



European Union



The Scottish
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Riaghaltas na h-Alba

EUROPE & SCOTLAND

European Regional Development Fund

Investing in a Smart, Sustainable and Inclusive Future



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Citizens' summary

European Social Fund 2014-2020

European Structural and Investment Funds provide EU Member States and regions with financial assistance to overcome structural deficiencies, such as lack of infrastructure or skills, and to enable them to strengthen competitiveness and increase employment. Their aim ultimately is to reduce regional disparities in terms of income, wealth and opportunities.

The Funds make up one-third of the entire EU budget. and is a significant commitment to helping all of Europe develop as a single market, as a trading community and as a social bloc.

European Structural Funds are formed of two funds: European Regional Development Fund (ERDF) AND European Social Fund (ESF).

What is the European Social Fund (ESF)?

The EU is committed to creating more and better jobs and a socially inclusive society; the European Social Fund is Europe's main instrument for achieving this and ensuring fairer job opportunities for all EU citizens. It does so by investing in Europe's workers, its young people and all job-seekers.

The European Commission, in partnership with EU countries, set the ESF's priorities and how it spends its resources. The ESF funds thousands of local, regional and national employment-related projects throughout Europe: from small scale projects run by third sector organisations, helping local disadvantaged people find suitable work, to nationwide projects that promote vocational training for all.

The ESF is closely linked to, and works in collaboration with another Structural Fund, the European Regional Development Fund (ERDF), which focuses on reducing economic disparities by providing finance for investments in SMEs, infrastructure and research and innovation.

What are the issues in Scotland?

Scotland, like most of Europe, has seen a rise in unemployment during the financial crisis and although 2013 saw an improvement in the Scottish labour market with employment up and economic inactivity down, after 5 years of global financial turmoil, Scotland is not without its economic

challenges. Public and private spending levels are lower, the unemployment rate is substantially higher than five years prior to the recession and real wages have declined; all impacting on people's living standards.

A sustained recovery and a sustainable future will depend upon developing and using Scotland's human capital through increasing skills, bringing in investment and economic growth to drive increased demand for labour. To achieve this, the ESF 2014-2020 programme in Scotland will tackle these issues across three interdependent objectives:



1 Moving on Job Crew, Shetland Council – Assisting those with multiple barriers into employment

Promotion of Labour Market Mobility – Current social and labour market trends highlight a number of areas for attention, particularly the significant rise in both youth and long-term unemployment, disparities between employment rates for men and women in Scotland and the underrepresentation of disabled people in the labour market. In promoting labour market mobility, the ESF in Scotland seeks to improve access to employment for job-seekers and inactive people and encourage the sustainable integration of young people, in particular those not in employment, education or training.

Promoting Social Inclusion and Combating Poverty - Many of the groups Scotland will target through labour mobility can also be said to be socially excluded and/or living in poverty. However, poverty and differing degrees of deprivation are not limited to those not in work, with low income working households experiencing increasing levels of poverty due to rising living costs and static wages. The ESF in Scotland prioritises improving employability through encouraging social entrepreneurship. This will empower local communities to take decisions and find innovative, adaptive and sustainable solutions to their problems.

Investing in Education, Skills and Lifelong Learning – In Scotland, there is a clear gap between those individuals who leave education with limited or no formal skills and the high number of individuals who achieve tertiary education. This disparity can hold back economic development as it often results in a skills mismatch between what employers want and what an individual can offer. Therefore, increasing the labour market relevance of education and training systems is a key priority of the 2014-2020 ESF

programme, including supporting major policy shifts such as introducing more vocational options for training and entering employment.



2 Social Enterprise Academy Training Course - ESF Project

How will ESF in Scotland address those issues?

The ESF Programme will be structured around ‘Strategic Interventions’ which are groups of projects intended from the start to interlink and support each other. ESF projects largely fall within two **growth** categories¹ and are focused on achieving the following aims:

Smart Growth

Investing in Education, Skills and Lifelong Learning

Developing targeted curriculum: Ensuring that learning places and courses offered are relevant to each industry and offering specialist training in emerging sectors to meet the needs of new industries.

Establishing Regional Skill Plans: Providing tailored learning opportunities to address each region’s shortages, through intensive analysis of local labour markets, the needs of employers in the identified key sectors and current education provision.

Expanding Learning Opportunities: Increasing the range and enhancing the quality of vocational placements, introducing sandwich courses and creating graduate placements.

Inclusive Growth

Promoting Labour Mobility

Youth Employment Initiative: Targeting the very high levels of youth unemployment in South West Scotland, the YEI supports young people into self-employment, employment, a formal and long-term traineeship or formal and long-term qualifications, depending on their individual needs and abilities.

Strategic Skills Pipelines: Enabling local areas to supplement similar national programmes and offer targeted support for particular groups or issues which are locally prevalent. This allows the ESF to target disadvantaged groups such as those with multiple barriers and health issues, low income families, workless households and disabled individuals, with specific objectives and results expected from such groups.



Promoting Social Inclusion and Combating Poverty

Empowering Communities: Expanding sustainability measures to identify and tackle issues at a local level with a particular focus on an asset based approach to planning, allowing communities to deliver their own development.

Financial Inclusion: Supplementing the financial inclusion offered through employability packages with more targeted assistance for the most disadvantaged households, providing intensive support.

¹ The third type, Sustainable Growth, is largely tackled through the European Regional Development Fund. Please refer to the Citizens’ Summary for the European Regional Development Fund for more information.

Supporting Social Economy and Social Innovation: Strengthening the supporting infrastructure of the third sector and social enterprises are key to tackling poverty and social exclusion. Improving access to funding to pilot new approaches of tackling poverty, including using third sector and social enterprise as vehicles to provide sustainable solutions.

The European Regional Development Fund will also directly support these measures through providing business growth support to small companies at local, regional and national level and thereby increasing employment opportunities. This will complement ESF efforts in pairing individuals skills to employer’s needs and ensure Scotland can provide the right skills mix for those sectors and companies, offering people in Scotland the best possible opportunity to enter more qualified and better paid job .

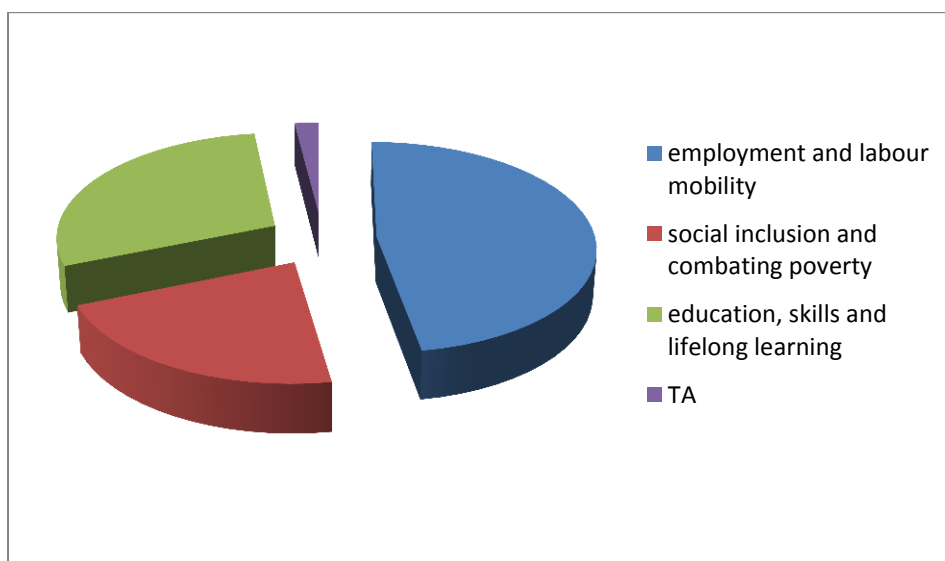
How much money is involved?

Scotland will receive over €940 million up till 2020 in Structural Funds. The ESF is €464 million of this, including the separate allocation for youth employment.

This is split between the Highlands and Islands, which is considered is a Transition region under European rules; the rest of Scotland; and the specific support for youth employment in South West Scotland.

Fund	ESF	YEI
Highlands & Islands	€ 81 million	-
Rest of Scotland	€336 million	€46.3 million

Overall, nearly half the funding will go to employment and youth employment measures; with 21% on social inclusion and 29% on increasing skills levels. The remaining 2% will be spent on technical assistance, which supports the management of the Funds in Scotland.



When will the programme take effect?

The Operational programmes will begin funding activity on 1 January 2015, and will run up until 2020.

Who will it benefit?

Individuals- ESF seeks to help individuals overcome the various barriers to employment and social inclusion. Measures helping marginalised groups such as those in workless households, lone parents, certain ethnic minorities and women will allow them to achieve equality in the labour market, resulting in a more economically productive and socially stable society for all.

Communities- strategically-concentrated support for communities will allow them to make a real and significant contribution to the underlying causes of deprivation and enable them to plan and deliver their own community development.

SMEs – efforts to reduce Scotland's skills mismatch will ensure that SMEs can draw upon qualified individuals to continue their sustainable growth.

Scientists and Researchers – improvements in graduate and post-graduate training, gained through ESF-funded programmes, will provide the essential human capital to match ERDF's investment in research and innovation.

How can I get Involved?

Each specific Strategic Interventions, covering a certain area, will be under the control of different Lead Partners. Lead Partners are organisations which have the skill, expertise and capacity to manage these interventions

If you have a project idea you should contact the relevant Lead Partner who covers your project area. For a full list of Lead Partners please see

FURTHER INFORMATION

To view the full ERDF 2014-2020 Operational Programme, please visit the [European Structural Funds website](#)

For more information on the European Social Fund more generally, please see: <http://ec.europa.eu/esf/main.jsp?catId=525&langId=en>

For more information on European Structural and Investment Funds, please see: http://ec.europa.eu/regional_policy/thefunds/index.en.cfm

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