EXECUTIVE SUMMARY

The European Social Fund Plus in Spain

An analysis of its economic, social and territorial impact

Ignacio Álvarez Peralta · Fernando Bermejo Patón
Eladio Febrero Paños · Jorge Uxó González

November 2026

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Ignacio Álvarez Peralta
(Associate Professor of Applied Economics, Autonomous University of Madrid)

Fernando Bermejo Patón
(Associate Professor of Economic Theory, University of Castilla-La Mancha)

Eladio Febrero Paños
(Associate Professor of Economic Theory, University of Castilla-La Mancha)

Jorge Uxó González
(Associate Professor of Applied Economics, Complutense University of Madrid)

1. Overview and main thesis

The ESF+ is a strategic investment for Spain because it combines three functions: addressing priority social needs, concentrating resources on vulnerable groups, and generating economic activity and public revenue. The report's evidence supports preserving its funding, identity and social safeguards beyond 2027.

Five executive conclusions

- Spain's employment rate is 3.7 percentage points below the EU rate. Youth unemployment is 24.9%, compared with 15.2% in the EU.
- Resources are effectively targeted at unemployed and inactive people, young people, those with low qualifications and people facing specific barriers.
- Employment and qualification outcomes are positive and, for several indicators, above the EU average.
- The €16.257 billion investment generates an estimated €21.388 billion in GDP, €6.773 billion in fiscal returns and activity equivalent to 394,695 jobs over the cycle.
- Integrating the Fund into broader national plans may dilute priorities and thematic earmarking unless binding safeguards are introduced.

Core policy message

Reform of the financial framework should improve coordination and focus on results without jeopardising budgetary autonomy, shared management, territorial and social participation, or specific safeguards for social inclusion, child poverty, youth and material deprivation.

2. Introduction and institutional change, 2028-2034

Created in 1957 and reformed as the ESF+ in 2021, the Fund integrates employment, education, training, inclusion and anti-poverty policies. In 2021-2027 it has dedicated programmes, identifiable funding and minimum thematic concentration requirements established by Regulation (EU) 2021/1057.

Current model

- Dedicated national and regional programmes.
- Shared management and funding largely linked to declared costs.
- Minimum earmarking for inclusion, child poverty, youth, material deprivation and social partners.
- Visibility and traceability of social expenditure.

Commission proposal for 2028-2034

- Integration of the ESF into National and Regional Partnership Plans alongside other funds.
- Stronger linkage to milestones, targets and results.
- Replacement of specific minimum allocations by an aggregate 14% social target.
- Broader negotiation between each Member State and the Commission, with Council approval.

The risk is not merely technical. Social resources would compete with territorial, agricultural, migration, security, competitiveness and housing priorities. Moreover, the 14% calculation could include loans, which do not provide the same safeguard as grants for social services without a financial return.

3. Chapter 1: investment volume and architecture

€16,257 million	**Total investment**
€15,621 million	**Direct measures**

Total investment is structured through 19 regional and four national programmes. Technical assistance amounts to €636 million. Of the funding allocated to measures, €10.852 billion comes from the EU and €4.769 billion from national funds. Distribution between regional and national programmes is almost balanced.

National programmes

- ÉFESO: €3,556 million for employment, education, training and the social economy.
- Social Inclusion (Inclusión): €2,010 million for active inclusion, the Child Guarantee and tackling poverty.
- Youth Employment (Empleo Juvenil): €1,701 million to help people under 30 enter employment and to support the Youth Guarantee.
- BÁSICO: €598 million for material assistance and social support.

Territorial dimension

Less developed regions receive around 42% of investment in measures, although they account for 24.5% of the population. Transition regions receive €5,734 million (36.7%) and more developed regions 21.1%. Effective EU co-financing rates are 85.2%, 65.5% and 45%, respectively.

4. Chapter 1: priorities and specific objectives

41.8%	**Employment**
33.3%	**Social inclusion**
21.1%	**Education**
3.8%	**Material deprivation**

The thirteen specific objectives translate the broad priorities into measures eligible for funding. The largest individual allocation is for improving access to employment and labour market activation, at €5,605 million (35.9%). This is followed by active inclusion, at €3,500 million (22.4%), and equal access to inclusive education and training, at €2,039 million (13%).

Key thematic concentrations

- Active inclusion under the social inclusion and poverty reduction priority: 19% of the total.
- Access to employment and labour market activation under the employment and adaptability priority: 18.7%.
- Access to employment and labour market activation under the youth employment priority: 16.2%.
- Labour market integration or reintegration of disadvantaged people: 22.2% by type of intervention.
- Youth employment and socio-economic integration: 18.1% by type of intervention.

The structure confirms that the ESF+ addresses interconnected barriers: lack of employment, low skills, unequal access to services and material deprivation.

5. Chapter 1: funded measures and examples

The report presents 25 initiatives that illustrate the Fund's diversity and reach. It goes beyond training courses, combining needs assessment, guidance, ongoing support, work placements, recruitment subsidies, entrepreneurship, social services and material support.

Employment, adaptation and equality

- Training workshops and programmes that combine work and training.
- Support for self-employment and business creation.
- Employer outreach and modernisation of public employment services using AI.
- Work-life balance and workplace equality in companies.
- Reskilling for the digital and green transitions.

Education and inclusion

- Curriculum diversification and vocational programmes for young people who are out of school.
- Digital skills training for people over 55.
- Tailored pathways into employment and social inclusion for people with disabilities, migrants and Roma people.
- Access to healthcare, day services and housing, and support for the transition to adulthood.
- Cards or vouchers for food and hygiene products, always linked to ongoing social support.

The added value of these measures lies in personalisation and the combination of support. For groups facing multiple barriers, integration requires longer, more intensive and coordinated interventions than a stand-alone training programme.

6. Third Sector and outreach capacity

The initiatives run by Cáritas Española, the Spanish Red Cross (Cruz Roja Española), Fundación ONCE and Fundación Secretariado Gitano draw on 25 years of experience. All four use individualised pathways and tailor their support to people with disabilities, migrants and Roma people, women in vulnerable situations, people over 45, and people experiencing homelessness or addiction.

Results and examples

- Since 2000, the predecessor programme has supported over 1.3 million people, helped nearly half a million into employment and trained over 400,000 participants. Investment was close to €1,200 million.
- Fundación ONCE's "Uno a uno" ("One to One") combines at least 160 hours of classroom-based training and 100 hours of work placements for young people with disabilities.
- The Spanish Red Cross's "Puentes por la igualdad en el empleo" ("Bridges to Equality in Employment") recorded 44,000 women participants, 18,000 jobs and 16,000 qualifications.

- Cáritas's "Moda re-" combines labour market integration with the circular economy. More than 60% of those trained went on to permanent employment.
- The Calí programme has supported close to 5,000 Roma women and delivered 2,700 awareness-raising activities.

Third Sector intervention reduces barriers to access, builds trust, brings specialist expertise and connects people who are distant from public services with sustained support.

7. Chapter 2: reach and participant profile

13.82 million	**Participations, 2014-2025**
15%	**Of the EU total**

Between 2014 and 2023, 10.42 million participations were recorded, with a further 3.4 million between 2023 and 2025. These figures do not count unique individuals, and the figures for the most recent period are provisional. They nevertheless demonstrate the Fund's ability to reach people on a large scale.

Targeting

- In 2014-2023, 50% of participants were unemployed and 32% were economically inactive. In 2023-2025, the corresponding shares were 55% and 26%.
- Around 60% of participants have a low level of educational attainment.
- Young people account for approximately four in ten participations.
- Over the past decade, there were 2.8 million participations by migrants or people from minority groups, 1.4 million by people in long-term unemployment, 1.6 million by people with disabilities, and around 600,000 by young people who were neither studying nor working.
- The gender distribution is balanced, with women making up a slight majority.

The evidence confirms that the Fund does not primarily reach people who are already integrated into the labour market, but those who need activation, reskilling or specific social support.

8. Chapter 2: results and impact on people

3.7 million	**Qualifications**
3.3 million	**In employment on leaving**

Immediate results show significant improvements in activation, training and employment. In 2014-2023, 3.14 million participants obtained a qualification and 2.55 million were in employment upon leaving. In 2023-2025, 556,090 new qualifications and 740,435 participants in employment upon leaving have already been recorded.

Success rates, 2023-2025

- 44.4% of unemployed or economically inactive participants in employment programmes found a job, compared with 31.7% in the EU.
- 31.3% of economically inactive participants in employment programmes started looking for work.
- 40.2% of participants in education programmes gained a qualification, compared with 18.9% in the EU.
- In social inclusion programmes, 15.2% of inactive participants started looking for work and 21.4% of inactive or unemployed participants entered employment.

Counterfactual evidence from the Joint Research Centre estimates an average 6.5 percentage-point increase in the probability of finding employment as a result of participation in ESF and Youth Employment Initiative (YEI) programmes. Monitoring of job stability and quality should be improved.

9. Chapter 2: efficiency, territory and outstanding challenges

By the end of 2022, 56% of participations in Spain had achieved an immediate positive result, compared with approximately 35% in Europe. The declared cost per positive result was €2,115, indicating a favourable relationship between resources and outcomes.

Territorial cohesion

- As a share of all participants in each region type, transitions from inactivity or unemployment into work account for 18.5% in more developed regions, 30.1% in transition regions and 32.7% in less developed regions.
- Qualification rates reach 19.4% in less developed regions and 22.6% in outermost regions.
- The system of devolved regional management allows interventions to be tailored to regional and rural needs.

Three limitations when interpreting the results

- High participation does not mean that all needs are fully met.
- Aggregate data do not capture the intensity or quality of support, or the quality of employment.
- The 2023-2025 indicators remain provisional and reflect differences in implementation and reporting.

The “last mile” requires better outreach to people with intellectual disabilities, older people, young people who are particularly disengaged, and the most vulnerable Roma people. It also requires stronger support for people with complex needs and better medium-term follow-up.

10. Chapter 3: macroeconomic impact methodology

The report applies an extended input-output model to estimate activity, income, employment and public revenue associated with ESF+ expenditure. The analysis follows the demand generated by investment and distinguishes three rounds of effects.

Direct effect

Production of the goods and services demanded by the programmes, including expenditure on training, guidance, public services, wages and transfers.

Indirect effect

Production of the intermediate inputs needed by the organisations and businesses supplying the programmes.

Induced effect

Consumption and investment resulting from the wages and profits generated in the previous rounds.

Initial spending allocation (rounded shares)

- 57.1% is treated as direct public-sector output.
- 22.8% is treated as income transfers to the private sector.
- 20.2% is treated as demand met by private-sector output.

The model measures demand-side effects and does not monetise lasting benefits from skills, inclusion or productivity. Its results are estimates linked to programmed expenditure, not a count of observed permanent jobs.

11. Chapter 3: main macroeconomic results

€21,387.8 million	**GDP generated**
1.32	**Total multiplier**
394,695	**Jobs supported**
€6,772.8 million	**Fiscal return**

The initial €16.257 billion investment mobilises estimated total output of €35.637 billion and generates €21.388 billion in GDP at market prices. Each euro invested is associated with €1.32 of GDP.

Differences by policy area

- Employment: multiplier of 1.21 and 137,804 jobs supported.
- Education: multiplier of 1.38 and 73,507 jobs supported.
- Social inclusion: the highest multiplier, at 1.44, with €7,474.8 million in GDP and 162,534 jobs supported.
- Material deprivation: multiplier of 1.00 and 7,422 jobs supported.
- Technical assistance: multiplier of 1.39 and 13,428 jobs supported.

The estimated fiscal return is 41.7% of total programmed investment. It exceeds Spain's contribution of €4,961.3 million, including technical assistance, by 36.5%. The estimated difference is €1,811.5 million.

12. Chapter 4: what would happen without the ESF+

The report sets out two counterfactual scenarios. Scenario A removes both EU and national funding and cancels the measures. Scenario B removes the EU contribution while maintaining national funding. The analysis assumes that no alternative funds or compensatory policies are introduced.

Scenario A: total loss

- €16,257 million less investment over seven years.
- €21,387.8 million in cumulative GDP forgone.
- 56,385 fewer equivalent jobs per year.
- 1.15 million fewer participations each year in employment, education and inclusion.
- Annual loss of capacity for 175,152 participations by people with disabilities, 424,797 by migrants or people from minority groups, and 37,317 by people experiencing homelessness.

Scenario B: loss of EU funding

- €11,295.7 million less over seven years.
- €1,613.7 million a year in replacement funding needed to maintain equivalent capacity.
- Approximately 788,666 fewer participations and 39,070 fewer equivalent jobs per year.

The exercise does not imply that the institutional proposal would automatically eliminate the ESF+. It quantifies the capacity that would be put at risk if associated funding were reduced.

13. Conclusions and recommendations table

The following table links the report's main conclusions to concrete decisions for the design of the ESF+ after 2027.

CONCLUSION	RECOMMENDATION
The ESF+ addresses persistent gaps in employment and education, as well as poverty and exclusion.	Keep it as an identifiable fund aligned with the European Pillar of Social Rights.
Investment is targeted at unemployed and economically inactive people, people with low qualifications and those facing specific barriers.	Protect funding allocations for vulnerable groups and strengthen long-term, tailored pathways.
Employment and qualification rates exceed the EU average on several indicators.	Preserve effective models and improve monitoring of job quality and stability.
Social inclusion has the highest estimated multiplier, at 1.44.	Avoid across-the-board cuts and prioritise measures with the greatest social and economic impact.

CONCLUSION	RECOMMENDATION
The estimated fiscal return of €6,772.8 million is 36.5% above Spain's contribution.	Treat the ESF+ as a productive investment and increase its budget in real terms.
Integration into broader plans can dilute priorities and make spending harder to track.	Retain binding thematic earmarking, ensure spending can be tracked and safeguard against reallocations.
Regional management and Third Sector involvement bring local reach and specialist expertise.	Preserve shared management and the effective participation of regions, local authorities, social partners and relevant organisations.
Measuring only short-term results may exclude those facing the greatest barriers.	Include interim milestones, social outcomes and different pathways in evaluation systems.
A total loss of funding would put 1.15 million participations and 56,385 equivalent jobs at risk each year.	Ensure sufficient and stable funding, provided primarily through grants rather than loans.

These recommendations share one priority: strengthen the Fund without weakening the institutional arrangements that support its redistributive role.

14. Methodological appendix and final synthesis

The appendix formalises a variant of the open Leontief model and the multisectoral supermultiplier. It incorporates intermediate consumption, fixed capital, induced consumption and induced investment. It uses domestic production matrices and excludes imports from the effects on the Spanish economy.

Sources and scope

- Input-output table and direct employment data from Spain's National Statistics Institute (INE).
- Fixed capital data from IVIE, Fundación BBVA Research and the Spanish Tax Agency.
- Household consumption data from the Household Budget Survey.
- The 2024 supermultiplier was applied to funds for the 2021-2027 period.

Implications for decision-makers

The report builds its case in five steps. Investment is aligned with persistent needs. It primarily reaches vulnerable groups. It delivers positive results at a favourable cost per outcome. It sustains activity, employment and revenue. And it depends on institutional arrangements that protect specific social priorities.

Conclusion. Preserving the ESF+ is not merely a social policy decision. It is a decision about territorial cohesion, inclusive productivity and fiscal sustainability. Any reform should retain identifiable and sufficient funding that cannot be replaced by loans, together with thematic earmarking, shared management and effective participation by the actors that turn resources into inclusion pathways.

Cautionary note: participation figures may include several interventions involving the same person. The 2023-2025 figures are provisional, and the macroeconomic estimates do not equate to observed permanent jobs.



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