



**Launch of the 2007-2013 European Social Fund Programme
for England and Gibraltar**

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Queen Elizabeth II Conference Centre, London

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ESF: Investing in Jobs and Skills

Introduction

I am very pleased to be here to celebrate 50 years of the European Social Fund, and to launch the new programme for England.

I am especially pleased to welcome Vladimir Spidla, the Commissioner for Employment, Social Affairs and Equal Opportunities. There are, as you can imagine, many launch events across Europe. So Vladimir, I'm delighted that you have chosen to attend ours.

The negotiations on the new programme were at times very detailed, not to say quite tough as well.

But working closely together, we ensured that England's programme was one of the first to be adopted by the Union.

By reaching agreement we unlocked £2 billion of ESF investment for employment and skills across England.

Our task now is to deliver – so that the European Social Fund adds value to our national strategies, and continues to make a real difference to people's lives.

Before I say a bit more about the future, I would like to take a couple of minutes to reflect on the road we have travelled so far.

50th Anniversary

The ESF is celebrating its 50th anniversary - 50 years of success across Europe.

There's a great deal of debate at the moment about the wording of a new revised European treaty. The document itself does not make particularly scintillating reading. But what it says matters.

It was just the same back in 1957 when the founding member states negotiated the Rome Treaty. I don't suppose many of you can quote Article 123? Let me refresh your memory –

“In order to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living, a European Social Fund is hereby established in accordance with the provisions set out below; it shall have the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community.”

It goes on:

“On application by a Member State the Fund shall, within the framework of the rules provided for in Article 127, meet 50% of the expenditure incurred after the entry into force of this Treaty by the State or by a body governed by public law for the purposes of ensuring productive re-employment of workers...”

There you are. Dry text. Typical Euro-speak.

But what do the words actually mean?

Better skills. Better job prospects. Better lives for millions of people across Europe. Not just talked about – but delivered steadily, year in year out for half a century.

And it now means this: Nine million European citizens now improve their working lives each year thanks to the support of the ESF.

Dry words in that Rome Treaty. But they have been and continue to be a force for good. You can find a lot more dry words in the new revising treaty. But the same point applies. The challenges are new. The Union is a different shape – it must adapt in order to go on delivering for its citizens in just the way the European Social Fund has done and will continue to do.

ESF participants and projects

On my visits to projects across England, I've met many people whose lives have been changed thanks to the Fund's investment in them.

One project that stands out for me is the Ilderton Motor Project here in London.

The project works with socially excluded youngsters. Some of them have a history of offending.

However, they all have an interest in cars. And the project uses that as a hook to re-engage them in learning.

When I met the project again earlier this morning at the exhibition, I was pleased to hear how well many of the youngsters, that have been through the project, are now doing.

For example, Cory, who had been struggling at school, entered the project with low confidence. But he gained a motor maintenance qualification, and has now secured a job.

He is just one of the quarter of a million people in England who – since 2000 – have gained a job following their ESF course.

At the exhibition I was pleased to meet other stars of ESF. Three of them are featured on the new DVD which you will see later on: Manjit from Birmingham Fair Cities; Karen from Manchester's Wheels in Motion project; and David from the Blueprint project in York.

All three have benefited from specialised ESF support that helped them overcome barriers to getting trained and getting a job.

I was also pleased to meet two participants whose achievements have been recognised by Adult Learners' Week Awards – Eugene from the Newco project, and Ciril from the Dido project. Both are now in work thanks to the European Social Fund.

They will be talking about their experiences later – along with James, an ESF trainee from the Fifteen restaurant in Cornwall inspired by Jamie Oliver.

So the next time you read the customary, and often ill-informed Europe-bashing in sections of the media, and someone says to you "what has Europe ever done for us?" – you've got at least one answer.

The European Social Fund.

Real achievements for real people.

The founding fathers may not have had the gift of plain English, but they had a very clear vision. And the ESF has become a reality for millions of people as a result.

Labour market success

As we saw in the introductory video, since 1957 ESF has moved with the times.

In the early years it helped workers to adapt to the new common market.

Then in the 1970s and 1980s it tackled high levels of unemployment – including in England. We used to have that problem!

And since 2000, ESF has focused on giving Europe the jobs and skills to compete in our global economy – as set out in the ‘Lisbon Agenda’.

In the UK, this has involved ESF adding value to our policies to help move people from welfare to work.

Thanks to policies such as the New Deals – and to stable economic growth – the UK exceeds the European Union’s Lisbon employment targets. We are already over 74%.

New ESF programme

But we want to go further and achieve full employment and world class skills.

The next phase of ESF – which we are launching today – will help us meet those ambitions.

The new programme will invest £2 billion in England over the next seven years. We are matching this to £2 billion of national funding.

Enlargement and reduced funding

Of course, like other richer member states, we have seen our ESF funding reduce. We've not disguised the fact that funding for England in 2007-2013 is half the amount it was for 2000-2006.

And this reduction comes despite the total EU pot increasing from £46 billion to £50 billion.

However, the reduction is for a very good reason.

Since 2004 the Union has expanded to include 12 new, less prosperous countries from central and eastern Europe. Their average GDP per head is less than half that of the 15 older member states. That is why Europe's leaders have agreed to give priority to supporting their economic development.

So just as we benefited from European funding after our entry in 1973 – so it is right that we now show solidarity with the new accession states.

And it is in our interests that their economies grow – so that they provide markets for our goods and our services. And so that they consolidate democracy and stability across the Union as a whole.

So we have known this reduction was coming. We understand and support the reasons for it happening. And we know it will be hard for some organisations. Our response is not to be in any way discouraged.

Instead, the reduction makes it all the more important that we spend every single pound effectively to add value to our domestic policies.

Priorities and targets

So because there's less funding for England, we are targeting it sharply on two specific priorities.

The **first** is *extending employment opportunities* for unemployed and disadvantaged people.

Over seven years, it will help 200,000 people into jobs, and will help at least 140,000 of the most disadvantaged people make positive progress toward entering the labour market. It will also re-engage 80,000 disadvantaged young people in learning or a job.

The first priority will target groups who face the biggest barriers to work, and whose employment rates are still far too low. People drawn from our ethnic minorities, lone parents, older workers, young people not in education, work or training and people with disabilities.

It will also target unemployed and disadvantaged people with low skills. Who are 40% less likely to be in employment than those with qualifications.

The **second priority** is *developing a skilled and adaptable workforce*. This priority will help 160,000 employees gain basic skills, and 175,000 gain qualifications. It will also tackle regional skill needs, and train managers and workers in small firms.

The second priority then will target people who are least likely to receive training – such as people without level 2 qualifications, and part-time women workers.

Those of you preparing tenders must focus on these priorities and targets.

But within the requirements, you will have flexibility to be innovative in dealing with groups that are otherwise hard to help.

We expect larger organisations to work with smaller, niche providers. The third sector has a particularly important role to play in supporting those who are most disadvantaged.

Regional delivery within a national programme

Although there is a single national programme – which also covers Gibraltar – it will have a very strong regional dimension.

Those of you working in the regions have already done a lot of hard work to identify how ESF will address distinctive regional and local needs.

This regional diversity will continue in the new programme – supported by strong regional partnerships.

I want to thank Regional Skills Partnerships and Co-financing Organisations for developing their frameworks and plans within tight deadlines – so that tendering rounds are being launched this autumn.

I know there is much more work to do.

But it is crucial work if we are to deliver new opportunities to people who need them.

Personal stories

Because in the end ESF invests in people.

People like Gilson who I met in Plymouth earlier this year. Gilson is deaf and had been on benefits. Thanks to ESF from Jobcentre Plus, he received the support he needed to get a job, and is now working as a personal advisor for Plymouth City Council.

People like Emma, a 17 year old whose hairdressing course was interrupted by pregnancy. Thanks to ESF from the LSC she received the support she needed to re-engage in training after the baby was born, and so remain connected to the world of work.

ESF will continue to invest in people like Gilson and Emma – delivering that extra help that they need to improve their employability and skills, unlock their potential and so make successes of their lives.

Conclusion

We look to you to help us keep making this a reality.

Yes, there's less funding, but the amount is still significant. We must spend it effectively so that it makes a difference.

Together we do transform lives. There are many still able and needing to benefit from what ESF does.

So we had better get to work – so that they can too.