

THE EUROPEAN SOCIAL FUND

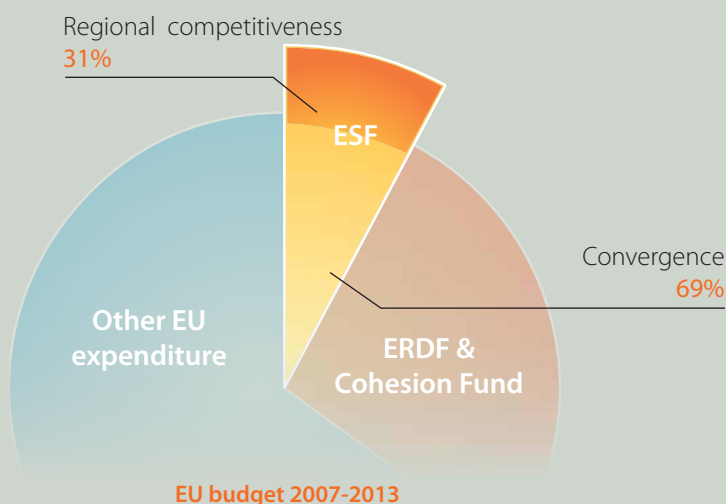
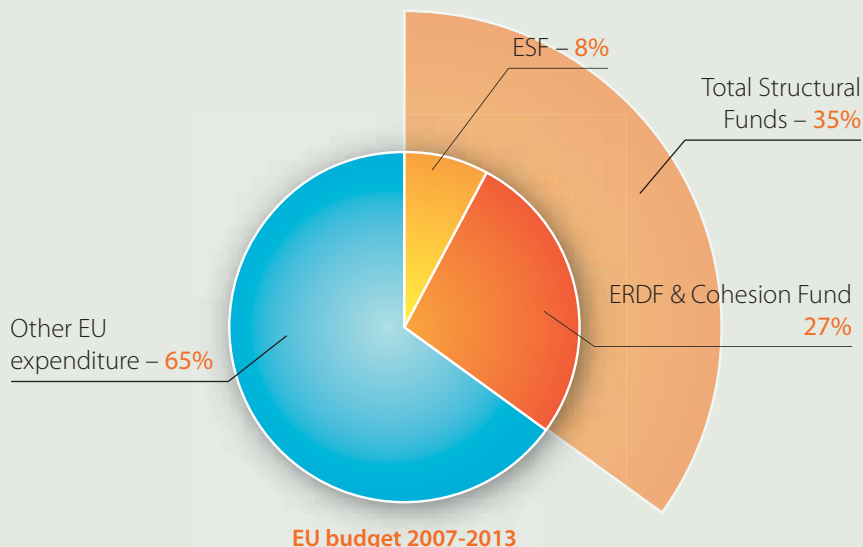
Investing in people 2007-2013



ESF funding in context

At present, the European Union has an annual budget of around €120 billion, which represents about 1% of the total GDP of the Member States together. Of this yearly budget, the Structural Funds – comprising the European Social Fund, European Regional Development Fund and Cohesion Fund – amounting to around one-third.

The ESF itself takes close to 10% of the total EU budget. Over the period 2007-2013, the ESF will spend over €75 billion on creating more and better jobs in Europe.



What are the ESF's objectives?

The relative wealth of a country or region – measured by GDP per capita – determines whether it falls under the Convergence or Regional Competitiveness objective. There is a higher ESF contribution – up to 80% of co-funding – for Convergence regions.

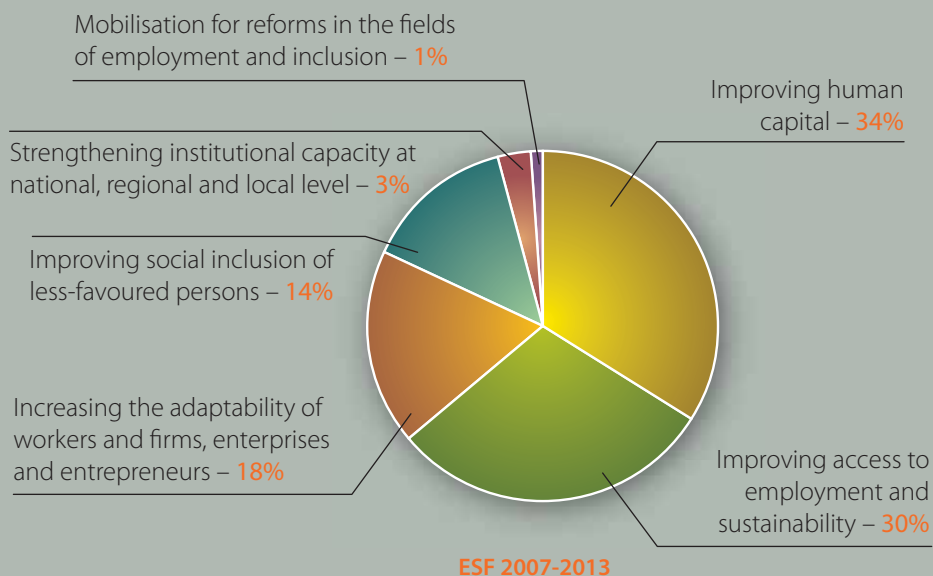
Convergence objective spending aims to improve job creation and employment opportunities, thus bringing the wealth and employment in a region closer to the EU average.

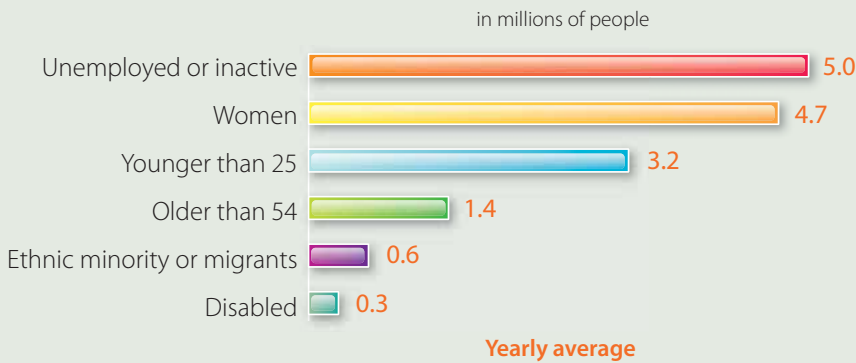
Regional Competitiveness objective spending aims to give countries and regions the workforce and labour markets they need to build successful, competitive economies, able to compete globally.

What does the ESF support?

To achieve its objectives, the ESF funds projects and programmes in six specific fields relevant to creating jobs and helping workers to fill them. For example, a project under 'improving social inclusion of less-favoured persons' might directly address the training needs of female immigrant workers, while another under 'increasing the adaptability of workers and firms, enterprises and entrepreneurs' might encourage job-sharing in companies.

The share of funding indicated for the different fields can vary between regions and countries depending on priorities, although Convergence regions will usually place an emphasis on 'improving human capital'.



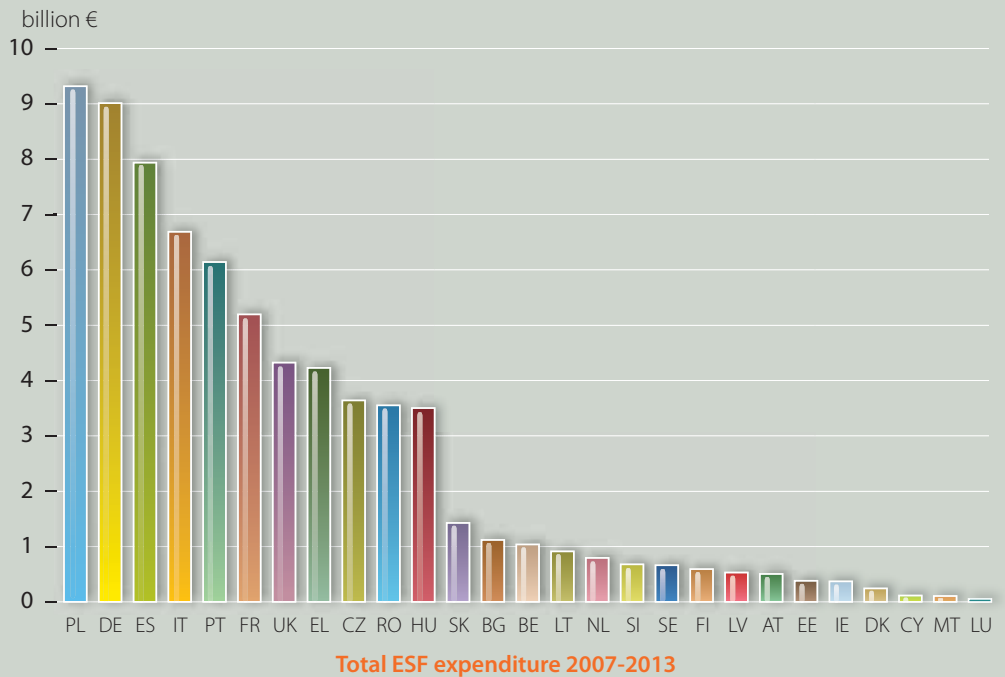


Who benefits from the ESF?

While unemployment can hit everyone, some groups are more vulnerable than others. For a variety of reasons, some people can find it more difficult to get a job and to keep it. For example, older workers whose long experience is underestimated, the young who have yet to acquire experience, and mothers who want to return to the labour market yet find their skills are out of date. ESF funding targets people in society who are more vulnerable to unemployment and social exclusion.

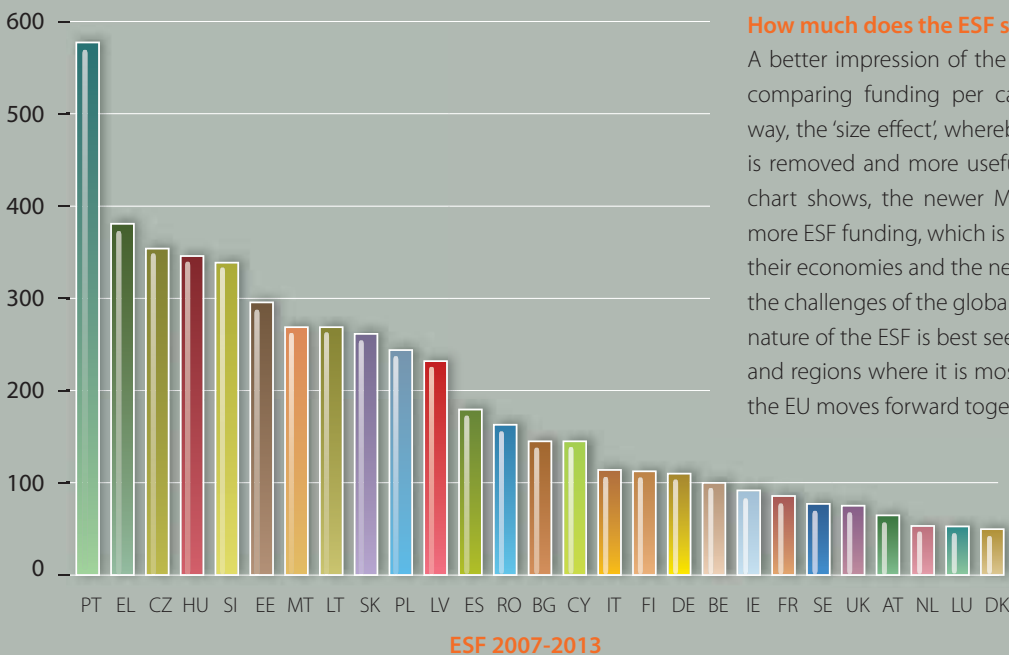
Where is the ESF spent?

The share of the ESF budget that each Member State receives depends on several factors. Larger Member States, with greater populations, receive more funding. Less-wealthy Member States also receive proportionally more funding, as do those with higher unemployment. Within each Member State, more funding can be given to regions that fall under the Convergence objective.



Total ESF expenditure 2007-2013

Average per capita €



ESF 2007-2013

How much does the ESF spend per person?

A better impression of the targeting of ESF funding is given by comparing funding per capita in the Member States. In this way, the 'size effect', whereby larger countries get more funding, is removed and more useful comparisons can be made. As the chart shows, the newer Member States receive proportionally more ESF funding, which is in line with the 'catching-up' nature of their economies and the need to reorient their labour markets to the challenges of the global economy. It is here that the 'cohesive' nature of the ESF is best seen: putting funding into the countries and regions where it is most needed and ensuring the whole of the EU moves forward together.