

# COHESION POLICY: STRATEGIC REPORT 2013

*Factsheet: Labour market*



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## Strategic Report 2013 – Programme implementation 2007-2013

### Factsheet: Labour market

This factsheet has been produced in support of the Commission 2013 Strategic report on cohesion policy programme implementation (2007-2013). It should be read in conjunction with that report (COM(2013) 210) and the accompanying Staff Working Document (SEC(2013) 129) available on this website:

[http://ec.europa.eu/regional\\_policy/how/policy/strategic\\_report\\_en.cfm](http://ec.europa.eu/regional_policy/how/policy/strategic_report_en.cfm)

#### 1. Overview

Investment in labour market is delivered in all Member States and regions and funded mainly by the ESF with some specific ERDF/CF support (approximately 3% of the total amounts allocated and selected).

The following headings/categories are reported:

- Implementing active and preventive measures on the labour market;
- Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons.
- Development of special services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills;
- Measures encouraging active ageing and prolonging working lives;
- Design and dissemination of innovative and more productive ways of organising work;
- Modernisation and strengthening labour market institutions;

These 6 headings/categories represent a "narrow" grouping of activities. For instance, it does not include the ESF-co-funded "support for the self-employed and business start-up" which is reported on in the fact sheet on "Innovation and RTD investments".

The target set by the Europe 2020 strategy is for 75% of the population aged 20-64 years to become employed. Some measures are structural, aiming at the modernisation and strengthening of labour market institutions. Active and preventive labour market interventions aim at enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people, preventing unemployment, in particular long term and youth unemployment, encouraging active ageing and longer working lives and increasing participation in the labour market.

The measures were designed in very different Labour Market conditions to those in which they now operate. In addition to activities related to counteracting the impact of the economic crisis which the Structural Funds also supported, interventions remain focused on promoting the employability of individuals, the creation and retention of employment, and building the capacity of public employment services. These interventions target primarily disabled people, various groups of unemployed or inactive people, ethnic minorities, migrants and asylum seekers, women, and young people.

It is worth noting that particularly in the context of the sharp deteriorated labour market situation in the EU as a result of the crisis, a number of Member States have relied on the ESF as the key instrument to support active labour market policies (ALMP) in recent years. This is the case particularly for the EU-12 where ALMP budgets are significantly lower, mostly below 0.5% of GDP. In these Member States, and certainly during the crisis, the ESF often constitutes the most important part of ALMP. In almost all EU-12 Member States ESF spending on ALMP exceeds national ALMP funding by 50% or more.

The scale and scope of ESF support in response to the crisis was rapid, but varied according to the initial role of the ESF in national labour market policies. Member States with a (relatively) small share of the ESF budget, in relation to national ALMP, either did not amend the ESF OPs or used the ESF as a supplementary instrument to focus on immediate concerns. Member States with Convergence regions and a significant ESF budget often used the opportunity to adapt the ESF to the new socio-economic situation.

The Structural Funds-supported interventions have brought significant added value in four areas: volume effects, scope effects, role effects and process effects. Volume effects have proved particularly useful among newer member states where national support was more limited. Scope effects suggest that certain marginal groups, such as migrants, benefit from support, which would otherwise not be included.

A 2012 synthesis of evaluations<sup>1</sup> conducted in the Member States shows the interventions aimed at helping individuals gain access to work are producing tangible results. Approximately EUR 23 billion (from both the ESF and Member States) was committed to access to employment: to support over 12.5 million final recipients through a range of training schemes or other forms of assistance. Of these individuals, 2.4 million found a job within 6 months of completing the intervention. Most Member States were close to or achieved their OP targets for employment entry and sustainability. This represents a significant achievement given the economic downturn.

With regard to OP reallocation and modifications as a result of the crisis, evidence demonstrates an overall trend of shifting ESF resources from human capital and social inclusion categories towards employment measures. For example In IE, ESF allocations were shifted from social inclusion (€100 mn) to interventions for the unemployed and for the restructuring of apprenticeship training. In the German OP Sachsen-Anhalt, funding has been shifted from start-up qualification to employee qualification combined with an increase of national public funding (€28.8 mn) and additional funds from private sources (€3.3 mn).

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<sup>1</sup> Final Synthesis Report on Access to Employment - <http://ec.europa.eu/social/main.jsp?catId=701&langId=en>

## 2. Project examples

<b>AT</b>	<b>OP Employment</b>	<b>Fund: ESF</b>	<b>EU: 6.2 m€</b>
<b>Austrian Territorial Employment Pacts (TEPs)</b>			
Austrian Territorial Employment Pacts (TEPs) are contractually agreed regional partnerships to link labour market and employment policies with other policy areas and are instruments to implement cooperative labour market and employment policies. Socially disadvantaged persons and those isolated from the labour market, including persons with a migration background, are target groups in the pacts. The ESF funds pact coordination activities and innovative measures and projects within the framework coordinated by the TEPs.			

<b>BE</b>	<b>OP Walloon Region</b>	<b>Fund: ESF</b>	<b>EU: 1 m€</b>
<b>Job'in - Support to self-entrepreneurship</b>			
Duration: 2007-2013 Job'in aims at promoting entrepreneurship and at stimulating the creation of independent entrepreneurial jobs. The objective is to facilitate the transition from project to sustainable economic activity by providing guidance and assistance (including follow-up) to jobseekers wanting to launch a business activity. Employees can also access Job'in through vouchers for training in business creation.			

<b>BG</b>	<b>Human Resources Development OP</b>	<b>Fund: ESF</b>	<b>EU: 15.2 m€</b>
<b>Creating of employment for young people through providing of opportunity for an internship</b>			
The objective is to support internship for unemployed people under 29 years of age to increase their competitiveness in the labour market and facilitate transition from education to employment. More than 5 035 young people are already included in company internships and more than half of the young people who have already completed an internship, continue to work either for the same or another employer. This intervention contributes to the national target under the "Europe 2020" strategy to achieve a minimum 76% level of employment among the population between 20 and 64 years of age.			

<b>CZ</b>	<b>OP Human Resources and Employment</b>	<b>Fund: ESF</b>	<b>EU: 0.7 m€</b>
<b>Restart for the Českolipsko area</b>			
The main objective is to help employees under lay-off notice to return to employment as soon as possible after being dismissed. It helps employees to respond to new trends in the labour market, to better cope with employment change and to smoothly shift from one job to another. Activities implemented include meetings with employers, establishing a contact office in a key enterprise with mass dismissals, entrance interviews with dismissed employees for their retraining and mediation of new employment. To date 88 % of project participants have found new jobs.			

<b>DK</b>	<b>OP "More and better jobs"</b>	<b>Fund: ESF</b>	<b>EU: 2 m€</b>
<b>From unskilled to skilled in record time</b>			
The project is targeted to a significant increase in people with a vocational education in the region and upskill the labour force in order to enable it to take advantage of new job opportunities and increase regional competitiveness.			

<b>FR</b>	<b>OP Convergence</b>	<b>Fund: ESF</b>	<b>EU: 80 m€</b>
<b>Title: Inclusive growth</b>			
Youth unemployment and low qualifications are particularly significant problems for the French overseas territories. The "Service Militaire Adapté" (SMA) is an attempt to address these problems. It is an educational and professionalising program which supports young people, especially socially disadvantaged individuals. It provides training related to communication, education and jobs. Over 70% do not have a school leaving certificate and 30% are illiterate.			

<b>PT</b>	<b>OP ProEmprego/ Autonomous Region of Azores</b>	<b>Fund: ESF</b>	<b>EU: 1.4 m€</b>
<b>Title: Employment Cradle</b>			
In the Azores region, "Employment Cradle" funds the replacement of a woman in maternity leave with an unemployed one, reinforcing female participation in the labour market. Since its start in 2008, and until end-2012, the initiative involved over 952 women. The project ended in December 2012.			

<b>SE</b>	<b>OP for regional competitiveness and employment</b>	<b>Fund: ESF</b>	<b>EU: €2.0 m</b>
<b>Title: Theme Group Youth</b>			
One of Sweden's greatest challenges within the Europe 2020 strategy is the (un)employment situation for young people. The ESF supports many projects that help young people to improve their chances in the labour market. The purpose of the project Theme Group Youth is to continuously gather and systemise experiences and results from all those projects and on this basis contribute to better labour market policies for youth and to aid new ESF supported projects for the youth. The theme group has three priorities: to contribute to increased knowledge about young people who do not work or study, to disseminate good working practices and methods from the many projects that work with youth, and to help fight structural barriers that hinders young people to become established in the labour market.			

<b>SE</b>	<b>OP for regional competitiveness and employment</b>	<b>Fund: ESF</b>	<b>EU: €1.6 m</b>
<b>Title: "ESF Jämt" - Gender Mainstreaming</b>			
This project was set up to support gender mainstreaming in all ESF supported projects. Between 2009 and 2012 nine persons, spread over all eight regions in Sweden, were working to make gender equality a central feature in on-going Social Fund projects as well as in new projects applying for funding. Methods used included basic training and workshops in gender equality and gender mainstreaming, as well as specific advice and ideas on how to integrate gender equality into individual projects.			

<b>UK</b>	<b>OP for West Wales &amp; the Valleys</b>	<b>Fund: ESF</b>	<b>EU: €1.8 m</b>
<b>Title: Strides Alliance Partnership</b>			
Duration: 2010-2012			
The aim was to develop a multi-agency response, to engage with workless people and to integrate employability skills and motivation to assist them to seek further learning / employment. Simulated working environments in hair & beauty, construction, ICT, and business administration were used to attract economically inactive / unemployed people and engage them into activities as a catalyst to develop action plans towards labour market integration. The project workshops integrated both employment skills as well as literacy and numeracy, and work clubs.			

### **3 Assessment of Implementation**

#### **3.1 Tracking EU financial input**

Member States approved, indicatively, an amount of € 24.2 billion to be invested in labour market actions. The projects selected so far amount to € 16.4 billion. This represents an implementation rate of 67.7%, which is slightly below the average for the whole of the cohesion policy (71.2 %).

There is variation between the rates of projects selection of the 6 priority themes – **Table 1.1**. The most important Heading/Category within the Labour Market Theme is "Implementing active and preventive measures on the labour market", with almost 60% of the overall approved amount. Projects in this Category have also been selected quicker than in other areas, with 74.7% of projects having been selected. The majority of themes are performing above-average. Priority themes related to training and support in connection with restructuring, active and preventive measures and measures to improve access to employment are progressing quickly, each at an average rate of over 70%. The priority themes related to active and preventive measures on the labour market in particular is performing well with a selection rate of 75%. On the other hand the Priority Theme related to active aging is progressing relatively slowly (32% EU27 average),

Within the selection performance under the priority themes there is significant national variation– **Table 1.2**. For all the Labour Market priorities combined, there is a wide national range from 28% (MT) to 119% (CY). This variation for Labour Market priorities combined is also true for countries within each theme. The EU average rate of project selection in 2011 for the labour market was around 68%. This means that the Member States selected projects for 68% of the total amount they indicated would be spent on that heading/category. Most Member States cluster around this rate of project selection. A group (MT, FI, PT) are slow in programming these interventions; while others have gone particularly quickly (NL, CY, SK, UK). The countries which programmed the fastest also programmed above the allocations, i.e. "over-programmed". No particular characteristic can be ascribed to the either the "slow" or "quick" programming groups of Member States.

For the priority related to innovation, three Member States have selected less than 10% of programmes, while only CY and RO have over programmed.

Regarding the development of specific services for employment, two Member States have a project selection rate of under 10%, five have fully or over programmed (FR, IT, LV, NL, UK).

The modernisation and strengthening of labour market institutions is progressing relatively slowly. BE has the highest project selection rate (77%).

For the category/ heading regarding active ageing, four Member States have a selection rate of under 10% (FI, FR, HU, NL).

The category/ heading targeting improved access to employment, is another area with a high project selection rate. Five states have over programmed (CY, EE, EL, NL, RO).

### **3.2 Outputs and results**

The number of ESF participations increased sharply, from almost 1 million in 2007 to 15.6 million in 2010 – **See Tables 2.1-2.3 in the annex to the Staff Working document.** This increase is largely due to the progression of the programming period, as projects are set up before enlisting participants. Nevertheless, the current number of participations is significantly – over 50% – higher than the equivalent time in the previous programming period, where there were around 10 million participations. Since 2010, the level has remained at a similarly high level, but is no longer increasing.

Within the increasing number participations, there have been significant changes in the proportion of individuals from different ESF beneficiary groups. The following key points can be made relating to the different beneficiary groups.

- Help was redirected from getting people into work toward preventive actions aimed at keeping people in employment. Between 2007 and 2011, the proportion of ESF participants who were unemployed reduced from 52% to 29%. Despite the decrease in proportion, the number of participants remained relatively constant between 2010 and 2011. By contrast, over the same period the proportion of employed participants increased from 26% to 37%. The number of self-employed increased to around 400,000 in 2010 and 2011.
- Increased focus on participants with tertiary education levels. In 2007 participants with at most a lower secondary education accounted for 55% of all participations. This was gradually reduced to 44% over the next 4 years, even if absolute numbers of participants with at most a secondary education increased. By contrast, the proportion of participants with tertiary education level doubled between 2008 and 2011. This was linked to a doubling of the proportion participants who were in education and training in the same period.
- For young people, the proportion of participations first decreased in 2009, before increasing over the next two years to 31%. This represents an increase in proportion while overall numbers of participants were also increasing, suggesting a successful increased focus on young people in view of the increasing levels of youth unemployment..

- Women continued to represent over half (52%) of participations, which is a positive achievement. It may also be explained by the fact that in general, the contraction in female employment rates was much less pronounced than that of males during the crisis.

**Table 1: 2007-2011 – Aggregate project selection by category**

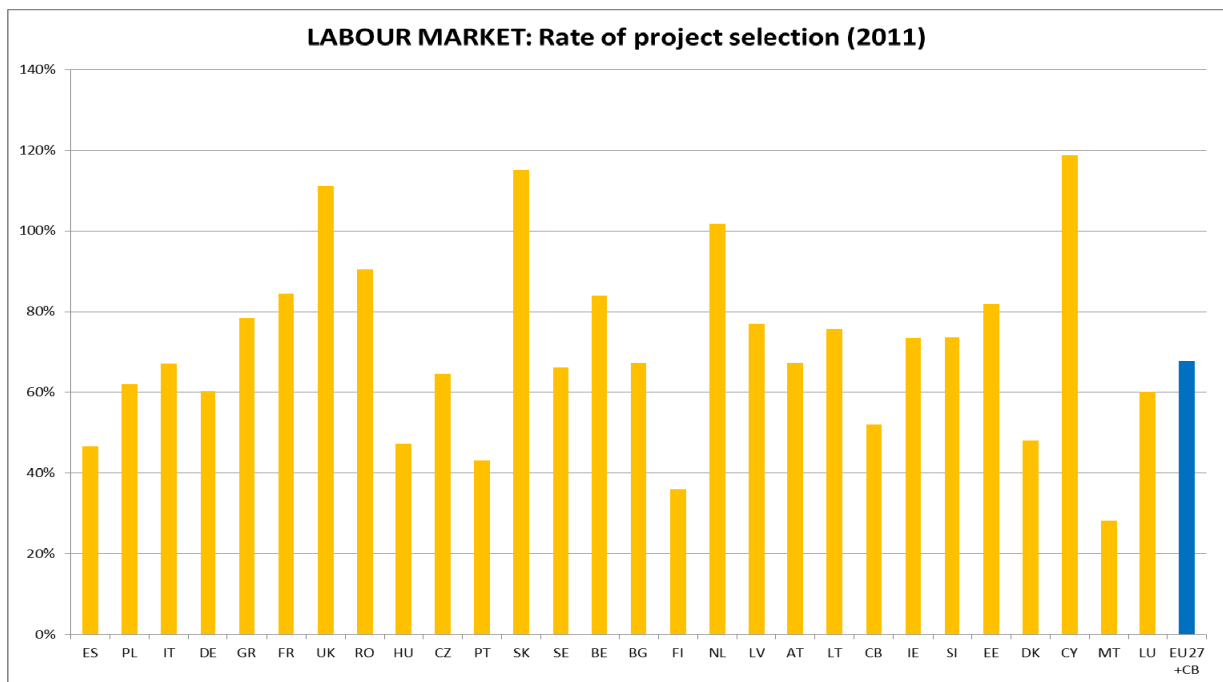
Code	Category	Approved amount		Allocated to selected projects AIR 2011		(B) / (A)
		(A)		(B)		
63	Design and dissemination of innovative and more productive ways of organising work	1,626,864,126	0.5 %	647,272,877	0.3 %	39.8 %
64	Development of special services for employment, training and support in connection with restructuring of sectors ...	2,415,891,804	0.7 %	1,719,114,738	0.7 %	71.2 %
65	Modernisation and strengthening labour market institutions	2,239,089,774	0.6 %	1,136,567,670	0.5 %	50.8 %
66	Implementing active and preventive measures on the labour market	14,338,571,541	4.1 %	10,718,001,878	4.3 %	74.7 %
67	Measures encouraging active ageing and prolonging working lives	1,034,531,261	0.3 %	332,521,363	0.1 %	32.1 %
69	Measures to improve access to employment and increase sustainable participation and progress of women ...	2,589,303,343	0.7 %	1,865,742,919	0.8 %	72.1 %
	<b>Total Labour Market</b>	<b>24,244,251,849</b>	<b>7.0%</b>	<b>16,419,221,446</b>	<b>6.6%</b>	<b>67.7 %</b>
	<b>Total Cohesion Policy</b>	<b>346,717,162,577</b>	<b>100 %</b>	<b>246,983,857,303</b>	<b>100 %</b>	<b>71.2 %</b>



**Table 1.2: 2007-2011 – Project selection reported by MS.**

<b>Country</b>	<b>Decided OPs (a) - in M.€</b>	<b>% of National SF/CF</b>	<b>Allocated to selected projects AIR 2011 (b) - in M.€</b>	<b>% (c=b/a)</b>
<b>ES</b>	5,020,376,834	14.5%	2,345,661,532	46.7%
<b>PL</b>	2,833,564,135	4.2%	1,755,480,339	62.0%
<b>IT</b>	2,214,568,810	7.9%	1,484,914,067	67.1%
<b>DE</b>	1,860,337,848	7.3%	1,121,170,929	60.3%
<b>GR</b>	1,717,119,693	8.5%	1,345,757,351	78.4%
<b>FR</b>	1,675,751,587	12.5%	1,415,427,341	84.5%
<b>UK</b>	1,566,388,137	15.8%	1,742,027,385	111.2%
<b>RO</b>	971,325,929	5.1%	877,899,354	90.4%
<b>HU</b>	882,401,330	3.5%	416,456,153	47.2%
<b>CZ</b>	814,251,261	3.1%	525,630,932	64.6%
<b>PT</b>	665,763,064	3.1%	287,734,349	43.2%
<b>SK</b>	615,418,992	5.4%	707,746,607	115.0%
<b>SE</b>	518,233,388	31.9%	342,951,612	66.2%
<b>BE</b>	433,011,265	21.0%	362,935,744	83.8%
<b>BG</b>	385,252,524	5.8%	258,742,191	67.2%
<b>FI</b>	286,821,555	18.0%	103,116,591	36.0%
<b>NL</b>	245,985,657	14.8%	250,167,986	101.7%
<b>LV</b>	235,989,635	5.2%	181,716,760	77.0%
<b>AT</b>	203,735,443	16.9%	137,003,037	67.2%
<b>LT</b>	201,158,950	3.0%	152,219,260	75.7%
<b>CB</b>	199,966,836	2.5%	104,254,936	52.1%
<b>IE</b>	195,140,713	26.0%	143,219,342	73.4%
<b>SI</b>	192,777,717	4.7%	141,955,849	73.6%
<b>EE</b>	147,886,218	4.3%	120,986,441	81.8%
<b>DK</b>	104,440,547	20.5%	50,231,638	48.1%
<b>CY</b>	26,783,419	4.4%	31,812,841	118.8%
<b>MT</b>	18,491,200	2.2%	5,201,299	28.1%
<b>LU</b>	11,309,162	22.4%	6,799,580	60.1%
<b>EU27 +CB</b>	24,244,251,849	7.0%	16,419,221,446	67.7%

**Graph 1: Rate of National project selection – Labour Market**



**Graph 2: ESF participations in 2011**

European Union - 2011

