from specialist in-company projects giving workers new competences to nationwide training voucher schemes for workers and job-seekers to choose freely. The ESF also promotes lifelong learning to help workers learn new skills as their careers demand them.

*While financing education and training courses for all, ESF support goes specifically to people with few or no qualifications.*



## Promoting better prospects for the young

The financial crisis has hit employment among young people particularly hard – blighting aspirations and threatening future growth. ESF projects support over 3 million young people a year by giving them the skills that employers require and guiding them into jobs. Training and mentoring programmes are helping low-qualified young people to upgrade their skills and job prospects. The better-qualified are getting the extra skills that make them more attractive to employers, such as in management or information technologies.

The ESF is also encouraging mobility – thousands of young people are gaining work experience and language skills abroad. Boosting apprenticeship schemes is another target – offering on-the-job experience combined with training to get the skills employers are looking for.

## New skills for older workers



Each year, the ESF is helping around 500 000 older workers face the challenges of age discrimination and the need to work for longer. Despite valuable experience, older job-seekers face difficulties in finding work. In response, ESF projects are giving them new skills that improve their job prospects and help them switch careers. For those in work, training can upgrade skills and help maximise their contribution – for example, by mentoring younger workers. And lifelong learning projects give all workers opportunities to update their skills and competences – helping extend working lives and boost social and financial independence.

*Many ESF projects are convincing traditionally minded SMEs and managers to employ entrepreneurial young people for new company activities – to drive innovation with new designs, new technologies and new export markets.*

## A helping hand for those who need it

Although Europe is one of the most prosperous regions in the world, 16% of its citizens live in poverty – some 80 million people. Many of these are unemployed, too discouraged to look for work, or belong to disadvantaged groups. They include single parents with child-care obligations; people with disabilities whose capacities employers doubt; recent immigrants with poor language skills; and minorities like the Roma who face open discrimination. While welfare systems do much to relieve this situation, the better solution for many is a route to employment – and the independence and social advantages that work offers.

Every year, ESF projects help around 400 000 people with disabilities, often working with potential employers to find flexible solutions, such as adapting workplaces, or setting up social enterprises to offer disabled workers jobs appropriate to their disabilities. For immigrant job-seekers, the ESF helps them acquire language skills and to have their qualifications recognised. Prioritising better job prospects for the Roma is a way of deepening their integration into European societies, through addressing issues like education, employment, gender equality and health, among others.



*The wider provision of childcare goes hand in hand with higher female employment – showing the important role childcare facilities can play in boosting women's job opportunities.*

Supporting women in work is another priority. Many activities boost access to childcare facilities, to allow women to return to work more quickly. Others encourage women to acquire technical and IT skills, thus opening new opportunities; or engage successful businesswomen to act as mentors for women wanting to start their own businesses. The ESF helps 5.7 million women improve their job prospects each year.

*Of the 11 million people the ESF helps each year, 900 000 are immigrants or from ethnic minorities such as the Roma.*



## Fostering entrepreneurs and job creation



Enterprise is vital because it creates jobs for people. Of the 23 million or so enterprises in Europe, 99% are small businesses and they account for two out of three private-sector jobs. This is why the ESF supports entrepreneurship. However, there is more: helping disadvantaged people set up in business helps their self-sufficiency – so there are appreciable social advantages, too. ‘Entrepreneur’ describes many people: a mother who wants to start an online business from home; an experienced immigrant decorator seeking to establish a small company and employ a few friends; or a group of scientists who want to take a new technology to market. For all these people, the ESF offers many opportunities, such as management training, mentoring and guidance through the start-up formalities and early stage of operation, training for employees, access to networks of other entrepreneurs, and support for exports and internationalisation where needed.

ESF support goes beyond training and guidance. Getting access to capital – small business loans to support a business in its early stage – is a major problem for many new entrepreneurs. Commercial banks often consider them too risky for lending. In response, many ESF projects offer microloans to small entrepreneurs. These microfinance projects may be confined to a given region, or aimed at particular groups, such as immigrants or young people. By contrast, at European level, the Progress Microfinance Facility works with microcredit providers in the Member States and offers loans of up to EUR 25 000 to entrepreneurs and new businesses across the Union.

## SOME PRACTICAL INFORMATION

### Who can receive ESF funding?

ESF funding is available through the Member States and regions. The ESF does not fund projects directly from Brussels. ESF programmes are implemented through individual projects run by participating organisations which can be of many different types, such as public administrations, companies, NGOs and social partners active in the field of employment and social inclusion. Interested organisations should contact the ESF Managing Authority in their own country or region.

### Where does ESF funding come from?

ESF funding comes from the budget of the European Union and is matched with national contributions. The ESF represents over 10% of the total EU budget. For the period 2007 to 2013, the ESF budget amounts to EUR 75 billion – or close to EUR 10 billion per year.



## WHAT IS THE FUTURE OF THE ESF?

In the period 2014 to 2020, the ESF will continue to be the main EU instrument for investing in human capital. The ESF will give concrete support to people who need to find a job or stay in their current job. Through education and training it will contribute to promoting a competitive European labour force. It will step up efforts to combat poverty and social exclusion among vulnerable groups, for example low-

skilled people, ethnic minorities – such as Roma – the elderly, lone parents or migrants. Finally, it will promote institutional capacity building. To increase the impact of such measures, the support will be concentrated on a limited number of priorities in line with Europe's strategy for growth and jobs and joint efforts to overcome the effects of the economic crisis.

European Commission

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This brochure introduces the European Social Fund: setting out what it is and what it does; and describing how ESF activities are helping many groups of people from across Europe to get new skills and improve their job prospects.

To accompany this brochure, there is a series of 27 country sheets, one for each EU Member State. These provide country-specific information on ESF funding priorities and programmes and use examples of real projects to illustrate how ESF funding is boosting employment and social cohesion.

To learn more about the European Social Fund and what it is doing for European citizens, in particular in your country, go to the ESF website: <http://ec.europa.eu/esf/>

