



European  
Commission



# The European Social Fund

Investing in people



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## Investing in people

**European Commission**

Directorate-General for Employment, Social Affairs and Inclusion

Unit F1

Manuscript completed in September 2016

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Luxembourg: Publications Office of the European Union, 2016

ISBN 978-92-79-62159-8 - doi:10.2767/601827 (print)

ISBN 978-92-79-62132-1 - doi:10.2767/382906 (PDF)

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*Printed in*

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## WHAT IS THE ESF?

**The European Social Fund (ESF) is the European Union's main tool for investing in people. The ESF was the first EU funding instrument created by the Treaty of Rome, and over the past 60 years it has helped millions of people into jobs. The ESF has also helped bring disadvantaged people back into society.**

The ESF addresses the following four major challenges:

- **Employment:** The ESF funds projects across Europe that assist people of all ages and backgrounds so they have a better chance of finding work. Priorities evolve to deliver the right support when it is needed. Following the 2008 financial crisis the focus was on young people, for example.
- **Social inclusion:** Improving the lives of the poor and socially excluded is also central to the ESF's mission. Money goes to projects that help disadvantaged people out of low paid jobs while improving their access to vital services.
- **Education:** Adequate education is a key element for finding the right job or getting back to work. ESF-backed lifelong learning and vocational training schemes give people the opportunity to improve their careers and life chances. Children benefit as well, as funding is used to avoid them dropping out of school.
- **Public services:** More efficient public services benefit business and people by cutting red tape and saving time. ESF investments are used to reform public administrations and the judiciary, making them more transparent and easily accessible for citizens and companies.

ESF projects support people who may otherwise not get the opportunity to attend training, obtain qualifications and get good jobs. Due to its size and scope, the Fund has a big influence on the labour market and society at large. In some countries, around 90 % of the actual expenditure for labour market measures comes from the ESF. The Fund is one of the tools the EU relies on to meet its targets for increasing employment, reducing poverty and improving educational achievement across the Union.

# HOW DOES THE ESF WORK?

Three key principles – partnership, shared management and co-financing – guide the ESF.

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## PARTNERSHIP

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EU institutions, national administrations, social partners, civil society and the vast range of local organisations that deliver ESF-backed projects on the ground work together to deliver the ESF's objectives. Working in partnership with all those involved in delivering ESF-backed activities means that funding goes where it is really needed at local level.

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## SHARED MANAGEMENT

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The EU, national governments and regional administrations share responsibility for planning and implementing activities relating to ESF funding. Responsibility for decisions and ownership of programmes is therefore taken at the most appropriate level.

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## CO-FINANCING

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Money provided through the ESF comes from the EU, national public funds and private sources. EU contributions vary between 50 and 85 % of total project costs, though this can rise to 95 % in exceptional circumstances. The proportion of EU funding depends on the wealth of the region receiving support. Poorer parts of Europe receive higher levels of assistance.

## A more effective ESF

The management of the Fund is continuously being simplified to reduce the bureaucratic burden on the organisations that manage the projects. The reimbursement system now focuses more on output and results. Projects which apply this approach no longer have to account for every single euro they spend. Instead, they can calculate the value of an action based on criteria relating to different types of costs and measurable outputs – for example, numbers of people successfully completing training courses. The new system, which is gradually being adopted, is less error-prone.

# Partnership

Joint decision making



# Shared management

European Commission

Member States



programming

agreeing on priorities, setting budgets,  
defining actions (7-year cycle)

monitoring  
implementation

delivery  
of planned actions

reimbursing  
expenditure

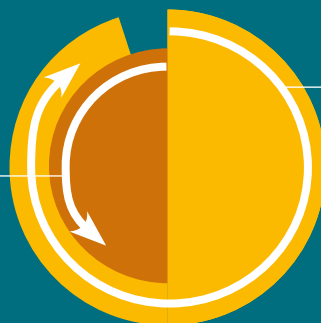
selection  
of concrete projects

accountable for the budget

payments to project organisers

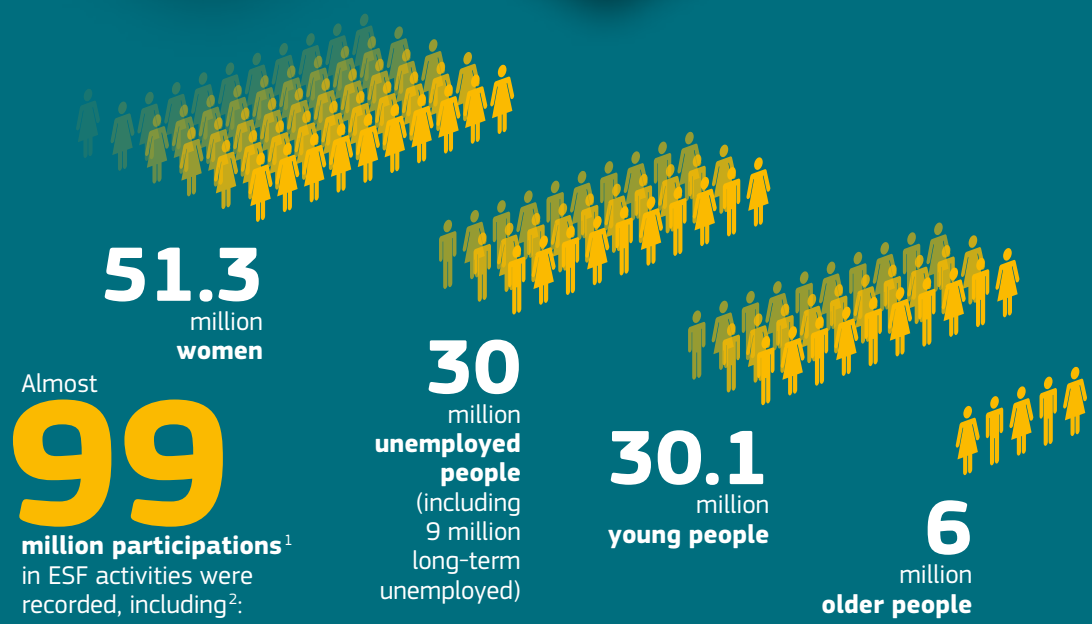
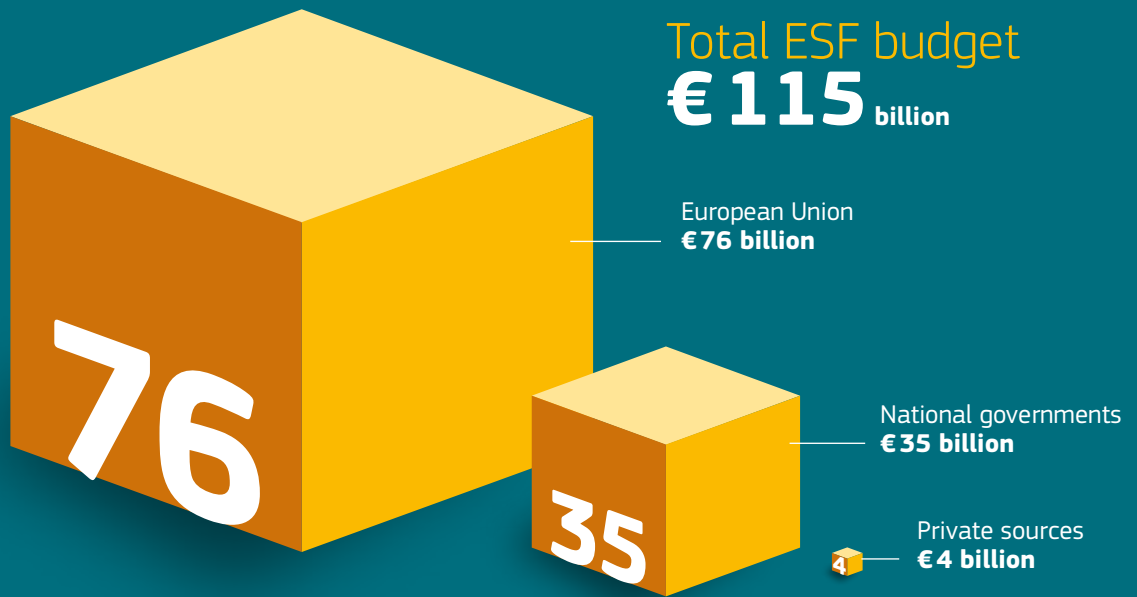
# Co-financing

National co-funding  
(+ private contribution  
in some cases)



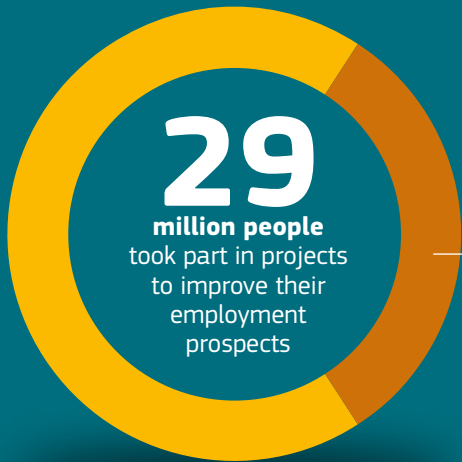
EU share  
50% > 95%

# RESULTS SO FAR FROM THE 2007-2013 FUNDING PERIOD



1. One person can participate in more than one activity.  
2. Some categories overlap, for example young people can also be unemployed.





**29**  
million people  
took part in projects  
to improve their  
employment  
prospects

Around  
**9.2** million people  
got a job

Around  
**8.7** million  
people

obtained additional qualifications  
thanks to ESF support for education and training



ESF helped...

**470 000**  
organisations, companies,  
networks and start-ups



**104 000**  
companies to grow

**24 000**  
new businesses  
to establish

# HELPING PEOPLE INTO WORK

The ESF funds projects across the EU to get more people into jobs. Activities include training, re-skilling and careers advice.

There is a particular focus on helping those who struggle most to find work like the long-term unemployed or young people. Projects can include skills training combined with work-placements. Many initiatives equip people with the skills they need to find work in growing sectors of the economy. Job counselling services are also on offer, including help with CVs, applications and interviews. The ESF also provides support for basic training activities, such as language courses for new migrants.

Europe has an ageing population, which means people will have to stay in work longer. ESF projects address this by providing retraining for older workers. There is support too for businesses that offer part-time positions, flexible working hours and adapted work spaces. Such options help a variety of people into work, including those with disabilities and women returning from maternity leave.

ESF-funded initiatives are making it easier for people to go self-employed. Courses cover subjects such as accountancy and employment law. Consultancy services are helping entrepreneurs create viable business plans. In addition, some ESF projects provide funding for start-up businesses. New companies struggling to secure finance from traditional lenders can also access small loans through ESF-backed schemes.

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## IMPROVING EMPLOYABILITY FOR MILLIONS

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In Spain, the Caritas organisation has been working with the ESF to help more than one million individuals improve their chances of finding a job. Support has been provided to a diverse range of people in a variety of circumstances, for example:

- In Granada, project staff accompanied job candidates to face-to-face meetings with potential employers. This tailored “match-making” approach yielded specific agreements with companies which provided ongoing vocational training and other in-work assistance to participants.
- In Menorca, job opportunities have been created in the recycling sector. Participants included socially excluded people and those who find it difficult to integrate into the workplace. They received practical training along with help to improve their social and communications skills.

▶▶ <http://europa.eu/!Pu93nU>

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## HELP FOR FEMALE ENTREPRENEURS

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The Initiative is a Woman project in Lubelskie, Poland helped hundreds of female entrepreneurs realise their potential. Workshops, one-to-one counselling and expert assistance to produce business plans were made available to 340 women – 240 of whom went on to establish their own businesses. Each successful candidate received EUR 3 000 to help with the start-up phase.

Seamstresses, beauticians and lawyers were among the beneficiaries. Childcare was provided to ensure mothers could participate as well.

» <http://europa.eu/!XW68qK>

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## CHAMPIONING THE LONG-TERM UNEMPLOYED

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In the Austrian city of Graz, six organisations which support employment teamed up to help long-term unemployed people as well as asylum seekers and immigrants. More than 60 people were initially provided with work-placements in areas as diverse as joinery and bicycle repair. If the placements were a success, the participants were then given a job for 12 months, which helped them build confidence and get a feel for working life. Case officers supported each individual every step of the way as they made the social and mental adjustments required to thrive in a working environment.

» <http://europa.eu/!Kr49tm>

Between 2007-2013, more than **9 million people** found a job after completing their ESF-supported project

# PROVIDING A BETTER EDUCATION

**ESF-backed programmes provide learning opportunities to Europeans of all ages – and help improve education systems.**

Young people need to complete their education and obtain the qualifications if they are to get good jobs. ESF-backed actions include efforts to reduce school drop-out rates. Training courses provide a second chance to youngsters who left education too early.

ESF projects are also supporting PhD students in their studies. Investments like these are essential for an individual's career prospects as well as Europe's economy.

To bring about improvements in education systems, the ESF funds a wide range of initiatives, including:

- training courses for teachers and youth workers;
- the development of new education strategies and management practices;
- new IT systems for schools, colleges and educational administrations.

Crucially, the ESF brings together the worlds of education and employment. Learning from each other, as well as input through expert reviews, enables teaching establishments to revise their qualification schemes to match the needs of the economy. Forging closer links with businesses is opening up new work-placement opportunities for project participants.

The economy is evolving all the time which means workers have to adapt to stay in work. ESF projects invest in training and lifelong learning schemes to help people of all ages keep their skills and knowledge up to date. There is an emphasis on developing transferable skills such as languages and computer literacy.

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## HELPING KIDS STAY IN SCHOOL FOR LONGER

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The Puglia region of Italy has taken steps to cut school drop-out rates, which traditionally have been among the highest in Italy. Diritti a scuola focused on early intervention, reaching out to primary school pupils and youngsters completing their first two years of secondary education.

The project's main activities were to improve the study of language and science in primary schools, and to develop the teaching of Italian and mathematics at secondary level. Counselling, vocational guidance and mediation services for students and families were also on offer. Extra efforts were made to provide these services to poorer students and those from migrant families. The project is already contributing to change in Puglia where the school drop-out rate has decreased from 30.3% in 2004 to 19.5% in 2011.

►► <http://europa.eu/!Hd93HM>

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## GREEK SCHOOLS GO DIGITAL

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Greek schools have received a digital makeover thanks to ESF funding. Primary and secondary schools have been provided with interactive learning applications which can be used by teachers, students and the wider education community.

A website provides digitised school books, videos and tools for carrying out experiments. In addition, the project has created a centralised online service for gathering, organising, searching and distributing digital content for school education. Around 50000 users visit the site each month.

▶▶ <http://europa.eu/HF76JH>

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## MODERNISING THE SYSTEM

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A state-of-the-art IT system is revolutionising the way PhDs and academic publications are processed and assessed in Romania's 104 universities. The system has automated a number of administrative tasks and allowed paper forms to be digitised.



The new platform includes a database management system; a module for indexing and searching; and a communications and publications portal. There is also an electronic application that can detect plagiarism in PhD theses.

The changes have improved workflows and brought the country's educational systems up to European standards.

▶▶ <http://europa.eu/kc43Qy>

**25.9 million people** took part in education and training schemes between 2007 and 2013, including **10.3 million young people** (aged 15-24 years)

# PROVIDING YOUNG PEOPLE WITH A START IN LIFE

**Youth unemployment is very high in many EU countries. This is a situation that the EU and its member countries are determined to address. The ESF has a key role to play here as it is the EU's main tool for equipping young people for working life.**

Projects backed by the Fund give youths the training, skills and confidence they need to get a foot on the jobs ladder. Apprenticeships, work-placements and internships are offered. Job Fairs which receive ESF backing put young people in contact with businesses and potential employers. Young people also get the chance to experience working life in another country through ESF-supported exchange schemes.

The ESF is helping to bridge the gap between school and work. Projects are making learning more relevant to the needs of business by involving employers in course design. ESF funding also pays for courses that give young people the chance to start a business. Some even provide grants to get a company off the ground.

## **Extra help to get young people into work**

EU governments have established the Youth Guarantee Scheme to help youngsters aged under 25 not in employment, education or training. The scheme guarantees a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. The ESF and the Youth Employment Initiative (YEI) are supporting this scheme in regions worst affected by youth unemployment. So far, these actions have already helped over 1.4 million young people.

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## **PROMOTING JOB CREATION IN SLOVAKIA**

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In Slovakia, more than 12 000 people have secured employment thanks to an ESF-backed scheme which provided private sector organisations with financial support to create jobs.

In most cases, the Promoting Job Creation initiative offered a 95 % contribution towards the cost of employing an individual for one year – providing that the employment could continue for a further six months. Jobs were available across the economy, including transport, services and administration. Around 60 % of the new jobs went to jobseekers under 24 years of age.

» <http://europa.eu/!rt89KY>

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## DANISH SCHEME PROVES JUST THE JOB

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In Denmark, young unemployed people with no educational qualifications were offered a range of professional services to improve their chances of landing a job. Around 1 400 15-30 year olds were referred to Youth Initiative North Denmark by job centre staff. Support provided through the project included jobs guidance, mentoring and traineeships. Vocational training covered essentials such as the Danish language, mathematics and social studies. The project team also provided life-skills lessons in areas such as personal communication and finance. About 68 % of the target group went on to re-start their education or find a job. The remainder secured other opportunities like working on municipal projects.

» <http://europa.eu/!hy66Cw>

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## PROFESSIONAL TRAINING FOR YOUNG SPANIARDS

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In Bilbao, Spain more than 2 000 long-term unemployed young people got the chance to undertake professional training through the Sendotu-Peñascal project. A variety of trades were available such as metalwork, joinery, construction and cooking through which participants could develop technical skills. Workshops played host to initial training as each individual made progress through a personalised development plan. The young people were then offered work-placements at local businesses or in the project's own integration companies.



» <http://europa.eu/!fU93nu>

Between 2007 and 2013, **7.3 million young people** took part in ESF-backed initiatives to improve their access to employment. Nearly **1.6 million** got jobs three months to two years after participating in such ESF interventions

# A PLACE FOR EVERYONE

**The ESF-supported initiatives help disadvantaged people find jobs and escape poverty. Projects focus on helping marginalised groups such as migrants, ethnic minorities and those on low incomes.**

In many cases it is about getting people “job-ready”. Projects can offer individual counselling to identify people’s abilities, motivation and needs. Then the relevant training package can be put in place. This can include supervised work-placements and help applying for jobs. When people find a job, project teams often continue to provide support in collaboration with the employer.

Social enterprises principally aim at helping their community rather than making a profit. The ESF supports such organisations, as they give people a chance to work in a supported environment, according to their abilities. The Fund’s resources can be used to give marginalised people the skills and equipment they need to run their own community projects.

ESF-backed initiatives also help the most vulnerable people by tackling problems such as drug and alcohol abuse, homelessness and debt.

Isolated groups like the Roma also receive support to make sure they can access essential services – such as health and education – that most Europeans take for granted.

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## **JOBS FOR VULNERABLE PEOPLE**

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A social enterprise in Slovenia provided work for socially excluded people and helped the environment. The Work Factory collected and sorted second-hand clothes before mending and restyling them for re-sale. Disadvantaged young people, individuals with no formal qualifications and the long-term unemployed were all part of the factory team. The project gave participants some much needed work experience, as well as the opportunity to form new friendships. The clothes were sold in the project shop in Ljubljana and other outlets across the country.

» <http://europa.eu/!fW96MY>





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## CAFÉ SOCIETY TACKLES ISOLATION

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A training café was opened in the town of Slaný in the Czech Republic to help mentally disabled people get a taste of working life. 28 individuals with mild to moderate disabilities were given jobs as bartenders and waiters. Assistants helped the café staff who worked part-time, four hours a day. A psychologist was also on-hand to provide support.

Each participant required a different amount of time to adapt to working life, but they all quickly mastered their café duties and became adept at communicating with customers. When the café closed its doors after two years, the project team was able to find new jobs for almost all the participants.

» <http://europa.eu/!nB84Nh>

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## WORKING WITH ROMA CHILDREN

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The ESF supported a project in Hungary which provided proper schooling for Roma children and other disadvantaged youngsters. The Tanodas initiative focused on tackling drop-out rates and providing equal chances to Roma children at both primary and secondary school levels. The project offered mentoring services and delivered individual development plans suited to the needs of each child. In some cases, Tanodas provided schools with extra equipment for the children's education.

» <http://europa.eu/!Mv86Gd>

Between 2007 and 2013, the ESF projects helped **5.1 million migrants, 3.9 million people from minority ethnic groups, and 5.3 million disabled people**

# BETTER PUBLIC SERVICES

**ESF resources are being deployed to help public sector organisations work more effectively, cut red tape and bring services closer to the public. Projects in this area work with national governments, regional bodies and local councils.**

ESF investments are equipping public administrations with new management systems which are helping to improve financial controls; e-government services are being introduced so that the public sector can make the most of the ICT revolution; and training schemes are keeping the skills of civil servants up-to-date. There is an emphasis too on helping to strengthen public bodies that serve Europe's poorest regions.

Making the public sector more business friendly can help the economy and create jobs. Poland used ESF funding to simplify 92 legal acts. It introduced ways to measure administrative costs and improve assessment processes. The changes have led to a 16 % reduction in red tape. 16 000 civil servants have been trained to be more business friendly. This is helping to speed up business registration.

Portugal used ESF support to strengthen the role of social partners. One project expanded the Confederation of Portuguese Industry. The initiative has given the Confederation's members a stronger voice – and a more influential role at home and abroad.

Public consultations also provide people with a greater say in the way public services are run. The ESF supports projects in this area.

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## BETTER SERVICES FOR DISADVANTAGED PEOPLE

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Federal public bodies in Belgium are employing people who have personal experience of poverty in order to make services more responsive to the most disadvantaged in society.

Experts by Experience aims to improve the way poor people are dealt with when they ask for support. As well as guiding service users through “the system”, the 28 experts are helping to develop new offers that cater for the needs and expectations of vulnerable people. Thanks to the ESF, four coordinators have been appointed to develop the project, organise its activities and supervise the experts' work.

» <http://europa.eu/!Gn97TM>

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## CLOSER TO THE CITIZEN

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The Municipality of Alytus in southern Lithuania has completed a major overhaul of its working practices. A rigorous self-assessment process revealed areas for improvement while building on good practice. A working group and external assessors identified 25 “quick fixes” and 25 large-scale improvements to the municipality’s operations – including the introduction of a one-stop-shop service.

The changes mean that citizens can now access information, obtain application forms and make claims in one place. A new IT system has also been introduced which is saving the municipality both time and money.

» <http://europa.eu/!Ct47Tb>

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## HELPING MIGRANTS SETTLE IN

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Migrant communities in Portugal can access a range of vital services under one roof thanks to an ESF-supported project. The National Immigration Support Centres (CNAIs) were established in 2004 and provide a one-stop-shop approach to help immigrants with issues such as legal status, employment prospects, educational opportunities and family reunification.



CNAI also runs an SOS helpline through which migrants can ask for assistance in 13 different languages. In addition, an extra translation service provides basic support in up to 60 different languages. Plus, CNAI’s intercultural mediators provide a link between migrants, public services and civil society.

The centres handle around 360 000 enquiries every year. In the main, users hail from Brazil, Cape Verde, Guinea-Bissau, Angola and Ukraine.

» <http://europa.eu/!cB38Ym>

More than **157 000 public service** employees in Cyprus, Greece, Hungary, Malta and Romania have recently gained new qualifications through ESF-supported training schemes



## WHAT IS NEW IN 2014-2020?

The EU has strengthened the ESF for 2014-2020. It will deliver even more targeted support for job creation, economic growth and social inclusion:

- the ESF is providing EUR 125 billion between 2014 and 2020 to improve people's lives;
- at least 20% of the ESF budget must be used to help socially marginalised people into jobs and escape poverty;
- promoting equality between men and women is a priority in all ESF-supported activities, as is combating discrimination;
- there is additional help to combat youth unemployment via the Youth Employment Initiative and Youth Guarantee (see chapter 4);
- the Fund continues to foster social innovation, which offers new ways of meeting social, educational and employment needs;
- there is more support for social enterprises, which sell goods and services like any other business but use their profits to help the local community;
- stimulating greater cooperation between the EU, public bodies, social partners and civil society organisations at national, regional and local levels is also a high priority.

Efforts will continue to simplify the management of ESF projects so a greater focus can be placed on results. Administrative tasks will be made easier for those receiving the money. The ESF also complements the EU's current Investment Plan, which supports job creation and seeks to get the economy growing again.



# EXPECTED ACHIEVEMENTS BETWEEN 2014 AND 2020

Between 2014 and 2020, general targets include<sup>3</sup>:

- helping more than **7.4 million** unemployed participants into work, plus another **2.2 million** people six months after completing an ESF project;
- providing more than **8.9 million** people with new qualifications.

The ESF is set to benefit at least:

- **9.9 million** individuals with low education;
- **7.5 million** disadvantaged people;
- **6.2 million** young people;
- **7.2 million** employed people, including the self-employed and staff working in organisations such as schools and public employment services.

Learn more about the ESF:

▶▶ <http://ec.europa.eu/esf>

3. Source: The analysis of the outcome of the negotiations concerning the Partnership Agreements and the ESF Operational Programmes, for the programming period 2014-2020, Final Report: EU28 Analysis, by Fondazione G. Brodolini with the support of CEPS and COWI.

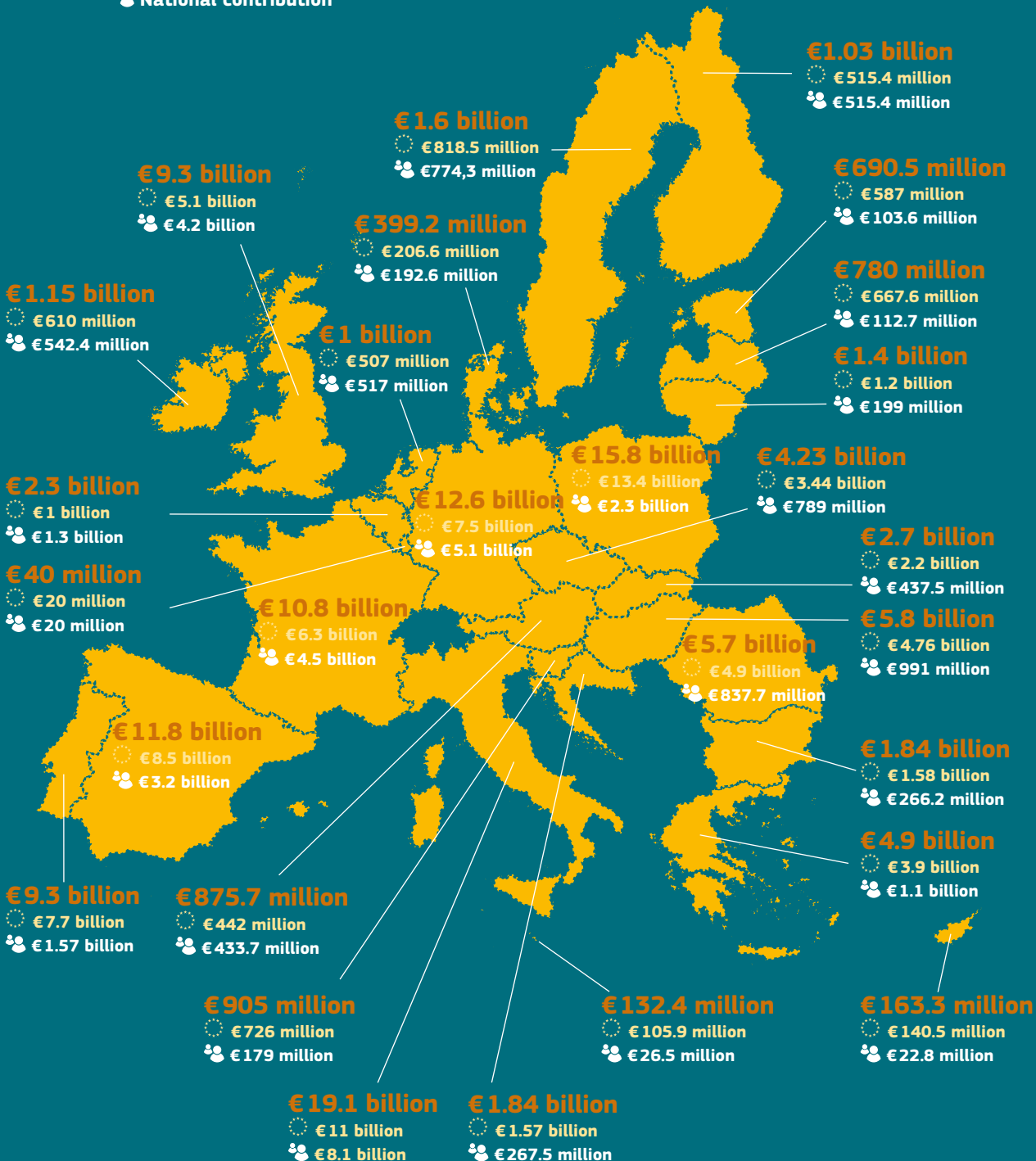
# ESF BUDGET PER EU COUNTRY, 2014-2020

The budget figures include the Youth Employment Initiative (YEI).

## TOTAL

○ EU contribution

⊙ National contribution



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This brochure describes how the European Social Fund (ESF) supports people who may otherwise not get the opportunity to attend training, obtain qualifications and get good jobs. Due to its size and scope, the Fund has a big influence on the labour market and society at large. In some countries, around 90 % of the actual expenditure for labour market measures comes from the ESF. The Fund is the EU's main tool for meeting its targets for increasing employment, reducing poverty and improving educational achievement across the Union.

The publication explains how the ESF works, and presents results obtained so far from the 2007-2013 funding period and some true-life examples of how it has helped some of the millions of people it supports every year.

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