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**Research study on the ESF image and added value**

Executive summary

The European Social Fund, ESF, along with the European Regional Development Fund and the Cohesion Fund is part of the European Structural Funds. These Funds are created to narrow the differences in living standards and prosperity throughout the European Union.

Since 1957, the aim of the European Social Fund has remained focused on providing better jobs and social benefits for workers. The ESF target group is very broad and consists of different kinds of people that have one thing in common**;** their weak position in the labour market. In order to reach the right target group**,** ESF is working together with educational development funds, municipalities, the Employee Insurance Agency (UWV) and institutions that are involved with the target group.

ESF operated based on a seven year cycle. The EU setsa framework with different policy goals that member states should focus on. The Netherlands receives € 830 million over the current period (January 2007 until 31st of December 2013) and uses ESF to create better opportunities for the unemployed , and for employees to takeadditional training. The ESF budget is spread over three priorities. Within these three priorities there are different projects that are especially aimed at different unemployed target groups. It should be noticed that the ESF system is based on co-financing projects. The reason that those projects are not entirely subsidised is that the project initiative should be motivated to start the project and that the fund should be a stimulant to the extra cost the initiative has.The Netherlands receive some of their contribution back through subsidies such as the Structural Funds. Nevertheless, ESF is not meant as a financial compensation from Brussels. The member states need to co-finance ESF as well. Unfortunately, the administration process of receiving the ESF is strict and complex.Therefore, media attention on this has been negative throughout previous periods.

The plans for the new ESF period 2014 – 2020 differ from those of the current period. The first reason for this is the fact that the budget is € 420 million, which is half of the budget available for the current period. The plan is to have one priority: active inclusion and different actions that are part of this. There is a national budget available to co-finance the ESF in 2014 and 2015. From 2016 until 2020, ESF will have a new priority involving employment support of labour limited people. The reason for this priority is that national budget will be available from 2016 onwards .

The main research question for this final project is: what is the added value of ESF in the Netherlands and how can the image be improved? To answer this question different analysis had to be conducted.

The different recommendations are divided into primary and secondary recommendations.

The main primary recommendation is to organise a kick-off day to introduce the new 2014 – 2020 programme to which different media should be invited in order to understand what the ESF is and what the new programme includes.

The website of the Agentschap SZW should be made more attractive and provide better information. The internal communication of the Agentschap SZW should be improved by training. The reason for this is that applicants have complaints that there is no personal touch in the ESF project. Also the contact persons of the Agentschap SZW frequently change jobs and the new contact person is not well informed.

The secondary recommendations involve improving communications with the contact persons of the Agentschap SZW. The long-term recommendation would be to research what the benefits are of leaving the middlemen out and how to facilitate an easier and digital administration process.

List of abbreviations

b bilion

CIA Central Intelligence Agency

CSG Community Strategic Guidelines

EC European Commission

ERDF European Regional Development Fund

ESF European Social Fund

EU European Union

GNI Gross National Income

m million

NSRF National Strategic Reference Framework

NOW New Opportunities for Women

O&O Opleidings- en Ontwikkelingsfondsen (educational development funds)

OP Operational Programme

ROC regionaal opleidingscentrum (educational institution)

RTL Radio Télévision Luxembourg

SMEs Small and Medium-sized Entrepreneurs

SZW Sociale Zaken en Werkgelegenheid (Social Affairs and Employment)

TNT Thomas Nationwide Transport

UWV Uitvoeringsinstituut werknemersverzekeringen (The Employee Insurance)

VAT Value Added Tax

VU Vrije Universiteit Amsterdam

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Preface

In the summer of 2012, I had a summer job at the Ministry of Social Affairs and Employment. During that summer I had interviews for my placement, and the placement that I preferred was one that involved writing a marketing plan.Drs. A. Koopman and Drs. J.D. Beekhuizen heard about this, and offered me a placement along with a final project assignment. I was given the chance to research how the image of the European Social Fund could be improved by writing a marketing plan.

The reason I am interested in this subject is because I am interested in changing something that is complex and difficult into a concept that is understandable and easy. The European Union, economics, marketing and communication are subjects I am interested in, and are all combined in this thesis. This final project gave me the chance to get the best out of myself both personally and professionally.

I would like to thank some people for believing in me and giving me this great opportunity to develop myself. I would like to thank my thesis supervisor Drs. B.A.M.M. Kuijpers for his time and effort in giving good feedback, and his interest in the topic. I would like to thank my final project supervisor Drs. J.D. Beekhuizen for sharing his knowledge, time and ideas with me. I would also like to thank the head of my placement department Drs. A. Koopman for giving me this great experience. Additionally, I would like to thank Mrs. E. Jansen for her time and networking skills. I would like to thank the support I had from my family and friends. I could always count on the support of my (grand) parents, and brother. Last but not least, I would like to thank Constantijn Driessen for his criticism along the way.

The Hague, May 2013

Pamela Beurze

## 1.Introduction

## The aim of this final project is to answer the main question: *what is the added value of ESF in the Netherlands and how can the image be improved?* In order to answer this question, a marketing communication plan had to be created. To understand what the European Social Funds consists of, an internal analysis and external analysis is structured in such a way that the most relevant information is discussed.

## The first part of the internal analysis is about ‘’the general history’’, this part gives a view on the development of the ESF programmes over the years. Part of the internal analysis is about ‘’the ESF structure’’ this part explains how the fund is built and what the purpose of it is. The section ‘’policital levels’’ explains the different steps that have to be taken before the ESF programme in can be implemented and the section ‘’financial overview’’ explains how the EU budget is organised.

## In the section ‘’ESF programme’’ the programme of the current period is described. The section ‘’vision, mission and goal’’ explains the purpose of the ESF in Europe and in the Netherlands. ‘’The projects in the Netherlands’’ section explains the criteria needed to receive the ESF budget. The difficult administration process is also briefly mentioned. In the section ‘’ESF projects’’ examples of various projects are described. The conclusion of the internal analysis ends with the ‘’Strengths and Weaknesses’’.

## In the external analysis the ‘’target group analysis’’ explains the different target groups ESF has. Sub question 1: *what is the ESF’s (media-influenced) image like in the Netherlands?* explains the positive and negative media attention ESF has had in the last few years. The section ‘’competitive subsidies’’ gives an overview on the different subsidies that can be a threat to the ESF. The DESTEP analysis gives an overview on the ESF environment. The external analysis concludes with the section ‘’opportunities and threats’’.

## The ‘’strengths and weaknesses’’ section of the internal analysis and the ‘’opportunities and threats’’ section of the external analysis are the basis for the next part the ‘’SWOT analysis’’. Sub question 2: *what are the future plans of ESF?* is briefly discussed because the programme is not yet finished. The ‘’confrontation matrix’’ and the ‘’ESF future plans’’ are brought together in the section “strategic choices”, which analyses the different strategies.

## In the ‘’marketing communication plan’’ part the sub question 3: *how can the new ESF programme be promoted?* Advise the Ministry of Social Affairs and Employment on how to promote the new programme. The part ‘’recommendations and conclusion ’’ explains the primary and secondary recommendations.

## 2.Methodology

This final project is based on mostly desk research, some field research and my own knowledge gained during the internship. Below is a description on the sources chosen for this report.

**Field research:**

I was asked not to conductinterviews for my final project, based on the fact that the applicants who had received ESF support had already been interviewed by the research agency, Panteia. I have read the Maatschappelijke Consultatie Europees Social Fonds report (Social Consultation European Social Fund) and I had appointments with experts on the ESF field. Those experts are policy makers of the Ministry of Social Affairs and Employment and the Agentschap SZW. The policy makers gave me updates on how the new ESF programme is developing. In addition, I attended meetings on the current ESF programme. I have read letters that were sent to the European Commission and to the Second Chamber informing about ESF. I also had meetings with the communication manager of the Agentschap SZW in which he gave me all the newspaper and magazines that have written about the ESF in the last few years. This gave me a good viewon how the ESF is portrayed.

**Desk research:**

Most of the sources are electronic sources because there are no books published about ESF. The websites of Agentschap SZW and the European Commission gave good information about ESF. Those websites were very helpful for both the internal analysis and the external analysis. Another website that was often consulted, was the Antwoord voor bedrijven website, which gave a clear view on national and European subsidies that are available. For more specific information onthe ESF actions, I just googled to find websites that provide information on specific subsidies.

Other websites that were consulted are those of Dutch newspapers and news websites. For the DESTEP analysis, several websites and two books were consulted:

Governance and Politics of the Netherlands: Author R.B. Andeweg and G.A. Irwin. This book provides general information about the Netherlands and how the Dutch government functions.

De Economie van Nederland: Author H. Buunk. This provides a lot of information on the Dutch economic history.

## 3.Internal Analysis

4.1 General history

Since the creation of the European Coal and Steel Community in 1951, the then six member states created a fund for retraining and resettling workers. This was the predecessor of the European Social Fund, ESF.

The Treaty of Rome was signed by the six member states of the European Economic Community in 1957, and ESF was created to provide better jobs and social benefits for workers. ESF was mainly focused on unemployed men in the community, and the fund offered workers training and help to those who were looking for a new job in other regions. ESF was active in all job sectors, except agriculture because at that time farmers did not leave the closed industry.

The European economy was developing rapidly in the1960s. Although the ESF subsidies went to member states, it became clear that different states used the subsidies for different purposes that would fit their economic and social situations. For example, the Italians were supported by means of retraining and resettlement grants. In West-Germany, ESF financially compensated workers who were injured in a work related accident (European Commission, 2012).

ESF was reformed and renewed in 1971, with a more specific focus on categorising target groups. The agricultural sector was added to the ESF fund’s field of work in 1975. That same year the European Regional Development Fund was created; the main goal was to develop the infrastructure of less developed regions. Both funds were called the ‘’structural funds’’.

New opportunities for ESF emerged when women became more active in the job market. Until the mid-1970’s, ESF was mainly there for the public sector, this changed over the years, and the new focus was on the private sector, trade unions and employers.

In the 1980’s, the focus of ESF was on training early school-leavers, women and unemployed people. Both the technology and services sector rapidly became more important sectors throughout the union. At the end of the 1980’s, the ESF supported the poorer regions and countries, where agriculture the largest job sector was.

A new process ensured that ESF would be integrated into the member states national labour market policies. This meant that over 2 million people benefited from additional training and became employed.

The Amsterdam Treaty had created a basis for changing the framework of ESF. This was a necessity because of increasing unemployment rates in the 1990’s. The main goal was to make sure people could keep their job. This was achieved by employment guidance, job creation, training, and counselling (European Commission, 2012).

The other focus was on two major groups of unemployed people: young people and people aged 50 and older. Both unemployed groups were given training, making it easier for them to enter the job market.

ESF made it possible for member states to organise projects together, so experiences on different areas could be shared. Some of these programmes are clarified below in Figure 1 (European Commission, 2012):

**Figure 1: European programmes:**

***ADAPT:* a training programme that helps people to adjust to changes in the business sector.**

***EUROFORM:* this programme is focused on vocational training and employment.**

***HORIZON:* the main aim is training disabled people.**

***INTEGRA:* a programme that support the homeless, single parents and ex-prisoners to find jobs and enter the labour market.**

***NOW:* stands for New Opportunities for Women and is there to help women find their way on the job market.**

***YOUTHSTART:* helping young people without any qualifications to enter the labour market.**

The tasks and goals of ESF were not radically changed after the Lisbon treaty was signed. The focus of ESF’s programmes remained the same, and was based on the same principles as before. However, it resulted in a stronger emphasis on entrepreneurship and equal opportunities for all; this is a protection of the Equal initiative principle, which was created to fight against discrimination on the labour market (European Commission, 2012).

56 years after the European Social Fund was created, the main goal remains the same to provide better jobs and social benefits for workers. Nevertheless, the target group has changed over the years. In the beginning, the focus was on unemployed men and this changed when women started to enter the labour market. Nowadays, the target group is much broader, from unemployed  youth to people over the age of 50. Not only is the target group broader, but also the European Union started with six member states and has since expanded to 27 member states, which all receive ESF subsidies from Brussels.

3.2 ESF structure

3.2.1 Introduction

ESF is one of the three European Structural Funds. The European Structural Funds are created to narrow the differences in living standards and prosperity throughout the European Union. In order to achieve this, the three Structural Fund programmes are focused on different fields. (See below in Figure 2:)

**Figure2: European Structural Funds**

***The European Social Fund* promotes and improves employment in the European Union** (European Commission, 2012).

***The European Regional Development Fund* was created to improve the Member States and/or regions that are less economically developed. Nevertheless, all 27 Member States receive this fund. The Netherlands is split into four regions; the Northern, Eastern, Southern and Western Netherlands** (VU University Amsterdam, 2012).

***The Cohesion Fund* was created to support the poorest Member States. The Netherlands does not receive this fund’s financial support.**

3.2.2 Political levels

This section explains the different steps that have to be taken before the ESF programme in general can be implemented. The priorities for the structural funds/ ESF are created at European Union level and then transformed into national policies.

First, at EU level, the Community Strategic Guidelines (CSG) set a framework on different subjects and actions that member states and regions should spend their funding on. Secondly, member states create a framework which fits in the priorities each member state chooses to pursue. This is called the National Strategic Reference Framework (NSRF). All 27 member states have their own individual NSRF. The NSRF is a document that gives a clear overview on the member state’s economic situation, what needs to be improved and where the funding should be spent. However, the European Commission needs to approve the NSRF before it can be implemented.

Finally, the member states create an Operational Programme (OP). In this document the member state set out the budget on the different priorities and actions. The OP needs to be approved by the European Commission as well. The member state authorities and the European Commission are both responsible for the way the funds are spent. The role of the European Commission is to approve the NSRF and OP and to control the expenditure. The member state is responsible for managing the programmes. ESF in the Netherlands is conducted by the Agentschap SZW, which is part of the Ministry of Social Affairs and Employment. Brussels does not interfere in project funding.

Due to the fact that the Netherlands is a small country, there is one OP for the whole country instead of different ones for each region. For example, in Spain there are different OP’s because Andalusia is an economically less developed region compared to Catalonia.

The OP’s are implemented with different projects run by beneficiaries. This means that a beneficiary can be a private company or an NGO who designed a project and wants ESF funding.

# 3.2.3 Financial overview

This subsection explains how the EU budget is organised in order to understand the financial set up of ESF. The 27 member states have an annual contribution with a maximum of 1.23% of their National Income. Below an overview on the European Union budget (Gryibauskaite, 2008, p.240):

**Figure 3: The EU budget consists of four main revenues, namely:**

1.The traditional own resources include customs duties on the imports from outside the European Union, agricultural duties and sugar levies. The EU keeps 25% to cover the cost of collection.

2.Own resource based on Gross National Income.

3.Own resource from the Value Added Tax (VAT).

4.Other revenue for example, fines, and contribution from countries outside the EU that follow EU programmes.

The budget is adjusted after the European Commission has made a proposal to the Council of Ministers and European Parliament. If the proposal is accepted the Council of Ministers and European Parliament are responsible for the budget.

The Netherlands receives € 1,907 billion(B) from the European Structural Funds over the current period January 2007 and until 31st of December 2013. (VU University Amsterdam, 2012). The ESF amount for the same period is € 830 million (M). Below in figure 4 an overview on the budget of the European Structural Funds which the Netherlands receive during the current period:

|  |  |
| --- | --- |
| **€ 1,907 B** | **Figure 4:European Structural Funds** |
| **€ 830 M** | **ESF**   |  |  |  | | --- | --- | --- | | Priority 1 | Priority 2 | Priority 3 | | A: € 161,2 M | B: € 66,4 M | D: € 282,5 M | | J: € 58,0 M | C: € 136,2 M | E: € 92,5 M | |

*\*€ 33,2 m is available for technical support: ( publicity, evaluation..)*

The Netherlands use ESF to create better chances for unemployed people in the labour market and for employees to follow additional training. This amount is spread over three priorities. Within these three priorities there are different projects.

Projects that support the ESF target can receive ESF financial support. Financial support offered through ESF ranges from 40% to 75% of the total project cost (Agentschap SZW, 2012). The reason that those projects are not entirely subsidised is that the project initiative should be motivated to start the project and that the fund would be a stimulant for the extra costs. In section 3.6 the different ESF projects are mentioned and explained.

All member states, just like the Netherlands, receive some of their contribution back through subsidies like the Structural Funds. ESF is not just a financial compensation from Brussels to the member states, the member state needs to co-finance ESF as well. The amount of national and/or private financing varies from between 50% up to 75%. This depends on the member state social-economic factor. The Netherlands co-finance ESF for the current period with 43%.

# 3.2.4 ESF programme

# Figure 5 shows an overview on how the ESF programme of 2007-2013 of the Netherlands is implemented (Rijksoverheid. 2012, p.1):

**Figure 5: The Netherlands ESF programme 2007-2013**

**Priority 1: increase labour supply**

Action A: *assisting people who have difficulties to enter the labour market. For example: people over 50.*

Action J: *combat and avoid youth unemployment.*

**Priority 2: promote inclusion in the labour market of disadvantaged people**

Action B: *prepare detainees and young people in youth establishments for work or training.*

Action C: *guiding students with learning disabilities to find a job or further training.*

**Priority 3: increase adaptability and investing in human capital**

Action D: *training for lower-skilled workers*

Action E*:* *social innovation*

In this figure it is shown that the three priorities have two different actions. The content of the different actions are explained below:

Action A: assisting people who have difficulties in entering the labour market. The goal of this action is to help the long-term unemployed to get a job. Among this target group of long-term unemployed are those who receive different allowances. That can be unemployed people who have an employment barrier and/or are partially disabled, and are 50 and older. The applicants are: The Employee Insurance Agency (UWV), municipalities and educational development funds (Rijksoverheid,2012).

Action J: combat and avoid youth unemployment. The target group for this action are people between 15 and 27 years old. The applicants are municipalities and educational development funds. This action is split into two different subsidies, namely youth 1 and youth 2. In Youth 1, thirty municipalities have projects to help and guide young people in finding a job. In Youth 2, the educational development funds can receive subsidy for offering placements or jobs for this target group. The J in this action stands for ‘’jeugd’’, which means Youth in Dutch.

Action B*:* prepare detainees and young people in youth establishments for work or training. The Ministry of Justice and Security is the sole applicant for this part of the ESF subsidy. The majority of the target group is between 15 and 24 years old. With this subsidy detainees and young people who have been in youth establishments will follow training, so they can improve themselves and get support to start regular education or enter the labour market.

Action C: guiding students with learning disabilities to find a job or further training. The target group includes secondary students who are following practical education and special needs education. Those schools can apply for this subsidy to guide students to a job or further education. Between 2007 and 2011, 46,566 students received ESF labour market training.

Action D: training for lower-skilled workers. This action helps people with a lower education to participate in the labour market. The applicants are employers who want their employees to follow a vocational training. The subsidy can only be assigned when the level of education is lower than Bachelor education.

Action E: social innovation. This subsidy is for employers to create better and smarter work programs and working conditions within their own organisation or businesses. This action is split into two different subsidies: E1 is for businesses and organisations and E2 is for the educational development funds.

3.3 Vision, mission, goal

The common goal of the three Structural Funds is to narrow the gap between the different member states and regions when it comes to social-economic differences (ESF Ireland, 2013). For example, North Rhine-Westphalia is more developed than Saxony-Anhalt, both regions in Germany. This also counts for Spain and the Netherlands, two different member states within the same union with enormous economic differences. Therefore, the goal is to reduce those enormous differences throughout the European Union.

The ESF goal for Europe in general is to guide more unemployed people into work by making sure everyone can follow vocational training and create better job opportunities, especially, with the need for fast changing technological development and globalization (Hale, et al., 2007).

Furthermore, ESF is used to oppose any kind of discrimination, throughout the EU. People from all backgrounds should be given a fair chance to get and retain a job in which they succeed.

The Netherlands is focused on employed and unemployed people. Because people have to work longer, one of the goals for the Netherlands is active ageing. It is important that people stay active and enjoy working even if they are older than 65.

Another goal is promoting fulltime jobs for women. Most women work part-time, also the women who studied and have a high degree. It is a challenge for the Dutch government to make sure that women, especially mothers, can combine their job better with their personal life. Smart and flexible work is a good alternative for both the employees and employers. Flexible work means that employees can work at home.

Throughout the EU, the (youth) unemployment rate is increasing rapidly: this is visible in Spain, but also in the Netherlands and other member states as well. Therefore, the focus is on providing jobs for unemployed youth.

***3.4 Projects in the Netherlands***

3.4.1 Introduction

The priorities are divided into actions, and within the actions there are different projects. The purposes of the projects are to reach the target groups. In this section the different criteria for each action is explained, and examples of ESF projects in The Netherlands are given.

3.4.2 ESF criteria for each action

Action A and J1: municipalities can apply for this subsidy, the target group is unemployed people over the age of 55 and people that have difficulties to participate in the labour market due to a disability.

* *Criteria for this action:* municipalities who developed projects need to finance 60% of the project costs themselves. The budget of the project is a minimum of € 250,000 of project costs. ESF does not finance projects that cost over € 5 million. The duration of the project should exceed 18 months (Agentschap SZW, 2013).

### Action J2: for this action only educational development funds ( in Dutch this is called O&O- fondsen) can apply for this subsidy.

### Action B: institutions for juveniles and organisations supporting detainees in returning to the labour market can apply for this subsidy.

* *Criteria for this action:* first, the focus of this project is supporting detainees in returning to the labour market and helping them find a job. Second, the project should not last longer than 15 months and third, the detainees who join the projects get an individual mentor. The maximum amount of subsidy a project in this action can receive is € 9 million(Agentschap SZW, 2013).

Action C: this subsidy is for secondary schools who offer special education; the focus needs to be on guiding students to a job or following additional training.

* *Criteria for this action:* the target group of this project are purposes students of 15 years and older. The aim is to guide them to the labour market or help them choose what additional training to follow. The duration of the project need to be 12 months. ESF can subsidise a maximum of 40% of the total project cost (Agentschap SZW, 2013).

Action D: employers receive a subsidy for this action through their O&O- fondsen (Training and development funds). The applicants are employers who support their employees taking vocational training.

* *Criteria for this action:* firstly, the subsidy can only be assigned when the level of education is lower than Bachelor education. In the Netherlands this educational level is MBO 4. Secondly, the project has a maximum duration of 18 months. Thirdly, the organisation’s own financial support has to be 60% of the total project costs. The maximum subsidy available for one project is € 4 million (Agentschap SZW, 2013).

Action E: social innovation. This action is created for employers so that they can create better and smarter work programmes and working conditions within their own organisation. The action has two different purposes. E1 is for smarter working programmes and E2 is for educational programmes within the organisation.

* *Criteria for this action:* firstly, the aim (for managers) is to renew the organisation together with the employees working there. The project has to support job and time management. Secondly, the project should not take longer than 12 months and 25% should be financed by the applicant of the project (Agentschap SZW, 2013).

3.4.3 Administrative requirements

The administration process of ESF is strict and complex. Agentschap SZW is responsible for the Dutch subsidies and the administrative procedure is explained on its website, giving examples and practical handouts. Subsidy applicants can hire an agency that provides assistance with the ESF administration.

In order to give an explanation of the requirements, in figure 6 a short overview is given of the time phases in a project administration (Loekemeijer, 2011):

|  |
| --- |
| Figure 6: ESF subsidy time phases |
| *Phase 1: project period* All costs made in 18 months will be covered by the subsidy. |
| Phase 2: prepare and submit an overview of the budget costs Within 12 weeks after the project has finished, the total budget cost should be submitted. |
| Phase 3: final control The costs the subsidy recipient had in this stage will not be compensated. |
| Phase 4: second control The project can be selected for a second control by the Ministry of Finances. |
| Phase 5: set decision Within two years of submitting the overview on the budget cost (see phrase 2), the final decision is given. |

In short the administration process involves:

Firstly, the participants who take part in an ESF project should be registered. This is compulsory for two reasons. Fistly, Agentschap SZW can see whether the participants fit within the right target group, and it gives an extra overview on how the subsidy is spent.

Secondly, the applicant needs to fill in a lot of details from the participants and copies of ID cards, salary slips and for some actions copies of diplomas must be provided (Loekemeijer, 2011). Thirdly, a list of those present needs to be kept during the project. Fourthly, market conformity means that Agentschap SZW steers the direction of the project. For instance, Agentschap SZW wants project organisers to promote their project with the EU and ESF logo. The organisers need to communicate with the media, otherwise the applicant can get a 5% the budget cut. Agentschap SZW has promotional material available, for example an ESF cap, pen, playing cards and so on.

To have a clear overview of the project administration it is recommended to have four folders, as is visible in figure 7 (Loekemeijer, 2011):

|  |
| --- |
| Figure 7: The project administration |
| Folder 1: general administration |
| Folder 2: participants administration |
| Folder 3: financial administration |
| Folder 4: market conformity |

3.4.4 ESF projects

### Hundreds of ESF projects take place every period. In this subsection, four examples of projects that took place are described.

### Action A Tilburg @ work; this project supported almost 280 young unemployed people to find a job or additional training in 2009. The municipality of Tilburg and the Dutch benefits agency (in Dutch, UWV) organised this project with € 240,663 of ESF subsidy (Agentschap SZW, 2013). 280 unemployed found their first job. ESF had an added value to this project.

### In Hoogeveen, a secondary school that offers special education received € 100,000,- ESF subsidy. This ESF project is called: every student counts! More than 40 students put to practice new skills in different areas such as care, engineering and cleaning (Cusiel, 2012). After learning how to use the new skills the students can complete internships in the field of their interest. This project reached a lot of students and is a positive example of action C.

The beds monitor system is an innovative timetable created by the UMC Sint Radboud hospital (Agentschap SZW, 2013). This project was supported with € 70,637 ESF action E subsidy. This system gives an overview on the number of patients in the hospital and how many staff are needed. This innovative project creates an added value to the staff of the hospital.

Unfortunately, one project in action D had negative media attention. In 2010, parliamentary questions were asked about the ESF subsidy that was given to TNT. The reason for this is that TNT had an amount of 9.6 million ESF to give training to part-time postmen and for vocational retraining of their permanent employees. TNT fired permanent employees and in the same period hired new part-time employees at lower salaries than permanent employees. The Dutch Minister of Economic Affairs explained that the educational development funds are responsible for the subsidy, and that the supported ESF projects and the reorganisation are two different subjects (Gesthuizen, 2010).

***3.5 Strengths and weaknesses***

ESF strengths are described below:

* The Netherlands, just like the other member states pays a maximum annual contribution of 1.23% of their National Income. Some of that contribution comes back to the member states through subsidies like ESF.
* The programme is set for seven years and does not suffer from national cuts.
* The labour market changes and every period is different. The added value of ESF, in this period, has to do with budget cuts and economic crisis. Municipalities have smaller budgets available and ESF is very helpful.
* Co-financing is a tool to make sure that ESF money is used wisely.
* The ESF programme is updated every seven years. Every period, the target groups who need the most support are sought out for subsidy. The target groups that ESF is aimed at in this period are very broad. The different actions provide subsidy possibilities for different groups of people.
* ESF is an added financial support for projects and innovative plans to add some social initiatives within the member states.

The weaknesses are described below:

* The difficult financial overview, the political lines from Agentschap SZW, Brussels and the Dutch Parliament.
* ESF is not just a financial compensation to the member states. The member states need to co-finance ESF as well. The Netherlands co-finances ESF for the current period at a rate of 50%.
* The criteria that every action has and the complex administration harms the ESF image. Both the administrative work as well as the paperwork for the employees of Agentschap SZW and the subsidy applicants takes a lot of time. It also takes a long time before decisions are made.
* There is not a personal touch for applicants who apply for ESF.

The strengths and weaknesses of the internal analysis are summarised in figure 8. The rating numbers mean: 1: strong strengths or weaknesses, 2: weak strengths or weaknesses.

|  |  |  |
| --- | --- | --- |
| **Figure 8: Strengths &Weaknesses** | **1** | **2** |
| ***Strengths*** |  |  |
| Some EU contribution comes back through ESF | X |  |
| Co-financing 40% ESF and 60% applicant |  | X |
| ESF is an added financial support. The programme is set and has nothing to do with national cuts | X |  |
| ***Weaknesses*** |  |  |
| Difficult and slow administration process | X |  |
| Co-financing of the Netherlands | X |  |
| Does not have a personal touch with the applicants, due to the size of ESF. |  | X |

## 4. External Analysis

4.1 Target group analysis

The ESF target group is very broad and consists of different kinds of people that have one thing in common**;** their weak position on the labour market. Every action has a different target group they want to reach. In order to reach the right target group**,** ESF is working together with educational development funds, municipalities, the employee insurance agency (UWV) and institutions that are involved with the target group.

Action A: the target group for this action are unemployed people who make use of unemployment benefits. The age of this target group lies between 18 and65 and includes men and women with an employment barrier:

* People over 50: for this target group it is very hard to find a job (again).
* People who are partially disabled**,** but are willing and able to work.

Action J: this target group consists of young people between 15 and 27 years old. This target group includes men and women that are often lower educated and/or have no diploma. This group is called ‘nuggers’ in Dutch.which are young people who do not receive benefits, because they need to work or study. In order to reach this target group, municipalities organise projects to support young people to return to school or get a job.

Action B: detainees and young people in youth establishments are mostly lower educated men. This target group needs special guidance to reintegrate in society again. Education especially when it is related to their profession is very important to this target group.

Action C: this target group includes adolescents of 15 years and over. They are students with learning disabilities and are almost finished with secondary school. The students receive special needs education as well as practical education. Those students usually live with their parents at home. This target group can use guidance in finding a job or further training, so that they can be useful to society and feel appreciated.

Action D*:* lower-skilled workers between the age of 18 and 65 can take a training course to improve themselves in their current job and to increase their chances on the labour market. Employers can apply for this subsidy and the possibilities by their educational development funds.

Action E: social innovation is also created for employers. The goal of this action is to create better and smarter work programmes and working conditions within their own organisations.

*Size(s) of the of target groups*

For action A, J and D the expected number of candidates were more than expected, which is positive. The subsidy for action E has been available for four years. It is difficult to measure how many people benefit from this action. In figure 9, the size of the target groups per action are described (Krom, 2012):

|  |  |  |
| --- | --- | --- |
| **Figure 9 the target group sizes:** | | |
| **Action** | **Annually** | **Total** |
| **A** | 4.730 |  |
| **J** | 20.000 | - |
| **B** | - | 131.15 |
| **C** | - | 465.66 |
| **D** | 18.000 | 547.816 |
| **E** | 40 projects | Unknown |

4.2 ESF media image in the Netherlands

Subquestion 1: What is the ESF’s (media-influenced) image like in the Netherlands?

4.2.1 Positive Media attention

In 2009, the media attention was positive relating to projects to solve youth unemployment. Criticism was mainly about the European Union in general and the difficult rules and subsidies. A discussion arose on how municipalities find it tough to implement European subsidies.

In 2010, it was often mentioned that municipalities should use ESF money more frequently. It would be a shame if a large amount of ‘our’ money would return to Brussels, instead of using it for projects in the Netherlands. Because of the economic crisis it would be unfortunate not to use the subsidy to the fullest.

In 2011, the media attention surrounding ESF, was often about social innovation (action E). Trade magazines informed their readers that 24 million euros are available for Small and Medium-sized Entrepreneurs (SMEs) if they are willing to improve working conditions by, for instance, being more flexible. In the same article it is mentioned that the administrative burden is less for this subsidy and more attractive for SMEs (Anker van den, E, 2011). In 2011, there was far less written on the complex administration compared to previous years.

In 2012, several actions attracted media attention. The regional media was (again) very positive about action J. The media also gave attention to special education school projects. The different municipalities mentioned that a lot of young people found a job. In trade magazines it was written that an extra 50 million euros for action A, was available for municipalities.

To be noted, are the negative articles in the trade magazine Binnenlands Bestuur. Usually, trade magazines are neutrally informing or positive about ESF. More information regarding this topic is given in subsection 4.2.2 negative media attention.

In the beginning of 2013, ESF was again highlighted in the national press. The subsidy that was meant to develop SMEs in poorer regions, like Poland, went to large companies like Phililps, Unilever and ING (RTL Nieuws, 2013). Those companies used the subsidy to let their management follow additional training. The budget needed to be spent on a well-planned and organised project, otherwise the subsidy lapsed. Large companies need a larger subsidy for projects because they have more employees who need to follow additional training. SMEs have fewer employees and the projects are smaller (Griendt van de, 2013), which means that educational development funds have less administrative work with larger companies.

4.2.2 Negative media attention

In previous ESF periods an educational institution ROC Rijn IJssel received ESF subsidy for early school leavers. However, the educational institution had changed data on application forms. Whether this happened on purpose or was a mistake is not clear. According to ROC Rijn IJssel, it was an administrative mistake (Sahadat, 2010). As a result of an, in 2008, made arrangement, ROC had to pay the 2 million back within ten years (Sahadat, 2010).

In 2012, a very negative column was written about ESF. The writer of the column explained how a municipality applies for the subsidy and what obstacles there are.

The most negative points mentioned in the column are:

Firstly, the positive ESF leaflet and informing agencies are misleading the applicants, by saying that difficult bureaucratic administration is history. Secondly, the 60% which the project organisers have to finance makes it harder for smaller municipalities to benefit from ESF subsidies, since the cost of a project must be at least € 550,000.

Thirdly, all the paperwork needs to have the ESF and EU logo on it and complex administrative instructions hindered the municipality’s employees. The column ends with the line “you are warned, ESF makes you poor” (Bolhuis, 2012).

In 2012 the ESF action, social innovation also had negative media attention.

Social innovation was focussed on large businesses (Grouve, 2012). SMEs could not benefit from the subsidy like in previous years. The tone of this article was negative especially since project planners of organisations needed to apply to the educational development funds instead of directly to the Agentschap SZW.

An administration office went bankrupt in 2012, which harmed the ESF image. As a result the media wrote about other past failures.

An ESF administration office, that was responsible for five sectors administration, received an advanced payment of ESF subsidy. The office had asked for a larger budget than they could declare (Boer, 2012, p. 23). Agentschap SZW reclaimed 7.7 million. The administration office went bankrupt and thousands of organisations did not receive a subsidy. Newspapers wrote about this and past negative events were also brought up. For instance, 10 years ago the Netherlands received less ESF from Brussels because the previous period administration was not done properly (Herderschee, 2012, p. 21).

4.2.3 Summary

The regional press are very positive when it comes to projects supporting youth unemployed in helping them finding a job. Trade press and regional press write more on ESF than the national press. The articles in trade magazines, in general, are informative and neutral of tone. The Agentschap SZW is trying to gain media attention for ESF through its projects. The regional media and trade media are most interested in this kind of news. Remarkably Agentschap SZW has simplified the administration of action E and the media was very positive about this development. In order to reach the national press, something very positive or very negative needs to happen.

4.3 Competitive subsidies

ESF is a co-financing subsidy and therefore different than other subsidies. In this section**,** competitive subsidies that can be a direct or indirect threat to ESF are discussed.

In the Netherlands it is possible for companies and organisations to get a tax reduction. Before that companies need to offer workplaces for students and unemployed people. This tax reduction can be a threat for action A, J and D.

Action A:the ´´Mobiliteitsbonus´´ is a new Dutch law which was enforced on the first of January 2013. This law makes it more attractive for employers to hire unemployed people over the age of 50 and disabled people. This bonus is € 7,000,- per person a year, but has a maximum limit of three years. (Antwoord voor bedrijven, 2013).

Action J:even when it is not a threat, the Dutch government has put an extra 50 million euros into youth unemployment (AD, 2013). This amount of money is spread over the municipalities and local projects, which all have a different approach on how to solve youth unemployment.

A small threat to ESF Action J can be the placement funds for the health care sector. With these funds, it is possible to ensure good placements and fewer administrative burdens for all the participants (Stagefonds Zorg,2013).For action J, the health care placements can be threatened by this subsidy.

Action B:for this target group, there are different aftercare programmes to help integrate detainees in society but no competitive subsidies.

Action C: if employers hire staff from this target group, they can receive a wage dispensation. The wage dispensation includes, that a functioning employee gets 85% of his salary paid by the employer and the other 15% is financed by the benefit agency (UWV, 2013).

Action D:this subsidy has one national competitor. This is the tax reduction on offering placement opportunities for employers who undergo additional training.

Action E:innovation is the most popular subsidy, as there are many national and European subsidies available. The two subsidies that are similar to Action E are described on the next page.

Firstly, the Innovatiefonds MKB+. This fund is built on three pillars; the first pillar is similar to the ESF action E and is named ´´innovation credit´´. This subsidy supports developing projects which SME’s and large companies do not dare to develop, because those projects bring a high financial risk with them. Therefore the innovation credit can be used. This subsidy is for projects that cost at least € 150,000,- (Antwoord voor bedrijven, 2013).

Secondly, the IOP’s (innovatiegerichte onderzoeksprogramma's). Companies that are working together with a research institution can receive subsidy on technological improvements (Antwoord voor bedrijven, 2013).

4.4 DESTEP Analysis

**Demographic:**

**Some relevant information about the Netherlands current demographic situation.**

*Age:*

The average age is 43. The majority of the citizens are between 38 and 64 years of age, this is almost 40% of the population. In 2011 only 24% of Dutch citizens were younger than 20 (Beer de, et al., 2013). The number of men and the number of women are about the same, though in general women live longer than men.

*Households:*

There are 7.5 million households in the Netherlands. This means an average of 2.2 persons per household. The number of single households has increase in the last few years.

**Economic:**

There are a number of factors that contributed to the economic success of the Netherlands (Buunk, 2013):

* Firstly, the different waterways, the North Sea and Rhine for instance, are used for transporting goods.
* Secondly, the industrial development of Germany, which the Netherlands is depending on as well.
* Thirdly, the yield of the natural resources are available.

*Unemployed people*

In March 2013**,** there were over 600,000 unemployed people in the Netherlands. This is 7.7% of the population **(Coevert,2013). The Netherlands has 15 % youth unemployment.**

## *Import/export*

The Netherlands exports and imports machinery and equipment, chemicals, fuels, food, and clothing. The Netherlands and Germany are each other’s biggest import and export partners (CIA, 2013).

*Inflation*

The inflation of the Netherlands was around 1.8 percent in the last ten years, one of the lowest in the euro area. Since the VAT increase was implemented, the inflation became the highest in the euro area. In March 2013, the Netherlands had the highest inflation rate with 3.2 percent (Utrecht, 2013).

*Income*

The average net income in the Netherlands is 1811 euro a month (Roelants, 2012).

**Social:**

***Inhabitants***

**The Netherlands is a multicultural society and different cultures are living in the same country. The majority of the population is Dutch (80.7%), other EU citizens account for 5%, 4,5% are people from former Dutch colonies. 2.2% of the population are people is Turkish and 2% are Moroccan. The further 5.6% are people from other countries** (CIA, 2013).

***Average educational level:***

35% of the Dutch population has a high educational level (Gemiddeld gezien, 2013). Compared to other EU member states**,** the average educational level in the Netherlands is high. It is remarkable in that there are more highly educated women than men in the Netherlands.

Statistics on educational level of people in the Netherlands (Gemiddeld gezien, 2013):

* Low educational level 22%
* Average/middle educational level 43%
* High educational level 35%

# *Two income household*

# In 2009, 57% of the population are two income households. The number of two income households has grown with 6% since 2005. In most cases men earn more than women. In total there are about 2 million households in the Netherlands (Kösters &Moonen,2011).

**Technological &Ecological:**

This section part of the DESTEP analysis is not relevant to the European Social Fund.

**Political:**

The Netherlands has a multiparty system, which means that in general one single political party can govern on their own. In theory, this never happened. Although, some argue that there are too many political parties, which can cause a threat to the democratic system **(Andeweg & Irwin, 2009). Multiple parties dilute the vote; for example, the Freedom Party (PVV) which is a populist party (Andeweg & Irwin, 2009).**

The most recent elections in the Netherlands were held on 12 September 2012. The main subjects of the election were, the role of the EU in the Netherlands and trying to solve the financial crisis (Europa nu, 2013). However, the VVD won the elections and together with the PvdA they form a government. Both parties have a positive attitude towards Europe. The PVV and the SP are negative towards Europe and the SP stayed the same and the PVV lost a lot of votes (Europa nu, 2013).

4.5 Opportunities and Threats

There are more opportunities and threats options possible. These are the selected ones that are most relevant to the research.

ESF opportunities are described below:

* The new ESF programme that starts in January 2014.
* Increased unemployment in the Netherlands. The 15% youth unemployment means more demand for ESF applications.
* Action B is the main subsidy for detainees. Without the ESF, there would be no (national or European) subsidy available for this target group. This means that there is enough demand for this action

ESF threats are described below.

* Companies and organisations get a tax reduction if they offer workplaces for students and unemployed people. This is a threat for action A, J and D.
* Less money for the new ESF programme. The budget for the period 2007-2013 was € 830 million and for the 2014-2020 programme this is € 420 million. The budget is cut down by 50 percent.
* Political parties that are against the EU. In the Netherlands the PVV and SP are not in favour of the EU.

In figure 10 a rating was created on the external analysis opportunities and threats. The rating numbers mean: 1: strong opportunities or threats, 2: weak opportunities or threats.

|  |  |  |
| --- | --- | --- |
| **Figure 10: Opportunities & Threats** | **1** | **2** |
| ***Opportunities*** |  |  |
| **The new ESF programme** | X |  |
| **Increasing unemployment** | X |  |
| **Main subsidy for detainees (action B)** | X |  |
| ***Threats*** |  |  |
| Tax reduction | X |  |
| **Less money for the new ESF programme** | X |  |
| **Political parties against the EU** |  | X |

## 5. SWOT Analysis

The strengths and weaknesses of the internal analysis and the opportunities and threats of the external analysis constitute the SWOT analysis. The SWOT analysis, below gives a summary of both the internal and external analysis.

|  |  |
| --- | --- |
| **Figure 11: The SWOT analysis** | |
| **Strengths**   * Some EU contribution comes back through ESF * Co-financing 40% ESF and 60% applicant * ESF is an added financial support. The programme is set and has nothing to do with national cuts | **Weaknesses**   * Difficult and slow administration process * Co –financing of the Netherlands * Does not have the personal touch with the applicants, due to the size of ESF |
| **Opportunities**   * **The new ESF programme** * Increased unemployment * **Main subsidy for detainees (action B)** | **Threats**   * Tax reduction * **Less money for the new ESF programme** * **Political parties that are against the EU** |

## 6. Confrontation matrix

**Figure 12: The Confrontation matrix**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Rating:**  - - very threatening  - threatening  0 neutral  + promising  + + very promising | | |  | **EXTERNAL** | | | | | |  |
| **Strenghts** | | | | **Weaknesses** | | |  |
| Some EU contributioncomes back through ESF | | Co-financing 40% ESF and 60% applicant | an added financial support and has nothing to do with national cuts | Difficult and slow administration process | No personal touch with the applicants, due to the size of ESF | Co- financing of the Netherlands | Total |
| **INTERNAL** | **Opportunities** | The new ESF programme | ++ | | + | ++ | - | - | 0 | 5/2 |
| Increasing unemployment | ++ | | + | + | 0 | 0 | 0 | 4/0 |
| Main subsidy for detainees | + | | + | + | 0 | 0 | - | 3/1 |
|  |  | |  |  |  |  |  |  |
| **Threats** | Tax reduction | + | | - | + | - | - | -- | 2/5 |
| Less money for the new ESF Programme | + | | - | o | -- | - | - | 1/5 |
| Political parties against EU | o | | o | o | - | - | -- | 0/4 |
| TOTAL  T | 7/0 | | 3/2 | 5/0 | 0/5 | **0/4** | 2/6 |  |
|
|  | |

The goal of the confrontation matrix is to give a clear view on the positive and negative sides to ESF. The next part is about the future plans of ESF and together with the confrontation matrix a strategy is created. The confrontation matrix is created to provide an overview on the internal and external analysis strategies. For each part there are three strategies selected which are rated with five different degrees.

The rating method is explained below:

**- -** *very threatening:* this degree is bad for the ESF image and/or does not have an

added value.

**-**  *threatening:*this degree is a combination of strategies which are not functioning.

**0**  *neutral:* this degree is often a mix between a positive and a negative strategy.

**+**  *promising:* the combination of the two strategies fit together.

**+ +** *very promising:* this is the best rated degree. The combination of strategies are positive and as an added value can improve the image.

## 7. The future plans for ESF

Subquestion 2: What are the future plans of ESF?

The plans for the new ESF period 2014 – 2020 are different than those of the current period. There are a couple of reasons for this. The first reason is the fact that the budget is € 420 million, which is half of the budget there is available for the current period. Then the current programme is complex with the three priorities and the actions. In order to make it a bit more understandable, the plan is to have one priority: active inclusion and different actions that are part of it. As is explained in the internal analysis, the Netherlands also has to co-finance the ESF. Fortunately, there is a national budget available to contribute to ESF in 2014 and 2015. Active inclusion is only available in 2014 and 2015 and in 2016 until 2020 ESF will have a new priority and that is employment support of labour limited people. The reason for this priority is that national budget will be available from 2016 onwards (Klijnsma,2013, p.1-3).

Applicants:

Another future change in the new programme is that the 35 labour market regions will be the main applicants for ESF. In the Netherlands there are 35 labour market regions. This means that municipalities and the Employee Insurance Agency (UWV) bring job seekers and employers together. The Ministry of Security and Justice can apply for the detainees and young people in youth establishments.

Target group:

The target group for the new ESF programme is the same as the current programme.

The Ministry of Social Affairs and Employment hired a research agency to determinewhat the applicants expectations of the new ESF programme are.

Results of the question for the new ESF programme:

The two main issues ESF applicants currently have are the administration process and the poor financial accountability as well as the poor communication of the Agentschap SZW.

The communication issues have to do with the following factors: it is difficult to contact the Agentschap SZW and the contact persons often change. Nevertheless, 63 percent of the people who participated in the survey, would apply for the ESF programme again (Coenen, L., et al, 2012).

## The provisional 2014 – 2020 ESF programme for the Netherlands:

## .

|  |  |
| --- | --- |
|  | **Figure 13:European Social Funds** |
| **€ 420 M** | **ESF programme 2014-2020**   |  |  | | --- | --- | | Priority:  **Social Inclusion** | Priority:  **Employment support of labour limited people** | | 2014 and 2015 | 2016 until 2020 | |

## 8.Strategic choices

The confrontation matrix and the future ESF programme plans are brought together in this part to create a strategy. The strengths, weaknesses, opportunities, threats and the future plans are mixed together.

ESF strengths:

First of all, the Netherlands pays a maximum annual contribution of their national income. Some of that contribution comes back to subsidies like ESF. The second strength is that ESF is co-financing 40% of the total project cost and the remaining 60% needs to be financed by the applicant. This tool is created to make sure that ESF is used wisely.

The third strength is that the programme is set for seven years and does not suffer from national cuts. Since, the ESF programme is updated every seven years, the ESF target groups are also different every period. The different ESF actions provide subsidy possibilities for different target groups of people. Nevertheless, ESF is also an extra financial support for projects and innovative plans in this current period.

Strengths:

S1: EU contribution paid by the Netherlands returned with subsidies like ESF.

S2: ESF is financing projects with 40% ESF and the applicants with 60%.

S3: ESF added financial support to the national budget and the programme is setfor seven years.

ESF weaknesses:

The criteria that every action has the complex administration harms the image of ESF**.** Both the administrative work, the paperwork for the employees of Agentschap SZW, and the subsidy applicant, take a lot of time. It also takes a long time before decisions are made. The Netherlands co-finances ESF. Consequently the sheer number of ESF applicants means that they do not have a personal relationship with ESF.

Weaknesses:

W1: difficult and slow administration process.

W2: the Netherlands need to co –finance ESF with national budget.

W3: does not have the personal touch with the applicants, due to the size of ESF.

ESF opportunities:

Firstly, the new ESF programme 2014 – 2020 should be promoted. Secondly, support more unemployed to work with ESF projects. Thirdly, ESF is the main subsidy for detainees (action B). This should be promoted.

Opportunities:

O1: **the new ESF programme should be promoted in order to get more positive (media) attention.**

O2: **Because of the economic crisis unemployment has increased.**

O3: **main subsidy for detainees which should also be promoted.**

ESF threats:

First of all, organisations can get tax reduction if they offer workplaces for students and unemployed people, which is a threat to the complex ESF subsidy. Secondly, the budget for the new ESF programme is cut by 50 percent, compared to the current programme. Thirdly, political parties like the PVV and SP are not in favour of the EU.

Threats:

T1: tax reduction which is not as complicated as ESF.

T2: **less money for the new ESF programme.**

T3: **nation political parties that are against the EU.**

**ESF future plans:**

FP1: less money for the new programme.

FP2: fewer priorities but more actions.

FP3: available national (co-financing) budget. The new ESF plans fit together with the national plans. In this way, ESF can be an added financial support.

FP4: detainees and young people in youth establishments are still part of the target group.

Figure 14 is a summary of the SWOT analysis and the future plans.

|  |
| --- |
| **Figure 14: SWOT and future plans** |
| S1: EU contribution paid by the Netherlands comes back  S2: co-financing 40% ESF and 60% applicant  S3: added financial support and the programme is set. |
| W1: difficult and slow administration process  W2: co –financing of the Netherlands  W3: does not have the personal touch with the applicants, due to the size of ESF. |
| O1: **the new ESF programme**  O2: **increasing unemployment**  O3: **main subsidy for detainees (action B)** |
| T1: tax reduction  T2: **less money for the new ESF programme**  T3: **political parties that are against the EU** |
| FP1: less money for the new programme  FP2: less priorities but more actions  FP3: available national (co-financing)budget  FP4: detainees and young people in youth establishments are still part of the target group |

In figure 15 is an insight into how the SWOT and the future plans are brought together to combine the different outcomes in order to create a strategy. In figure 15 the different outcomes are combined and are rated with positive, neutral and negative.

|  |  |
| --- | --- |
| **Figure 15: strategies** | |
| **1**  **Positive** | O2: **increasing unemployment**  S1: EU contribution paid by the Netherlands comes back  S2: co-financing 40% ESF and 60% applicant  W2: co –financing of the Netherlands  FP3: available national (co-financing)budget | |
| **2**  **Positive** | O1: **the new ESF programme**  O3: **main subsidy for detainees (action B)**  FP4: detainees and young people in youth establishments are still part of the target group | |
| **3**  **Neutral** | S3: added financial support and the programme is set.  T2: **less money for the new ESF programme**  FP1: less money for the new programme | |
| **4**  **Neutral** | W1: difficult and slow administration process  FP2: less priorities but more actions | |
| **5**  **Negative** | W3: does not have the personal touch with the applicants, due to the size of ESF.  T1: tax reduction  T3: **political parties that are against the EU** | |

There are five strategies which are explained in the marketing communication plan. Figure 16 gives a view on the selected strategies.

|  |
| --- |
| **Figure 16: the five selected strategies** |
| **1 Positive:** explaining the financial background of the ESF in order to get positive (media) attention. |
| **2 Positive:** promoting the new ESF programme and its added value. |
| **3 Neutral:** the added value the new programme, even with less money. |
| **4 Neutral:** the difficult and slow administration process will be improved with the new programme. |
| **5 Negative:** the negative outcomes should be mentioned and when possible solved. |

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## 9.Marketing Communication Plan

9.1 Introduction

In this part the outcome of the five selected strategies will be discussed and the main research question will be answered. The main question is: what is the added value of ESF in the Netherlands and how can the image be improved? The main research question and the selected strategies consist of policy making and communication which are two different fields of work. Those two fields of work fit together because the added value is linked with policy making and the image is linked with communication.

For this final project a marketing communication plan is created, which means that communication is the main part of the research. The final project is made for the managing board, which is responsible for the ESF policy. The policy which can be positively linked with communication should be promoted. In figure 16 the five selected strategies are shown. The negative rated number 5 will not be further discussed, because the negative outcome does not contribute to the research question.

9.2 Outcome of the strategies

|  |  |
| --- | --- |
| **The outcomes of the four remaining strategies are put together:**  **First of all, the Netherlands has to pay a contribution to be part of the EU and has financially supported other member states in the last few years. It improves the (overall) image that the Netherlands is not just paying to be a member of the EU but retrieves some of the** contribution back with subsidies like ESF. Instead of focusing on the negative aspects(the Netherlands co-financing ESF), the new programme is an added financial support for the national budget. **Second, the unemployment rate increased in the Netherlands. The successful projects that support the target groups, which have a weak position on the labour market, should be promoted, for example, the added value the programme has for detainees. The new ESF programme is an improvement over the current programme. The policy makers really did their best to make it more understandable to have fewer priorities.** Third, the budget is a financial added support for the next seven years and the programme is set.  The four strategies are combined, and the outcome is to improve the image of ESF the added value should be mentioned by promoting the 2014 - 2020 ESF programme. To mention that the positive financial background and the administration process is simplified in the new programme.   |  | | --- | | 9.3 Promotion of the new ESF programme  Subquestion 3: how can the new ESF programme be promoted?  There are many different options to promote the added value and to improve the image of the new ESF programme. The purpose of this intangible product is to be promoted in order to educate and inform the subsidy applicants and the target groups. Therefore, a diversity of promotion tools are mentioned and combined.  To start the new 2014-2020 programme**,** it would be a good start to organise a kick off day.This kick off day should take place in January 2014, when the new seven-year period begins.  The kick off day: together with an invitation, a leaflet with bullets points highlighting the new programme, should be sent to the invitees and the media.  The invitees should be; policy makers from the Ministry of Social Affairs and Employment, from the Ministry of Education and the Ministry of Safety and Justice, people from the Agentschap SZW, representatives from the European Commission and the applicants (the 35 labour regions) who receive ESF.  The media should be invited and know what ESF is, and what the new programme consists of. In section 5.2, the ESF media image has been discussed and the conclusion was that trade press and regional press write more on ESF than the national press. The articles in trade magazines, in general, are informative. The regional media and trade media are most interested in this kind of news. Therefore, it would be better to focus on the trade- and regional press rather than on the national press. To reach the national press, something very positive or very negative needs to happen. It would attract more attention of national media if someone who is well known, would open the kick off day, for instance, minister Asscher (Ministry of Social Affairs and Employment). Furthermore, it would be a good idea to invite the national newspapers to the kick-off day. The different ministries that are involved with ESF can post articles about ESF in their trade magazine or website. The people who organised a project that was co-financed with the ESF, should tell the added value the ESF has had for them. After the organisers of ESF projects present their project, it would be nice to show a video of the different target groups who benefited from the project they participated in .This video should also be uploaded on the Agentschap SZW website and on the Ministry of Social Affairs an Employment website. This kick-off day could take place at the Ministry of Social Affairs and Employment. After watching the video there should be food and beverages, which is common in the Netherlands. At the end of the kick off day (which should not take all day but two to three hours in total), there should be goodie bags, filled with ESF promotion material; a pen, a block note, a balloon, a key cord, a cap and playing cards.  The kick off day should also be promoted on the Agentschap SZW website, which is the main website for ESF. The general information on ESF can be found on the Agentschap SZW website. However, the website should be made more attractive, it would be an improvement to use the yellow and blue colours of the flag of the European Union and the ESF logo. The video and the leaflet should be on the website as well. | |

9.3.1 Summary

The kick off day should promote the new ESF programme. The programme will be promoted that day and with the use of media and information on the Agentschap SZW website. The added value of the ESF will be promoted by the applicants, who will speak about the ESF projects they organised. The video that has to be made will show how the ESF affects its target groups. It would be excellent that the media report positive about the ESF.

## 10. Recommendations and Conclusions

The SWOT analysis is a reflection on the current programme. The future plans combined with the SWOT analysis, are merged together in the part strategic choices. The outcome is five strategies that were analysed and subsequently, became one strategy that is discussed in the marketing communication plan. One strategy gave a clear advice on what the main focus should be.

The recommendations are divided into primary recommendations and secondary recommendations. This distinction is made because the contributions to this final project are mentioned under the primary recommendations. The secondary recommendations discuss other topics that are not directly relevant for this final project, but are mentioned for further research.

10.1 Primary recommendations

To promote the added value and to improve the image with the start of a new programme, the first primary recommendation is to organise a kick-off day to introduce the new 2014 – 2020 programme.

The second primary recommendation is that the media can be an important tool to work on the image of ESF. The media will inform people about the programme, by posting articles about projects. Therefore, different media should be invited to the kick-off day to understand what the ESF is and what the new programme includes.

The third primary recommendation is part of the current period and is that project initiatives should do their best in getting media attention. This would be recommended to stay the same in the new period.

The fourth primary recommendation is that the website of the Agentschap SZW should be made more attractive, and provide better information.

10.2 Secondary recommendations

The first secondary recommendation is to improve the internal communication of the Agentschap SZW by undergoing training. The reason for this is that applicants have complaints that there is no personal touch in the ESF project. Also the contact persons of the Agentschap SZW frequently change jobs and the new contact person is mostly not well informed.

The second secondary recommendation is to look at ESF from a business point of view.It would be recommended to have another look at the ‘’middlemen’’ role. The project initiative hasto contact their contact person of the educational development fund, and they have to contact the Agentschap SZW. There is no direct contact with the project initiative and the Agentschap. In the new programme the middlemen will be one of the 35 labour market regions. It would be beneficial to discuss the advantages and disadvantages of leaving the middlemen out for the 2021 -2028 period.

The third secondary recommendation is: to facilitate an easier and digital administration process.

10.3 Conclusions

## The purpose of this final project is to report on the Ministry of Social Affairs and Employment. I concentrated on how the image can be improved, and what the advantages of ESF are. To answer the main question and the three sub questions a marketing communication plan needed to be created. It has been a great experience to research and analyse the ESF for the Ministery of Social Affairs and Employment. Especially because ESF is a non touchable product which made it more complex to creat a marketing communication plan.

ESF is always very updated when it comes to reaching new target groups and the improvements on the labour market. ESF is, in times of economic crisis, an added value and is appreciated because of the national cuts and increasing unemployment. The ESF budget that comes back to the Netherlands should be spent wisely, it would be regrettable if the available budget would not be used (completely). For the new ESF programme half of the budget is available compared to the current programme. Nevertheless, there is a national budget available to contribute to the ESF in 2014 and 2015. Active inclusion is only available in 2014 and 2015. From 2016 until 2020 ESF will have a new priority and that is employment support of labour limited people. The reason for this priority is that the national budget will be available from 2016 onwards. Another reason is to make the new programme more understandable, compared to the current programme, which has three priorities and two actions for each priority. The new programme will have different actions under one priority.

Another change to the current programme is that there will be no subsidy available for innovation. The ESF action of the current programme that supports innovation will not come back in the new programme. As is seen in the competitive subsidies part there are many other subsidies which support innovation. Due to the economic crisis and budget cuts it is a well-considered decision. This decision also supports ESF’s goal to guide more unemployed people into work.

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