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**DOROTA KOBUS-OSTROWSKA\***

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## **The European Social Fund's influence on labour supply in Poland**

### **Abstract**

*The article analyses the use and distribution of the European Social Fund's resources among the Polish regions and identifies the target groups of their beneficiaries. Operations undertaken by offices on labor market are very important not only locally but also regionally. Available forms support creation of work places, help people without professional experience to get or develop new qualification. It is proper to continue mention effects and encourage potential assigns for participation in projects.*

### **1. Introduction**

The article analyses the use and distribution of the European Social Fund's resources among the Polish regions and identifies the target groups of their beneficiaries.

Because Poland's entry into the European Union made the country eligible for ESF funds, it is worth analysing how they contribute to job creation, encourage individuals to start up businesses and activate the long-term unemployed persons, including those threatened by social exclusion. The analysis is based on information derived from publications and reports made available by the Ministry of Regional Development.

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\* Ph. D., University of Łódź

## 2. The European Social Fund

The European Social Fund is the first structural fund established by the European Community in 1957. Today, it has become the main EU's instrument for implementing its social policy<sup>4</sup>, including the Lisbon Strategy's assumptions, by improving access to employment and by „creating numerous and better jobs”<sup>5</sup>. The ESF' activities cover:

- active labour market policy,
- general development of life-long learning,
- improvement of human resources and of entrepreneurship,
- prevention of social exclusion and promotion of new employment opportunities,
- economic activation of women.

The active labour market policy is intended to prevent unemployment and enable the long-term unemployed to re-enter the labour market, as well as supporting young persons entering the labour market for the first time. The general development of life-long learning aims at making jobs more accessible and improving workers' occupational mobility. The third activity, improvement of human resources and entrepreneurship, is expected to encourage organizational and management change as well as the introduction of innovative solutions increasing economy's international competitiveness. Prevention of social exclusion and promotion of new employment opportunities for groups of population that need special support are an equally valid objective. It is worth noting that some of the listed activities are directed to persons that are long-standing beneficiaries of social welfare. Last but not least, the economic activity of women is intended to reduce sex discrimination in the labour market and improve their access to jobs.

In the years 2004-2006, the ESF financed in Poland projects developed under the Human Resource Development Sectoral Operational Programme (HRD SOP), the Integrated Regional Operational Programme (IROP) – Priority II – and the EQUAL Community Initiative. All activities were designed within

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<sup>4</sup> See A. Budzyńska, M. Duszczyk, M. Garncarz, E. Gieroczyńska, M. Jadczak, K. Wójciak, *Strategia Lizbońska drogą do sukcesu zjednoczonej Europy*, Warsaw 2002, p. 11 and next.

<sup>5</sup> Regulation (EC) no. 1081/2006 of the European Parliament and of the Council of 5 July 2006 on ESF and repealing regulation (EC) no. 1784/1999 O.J. L 210 of 31 July 2006, p. 13.

the framework of the National Development Plan (NDP) 2004–2006. Strategically, the NDP aimed to „create a competitive economy based on knowledge and entrepreneurship, having the capacity for long-term, harmonious growth, ensuring job creation and improvement of the social, economic and spatial cohesion with the European Union at the regional and local levels”. Hence, some of the HRD SOP’s objectives built on the European Employment Strategy’s priorities emphasised the need to:

- increase employment,
- improve entrepreneurship,
- facilitate employers and employees’ adaptation to the labour market’s varying needs (J. Skrzypczyk (ed.), Warsaw 2005, p. 101).

The ESF’s resources were also used for financing the activities of the EQUAL Community Initiative for Poland 2004-2006<sup>6</sup>. The Initiative emphasised creation of new jobs and making them equally available to everyone. Its projects helped the unemployed enter the labour force, improved the female workers’ status in the labour market, made it easier for persons withdrawing from agriculture and threatened by unemployment to find new jobs, and mitigated the adversary effects of long term-unemployment.

At present, the activities addressed to the labour market are correlated with the Human Capital Operational Programme (HCOP), while pursuing the objectives of the National Strategic Reference Framework 2007-2013 (NSRF)<sup>7</sup>. The HCOP puts the main stress to „increasing employment and economic cohesion” and its specific objectives are the following<sup>8</sup>:

- adjusting the numbers of workers to the changing situation in the labour market,
- reducing the areas of social exclusion,
- raising the level and quality of education and making it relevant to the labour market,

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<sup>6</sup> Regulation of the Minister of the Economy and Labour of 11 August 2004, Dz. U. 189 item 1948.

<sup>7</sup> More in: Council’s regulation (EC) no. 1083/2006 of 11 July 2006 laying down general provisions on the ERDF, ESF and CF and repealing the regulation (EC) no. 1260/1999, O. J. L 210 of 31 July, 2006, p. 43-52.

<sup>8</sup> See J.W. Tkaczyński, R. Willa, M. Świstak, Fundusze Unii Europejskiej 2007-2013, Wydawnictwo Uniwersytetu Jagiellońskiego, Kraków 2008, p. 493 and next.

- spreading education in society while improving the quality of educational services and ensuring their better fit with what the economic needs,
- improving the public administration's capacity for policy development and the delivery of services,
- enhancing territorial cohesion.

The ESF provides 85% of the HCOP's budget and the remaining 15% are provided by the domestic sources<sup>9</sup>. The budget is € 11,420 million, so the ESF contributes over € 9,707.1 million<sup>10</sup>. The Human Capital Operational Programme is divided into 10 Priorities that are executed simultaneously at the central and regional levels<sup>11</sup>. This article only deals with the regional HCOP projects providing direct assistance for individuals and social groups in the regions<sup>12</sup>, excluding priority IX. Consequently, the analysis concentrates on activities related to Priority VI (the labour market open to all), Priority VII (promotion of social integration), and Priority VIII (regional human resources for the economy).

After setting the analytical context, it is worth identifying which target groups receive assistance, as well as its forms. For instance, the Priority VI projects are available to<sup>13</sup>:

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<sup>9</sup> The HRD SOP is funded in the same way, i.e. ESF – 85% and domestic sources – 15%.

<sup>10</sup> Sprawozdanie roczne z wdrażania PO KL 2007-2013 za rok 2008 (The Annual 2008 Report on the Implementation of HCOP 2007-2013), p. 4, [www.efs.gov.pl](http://www.efs.gov.pl)

<sup>11</sup> The central component covers Priorities I-V and the regional component priorities VI-IX. The following Priorities are implemented under HCOP: I – Employment and social integration, II – Development of human potential and adaptation potential of enterprises and improving the health condition of working persons, III – High quality of the educational system, IV – Tertiary education and science, V – Good governance, VI – Labour market open to all, VII – Promotion of social integration, VIII – Regional human resources for the economy, IX – Development of education and competencies in the regions.

<sup>12</sup> See Program Operacyjny Kapitał Ludzki, (Human Capital Operational Programme), Warsaw 2007, p. 159.

<sup>13</sup> See Zasady udzielania pomocy publicznej w ramach Programu Operacyjnego Kapitał Ludzki, (The Rules for Granting Public Aid Under the Human Capital Operational Programme), Ministry of Regional Development, Warsaw, 12 January 2009, p. 29-32.

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- unemployed persons (including persons registered as unemployed or job-seekers) that in the last 2 years have been jobless longer than 12 months in total, women (re-entering the labour force or entering it for the first time after childbirth and child-raising period), persons under 25 years of life, the disabled, persons aged 45+, unemployed persons living in rural / urban and rural communes,
  - persons wishing to start up businesses,
  - labour market institutions (county labour offices) and their personnel,
  - institutions dealing in human resource development.

The following Priority VI activities are worth emphasising<sup>14</sup>:

- delivery of workshops and training in active job-seeking techniques,
- psychological and advisory services for persons entering and re-entering the labour market,
- placement services and/or vocational counselling,
- apprenticeships/internships,
- training designed to improve, supplement or provide the workers' with new occupational skills,
- subsidised employment,
- one-off mobility allowances for workers getting jobs farther than 50 km from their place of residence as a result of project assistance,
- support for voluntarism as an activity preparing people for taking jobs,
- grants up to 40,000 zlotys (or 20,000 zlotys per person in a cooperative or a social cooperative<sup>15</sup>) to stimulate entrepreneurship development,

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<sup>14</sup> Priority VI also provides for:

- promotional and information campaigns encouraging employers to recruit persons from groups having special situation in the labour market,
- preparation and dissemination of information about available jobs, training and apprenticeship opportunities,
- training for the personnel of the labour market institutions functioning in the region,
- diagnosing training needs and vocational training opportunities in the region.

<sup>15</sup> The funds for setting up a cooperative or a social cooperative are available provided that all the cooperative's shareholders have graduated from a relevant project.

- bridging finance available to entrepreneurs during the first 6 / 12 months from starting a business<sup>16</sup>,
- spreading and promoting alternative and flexible forms of employment as well as work organization methods (e.g. teleworking, part-time jobs, job rotation).

Priority VII is for projects that „help people at risk of social exclusion to enter the labour market and developing social economy institutions”<sup>17</sup>. Its beneficiaries are the personnel and customers of social welfare institutions and businesses of any organizational and legal form offering jobs to persons threatened by social exclusion as part of the subsidised employment projects<sup>18</sup>. Regarding the first type of the beneficiaries, measures are undertaken to improve the skills of the personnel providing welfare and social integration services. As far as the second type is concerned, a system of incentives is available, encouraging the economic activity of persons threatened by unemployment and social exclusion<sup>19</sup>. Worth noting are the activation measures improving workers’ employability through social employment, training and occupational reintegration activities provided by the employer.

The Priority VIII projects are directed to the managerial staff and employees wishing to improve their skills or retrain. The following forms of assistance are notable<sup>20</sup>:

- general and specialist training, as well as guidance on training relevant to managers and non-managerial personnel, i.e. in management, implementation of environmentally-friendly manufacturing technologies, application of ICT, etc.,
- training and consultation for entrepreneurs facilitating business reprofiling,

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<sup>16</sup> The bridging finance is paid on a monthly basis to persons who started businesses in connection with the given project. Its amount may not exceed a half of the minimal wage as on the grant payment date. Additionally, the beneficiaries are advised on and assisted in using the grant effectively.

<sup>17</sup> Quoted after *Zasady udzielania pomocy publicznej w ramach Programu Operacyjnego Kapitał ludzki*, (The Rules for Granting Public Aid under the Human Capital Operational Programme), Ministry of Regional Development, Warsaw, 12 January 2009, p. 33.

<sup>18</sup> Quoted after *Zasady udzielania pomocy publicznej w ramach Programu Operacyjnego Kapitał Ludzki*, (The Rules for Granting Public Aid under the Human Capital Operational Programme), Ministry of Regional Development, Warsaw, 12 January 2009, p. 34.

<sup>19</sup> *Sprawozdanie roczne z wdrażania PO KL za rok 2008* (The Annual 2008 Report on HCOP Implementation), p. 16. [www.efs.gov.pl](http://www.efs.gov.pl)

<sup>20</sup> More in *Zasady udzielania pomocy publicznej w ramach Programu Operacyjnego Kapitał ludzki*, (The Rules for Granting Public Aid Under the Human Capital Operational Programme), Ministry of Regional Development, Warsaw, 12 January 2009, p. 36-39.

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- advising the micro, small and medium-sized enterprises on economic, financial and HRM issues, excluding investment,
  - temporary employment of the high-skilled specialists in the SMEs, including traineeships and practical training for entrepreneurs and employees in research institutions and researchers' training in enterprises.

### 3. Description of expenditures

In the programming period 2007-2013, the following amounts of funding have been allocated to priorities analysed in this article<sup>21</sup>:

- VI – The labour market open to all – € 2,256.9 million
- VII – Promotion of social integration – € 1,552.9 million
- VIII – Regional human resources for the economy – € 1,588.5 million

Among the regions, the Mazowieckie and Śląskie voivodeships received the largest allocations, while the Lubuskie and Podlaskie voivodeships were granted the smallest amounts.

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<sup>21</sup> See Sprawozdanie roczne z wdrażania PO KL za rok 2008, (The Annual 2008 Report on HCOP Implementation), p. 5. [www.efs.gov.pl](http://www.efs.gov.pl)

**Table 1. Financial allocations to regions under HCOP's Priorities VI, VII and VIII (in million euros, years 2007-2013)**

Voivodeship	Human Capital Operational Programme – Priorities		
	VI	VII	VIII
	Funds in million euros		
Dolnośląskie	154.2	106.1	108.6
Kujawsko-pomorskie	127.3	87.6	89.6
Lubelskie	162.7	111.9	114.5
Lubuskie	56.8	39.1	40.0
Łódzkie	160.2	110.2	112.7
Małopolskie	187.7	129.1	132.1
Mazowieckie	288.3	198.3	202.9
Opolskie	55.4	38.1	202.9
Podkarpackie	137.4	94.5	38.9
Podlaskie	82.8	56.9	96.7
Pomorskie	119.3	82.1	58.2
Śląskie	234.6	161.4	83.9
Świętokrzyskie	100.9	69.4	165.1
Warmińsko-mazurskie	99.4	68.4	71.0
Wielkopolskie	192.6	132.5	69.9
Zachodniopomorskie	97.4	67.0	135.5
Poland	2 256.9	1 552.9	1 588.5

Source: Developed by the author based on Sprawozdanie roczne z wdrażania PO KL 2007-2013 za rok 2008, p. 12, [www.efs.gov.pl](http://www.efs.gov.pl)

The total number of competitive calls for proposals advertised by the end of 2008 in connection with the HCOP was 393, including 373 within the regional component. Most of them were announced in the Warmińsko-mazurskie (32) and Dolnośląskie (29) voivodeships, while the Świętokrzyskie and Opolskie voivodeships accounted for their lowest numbers (17 and 16, respectively)<sup>22</sup>. During the first half of 2009, 209 additional competitive calls for proposals were announced in the regions, mainly in the Dolnośląskie (51),

<sup>22</sup> *Sprawozdanie roczne z wdrażania PO KL 2007-2013 za rok 2008*, (The 2008 Annual Report on the Implementation of HCOP (2007-2013), p. 26, [www.ESF.gov.pl](http://www.ESF.gov.pl))



Warmińsko-mazurskie (45) and Łódzkie (43) voivodeships, while Opolskie (30), Świętokrzyskie (31), and Zachodniopomorskie (32) voivodeships were at the low end of the scale. As on 30 June 2009, 17,446 applications for projects carrying out Priorities VI-VIII were formally reviewed, but only 7,795 contracts were signed.

**Table 2. The numbers of HCOP projects by Priority as on 30 June 2009**

Priority	Formally reviewed projects**		Contracts signed	
	No.	ESF contribution (in billion zlotys)	No.	ESF contribution (in billion zlotys)
VI	7 801	6.5	1 690	3.0
VII	9 549	3.4	2 985	0.9
VIII	10 096	6.9	3 120	2.4

Source: Developed by the author based on Sprawozdanie okresowe za I półrocze 2009, z realizacji PO KL, p. 10, [www.efs.gov.pl](http://www.efs.gov.pl)

By the end of June 2009, 7,801 applications for the funding for Priority VI projects were positively verified, totalling ca. 7.7 bn zlotys (with the external contribution standing at around 6.5 bn zlotys), which accounted for 75.6% of the 2007-2013 allocation<sup>23</sup>. Most of the applications (3,876) were submitted in connection with Sub-measure 6.1.1. *Supporting unemployed persons in the regional labour market*. Among the successful applications, 3,438 were cleared for execution. The voivodeships where the numbers of applications with approved content were the highest were the Śląskie (427), Mazowieckie (365) and Pomorskie (332) voivodeships, while in Opolskie (83), Lubuskie and Świętokrzyskie the fewest numbers of applications were given the green light (109 each). Unfortunately, only 1,690 contracts for project funding estimated at almost 3 bn zlotys (30.1% of the 2007-2013 allocation) were signed under Priority VI before 30 June 2009. The largest numbers of the Priority VI contracts were concluded in the Śląskie (203), Mazowieckie (175) and Łódzkie (166) voivodeships. In Opolskie and Lubuskie, their numbers were the lowest (40 and 45, respectively). The following voivodeships: Wielkopolskie (20.3%), Mazowieckie (21.2%) and Lubuskie (22.8%) were found to have the lowest rates of allocation utilisation<sup>24</sup>.

<sup>23</sup> *Sprawozdanie okresowe za I półrocze 2009 z realizacji PO KL*, (The Interim Report on HCOP Implementation in the first half of 2009), p. 14, [www.efs.gov.pl](http://www.efs.gov.pl)

<sup>24</sup> *Ibidem*, p. 14.

The Priority VII projects received € 1,552.9m from the allocation for the years 2007-2013. Until the end of the first half of 2009, 9,549 applications for project funding totalling 3.5bn zlotys (the external contribution was 3.4 bn zlotys), i.e. 49.4% of the 2007-2013 allocation, were found to meet the formal requirements. After verification, contracts for the funding of 2,985 projects were signed, estimated at 947 million zlotys in total (13.6% of the 2007-2013 allocation)<sup>25</sup>. Most of them involved strategic projects – 1,972. The rates of contracts were the highest in the Śląskie (21.4%), Warmińsko-mazurskie (20.2%) and Zachodniopomorskie (19.4%) voivodeships, while the lowest in the Mazowieckie voivodeship, where the concluded contracts were estimated at 8.1% of the voivodeship's allocation for the years 2007-2013, as well as in the Lubuskie and Wielkopolskie voivodeships<sup>26</sup>.

HCOP's Priority VIII has been allocated € 1,588.5 million. By the end of June 2009, 10,096 applications for project funding totalling 8.2 bn zlotys (i.e. 14% of the 2007-2013 allocation) were accepted as meeting the formal requirements. Only 3,120 applications estimated at over 2.4 bn zlotys were given the green light, though. In the same period, 1,165 contracts for project funding were signed<sup>27</sup>, mainly in the Lubelskie (148), Wielkopolskie (100) and Małopolskie (92) voivodeships, while in the Lubuskie (23) and Łódzkie (49) voivodeships contracts were concluded the least frequently. The highest rates of contracts can be found in the Małopolskie (20%), Opolskie (19.8%) and Świętokrzyskie (19.3%) voivodeships, and the lowest in Lubuskie (5.4%) and Łódzkie (6.3%)<sup>28</sup>.

Each Priority, including Priorities VI-VIII analysed in this document, provides for the execution of two types of projects, i.e. strategic and competitive, that involve different procedures for application submission and evaluation. For instance, the strategic projects can be submitted by county labour offices, welfare centres and counties' family assistance centres, as well as other entities. The range of beneficiaries allowed to apply for the other type of projects includes county labour offices, training institutions, entrepreneurs, business support institutions, NGOs, and institutions within the school and tertiary education system. In total, 143 competitive calls for proposals were announced under Priority VI by 30 June, mainly in the Dolnośląskie (14), Łódzkie (13) and

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<sup>25</sup>Ibidem, p. 15.

<sup>26</sup>Ibidem, p. 16.

<sup>27</sup>Ibidem, p. 17.

<sup>28</sup>Ibidem, p. 17.

Mazowieckie (11) voivodeships, but only 39 in relation to Priority VII<sup>29</sup>. Most contracts were concluded in the Łódzkie voivodeship (166 estimated at 35.8m zlotys), while in the Opolskie voivodeship, their number was the lowest (9 contracts totalling 4.9 million zlotys). In the analysed period, 153 competitive calls for proposals under Priority VIII were judged<sup>30</sup>. Most calls for proposals were announced in the Dolnośląskie (13), Podkarpackie (12) and Śląskie (12) voivodeships, while in the Łódzkie and Pomorskie voivodeships their numbers were the lowest (5 and 7, respectively).

The strategic projects covered by Priority VI are carried out in connection with Sub-measure 6.1.3 *Improving employability and increasing economic activity of unemployed persons*. The projects should boost economic activity, as well as improving employability of the unemployed and economic activity in particular regions. The range of the projects' beneficiaries includes county labour offices offering instruments and services specified in the *Employment Promotion and Labour Market Institutions Act* of 20 April 2004 (Dz. U. No. 99, item 100, as amended). Besides, the strategic mode provided under Priority VI is available to the Intermediate Bodies and the 2<sup>nd</sup> level Intermediate Bodies to implement their own projects carrying out Sub-measures 6.1.1 and 6.1.2. In all voivodeships, the welfare centres and the counties' family assistance centres execute their projects under Priority VII (Sub-measures 7.1.1 and 7.1.2). The strategic projects covered by the two Sub-measures aim to develop and promote the forms of active integration, as well as social work, while the Sub-measure 7.1.3 projects emphasise training – the projects' beneficiaries are the personnel of welfare centres and counties' family assistance centres providing the welfare and social inclusion services. By the end of June 2009, 1,972 contracts for strategic projects were signed<sup>31</sup>. As far as Priority VIII is concerned, the strategic projects are described within Sub-measures 8.1.4 *Anticipation of economic change* and 8.2.2 *Regional Innovation Strategies*. The first Sub-measure provides for projects investigating and analysing the current situation and development trends, forecasting socio-economic changes in the region,

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<sup>29</sup> Priority VII applies the competitive call for proposal mode to projects covered by Measure 7.2 *Prevention of exclusion and strengthening the social economy sector* and Measure 7.3 *Local initiatives for active integration*.

<sup>30</sup> Under Priority VIII, competitive calls for proposals are announced in relation to Sub-measure 8.1.1 *Support for labour force upskilling and counselling for enterprises*, Sub-measure 8.1.2 *Support for the adaptation and modernisation processes in the region*, Sub-measures 8.1.3 *Supporting local partnership for adaptability* and Sub-measure 8.2.1 *Support for cooperation between science and enterprises*.

<sup>31</sup> *Sprawozdanie okresowe za I półrocze 2009, z realizacji PO KL*, (The Interim Report on HCOP Implementation in the First Half of 2009), p. 14, [www.efs.gov.pl](http://www.efs.gov.pl)

proposing appropriate remedial mechanisms and disseminating research results. By the end of 30 June, 2009, 51 contracts for strategic projects linked with Priority VIII were signed<sup>32</sup>.

#### 4. The numbers of projects' participants

The numbers of people benefiting from the HCOP projects will be characterised using the following attributes: individual's labour force status, age and education.

By the end of June 2009, the HCOP projects served 807,317 people, with women accounting for 58.2% (470,260) and men for 41.8% (337,057). Unfortunately, only 46.4% of the participants (374,504, including 219,686 females) followed through the projects. As many as 26,422 people (10,944 men and 15,428 women) dropped out along the way. It is worth noting that on 30 June 2009 406,391 people (including 235,145 women), i.e. 50.3%, continued their project activities<sup>33</sup>.

**Table 3. The numbers of persons using HCOP's activating projects on 30 June 2009 by labour force status**

Labour force status	As a share of assisted persons (%)	Total	Women	Men
Economically non-active	39.6	320 152	165 830	154 322
Unemployed	37	298 410	187 775	110 635
Employed	23.4	189 755	116 652	73 103

Source: Developed by the author based on *Sprawozdanie okresowe za I półrocze 2009 z realizacji PO KL*, p. 53-59, [www.efs.gov.pl](http://www.efs.gov.pl)

As shown by the structure of the project participants' labour force status, 320,152 beneficiaries were economically inactive (39.6%), but as much as 87.6% of them were learners. Among the regions, the largest number of the economically inactive persons used projects delivered in the Warmińsko-mazurskie voivodeship (35,458), while in the Dolnośląskie voivodeship their

<sup>32</sup> *Sprawozdanie okresowe za I półrocze 2009, z realizacji PO KL*, (The Interim Report on HCOP Implementation in the First Half of 2009), p. 57, [www.efs.gov.pl](http://www.efs.gov.pl)

<sup>33</sup> *Informacja miesięczna z realizacji PO KL (wg stanu na 30.06.2009)*, (Monthly Information on HCOP Implementation (as on 30 June 2009), p. 43, [www.efs.gov.pl](http://www.efs.gov.pl)

number was the lowest (5,741). The second largest group of beneficiaries was the unemployed – 298,410 people (37% of the assisted population). Among the unemployed, 32.9% were the long-term unemployed (98,117, including 69,141 women). The largest number of the unemployed beneficiaries was noted in the Śląskie voivodeship (34,505) and the smallest in the Lubuskie voivodeship (4,469). By the end of June 2009, projects attracted also 188,755 employed persons (23.4% of the participants), mostly in the Wielkopolskie voivodeship. Regarding the employed, the most willing to join projects were persons working in enterprises (93,973, including 45,540 women) and then in public administration institutions (52,782, including 41,895 women). The smallest groups of project beneficiaries were found among self-employed persons (2,404, including 1,198 women), NGOs' personnel (3,479 and 2,483) and farmers (8,432 and 4,433).

**Table 4. The numbers of people using HCOP's activating projects on 30 June 2009 by age**

Age	As a share of assisted persons (%)	Total	Women	Men
15-24	34.6	279,608	167,645	121,963
55-64	3.4	27,580	14,529	13,051

Source: Developed by the author based on: *Sprawozdanie okresowe za I półrocze 2009, z realizacji PO KL*, pp. 53-59, [www.efs.gov.pl](http://www.efs.gov.pl)

The HCOP places special emphasis on two age groups whose situation is particularly difficult, i.e. people aged 15-24 years and 55-64 years. On 30 June 2009, the first group of project participants had 279,608 members, which represented 34.6% of all persons participating in the HCOP projects. As far as the regions are concerned, the Lubelskie voivodeship and the Warmińsko-mazurskie voivodeship had the largest numbers of young project participants (23,985 and 23,689, respectively), while in the Dolnośląskie voivodeship, such beneficiaries were the fewest (8,947). As for the older age group, the projects covered 27,580 people that accounted for merely 3.4% of all population participating in the HCOP projects; the largest group of project beneficiaries was noted in the Lubelskie voivodeship (2,987), while the Lubuskie voivodeship projects were used by 283 persons only.

**Table 5. The numbers of persons using HCOP's activating projects on 30 June 2009 by education**

Education	As a share of assisted persons (%)	Total	Women	Men
primary, lower secondary education or lower	39.7	320,158	164,799	155,359
upper secondary	32.1	259,258	152,926	106,332
post-secondary	9.1	73,232	47,679	25,553
tertiary	19.2	154,669	104,856	49,813

Source: Developed by the author based on: *Sprawozdanie okresowe za I półrocze 2009 z realizacji OP HC*, pp. 53-59, [www.efs.gov.pl](http://www.efs.gov.pl)

The largest group of people that joined the HCOP projects had primary, lower secondary or lower education. There were 320,158 of them and they constituted 39.7% of all project participants. The second largest group consisted of 259,258 people with upper secondary education representing 32.1% of the project population. People with tertiary education accounted for 19.2% (154,669 people) and those with post secondary education for 9.1% (73,232 people). Most people participated in the projects in the Warmińsko-mazurskie and Wielkopolskie voivodeships (68,482 and 54,487, respectively), while the Lubuskie voivodeship had the smallest number of project participants (24,319). Among the project-assisted population, the rural residents (33% – 266,353 people including 158,631 females) and the disabled (10,359 women and 8,742 men) also represented large groups.

Because this report deals with the assistance available under HCOP's Priorities VI, VII, VIII, it gives below the actual numbers of project beneficiaries.

The Priority VI projects are devised to support unemployed workers registered at the county labour offices (these people accounted for 93.3% of all project participants), with special attention being given to the long-term unemployed at risk of social exclusion. In other words, the following persons are eligible for support under Priority VI: aged 15-24 years, without occupational experience and skills making them employable, women (particularly single mothers), persons aged 50-64 years that have problems with adapting

themselves to the varying labour market requirements and the disabled<sup>34</sup>. It is out of the question that these categories of population have the greatest difficulty in both entering the labour force and retaining their jobs.

By the end of June 2009, the Priority VI projects were joined by 267,993 people (166,598 women and 101,395 men), with 85,227 people signing up for the projects in the first half of 2009. 68.7% of the project participants (i.e. 184,208, including 110,139 females) followed the projects through. Unfortunately, 6.7% (18,029, women rather than men) dropped out. In the second half of 2009, 65,756 people were still involved in their project activities. Among the persons supported by Priority VI, the unemployed were the largest group: 153,753 women and 96,351 men. In this group, approximately 29% were the long-term unemployed (every third woman and every fourth man). Another group of project beneficiaries was 12,375 economically inactive persons (8,853 women and 3,522 men), in which number 2,172 people were learners. It is worth noting that the employed, farmers and self-employed were also assisted. Unfortunately, the groups were small, the first of them comprising only 5,514 (3,989 women), the second 838 and the third merely 52 participants. Among the project participants, the rural residents numbered 111,700 people (including 69,634 females). As for the regions, most project participants were involved in the projects in the Śląskie voivodeship (31,034, i.e. ca. 11.6% of all population benefiting from the Priority VI projects in Poland) and then in the Podkarpackie (24,237) and Mazowieckie (20,513) voivodeships. Almost every second project beneficiary was a young person. Regarding education, most participants in the first half of 2009 (162,462 people, i.e. 60.6%) had upper secondary education, then tertiary education (48,154, 19.9%), primary, lower secondary and lower education (35,123, 13.1%), and post-secondary education (22,254, 8.3%). It is worth noting that enterprises are also eligible for Priority VI measures, such as subsidised employment, supplementary equipment for workers, training and various courses. By the end of 2008, the Priority VI projects served 485 enterprises, including 368 micro firms, 88 small firms, 27 medium firms and 2 large enterprises.

Priority VII assists the personnel and customers of welfare institutions and enterprises giving subsidized jobs to workers threatened by social exclusion. In the first half of 2009, 46,466 people received project support (including 32,877 women), which raised the total number of project participants recorded from programme beginning to 81,944 (including 60,542 women). In the first half of

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<sup>34</sup> Besides, special attention was paid to improving the quality of services delivered by the personnel in the local labour market institutions by enhancing their skills during courses, training, etc.

2009, 19,532 unemployed persons received support, including 13,023 long-term unemployed persons and 8,896 working persons, the latter number consisting of 976 persons working in enterprises, 4,811 in public administration, 1,165 persons employed by NGOs, 277 self-employed persons and 554 farmers. In regional terms, the largest numbers of project participants were noted in the Śląskie voivodeship (8,894, i.e. 19.1% of all participants) and then in the Mazowieckie voivodeship (7,545 persons, 16.2%). The fewest participants were found in the Opolskie (625 and 1.3%) and Lubuskie (779 and 1.7%) voivodeships. Among the assisted persons, 6,329 were disabled and 16,344 lived in rural areas. Every fourth project participant was a young person, aged 15-24 years. Most young persons participated in the projects provided the Śląskie (2,467) and Mazowieckie (2,056) voivodeships. In the Opolskie voivodeship, their number was the lowest (56). Older people, in the age group 55-64 years, usually participated in the projects in the Lubelskie voivodeship (951 persons); only few signed up for projects in the Pomorskie voivodeships (merely 37 persons). In terms of the educational attainments of the persons who joined the projects in the first half of 2009, most of them (17,583 people, 37.8%) had upper secondary education, then primary, lower secondary or lower education (17,445, 37.5%), post-secondary education (4,862 people, i.e. 10.5%), and tertiary education (6,576, 14.2%).

Priority VIII directs its assistance to the managerial staff and working persons who wish to improve their skills or retrain. By the end of the first half of 2009, 58,489 people signed up for projects, including 35,786 women and 22,703 men (between January and June 2009 alone the number of applicants reached 42,580). Unfortunately, only 24,981 people completed their projects (21,254 in the first six months), while as many as 1,808 dropped out (1,491 in the first half of 2009). The largest numbers of project participants were noted in the Wielkopolskie (11,501) and Świętokrzyskie (9,280) voivodeships, while in the Dolnośląskie (306) and Łódzkie (465) voivodeships they were the fewest. Regarding participants' age structure, until the end of June 2009 young persons (15-24 years) accounted for 7.6% and older people (55-64 years) for 7.7%. As far as the levels of education of the persons entering the projects in the first half of 2009 are concerned, most of them had tertiary education (41.2%), secondary education accounted for 37.9%, and the rates of post-secondary education and primary, lower secondary or lower education were 17.8% and 3.1%, respectively.



## 5. The outcomes

The actual outcomes of the projects are worth contrasting with the objectives assumed for each Priority. For instance, Priority VI assumed that the following specific objectives would be achieved:

- extended influence of active labour market policy,
- increasing the level of employment among young persons,
- lower unemployment among persons having special problems in the labour market situation,
- increased employment rate of older persons.

With respect to the first objective, 183,688 people (including 74,032 women) were activated, i.e. ca 19.3% of the target value<sup>35</sup>, mostly in the Śląskie (19,826) and Podkarpackie (15,454) voivodeships. Interestingly, as many as 29,829 persons were supported by the start-up grants; this option was the most popular in the Śląskie (3,534 beneficiaries), Wielkopolskie (2,652) and Łódzkie (2,533) voivodeships, while in the Lubuskie and Opolskie voivodeships it was perceived as the least attractive (565 and 810)). What are the sources of the grants' success as form of assistance? One reason is certainly the special role they have been given in mitigating the negative results of the economic downturn in the country.

As regards the specific objective 2 (*Increasing the level of employment among young persons*) 72,916 people aged 15-24 who followed their projects through became economically active (29.2% of the target number), as well as 36,587 rural residents (48.8% of the target). The largest numbers of project graduates were recorded in the Śląskie (7,079) and Podkarpackie (6,560) voivodeships. It is worth adding that in the first half of 2009 the start-up grants were granted to 4,591 young persons, including 1,547 women, which accounts for almost 18.4% of the target number. Most young people used this type of support in the Śląskie and Wielkopolskie voivodeships (496 persons each) and in the Mazowieckie voivodeship (466).

Projects carrying out the specific objective 3 were completed by 115,761 persons having special problems in the labour market, i.e. 29.94% of the target. In this group, 4,708 people were disabled, 53,969 were long-term unemployed,

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<sup>35</sup> *Sprawozdanie okresowe za I półrocze 2009, z realizacji PO KL*, (The Interim Report on HCOP Implementation in the First Half of 2009), p. 60.

and 74,541 lived in rural areas. The largest numbers of these beneficiaries graduated from projects provided in the Podkarpackie (11,388) and Kujawsko-pomorskie (11,286) voivodeships. Interestingly, the start-up grants were applied for by 17,958 people with special problems in the labour market (including 6,096 women), which accounts for 44.9% of the target value, as well as 313 disabled people, as many as 7,836 long-term unemployed persons and 11,340 rural residents (including 3,390 women). The largest numbers of project beneficiaries were recorded in Kujawsko-pomorskie (57 disabled persons), Mazowieckie (922 long-term unemployed persons) and Wielkopolskie (1,230 rural residents). In the country, the target realisation rates were 10.4% for the disabled persons, 78.4% for the long-term unemployed and 70.9% for rural residents.

Specific objective 4 (*Increased employment rate of older persons*) was achieved only partially. Its projects were completed by 14,542 people aged 50-64 years, with the Śląskie and Dolnośląskie voivodeships accounting for their largest groups (1,719 and (1,609). Regarding these project beneficiaries, 1,799 received start-up grants, mainly in the Łódzkie (180) and Śląskie (168) voivodeships.

The projects executed in connection with the HCOP's regional component under Priority VII *Promotion of social integration* were assumed to realise two major objectives:

- improving the access to jobs of persons threatened by social exclusion,
- strengthening and extending the social economy sector.

The effectiveness of the projects developed in relation to the first objective was measured by means of an indicator showing improved access to jobs through the number of welfare institutions' customers following through the active integration projects. As on 30 June 2009 that number was 29 330, including 21,868 women. The indicator was the highest in the Śląskie voivodeship (5,203 people) and the lowest in the Lubuskie voivodeships (125). Among the project graduates, 13,688 lived in rural areas, representing 6.2% of the indicator's target value.

The degree to which the social economy sector was strengthened was measured by the number of workers in institutions providing welfare and social integration services who improved their skills owing to the ESF's assistance. At the end of the first half of 2009, 8,311 workers in the institutions (including 7,700 women) improved their qualifications, mostly in the Świętokrzyskie voivodeship.

Regarding Priority VII *Regional human resources for the economy* two objectives are notable:

- the development of skilled and adaptable human resources,
- improving the system for anticipating and managing economic change.

The first objective was carried out through training projects, which were used by 24,249 working persons (including 964 women). Most working persons completed projects in the Wielkopolskie (6,712) and Świętokrzyskie (3,745) voivodeships.

In connection with the second objective, 99 entities in only two voivodeships, Wielkopolskie (89) and Podlaskie (10), were assisted.

## 6. Conclusion

The unsteady state of the Polish labour market calls for measures improving the fit between the labour force and the employers' needs. To take up the challenge, a profound modernisation of the labour market is necessary, as the quality of human capital determines innovation activities and economic development in the country and in the regions. The ESF provides Poland with an opportunity to deploy her resources more effectively and to prevent workers from withdrawing from labour force. The ESF is a toolbox „enabling the unemployed to re-enter labour force and a better structural match between labour supply and labour demand, thus increasing the chances of reducing unemployment”<sup>36</sup>. Its instruments are diverse, but they invariably address specific problem groups that have the biggest problems in the labour market.

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<sup>36</sup> Quoted after W. Kwiatkowska, *Zmiany strukturalne na rynku pracy*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź 2007, p. 216.

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## **Laws**

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## **Streszczenie**

### **WPLYW EUROPEJSKIEGO FUNDUSZU SPOLECZNEGO NA RYNEK PRACY W POLSCE**

*Wstąpienie Polski do Unii Europejskiej i pozyskanie środków Europejskiego Funduszu Społecznego umożliwiło wojewódzkim i powiatowym urządowi pracy realizację projektów ukierunkowanych na aktywną walkę z bezrobociem. Mimo, iż EFS jest jednym z najstarszych funduszy Unii Europejskiej, to nadal pozostaje jednym z najistotniejszych narzędzi ułatwiających osobom poszukującym pracę nabycie lub poszerzenie potrzebnych do jej znalezienia umiejętności. Wspiera projekty skierowane do tych, którzy po raz pierwszy poszukują pracy, a także tych, którzy długotrwale pozostają bez pracy.*