



**The European Commission Mutual Learning Programme  
for Public Employment Services**

DG Employment, Social Affairs and Inclusion

**PEER PES PAPER – *Poland***

**Peer Review ‘PES and older workers’  
Germany, May 2012**

*Ministry of Labour and Social Policy, Poland*

(Date: March 2012)

This publication is commissioned by the European Community Programme for Employment and Social Solidarity (2007-2013).

This programme is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the EU2020 goals in these fields.

The seven-year programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

For more information see:

<http://ec.europa.eu/progress>

## CONTENTS

1. MAIN CHALLENGES IN RELATION TO THE LABOUR MARKET..	1
2. SERVICES FOR OLDER WORKERS: OVERALL STRATEGY AND APPROACH .....	2
3. PREVENTATIVE PES SERVICES AND MEASURES FOR OLDER WORKERS.....	5
4. PES SERVICES AND MEASURES FOR UNEMPLOYED OLDER WORKERS.....	7
5. MONITORING AND EVALUATION .....	9
6 CONCLUSIONS.....	11
ANNEX.....	12

**Author:** *Ministry of Labour and Social Policy, Poland*

In collaboration with GHK Limited and the Budapest Institute.

# **1. MAIN CHALLENGES IN RELATION TO THE LABOUR MARKET**

## **1.1. What is the labour market situation of older workers?**

In 2011, the employment rate for people aged 50-64 years was 48.4 % in Poland, considerably lower than the EU-27 average of 57.5 %.

According to the Labour Force Survey (LFS), in 2011 the employment rate of people aged 55-64 was 36.9 % (in 2008 – 31.6 %). Among women the employment rate in this age group was 27.3 % (in 2008 – 20.7 %). In 2011 the unemployment rate among people aged 55-60 was 6.5 %.

In 2010, Poland recorded a slightly higher unemployment rate among people 50-64 years (7.6 %) than in the EU-27 - the difference between these rates was 0.7 percentage points (women - 0.8 percentage points; men - 0.6 percentage points). If older people lose their jobs, they remain out of work for longer. At the end of 2010, 1 in 5 unemployed people over 50 years of age remained in unemployment for more than 2 years, in comparison to 12 % of all unemployed people. Overall, more than 40 % of the unemployed people over 50 years of age remained out of work for more than 12 months (30 % of the total of the unemployed).

## **1.2. What are the main challenges facing PES in working with older workers and which groups among older workers are the most difficult to support?**

Sixty eight per cent of the work force at the age of 60 declare their will to continue work, but there is a belief among employers that older workers are more expensive (higher salaries) and less productive: they become ill more often, have difficulties in adapting to change, and do not update their qualifications (they do not want to or have difficulties in learning). Moreover, employers do not want to hire older workers as it is more difficult to lay them off – it is forbidden to fire someone four years before retirement.

An important problem is also a lack of job offers in the labour market, which affect all unemployed and older unemployed in particular. Another issue is the low motivation of older workers. Some want to retire or receive another benefit rather than stay in the labour market. Their early withdrawal from the labour market leads to a serious loss of human capital; this also means a necessity to allocate public funds for their financial support. Also, older workers are often not willing to be trained as in their opinion they are too old to learn and they do not see the benefits of educational activities. Moreover, older persons lack IT skills, which makes it harder for them to look for a job and lessens their employability. Another challenge is a very low level of mobility of people in this age group.

In Poland the older unemployed are usually less qualified than other age groups. Whereas among all unemployed 28.2 % have no formal vocational qualifications, in the group aged 50+ there are 40.4 % with the lowest level of education. These people are usually not familiar with new technologies, but on the other hand, they can have very long work experience. An additional problem is the lack of a system of validation of informal and non-formal learning.

## **2. SERVICES FOR OLDER WORKERS: OVERALL STRATEGY AND APPROACH**

### **2.1. What is the main strategic approach of the PES in dealing with the issue of demographic change and unemployment among older workers?**

It is important to indicate that PES activities in this area are in line with a wider government programme entitled 'Solidarity across generations. Measures to increase the economic activity of people over 50'. The programme introduces measures that, on the one hand, increase incentives for employers to employ people over 50, and on the other hand, foster the improvement of qualifications, skills and the effectiveness of the work of older people. Some of the solutions offered in the programme are also addressed to younger generations, mainly those over 45.

Unemployed people over 50 years of age are considered a disadvantaged group in the labour market. According to article 49 of the Act on the promotion of employment and labour market institutions, they are identified as being in a difficult situation in the labour market, which gives them a wider access to the PES services.

### **2.2. Are there specific counsellors for older workers and/or specific employer counsellors to deal with the challenge of demographic change, and if so, what training do they receive?**

No, there are no specific counsellors for older people or employers. However, it has to be pointed out that vocational counsellors who are employed in local labour offices are also trained in the area of the specific needs of older clients.

One of the positive examples of training for counsellors is training conducted within the project 'Professionalisation of labour market services including the specific needs of clients aged 45 years or more', as one of the tasks of the programme 'Solidarity across generations. Measures to increase the economic activity of people over 50'. The project includes training for 1 264 employees of the labour market institutions and 145 coaches.

It can be assumed that raising the effectiveness of ALMPs is also connected to the systematic process training for PES employees who regularly develop their qualifications.

### 2.3. What types of special measures does the PES offer to (unemployed and employed) older workers and how effective are they?

Type of measure	Offered? (yes/ no)	Brief operational description of measure	Year introduced	Year abolished	Effectiveness of measure (scale: 1 = not very effective, 5 = very effective)	Reasons for effectiveness or ineffectiveness
<b>Legal regulations e.g. exemption from activation</b>	YES	<p>1. The PES is obligated to create an Individual Action Plan for unemployed person above the age of 50 within 180 days from the date of registration. This rule applies to all groups considered as being in a difficult situation in the labour market (see Section 2.1).</p> <p>2. The local labour office should present to every registered unemployed aged 50+ within 6 months since the date of their registration proposal of employment or other paid work, or instrument of activation (work practice, training, apprenticeships for adults). This rule applies only to this group and 2 other groups considered as being in a difficult situation in the labour market – unemployed aged up to 25 and former prisoners.</p>	2011		3  3	The PES system in Poland is decentralised. Whereas the quality standards are set on the central level, performance results depend on the local labour offices.
<b>Benefits e.g. longer duration</b>	YES	Unemployed persons aged 50 who had completed at least a 20-year period entitling them, to the benefit have the right to the benefit during the period of 12 months. A basic period of receiving unemployment benefit is 6 months.	2004		2	From the unemployed person's point of view, a longer benefit period provides more security. On the other hand, it can discourage individuals from intensive job searching.
<b>Subsidies e.g. wage subsidies, social contribution subsidies</b>	YES	<p>1. The employers obtain temporal exemption (12 months) from the obligation to pay contributions for the Labour Fund and the Fund for Guaranteed Employees' Benefits for employing people over 50 years of age. For employed women aged 55 and men aged 60, they do not pay these contributions.</p> <p>2. Intervention works and public works: PES reimburses a part of the costs of remuneration and social insurance contributions of placed unemployed persons. The program of intervention works can last up to 24 months for persons above the age of 50, whereas the basic duration of the program is 6 months. Public works can last up to 12 months.</p>	2009		4	The tax incentives are very attractive to the employers.
			1990-1991		3	The creation of subsidised jobs addresses the symptoms rather than the cause of the problem and is not preventive in character. But for some groups of unemployed it is good preparation before integration into the 'real' labour market.

<b>Other activities or measures e.g. training or coaching of placed older unemployed, upskilling of older employees, other preventative actions</b>	YES	1. Older unemployed can participate in all ALMPs conducted by the PES.	2009		4	Active labour market policies are seen as the most effective tool to help older persons to boost their employability.  In the situation of budgetary constraints, labour offices decided to spend the majority of funds on the ALMPs for the unemployed. As a result, measures for the employed were not very popular.
		2. Some ALMPs are available for workers aged 45+ which include: financing of trainings, postgraduate studies, reimbursement of the cost of examinations required to obtain certificates, licences or professional titles and training loans.	2009		3	
		3. The employers who have established training funds can obtain preferential rates of reimbursing the costs of training the employees aged over 45.			3	

### **3. PREVENTATIVE PES SERVICES AND MEASURES FOR OLDER WORKERS**

**3.1. Based on your experience (ideally backed up by performance measurement), what works best in relation to preventative measures?**

**3.1.1. What is the PES' role and which measures have been taken to raise awareness of the importance of recruiting/retaining older workers? What has been the impact of such measures?**

The Minister of Labour and Social Policy, who is the coordinator of public employment services, has taken action to disseminate knowledge about labour laws prohibiting any discrimination in employment based on age and disability. All stakeholders have been informed inter alia via the official Ministry website

**3.1.2. Does the PES provide HR counselling to employers in relation to the demographic challenges facing them? If so, what is the nature of this service; is this provided in-house or externally; if in-house, is it provided by specialist counsellors? Which types of employers have been the target of such services and what has been the result?**

Public Employment Services provide counselling services directed to employers which include assistance in selecting candidates to work and assistance in individual career development. These services are provided at the local labour offices by vocational counsellors for all interested employers. These services are general services for employers rather than specifically related to the demographic challenge.

**3.1.3. What specific measures are available to help retain older workers and enhance their HR potential (e.g. in work training)? What has been the take-up of such measures and their results on the long-term sustainability of older workers' employment?**

First of all, local and regional labour offices offer vocational guidance to support workers in the successful development of their professional career. That is why anyone can obtain information on labour market conditions and available job offers, but also occupational requirements and the possibilities of training and education, even without the necessity to register as unemployed or a job seeker. The unemployed and job seekers can also take advantage of workshops aiming at active job search and provided with the use of standardised methods to

facilitate their choice of profession, qualifications or change of employment.

The Ministry of Labour and Social Policy has taken action to promote lifelong learning for workers aged 45 years or older. For this purpose, the Act on promotion of employment and labour market institutions was amended. As a result of the amendment to Polish employment law, from February 2009, local labour offices may provide financial assistance to employees aged 45+ willing to upgrade their professional qualifications. The following activities addressing the needs of persons aged 45 and over can be financed: group training organised by the labour office or a training offer available on the open market according to individual interest and choice; exams to obtain certificates, diplomas, etc.; postgraduate study; and vocational education for adults organised at the workplace and completed with an examination certifying the skills acquired.

In the situation of budgetary constraints labour offices decided to spend the majority of funds on the ALMPs for the unemployed. As a result, measures for employed were less popular.

***3.1.4. Are there specific measures to support the retention of older workers in restructuring situations? What types of services are offered and how successful have these been?***

The Public Employment Services offer outplacement services for workers who will be redundant regardless of their age. The outplacement programme is required to be performed by every employer, who intends to fire at least 50 employees within 3 months. The employer must notify the local labour office about the projected redundancies. The employer is obliged to provide labour market services to employees in the form of a programme for employees about to be made redundant. The labour market services include mediation and counselling, psychological support, training, fellowship training, and assistance in active job searching. The program can be implemented by the local labour office, agency, employment or training organisation.

***3.1.5. Which partnerships with external organisations are in place and have proved to be effective and why?***

In order to assist older workers, Public Employment Services seek cooperation with other public institutions, such as social assistance centres and also with employers' organisations. The partnerships with

these two types of institutions are the most effective because the collaboration with social assistance centres helps to provide better knowledge about the situation of the client in order to coordinate the support given. In addition, cooperation with employers' organisations provides faster and wider access to the information about labour market needs, therein job offers.

**3.2. What do you see as the main challenges in relation to delivering preventative services for older workers, including the specific PES services offered, as well as aspects of the broader policy framework?**

The main challenge is to combat negative stereotypes regarding older persons in general and older workers in particular, by raising the awareness of the importance and usefulness of the active participation of older people in family, social and economic life. It is also important to promote among older people a positive perception of their role in the labour market and in society, particularly by raising awareness of the benefits of extending their working life in good health and pursuing community activities.

We should also promote the employment of older workers through the better management and development of human resources, including special patterns of lifelong learning, lifelong guidance and counselling, improving access to activation measures, better work-life balance and the adaptation of working conditions to the needs and abilities of older employees by involving employers and social partners.

## **4. PES SERVICES AND MEASURES FOR UNEMPLOYED OLDER WORKERS**

**4.1. Based on your experience (ideally backed up by performance measurement), what works best in relation to measures and services for unemployed older workers?**

***4.1.1. In the context of the overall approach of PES services for unemployed older workers (individualised or targeted), what specific supports are available to this target group that have proved successful regarding outcomes?***

The PES is obligated to create an Individual Action Plan for unemployed people above the age of 50 within 180 days from the date of registration. This rule applies to all groups considered as being in a difficult situation in the labour market (see Section 2.1).

Local labour offices should present to every registered unemployed person aged 50+ within 6 months of their date of registration, a proposal of employment or other paid work, or instrument of activation

(work practice, training, apprenticeships for adults). This rule applies only to this group and 2 other groups considered as being in a difficult situation in the labour market – unemployed aged up to 25 and former prisoners.

The specific supports available for unemployed older people that are effective include: career guidance and career information (in 2011, 140 753 people over 50 received this form of assistance; for 77 463 of them, this was their first time – and they represented 19 % of all users of such services), and group counselling (12 001 older people).

**4.1.2. Are any Active Labour Market Policies (ALMP) measures specifically targeted at unemployed older workers and which ALMPs have proved most effective for older workers and why (key factors affecting their success/failure)?**

Older unemployed can participate in all ALMPs conducted by PES, but there are no specific types for this age group. This applies to the basic PES offer, but local labour offices can conduct tailored programmes for older unemployed.

The most effective ALMPs conducted by the Polish PES are work practice and training. Work practice gives the unemployed a chance to gain practical skills by performing tasks at the workplace without concluding an employment contract. Work practice is carried out on the basis of a contract signed between the Local Labour Office (LLO) and the employer, who specifies the program and indicates the tutor.

The program of the work practice can last up to six months. A participant is entitled to a monthly scholarship equal to 120 % of the unemployment benefit. After the completion of the program a graduate receives an opinion from the employer with information about tasks performed and skills acquired and confirmation from the Local Labour Office participating in the program. The effectiveness rate of work practice in 2011 was 53.2 %. The training program is described in the Annex.

The employers obtain temporal exemption (12 months) from the obligation to pay contributions for the Labour Fund and the Fund for Guaranteed Employees' Benefits for employing people over 50 years of age. For employed women aged 55 and men aged 60, they do not pay these contributions.

**4.1.3. What are the best ways of encouraging employers to offer employment opportunities to older workers? And what is the relation of services to financial incentives/subsidies?**

The best way to encourage employers to hire older people is through tax exemptions and reducing the burden associated with the absence of older workers due to illness. In 2011 the number of days of disease for which remuneration is paid by the employer was reduced from 33 to 14.

**4.1.4. Which partnerships are in place and have proved to be effective with external organisations and why?**

The most effective types of partnerships are those where the PES, Social Assistance Centres and Employer Organisations play the main role. Each of these partners have specific knowledge, tools and instruments that can be helpful in the activation of the elderly.

**4.2. What do you see as the main challenges in relation to delivering services and measures for unemployed older workers, including the specific PES services offered, as well as aspects of the broader policy framework?**

We should make full use of the existing employment potential of older people, systematically pursuing policies and business practices that promote participation, so as to increase and improve opportunities to stay in the labour market and job prospects for older people, especially those with lower skills. We should also enable comprehensive training, including continuing professional development and enabling professional mobility.

## **5. MONITORING AND EVALUATION**

**5.1. What systems are in place for performance measurement and evaluation for older workers / unemployed?**

The monitoring of employment effectiveness and financial effectiveness of ALMPs is being conducted. For example, in 2010 the employment effectiveness of ALMPs within the program for people aged 45+ financed from the Labour Fund was 44.5 % (employability within 3 months after completing the program). Cost efficiency of this program (Cost of delivering ALMP per participant who found job) was ca. EUR 3 520.

Moreover, the monitoring of the implementation of the program 'Solidarity across generations: Measures aiming at increasing the economic activity of people over 50' is being conducted. During the first phase of the program, 8 out of 13 indicators used to monitor progress in implementing the program have improved, e.g., the employment rate of people aged 55-64 years, average retirement age and participation in lifelong learning in the age group 45-64.

**5.2. What are the main indicators used in evaluating the effectiveness and efficiency of services and measures for older workers?**

1. Status of being employed within three months after completing the program.
2. Cost of delivering the ALMP per participant.
3. Cost of delivering the ALMP per participant who found employment.

**5.3. What have been the main evaluation results in recent years?**

There is a small growth in the popularity of participating in ALMPs within the group of older people. This is very important, because lack of motivation and initiative is seen as one of the main challenges.

An increasing activity rate in the labour market in this age group can be observed during the last few years in Poland. This is crucial given the intensive ageing of the labour force.

**5.4. Have these results led to any changes or are changes being considered in the organisation and delivery of services to improve the labour market situation of older workers?**

In the last few years in Poland two phenomena can be observed:

1. Legal regulation opened more possibilities for older workers to participate in PES services.
2. There is a wide range of projects financed by ESF conducted by local and regional labour offices devoted to the professional activation of older persons.

## 6 CONCLUSIONS

### 6.1. What do you see as the main challenges in relation to delivering effective services to (unemployed) older workers?

One of the most important problems is a lack of IT skills, but also poor access to Broadband Internet. Another issue is the very low mobility of older workers.

### 6.2. What are your conclusions on what works best in relation to the delivery of effective services for (unemployed) older workers?

The individualised approach seems to be the most effective method of working with PES clients.

### 6.3. In the Peer Review discussions, on which of the following topics would you most like to focus and what would you most like to learn from others?

Topics	Importance of the topic (scale: 1 very unimportant, 5 = very important)	What would you most like to learn from others in the topic(s) you are most interested in? (maximum three bullet points)
PES services for older workers: overall strategy and approach	4	<i>We would like to get acquainted with the overall strategies and approaches in other countries, especially with methods of developing strategy for older workers.</i>
Preventative PES services and measures for older workers	4	<i>We would like to get acquainted with preventative PES services and measure for older workers in other countries.</i>
PES services and measures for unemployed older workers	5	<i>We would like to get information about the popularity of each service and measures which are in use in other countries.</i>
Monitoring and evaluation	4	<i>We would like to get information about the effectiveness of each service and measures used in other countries.</i>

## ANNEX

### Description of effective/proven practice

<b>Title</b>
Funding up-skilling and re-skilling in the form of the training.
<b>Introduction</b>
The aim of training courses is to upgrade or update vocational and/or general skills of the unemployed and job seekers to increase their employability. In 2009, this measure, which is one of the most popular ALMPs for the unemployed in Poland, was also opened for workers aged 45+.
<b>Main description</b>
<p>The Local Labour Offices (LLO) initiate, organise and finance training courses.</p> <p>A trainee can participate in courses contracted for groups by the LLO on the training services market or in a course chosen by him/herself. The cost of a training chosen by an individual may be covered by the LLO up to 300 % of an average monthly salary.</p> <p>A training course can last up to 6 months, but in special situations up to a maximum of 12 months (if it is required by the curriculum). For people without vocational qualifications it can last up to 12 months, in special situations – up to 24 months.</p> <p>An unemployed trainee receives a monthly scholarship equal to 120 % of the unemployment benefit. Full scholarship is paid if the training lasts for a minimum of 150 hours per month: in the case of lower monthly hours, the scholarship is reduced proportionally. The trainee who pursues employment during the training receives a monthly scholarship equal to 20 % of the unemployed benefit until the end of the training course. LLO can also reimburse the costs of travel to the place of training.</p> <p>After the completion of the program a graduate receives a certificate from the training institution with information on participation in the training course and/or skills acquired.</p>
<b>Main results and success factors</b>
<p>Compared 2010, with 2008 (the year before which the amendment was introduced and the year of high economic growth and low unemployment) the number of trained people aged 45 + increased by more than 2 500. In reference to the time frame extended to the past 5 years (i.e. 2005) we can see a large 74 % increase in the number of people over age 45 participating in training.</p> <p>The detailed data about training courses in 2011 are not available yet. So far it is known that the effectiveness of training courses in 2011 is 44 % and has increased by 9.2 percentage points compared to 2010.</p>

The effectiveness of the trainings depends of many factors, for example:

- The theme of the training adjusted to the labour market needs
- Quality of the training
- Engagement of the trainee
- General economic situation.