



## The European Social Fund in Mecklenburg-Western Pomerania, Germany, 2007-2013

The ESF programme for Mecklenburg-Western Pomerania is designed to help this rurally structured region, which is currently suffering as a result of low competitiveness, high unemployment and considerable migration, to increase its economic power and create new jobs.

Investment in people, in their education and training are the focus here, as well as efforts to make businesses and the economic structure of the state more competitive.

### The European Social Fund in brief

The European Social Fund, created in 1957, is the European Union's main financial instrument for investing in people. It supports employment and helps people enhance their education and skills. This improves their job prospects.

These are the five priorities of ESF funding:

- Helping workers and enterprises adapt to changing circumstances in the economy
- Enhancing access to employment and participation in the workforce
- Improving training and skills, both for individuals, and through better education and training systems
- Promote partnerships between actors such as employers, trade unions and non-governmental organizations, for reform in the fields of employment and inclusion in the labour market
- Reinforcing the social inclusion of disadvantaged people and combating discrimination in the labour market

Member States and regions devise their own ESF Operational Programmes in order to respond to the real needs 'on the ground'. Over the period 2007-2013, the ESF spends over 10 billion euro per year across all Member States. This represents more than 10% of the European Union's total budget.



## The socio-economic and employment situation in Mecklenburg-Western Pomerania

The state of Mecklenburg-Western Pomerania is a peripheral region which is characterised by rural structures and its location in the north east of Germany and on the border with Poland. An above-average number of people (43%) live in communities of fewer than 5 000 inhabitants. With only 74 inhabitants per km<sup>2</sup>, it is the least densely populated state in Germany.

Despite sustained structural change, the development of the economic power of the state is below average. In 2005 the GDP per head stood at 9% below the average for the new federal states and 33% below the average for the whole of Germany. In the period from 1999 to 2005 the GDP grew by just 0.9%, while the overall growth for Germany increased by 7%.

A chief cause of this is the low competitiveness of the economy which can be attributed to different factors, such as the industry structure in the state or the lack of large companies, but also the poor innovative activity of individual enterprises.

Thus the situation in the labour market is difficult. In 2005, the unemployment rate of 22.1% was above the level for the new federal states at 20.6%.

At the same time, the state also faces significant demographic challenges. The population decreased between 1998 and 2005 by 4.4% to 1.7 million and this trend is expected to continue. As a consequence, the population is ageing.

This is particularly obvious, for example, when viewing the declining numbers of graduates. In 2003, the number stood at almost 26 000; in 2011, the number is expected to be more around 10 000 – a decrease of more than 60%.

Mecklenburg-Western Pomerania has been affected approximately twice as much by migration as the new federal states as a whole. This is exacerbated by the fact that particularly large numbers of young women are amongst those leaving the state (which will have negative consequences for the future birth rate), as well as particularly well-qualified people (which has a negative impact on the availability of skilled labour-force).

### ESF priority axis in Mecklenburg-Western Pomerania

In the light of these considerable economic and demographic challenges, Mecklenburg-Western Pomerania has decided to concentrate on the overall objective of increasing the economic power of the state and creating and permanently securing jobs through sustainable economic growth. To this end, investment in the improvement of human capital with the help of the ESF is paramount. Additional priorities are the adaptability and competitiveness of employees and enterprises, as well as the improvement of access to employment and the social inclusion of disadvantaged individuals. In particular, the education of young people takes priority.

#### Priority 1: Improving the adaptability of workers and enterprises

The activities in this field cover a broad spectrum. They are designed to help workers and enterprises to confront the economic flux and to anticipate it wherever possible. On the one hand, this involves measures which are aimed at improving the operational training, the management of human resources in companies or the innovative ability of enterprises. This also affects the promotion of newly founded innovative enterprises. On the other hand, a better work-life balance is supported (e.g. through training during parental leave, and the introduction of family-friendly working-time models). The activities are grouped according to the following specific objectives:

- Raising the workers' level of qualifications and the productive efficiency of the enterprises;
- Strengthening entrepreneurial spirit;
- Improving work-life balance.

## Priority 2: Improving human capital

The accent within this priority axis is on the improvement of training in the academic field. In particular, this covers the further development of the school system, supporting pupils with specific talents, the development of key qualifications as well as help with choosing a career. Furthermore, the emphasis is, as far as possible, on closing the gaps in education which may still be prevalent in the coming years and on strengthening the quality of operational training. Added to these are activities in the academic field (e.g. promoting young talent; better utilisation of research results; and closer co-operation between science and economy). The activities in the field of human capital can be broken down into the following objectives:

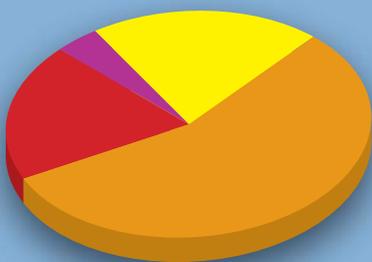
- Strengthening the basic and key qualifications; raising the performance ability and economic proximity of vocational training.
- Supporting innovations through development of human potential in research and through better co-operation between science and economy.

## Priority 3: Improving access to employment and social inclusion of disadvantaged groups

On the one hand, this area is concerned with helping the unemployed into self-employment and into a regular employment relationship. On the other hand, the use of the ESF is aimed at combating social exclusion and raising the employability of people who have to contend with particular difficulties. In addition, women's prospects on the labour market should be improved through qualification and advice, and the potential of particularly highly qualified women should be put to better use. The activities can be grouped according to the following specific objectives:

- Facilitating access to gainful employment for unemployed women and men;
- Raising and maintaining the employability of particular groups;
- Combating gender-specific horizontal and vertical segregation in the labour market.

### Financial plan for the European Social Fund in Mecklenburg-Western Pomerania, 2007–2013



Priority axis	Community funding	National counterpart	Total Funding
Improving the adaptability of employees and enterprises	85 173 463	28 366 011	113 539 474
Improving human capital	229 800 000	82 579 343	312 379 343
Improving access to employment and social inclusion of disadvantaged groups	86 000 000	22 712 467	108 712 467
Technical assistance	16 500 000	5 500 000	22 000 000
<b>Total</b>	<b>417 473 463</b>	<b>139 157 821</b>	<b>556 631 284</b>

## Some earlier ESF projects in Mecklenburg-Western Pomerania, 2000-2006

- **Micro loans:** The micro loan financial instrument was introduced in the state at the end of 2004 to support founders of new businesses. It is often only a comparatively low amount of money which potential enterprises lack to build their own economic livelihoods. Banks very rarely make loans of low amounts available for business start-ups. The ESF funding closes the gap by lending amounts of up to €10 000. The borrower's interest and amortisation payments flow back to the fund and are extended afresh. To date, 570 loans with a total volume of over €5 million have been approved.
- **New jobs through qualification:** Employees with utilisable knowledge and skills are of particular significance with regards to the expansion and the reorganisation of enterprises. Different location and expansion schemes, in particular of suppliers to the automobile and aviation industry, have therefore been accompanied by qualification measures in Mecklenburg-Western Pomerania with the help of the ESF and state funds. In close consultation with the respective enterprises, new employees were offered goal-oriented in-service support for coping with the requirements of their new employment.
- **School plus:** Free-time voluntary learning opportunities which enhance the education of Grade 8 pupils and upwards are supported by the funding instrument 'School plus'. This initiative reaches between 6 000 and 7 000 school pupils each year. The projects impart skills and expertise as well as pre-vocational experiences, and enable the pupils to discover interesting things along the way. They help to decide on the choice and content of the learning teams. This is a means of enabling young people to acquaint themselves with the special features of a natural gas holder or the architecture and set-up of micro-controllers, whilst others have the opportunity to work as tour guides.

### ESF contacts



#### In Mecklenburg-Western Pomerania

Mr Eberhard Messmann  
The Ministry of Economic Affairs,  
Employment and Tourism  
Mecklenburg-Vorpommern  
Unit 300 „EFRE/ESF-Fondsverwaltung“  
Johannes-Stelling-Str. 14  
D-19053 Schwerin  
Tel: +49 (0 385) 588 53 00  
E-mail: e.messmann@wm.mv-regierung.de



#### At the European Commission

Information service of DG Employment, Social  
Affairs & Equal Opportunities  
Communication Unit  
B-1049 Brussels  
Fax: +32 (0)2 296 23 93  
E-mail: empl-info@ec.europa.eu  
<http://ec.europa.eu/esf>

## Eligible regions 2007-2013



The level of ESF funding differs from one region to another depending on their relative wealth.

- Mecklenburg-Western Pomerania is a convergence region with a GDP per head of less than 75% of the EU-25 average.