

Polish experience of active inclusion tools targeted to the most vulnerable groups – comments on Norwegian good practice of the National Qualification Programme

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Polish experience in implementing active inclusion tools

The issues concerning ways of reaching those at risk of social exclusion with support with a view to evoking their social and professional independence by employment identified by the Norwegian Qualification Programme constitute one of the most difficult and pressing challenges of Polish social policy.

Situation on the labour market

In August 2009, the rate of registered unemployment remained at 10.8% for yet another month. LFS data show that labour force participation and employment rates increased in Q2 of 2009 as compared to the previous quarter and to the analogous period of 2008. Also, according to the Manpower Employment Outlook Survey the Net Employment Outlook in Poland in Q3 of 2009 was +9%, the most favourable among all EU Member States included in the Survey. Although it may seem that the economic crisis did not affect the Polish labour market to a great extent, it did impact the Polish economy and consequently the labour market as well. As a consequence, Poland may face an increase in long-term unemployment affecting mainly those with poorer qualifications and those in extreme age groups. As long-term unemployment may result in extending the reach of social marginalisation, it is important to reinforce active labour market policies targeted at those in most urgent need of support and persons with special labour market status (youth, women, the elderly, etc.), not forgetting incentives for those professionally inactive to take up employment.

As the overall situation on the Polish labour market is quite good, the situation of certain social groups reflects their particularly difficult position on the labour market as described by statistical data on registered unemployment. At the end of August 2009, 1,689 thousand unemployed were registered in Labour Offices, i.e. by 284.6 thousand less than in the analogous period of 2008 (an increase of 20.3%), of which:

- 374.4 thousand persons aged under 25 years, i.e. 22.2%;
- 702.3 thousand of long-term unemployed, i.e. 41.6%;
- 343.9 thousand persons aged above 50, i.e. 20.4%;
- 461.6 thousand persons without professional qualifications, i.e. 27.3%;
- 129.2 thousand single parents with at least one dependent child aged up to 18, i.e. 7.7%;

- 157.4 thousand women who did not take up employment following childbirth, i.e. 17.6% of unemployed women and 9.3%;
- 460.9 thousand persons without professional experience, i.e. 27.3%;
- 953.1 thousand persons without secondary education, i.e. 56.4%;
- 23.0 thousand persons who did not resume employment after imprisonment, i.e. 1.4%;
- 84.7 thousand disabled, i.e. 5.0%.

Thus, the most numerous group consists in the unemployed with no secondary education, followed by the long-term unemployed, those with no professional qualifications, and those with no professional experience. Notice that one person may fall under a number of groups with a special labour market status, e.g. he/she may be aged below 25, long-term unemployed, and hold no professional qualifications.

People farthest from the labour market, unemployed for a long time, require not only vocational activation through traditional labour market instruments but usually also social integration aimed at reviving their capacity to fully participate in the society, also the capacity to take up employment. Ensuring such comprehensive support in the framework of social and vocational activation requires close and permanent co-operation of labour market and social assistance institutions. It is frequently the case that a client of a Social Assistance Centre is also a client of a Poviát Labour Office who applies for social assistance benefits due to long-term unemployment. According to data of the Ministry of Labour and Social Policy, close to 75% of the 444,683 persons who received temporary social assistance benefits in 2008 applied for them due to the unemployment.

Legal basis for active inclusion tools and practice of their implementation

Legislative solutions in the area of employment and social inclusion which give rise to application of tools to counteract social exclusion of those farthest from the labour market by employment and social assistance services have been implemented since 2004. At present, the legal basis for application of active forms of assistance comprises the following acts:

- Act of 12 March 2004 on social assistance which provides for application of a social contract as a tool to motivate the poor to seek ways to improve their situation; Act of 20 April 2004 on employment promotion and labour market institutions which provides for the opportunity of gmina authorities to launch active labour market programmes intended for those marginalised to the greatest extent consisting in work for the community (additional income) while retaining eligibility to social assistance benefits.
- Act of 13 June 2003 on social employment which provides for establishing Social Integration Centres and Clubs which provide social and professional integration services; Act of 27 April 2006 on social co-operatives which provides for setting up one's own job under the co-operative scheme to groups included in the catalogue of those at risk of social exclusion.

Instruments and measures applied by labour market institutions

Legislative steps undertaken recently aimed at facilitating comprehensive active inclusion of the people farthest from the labour market envisage, *inter alia*, amendments to the Act on the promotion of employment and labour market institutions which entered into force on 1 February 2009. The act identifies the following groups which are considered “persons with special labour market status:”¹

- Unemployed under 25;
- Long-term unemployed or those who completed a social contract² or women who did not take up employment following childbirth;
- Women who did not take up employment following childbirth,
- Unemployed over 50;
- Unemployed with no professional qualifications, no professional experience, no secondary education;
- Unemployed single parents with at least one dependent child up to 18 years old;
- Unemployed who did not resume employment after imprisonment;
- Unemployed disabled.

The act provides for their eligibility to special labour market instruments aimed at stimulating their labour force participation. The disabled are also eligible to state support in setting up a sole proprietor business or taking up employment on the principles set forth in the Act on occupational and social rehabilitation and employment of disabled persons. Policy aimed at stimulating labour force participation of the group is implemented by a special institution called the State Fund for Rehabilitation of Disabled Persons (Polish abbreviation: *PFRON*). It applies the instruments provided for in the act.

Within six months following their registration as unemployed, Labour Offices are under the obligation to offer the unemployed from those groups: employment, other gainful activity, trainings, internship, obtaining professional accreditation for adults, or employment at intervention or public works. Persons comprising those groups who additionally receive social assistance benefits may be referred to programmes of active social inclusion implemented by Social Assistance Centres.

Extending the group of beneficiaries eligible to services provided by Labour Offices and financed from the Labour Fund to include those without the status of the unemployed or a jobseeker, including employed persons aged 45+, spouses and members of immediate family of farmers covered by mandatory social insurance of farmers, those willing to take up employment, other

¹ Article 49 of the Act on the promotion of employment and labour market institutions (Dz.U. [Journal of Laws] of 2009, No 6, item 33, as amended).

² Article 50(2) of the above act.

gainful activity or set up a non-farming sole proprietor business constitutes an equally important aspect of integrating measures for the unemployed and those at risk of social exclusion.

With a view to improve support to those experiencing greatest difficulties on the labour market, the amended act introduces solutions which modernise Public Employment Services, whose work had not been effective enough. The new organisational and procedural solutions encompass the following:

- The possibility to cover all unemployed or jobseekers with an individual action plan and making it obligatory for the unemployed registered in a Poviats Labour Office for longer than 6 months to have such plans prepared;
- Designation of Centres for Promoting Labour Force Participation (Polish abbreviation: CAZ)³ within Poviats Labour Offices to assist stimulating labour force participation;
- The possibility of creating Local Information and Consultation Centres (Polish abbreviation: LPIK) by Poviats Labour Offices in co-operation with gmina authorities – at the level of gminas (Poviats Labour Offices operate on poviat level);
- The possibility of implementing pilot programmes which consist in introducing new methods, tools, and ways to assist the unemployed, jobseekers, or employers in preparing systemic solutions;
- Extending the use of IT technologies;
- Facilitating the operation of employment agencies by liberalising regulations on entities providing employment agency services and by simplifying the procedure for entry into the register of employment agencies;
- Modification of the unemployment benefit payment system – reducing the gap between the benefit and the minimum salary by increasing the amount of benefit and introducing the principle of degressive benefit payment (100% of the amount in the initial period of unemployment and its successive reduction after three months of unemployment).

Due to their usefulness to those in a difficult labour market situation, particular attention should be paid to the following **labour market instruments** which have been improved by the amendment to the act:

- professional training for adults;
- Special programmes which allow identifying and activation of the unemployed who need specific assistance in taking up employment;
- One-off financial support for setting up a sole proprietor business by the unemployed;
- Trainings or postgraduate studies financed by the Labour Fund with a simultaneous increase in the amount of scholarship paid in the period of training from 20% to 100% of the unemployment benefit and to 120% of unemployment benefit in 2010;

³ Article 9b(1).

- Facilitated access to trainings for those aged 45+ regardless if they are employed, unemployed, or professionally inactive;
- Internships (particularly 12 month long internships financed by the Starosta) as well as extension of eligibility to this instrument to include, apart from young persons, all groups of the unemployed with special labour market status;
- Scholarships for the continuation of education in adult high schools or for extramural studies with simultaneous increase in the amount of scholarship from 50% to 100% of the unemployment benefit.

Great significance is also attached to forms of support on the part of Labour Offices targeted at employers, such as supporting professional development of the employer and his/her employees in the framework of career guidance and information, the Labour Fund reimbursing the cost of employee trainings, one-off reimbursement of costs incurred for social insurance contributions when taking on an unemployed person (up to 300% of the minimum salary), reimbursement of costs of equipping/further equipping a workplace, and reimbursement of a portion of costs of taking on the unemployed with special labour market status for intervention works or public works.

Monitoring of professions in which there is deficit and surplus constitutes an important aspect of co-operation with employers supporting PES in achieving better results in supporting their clients in finding suitable jobs. Work is underway on improving the monitoring, *inter alia* on implementing the National Labour Market Monitoring System (Polish abbreviation: *KSMRP*) which is to extend the scope of ongoing recording of changes taking place on the labour market in an operational manner.

As private employment agencies tend to concentrate on clients whose situation on the labour market is not difficult and provide job agency or consultancy services to highly qualified jobseekers and prosperous companies, the legal solutions currently in force provide for preferential treatment of private entities which offer co-operation in problematic areas concerning those long-term unemployed or marginalised on the labour market when contracting labour market services.

Measures implemented by social assistance institutions and co-operation with labour market institutions

The overriding principle of the social assistance system is to provide support to those in a difficult situation in life and to offer them help in social re-inclusion and becoming socially independent, also in view of their professional integration and returning to the labour market. The basic legal act regulating social assistance system in Poland is the Act of 12 March 2004 on social assistance. As concerns forms of active support, the following acts are also of primary importance: the Act of 13 June 2003 on social employment, and the Act of 27 April 2006 on social co-operatives.

Introduction of legal and economic solutions based on the above acts over the period 2004-2008 gave rise to the following forms of active support:

- Institutional forms of active support:
 - Social Integration Centres and Clubs;
 - Social Co-operative Support Centres and Social Co-operatives;
- Individual forms of active support:
 - Social contracts;
 - Individual programmes of social employment;
- Programme-based forms of active support:
 - Work for the community in the territory of the gmina;
 - Public works in the territory of the gmina.

The so-called social contract is an instrument of special significance to active inclusion of social assistance clients. Pursuant to the Act of 12 March 2004 on social assistance, a social worker from a Social Assistance Centre may conclude a social contract with a person or family in a difficult life situation with a view to establishing the manner of co-operation in solving their problems. A social contract is a written contract concluded with a person applying for support which sets forth the rights and obligations of parties thereto in the framework of joint actions taken with a view to overcome the difficult situation of the person or family.

The idea behind a social contract is to motivate both parties thereto to take steps aimed at improving the situation of the social assistance client. Thus, in order for the contract to be delivered, willingness on the part of the client and the social worker (of the Social Assistance Centre) is necessary as well as complete fulfilment of its provisions. A social contract should constitute an actual agreement between two parties in the form of a partnership agreement with certain rights and obligations of each of the parties. Under the contract, financial support may be granted for delivery of its provisions, e.g. financing trainings to improve professional qualifications, financing journeys to interviews, providing funds for everyday expenses such as food, etc. In 2008, social contracts were concluded with 91,725 persons receiving social assistance.

The sector of the so-called social economy is of great significance to active inclusion of those at risk of social exclusion, particularly the sector of institutions operating pursuant to the Act of 13 June 2003 on social employment (Social Integration Centres and Social Integration Clubs) as well as the Act of 27 April 2006 on social co-operatives (Social Co-operatives and Social Co-operative Support Centres). The purpose of the bodies is to restore labour market activity of persons who experience particular problems, who require support and social assistance and activation.

The Government of the Republic of Poland adheres to the principle of subsidiarity and promotes application of forms of active support to those at risk of social exclusion by gmina authorities and NGOs. The minister competent for social security initiates programmes to support local initiatives, such as the "Active Forms of Counteracting Social Exclusion" programme targeted at promoting establishment of networks of Social Integration Centres and Clubs as well as extensive application of work for the community and social contracts to combat poverty. The amendment to the Act on employment promotion and labour market institutions introduced an obligatory close

co-operation between Labour Offices and Social Assistance Centres as concerns the unemployed whose eligibility to a benefit expired and who receive social assistance benefits.⁴

The unemployed with special labour market status who receive social assistance benefits and whose eligibility to a benefit expired should be referred by a Poviát Labour Office, within 6 months since expiry of unemployment benefit eligibility and upon the request of a Social Assistance Centre, to participate in the following measures:

- Social contract;
- Individual programme of self-reliance;
- Local social support programme;
- Individual programme of social employment.

During participation in the above forms of support, the persons are covered with compulsory health insurance, while the Social Assistance Centre which delivers on the individual programme of getting out of homelessness or a social contract, reports them for health insurance and pays their health insurance contributions.

Integration of actions on the part of Poviát Labour Offices and Social Assistance Centres constitutes an important aspect of activation process of the unemployed. The solutions provided by Public Employment Services in co-operation with Social Assistance Services are aimed at coordinating measures for those at risk of social exclusion to whom it is difficult to apply the traditional labour market instruments and who are not ready to take up employment due to a number of social, family, or culture-based problems, yet remain registered in Labour Offices for health insurance eligibility. The solutions allow co-operation to the benefit of the same clients, by facilitating their vocational activation offered by a Labour Office or active social inclusion promoted by social assistance institutions - without the need for those clients to be registered as unemployed in a Labour Office.

In case co-operation is established between a Social Assistance Centre and a Poviát Labour Office to benefit of those in a particularly difficult labour market situation and who receive social assistance benefits, the bodies must conclude an agreement which sets forth the principles of their co-operation, particularly the manner of mutual exchange of information on planned activities and forms of social and vocational activation of their beneficiaries.

Possible relevance of the Norwegian good practice to the situation in Poland and the perspective of its transferability

The good practice presented in the framework of Peer Review "Developing well-targeted tools for the active inclusion of vulnerable people" deserves an in-depth analysis from the point of view of its relevance to the Polish situation. Organisational solutions (establishing new NAV entities to

⁴ Article 50(3) of the Act on employment promotion and labour market institutions.

provide comprehensive support to those at risk of social exclusion) as well as the content and manner of implementation of Qualification Programmes are the aspects of our particular interest.

As compared to Norway, Polish organisation of social services, as well as overall economic context is different. The legal framework of Polish active inclusion policy allows application of a wide range of instruments of active inclusion for those at risk of social exclusion and in a particularly difficult labour market situation. Those instruments are applied in the framework of Poviats Labour Offices activities for the unemployed and are also used by Social Assistance Centres which provide support to those at risk of social exclusion, those receiving social assistance benefits (for a long term), and those who require comprehensive support in re-entering the labour market. The primary obstacle preventing the most effective application of active inclusion instruments consists in frequently observed lack of coordination of actions on the part of employment services and social assistance services in practice, e.g. lack of comprehensive approach, lack of "one stop shop" service, and lack of paths of individual inclusion provided by one social services worker. Legislative and organisational actions taken at present by Government of the Republic of Poland (Minister of Labour and Social Policy) are aimed at streamlining co-operation of various social services with a view to greater effectiveness of social and professional inclusion of those at risk of social exclusion.

Poviat Labour Offices, which are basic labour market institutions, operate on the level of poviats and provide support primarily to the unemployed who are ready to take up employment. Social Assistance Centres, which operate in every gmina, are basic organisational units of the social assistance system which provide social support to all those who need it due to their difficult situation in life (insufficient income and lack of financial resources, psychological and social problems, family problems, etc.). In the framework of streamlining co-operation between Poviat Labour Offices and Social Assistance Centres in the area of social and vocational activation of common clients, the Ministry of Labour and Social Policy issued *Guidelines for Poviat Labour Offices and Social Assistance Centres on co-operation when implementing measures for the unemployed who receive social assistance benefits*.

At present, co-operation between Poviat Labour Offices and Social Assistance Centres is obligatory only in certain situations and for some tasks (pursuant to the above-mentioned Article 50 of the Act on employment promotion and labour market institution), but generally remains voluntary and determined by the efficiency of actions taken or by concerns about quality and comprehensiveness of services provided to clients. Due to the above, results of evaluation of the practice presented and of similar programmes implemented in other countries (e.g. DELTA in Sweden which assumes discretionary co-operation between respective bodies) are particularly interesting.

It would definitely be easier to transfer and adapt the idea behind the Qualification Programme to Polish conditions. A number of aspects and assumptions of the Programme can be found in Polish measures implemented in the framework of active inclusion policy, e.g. reducing and counteracting long-term provision of social assistance benefits (dependency on social benefits), or comprehensive support where social integration measures are accompanied by typical instruments of vocational activation. In the context of current activities and projects (also those financed by the European Social Fund) aimed at improving institutional co-operation and efficiency of active inclusion measures, as well as achieving synergy of joint measures, an in-depth analysis of solutions applied in Norway is required, also in terms of their possible introduction as a part of newly designed solutions to be applied in Poland.