

**Ministry of Economy and Labour**

**NATIONAL ACTION PLAN  
FOR EMPLOYMENT  
FOR 2005**

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## Index of abbreviations:

BGK	bank „Bank Gospodarstwa Krajowego” (National Economy Bank)
CSO	Central Statistical Office
DRDP	Department for Regional Development Programmes Implementation
EAFD	Economic Analyses and Forecasts Department
EAGGF	European Agriculture Guidance and Guarantee Funds
EDD	Entrepreneurship Development
ERDF	European Regional Development
ESF	European Social Fund
ESFID	European Social Fund Implementation Department
ESFMD	European Social Fund Management Department Department
EURES	European Employment Services
FD	Funds Department
GCSS	Governmental Centre for Strategic Studies
ISCED	International Standard Classification of Education
ITD	IT Department
LFS	Labour Force Survey
LMD	Labour Market Department
ŁU	Łódź University
MARD	Ministry of Agriculture and Rural Development
MEL	Ministry of Economy and Labour
MF	Ministry of Finance
MI	Ministry of Infrastructure
MIAA	Ministry of Internal Affairs and Administration
MNES	Ministry of National Education and Sports
MSP	Ministry of Social Policy
NAP/E	National Action Plan for Employment
NGO	non-governmental organisations
ODP	Office of the Government Plenipotentiary for Disabled Persons
PAED	Polish Agency for Enterprise Development
PBD	Public Benefit Department
RPD	Regional Policy Department
SFRDP	State Fund of the Rehabilitation of Disabled People
SGPES	Secretariat of the Government Plenipotentiary for Equal Status of Women and Men
SOP HRD	Sectoral Operational Programme Human Resources Development
SPD	Social Partnership Department
SSO	School Superintendent's Office
tsu	territorial self-government units
VLC	Voluntary Labour Corps
VLO	Voivodship Labour Office

## INTRODUCTION

1. The National Action Plan for Employment has been drawn up in implementation of art. 3 of the law of 20 April 2004 concerning employment promotion and labour market institutions (Dz.U. /Journal of Laws/ No 99, Text 1001) as well as art. 125 and art. 128 of the Treaty establishing the European Community.
2. The National Action Plan for Employment defines the tasks of the state in the field of employment policy. 2005 is the plan's target year, although the implementation of some tasks will have to occur in 2006. By taking into consideration the synergy of activities which overcome ministerial and sectoral divisions, the document also aims at developing ways to increase the effectiveness in the implementation of unquestioned priorities of Polish socio-economic policy (i.e., the reduction of unemployment, expanding employment opportunities and improving human resources development).
3. The National Action Plan for Employment is also the document that presents the desired course of Polish employment policy over the next couple of years. The plan seeks to address the challenges resulting from cross-sectional and specific employment guidelines, which are a part of the European Employment Strategy adopted by means of the Council Decision of 22 July 2003 on guidelines for the employment policies of the Member States (2003/578/EC). This action plan is the best means by which Poland seeks to implement the European employment guidelines.
4. The set of tasks formulated in the National Action Plan for Employment were developed by the Interministerial Group for Drafting the National Action Plan for Employment, which was created by means of regulation No. 39 of the Prime Minister of 19 April 2004. The proposed tasks focus around the following priorities of the Polish employment policy:
  - Curbing the institutional barriers for the creation of employment opportunities, through increased access to quality services of the labour market institutions, support for adaptability of enterprises (especially those of small and medium-sized enterprises), as well as promotion of activities enhancing the attractiveness of employment.
  - Development of active labour market policies at regional and local level, supported by effective implementation of sectoral and regional operational programs.
  - Occupational activation of disadvantaged unemployed persons, in particular by means of training as well as vocational and general development.
  - Strengthening the institutional coordination and enhancing the transparency of decision-making processes.
5. The National Action Plan for Employment is composed of four chapters.

Chapter 1 describes the national employment policy and its principal results in a context of cross-sectional objectives of the European Employment Strategy (employment growth, improving quality and productivity at work, providing for social inclusion, enhanced adaptability of employees and enterprises as well as investment in human capital).

Chapter 2 formulates tasks in the field of employment classified by specific employment guidelines, preceded with a concise report of earlier labour market policy initiatives and results in Poland.

Chapter 3 describes issues related to management and strengthened partnership in the implementation of the National Action Plan for Employment for 2005.

Chapter 4 specifies methods of monitoring and reporting the implementation of tasks under the National Action Plan for Employment.

6. Annexes form an integral part of the document. They include, among others, tables presenting financial funds available for the implementation of individual tasks within the framework of employment guidelines. The correlation of tasks with a specific plan of financial resources is of significant importance for ensuring a reliable balance between the priorities of employment policy and the financial possibilities of their implementation.

# CHAPTER 1

## NATIONAL EMPLOYMENT POLICY

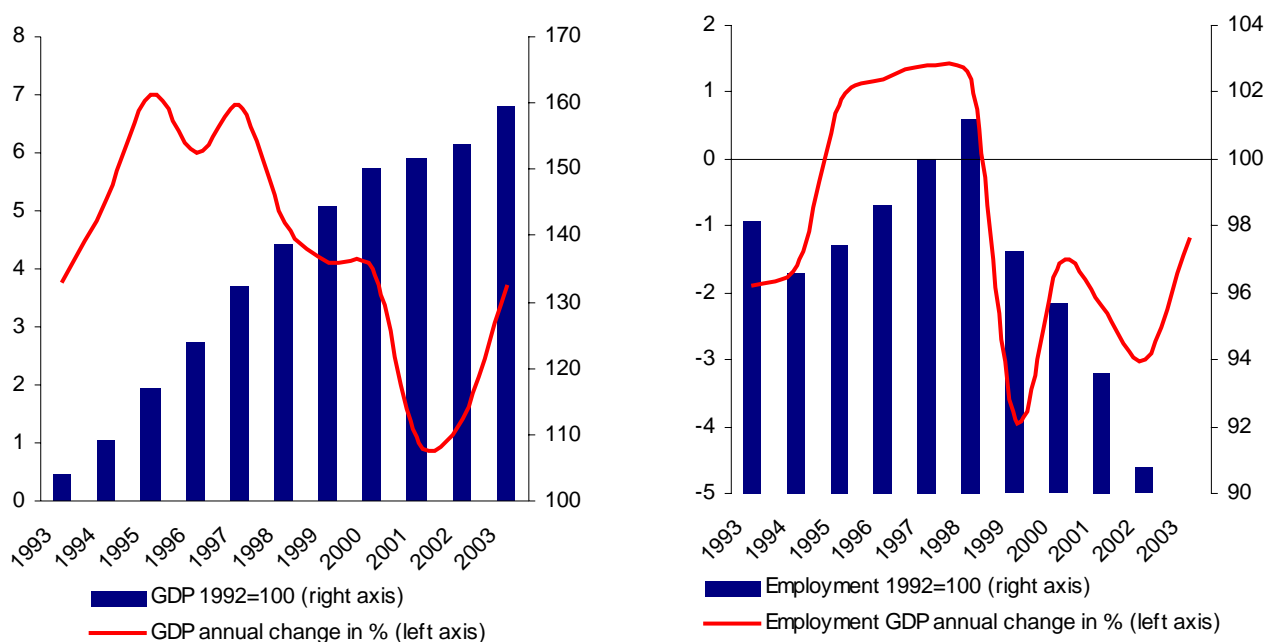
### Introduction

7. The law of 20 April 2004 concerning employment promotion and labour market institutions (Dz.U. No 99, Text 1001) provides for the strengthening of employment-oriented activities in the labour market. It allows the strengthening of active labour market policies. The law provides that the tasks of the state in the area of employment promotion, mitigating the effects of unemployment and the promotion of entrepreneurship shall be implemented on the basis of the National Action Plan for Employment, adopted by the Council of Ministers. The law entrusts the minister competent for labour issues with the task of drafting the National Action Plan, thus creating a legal basis for this document and guaranteeing full coordination of priorities resulting from challenges facing the Polish employment policy and the priorities laid down in the European Employment Guidelines. The National Action Plan for Employment plays the role of both a reporting and planning document for employment policy – in a context of European Union membership and the implementation of the European Employment Strategy – required by the European Commission. The plan formulates the most important tasks for the labour market policy for 2005.
8. So far, the general objectives of the employment policy were taken into consideration both in sectoral governmental documents and strategies related to the development of specific sectors of economy, and documents designed to address a specific problem of counteracting unemployment and increasing employment opportunities. Many of the earlier formulated employment policy objectives remain valid others require revision. Therefore, the National Action Plan for Employment constitutes a complement for earlier programs – such as the *National Strategy for Employment Growth and Human Resources Development for the years 2000-2006*, *National Development Plan 2004-2006*, *Program of Arrangement of and Reduction in Public Expenditure*. At the same time, this document follows the conclusions and recommendations of earlier documents developed in cooperation with the EU, such as the *Sectoral Operational Program Human Resources Development*, *Integrated Operational Program for Regional Development* and *Community Initiative EQUAL*.
9. Work on the National Action Plan for Employment, for the first time as a Member State of the EU, followed the guidelines initiated by the *Joint Assessment Paper on Polish Employment Policy* (JAP), which was formulated prior to accession. This document was signed on 29 January 2001 by the Minister of Labour and Social Policy and the EC Commissioner for Employment and Social Affairs. In 2002 the *Joint Assessment Paper First Progress Report* was drawn up and submitted to the European Commission by the Ministry of Labour and Social Policy. Similar report was drawn up in 2003.
10. The present labour market situation in Poland requires the continuation of firm structural reforms and well-conceived and stable reforms in the field of education, active labour market policies and social security. All measures should be mutually coherent and should consistently implement tasks laid down in the National Action Plan for Employment.

### Economic context

11. Socio-economic transformations in Poland were accompanied by unfavourable development of labour market situation. Restructuring of enterprises and revealing the hidden unemployment resulted in mass unemployment, which to a significant degree was of a structural character. The economic picture shows conditions of protracted maladjustment of vocational qualifications and actual inactivity of a considerable part of persons threatened with or affected by unemployment, which was accompanied by opening of the economy to new markets and new technologies. Thus, economic growth is due to the growing labour productivity and not to any increase in employment.

Diagram 1. GDP and employment in 1993-2003.



Source: CSO

### Employment level

12. According to the Labour Force Survey, employment in Poland amounted to ca 15.2 mln in 1992, dropped to 14.7 mln in 1994, and increased till 1998 (when it reached 15.4 mln). From 1998 a quick drop in employment was observed. In result the number of persons employed in 2003 decreased to 13.6 mln<sup>1</sup> (by 11.3 % less than in 1998).
13. A considerable drop in employment over the past 5 years is reflected both in the unemployment rate and the number of economically inactive persons. The reasons for the increase in unemployment can be found within the economic situation (economic slow-down and stagnation in 2000-2001) and in intensification of the restructuring processes. At the same time, the increase in economic inactivity is connected with socio-economic policy, targeted to a large degree at income compensation for the jobless and at their early de-activation. These factors resulted in a significant drop of the employment rate.
14. One particularly serious drop in economic activity deals with persons above 50 years of age. It was the result of a policy, predominant in the 1990s, of early withdrawal from the labour market of elderly persons by the means of earlier retirement, pensions in respect of incapacity for work (granted before 1997 under very favourable conditions) or pre-retirement allowances (in 1997-2001) and benefits (from 1997). These activities contributed to a mitigation of social pressures, however their general effect was very unfavourable. They not only resulted in dangerous condition of public finance and further increase in labour costs, but they most of all eliminated from the labour market persons who – even if they had job opportunities – decided to choose an opportunity of de-activation created by the state. Presently, thanks to considerable restriction of pre-retirement benefits, and thanks to termination of pre-retirement allowances, opportunities of earlier de-activation have been seriously curbed.

<sup>1</sup> Data for 2003 have been generalised on a basis of population balances compiled using the results of the National Census of Population and Housing of 2002, thus comparison with data for earlier years should be carried out with some caution.

15. At the same time a rapid increase in the number of productive-age population was observed. In the past two years, the number of persons aged 18-59 years increased almost by 500 thousand. An increase in labour resources is a generally positive phenomenon, however, in a situation of structural barriers hampering employment growth, it results in further deterioration of the labour market situation – increasing levels of unemployment, especially among the young, and the dropping employment rate.
16. It should be also emphasized that women’s situation on the labour market is worse than that of men’s. In the first quarter of 2004, the gap can be seen in the lower level of women’s economic activity as compared with men (47.8 % and 62.2 % respectively), lower employment rate (37.6 % as compared with 49.7 % for men), and the slightly higher employment level (21.3 % as compared with 20.2 % for men).

**Table 1.** Employed, unemployed and economically inactive persons, aged 15 years and more, in Poland in 1992-2003

Years	Total		Economically active persons		Employed persons		Unemployed persons		In-active persons
	Thous.	Thous.	% *	Thous.	% **	Thous.	% ***	Thous.	
1992	28, 391	17, 541	61.8	15, 179	53.5	2, 362	13.5	10, 850	
1993	28, 454	17, 321	60.9	14, 894	52.3	2, 427	14.0	11, 133	
1994	28, 474	17, 132	60.2	14, 658	51.5	2, 474	14.4	11, 342	
1995	29, 045	17, 068	58.8	14, 791	50.9	2, 277	13.3	11, 977	
1996	29, 337	17, 076	58.2	14, 969	51.0	2, 108	12.3	12, 261	
1997	29, 628	17, 100	57.7	15, 177	51.2	1, 923	11.2	12, 528	
1998	29, 955	17, 171	57.4	15, 356	51.3	1, 816	10.6	12, 784	
1999	30, 262	17, 148	56.7	14, 757	48.8	2, 391	13.9	13, 114	
2000	30, 597	17, 311	56.6	14, 526	47.5	2, 785	16.1	13, 286	
2001	30, 843	17, 376	56.4	14, 207	46.1	3, 170	18.2	13, 466	
2002	31, 063	17, 213	55.4	13, 782	44.4	3, 431	19.9	13, 850	
2003	30, 953	16, 946	54.7	13, 617	44.0	3, 329	19.6	14, 008	

\* Activity rate: the share of economically active persons in the total population aged 15 years and more

\*\* Employment rate: the share of employed persons in the total population aged 15 years and more

\*\*\* Unemployment rate: the share of unemployed persons in economically active population

Source: LFS CSO; annual averages (for 1999 average from the first and the fourth quarter)

#### Quality and productivity at work

17. The employment decrease observed in 1999-2003 occurred in conditions of economic growth, which was slower than in the first half of 1990s, but still positive. Thus, economic growth resulted mainly from the improved labour productivity, also as compared with EU-15 average: while labour productivity per one person employed equaled 42.5 % of EU-15 average in 1998, and in 2003 it was already 50.3 % <sup>2</sup>.

<sup>2</sup> Eurostat data for 2003 – estimate.



18. The productivity growth was accompanied by improved quality at work: fewer accidents at work were reported (in 2002 by 15 % less than in 1998), employment increased in economy sections and divisions characteristic of modern economy (mainly in services, but also in certain industrial sectors).
19. Productivity growth and improved quality at work should be considered positive phenomena. However, the fact that they are accompanied by employment drop – in particular a decrease in a number of less qualified workers, manual labourers and the elderly – indicates the existence of significant structural barriers in employment creation. These barriers are mainly an outcome of a serious maladjustment of labour demand and supply, among other things, in result of the low quality of human capital and low levels of geographical and occupational mobility. High labour costs of low-earning workers on employment contracts create an additional barrier to increased employment opportunities.
20. It should be also mentioned that changes in labour productivity practically do not concern agriculture, where very low labour productivity is maintained (which proves the existence of considerable hidden unemployment in those rural areas) – in 2002 the share of persons employed in agriculture equalled 15.6 % and they produced 2.7 % of GDP.

**Table 2.** Annual dynamics of labour outlays and labour productivity.

Specification	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Labour outlays	-0.3	0.0	0.3	0.1	0.3	0.2	-0.5	-0.4	-0.1	-0.3
Labour productivity	1.4	4.5	-	5.2	6.1	4.6	4.1	4.0	1.0	1.8

Source: MEL compilation based on CSO statistics

#### Social inclusion

21. Employment opportunities of persons who are understood to be a member of an at-risk group on the labour market, including the disabled and residents in the most economically undeveloped areas, are much lower than average. For this reason poverty and social exclusion particularly threaten such groups.
22. Unemployment of persons recognized by the law as disabled, estimated on the basis of LFS, although high (average unemployment rate in 2003 was 16.8 %) is, nevertheless, relatively lower than unemployment of persons not holding a certificate of incapacity for work (19.8 %). The employment rate of persons recognized by the law as disabled aged 15 years and older is much lower than the employment rate of able persons without medical certificate in the same age group (in 2003 an average employment rate was 13.7 % and 48.7 % respectively). This phenomenon arose during the first period of structural transformation, as a way to soften the social impact of the necessary economic reforms. There are at least three reason for the unfavourable the labour market situation: the general socio-economic transformation, the general economic processes, and restructuring of the industrial sector. An additional pressure was that the social security system was used as a means to mask unemployment.
23. By the end of 2003, the system of supporting employment of the disabled persons was to a large degree oriented at the so-called protected labour market. Starting from 2004, mechanisms resulting from amended law of 27 August 1997 on vocational rehabilitation and employment of the disabled persons (Dz. U. No 123, Text 776 with further amendments) have been addressed both to the protected and general labour market, which should result in increasing interest of employers in recruiting the disabled. However, the effects of these solutions may be only evaluated in the future.

24. The following groups should be understood to be groups at-risk of social exclusion, also due to inability to find employment: the homeless, alcoholics, people addicted to drugs or other intoxicating substances, the mentally ill, the long-term unemployed, people leaving penitentiaries (who encounter difficulties in integrating back into society), and refugees. These persons, under the conditions of their participation in programs functioning within the framework of social assistance or undergoing therapy, are covered by measures in the field of social employment, under the law of 13 June 2003 on social employment (Dz. U. No. 122, Text. 1143, with further amendments).
25. Also seen as group of persons at-risk of social exclusion includes residents of heavily industry regions in the process of or following restructuring and regions where state-owned farms were formally located. As from 2002, local programs aimed at revitalization of selected regions. These programs were addressed to specified target groups, had clearly defined goals and fixed time of implementation. In 2003, subsequent programs were launched for the Baltic coast area and for West Pomerania. The Roma population, as well, are in a difficult labour market situation. Measures aimed at increasing the occupational opportunities and social inclusion of Roma people are the subject of interest of the National Action Plan for Employment, the Program for Roma Society in Poland, and the National Action Plan for Social Inclusion.

#### The adaptability of employees and entrepreneurs.

26. Macroeconomic data show that Polish entrepreneurs were able to carry out the successful restructuring process. In 2003, the real growth of the Gross Domestic Product, as compared with 2002, equalled 3.8 %. GDP in the first quarter of 2004, as compared with a similar period of the previous year, has shown real growth by 6.9 %. At the same time, the process of adjustment to the new market conditions seriously affected the labour market. Processes of restructuring and curbing labour outlays brought about a serious reduction in employment. It was a process opposed to average EU-15 situation, where the economic slow-down of 2001-2002 has affected the production and labour outlays, but it affected employment level to a much lesser degree. It was possible thanks to flexible forms of employment as well as the adaptability of both employers and employees.
27. The recent Labour Code amendments in Poland (made between 2002-2004) also allow for a more flexible approach to the working time or for application of diversified forms of employment. Forms of employment considered as flexible are less popular in Poland than in other countries. It concerns both self-employed persons (the number of which have been decreasing recently, and at the same time self-employment has been used as a means to reduce the labour costs of persons performing work in manner typical for hired employees), and persons employed on a part-time basis (in 2002 - 11 % of total employment). Presently, the problem of lack of labour market flexibility occurs to a larger degree from organizational barriers and prejudice of employees and employers against non-standard solutions, than from rigidity of the labour law. Besides, the flexible forms of employment are usually connected with lower wage jobs, which – taking into account the fact that wages in Poland are generally low – discourages employees from such solutions (in particular from part-time employment).

#### Investment in human resources

28. Education plays a significant role in labour market opportunities in Poland. Although considerable unemployment has been noted in the recent years among persons with higher education (7.7 % in the fourth quarter of 2003), however it affects mainly young persons, to a large degree, and is caused by the weak economic situation and does not have a structural character. Besides, it is still much lower than average level of unemployment. Among persons with higher education also much higher levels of activity and employment rates are noted. In the 25-34 age group they are close to the level of full employment of men (90 % and more) and are only slightly (by 1-2 percentage points) lower for women.

29. Very important changes in the level of participation in education at secondary and higher level have been recently observed in Poland. The number of students has significantly increased (to 1.8 mln in 2003). According to the National Population Census, 20.5 % of persons aged 25 years hold a diploma from a tertiary level school (among persons aged 35 years this percentage is 14.3 %, and in the age of 45 years – only 11.5 %). Higher levels of educational activity may be observed also among adults. The number of pupils in post-secondary schools for adults was in the 2002/2003 school year by 80 % higher than in the 1997/1998 school year.
30. More women than men graduate from secondary and tertiary school. For example only 23.6 % of women and as much as 39.9 % of men aged 23 years have basic vocational or lower education. Also young women have higher levels of participation in tertiary levels schools, by about one third higher than men. However, it is necessary to overcome stereotypes concerning the choice of education profiles by women and men to prevent and eliminate sex-related segmentation and segregation on the labour market, as a reflection of indirect discrimination of women.
31. Young, non-educated persons are in the worst situation on the labour market, with unemployment level close to 50 %. This group, without vocational education and experience is so uncompetitive that even considerable improvement of the labour market condition and employment growth will not improve their situation. This means that they should be the main addressees of measures raising vocational qualifications and counteracting exclusion.

#### Implementation of reforms

32. The 20 April 2004 law concerning employment promotion and labour market institutions is an important step on helping labour market institutions to function better. The law, in more general sense, helps to better formulate and implement public labour market policy. The main idea of the law, resulting from complex evaluation both of the situation of the labour market and the potential of the public employment service, is to strengthen considerably the employment-oriented labour market measures.
33. The following provisions should be mentioned as the new regulations of the law, which have been introduced for the first time after 1990:
  - Definition of the labour market institution.
  - Strengthening social dialogue and partnership on the labour market.
  - Clear distinction between basic labour market services and other labour market instruments.
  - Support for the local and regional labour markets.
  - Greater emphasis on human resources development.
  - Categories of positions and related requirements for public employment service staff.
34. The new law has modified the operation principles of employment services, which now include, beside the public employment service, also, among others, private employment agencies and training institutions. The new solution, arising from the law, is job placement within the framework of the EURES system. The law imposes upon the minister competent for labour issues an obligation to formulate standards of labour market services and introduces the requirement of receiving licenses by public employment service employees – job placement officers and vocational counsellors. The law distinguishes basic services mobilizing unemployed persons and job seekers on the labour market (job placement, vocational information and guidance, vocational training) and other labour market instruments.
35. The labour market instruments are of mobilizing character (for example co-financing territorial mobility, self-employment, costs of psychological tests in specified cases). They also support the creation of, maintenance of and development of employment opportunities by employers (for example staff training, outplacement, refunding the costs for needed workplace equipment, programs of job rotation, training to meet the needs of an investor).

36. Labour market instruments are complemented with measures by the social security system. They include the implementation of the law on social employment, as well as changes to the social assistance system aimed at increasing the emphasis on vocational activation of unemployed social assistance clients. Besides, changes to the pre-retirement benefits system, introduced by the law on pre-retirement benefits, have been reducing the employment de-activation of the elderly.

#### Employment policy priorities for 2005-2006

37. In spite of improvements in the labour market situation (lower decrease of employment) noted in the first half of 2004, in the period 2005-2006 the labour market situation will remain a difficult one. It will not be easy to meet the goal of increasing labour demand and reducing unemployment rate to 15 % (objective formulated in the *National Development Plan 2004-2006*).
38. To overcome the unfavourable labour market situation, an increase in employment opportunities is necessary. It should be based, among other things, on the liquidation of institutional barriers. The most important element is here a reduction of labour costs of low-earning persons by reduction of the so-called tax wedge. This will allow for return to employment of persons with the lowest qualifications and it will also result in encouraging people to transfer from so-called “grey sphere” employment to formal sphere. Besides, flexible forms of employment should be utilized to a much greater degree in organizing and scheduling work – to increase employment of some employee groups.
39. Employment growth will be facilitated, at the same time, by developing the social security system not to encourage de-activation and unemployment traps, which distort the labour market. Increased activity will also be favoured by curbing opportunities of incomes received from the social insurance system, in particular due to earlier retirement, which are alternative for incomes from work.
40. Much greater emphasis will be given to active labour market policies. In the conditions Poland finds itself, persons with low qualifications are much more likely to be unemployed. Given this reality, an important role will be played by individualized and effective vocational counselling, vocational training and re-training as well as job placement. Equally important are measures favouring human capital development, mainly relying upon the education system, which should better prepare people to meet the needs of the labour market.
41. Measures defined in the National Action Plan for Employment may be effectively implemented thanks to the following principles:
- Synergy of labour market policies implemented within the framework of the Labour Fund and the European Social Fund resources.
  - A radical improvement of the effectiveness of public employment services (taking into account the quantitative and qualitative support for the staff), together with strengthening the role of external environment in a form of non-public labour market institutions, which could sign contracts on services.
  - Stable and long-term financing of labour market policies and the introduction of such model of resource distribution, which will reward an active attitude on the part of the job seeker and greater effectiveness of measures assisting unemployed persons.
  - Elimination from legislation of such institutional and organizational solutions, that make being unemployed “profitable” (possession of health care benefits linked to being unemployed, right to be registered as unemployed regardless of the real availability and willingness to work).
  - Making full use of social partnership, particularly at the voivodship level where the labour offices together with self-governmental authorities and the social partners will be expected to draft the action plans for employment growth.

## CHAPTER 2

### PRO-EMPLOYMENT TASKS FORMULATED IN RESPONSE TO THE EUROPEAN EMPLOYMENT STRATEGY

#### **Guideline 1: Active and preventative measures for the unemployed and inactive**

##### **Context:**

42. In Poland, high levels of unemployment is understood to be the serious threat to social cohesion, so much that challenging it is held to be priority for public authorities. Although its growth trend has been stopped, the characteristics of unemployment have been consistent in Poland. Unemployment remains intense among the young (the youth unemployment rate is more than two times higher than total unemployment rate). It is also characterized by large proportion of the long-term unemployment (above 50 %). The high percentage of persons with low education levels (about 2/3). The recently occurring increasing unemployment rate among tertiary school graduates (from 0.7 % in the end of 2000 to 1.1 % in the end of 2003). And the greater likelihood of unemployment among women. The growing involvement of population in the labour process, measured by the employment rate should be mentioned as an effective method of counteracting unemployment and economic inactivity. Total employment rate (as the share of employed persons in the total population aged 15 – 64 years) equals 51.4 % (in the fourth quarter of 2003). Similar rate for EU-15 equals over 64 %, and the Lisbon Strategy provides an increase to 70% in 2010.
43. The public employment services system reorganized after the self-governmental reform in Poland in 1999, including 338 poviats labour offices and 16 voivodship labour offices (subordinated to local and regional self-governmental authorities respectively), was not *de facto* able to provide labour market services in sufficient scope and of appropriate quality to confront the increasing rates of unemployment (3,273 thousand persons /19.3 %/ in the fourth quarter of 2003).
44. The new law of 20 April 2004, concerning employment promotion and labour market institutions, serves the purpose of overcoming low levels of efficiency within the public employment services sector. It provides the legal framework for significantly wider application of active labour market policies. The law sets the requirements with regard to the public employment service staff (including job placement officers and vocational counselors) and the standard of services that they provide. It creates the legal framework for increasing the number of entities performing tasks in the field of employment promotion, mobilization of the unemployed and economically inactive persons. The law concerning employment promotion and labour market institutions mentions the following labour market institutions: public employment services, the Voluntary Labour Corps, non-public job placement agencies, personal counseling agencies, vocational guidance agencies, temporary work agencies, public and private training institutions, as well as institutions of social dialogue and local partnership. 976 non-public employment agencies operate in Poland (as of the end of July 2004), including 483 job placement agencies, 295 personal counseling agencies, 198 temporary work agencies. They are a competitive complement for poviats labour offices. In many cases both public and non-public labour market institutions require modernization as well as strengthening both staff and institutional capacity.

45. The law of 20 April 2004, concerning employment promotion and labour market institutions, increases access to vocational guidance and job placement as well as to other employment-oriented services. It allows public employment services to contract for many tasks in assisting the unemployed and job seekers to non-public labour market institutions. This is an opportunity of introducing alternative (competitive) measures supporting the unemployed.
46. The improved competence of public employment services in support of non-public agencies and institutions functioning within the labour market should visibly enlarge the number of services provided to the unemployed and job seekers, and therefore should enhance their employability. The accessibility to databases concerning job vacancies, including vacancies of temporary jobs, improve the employability of both the unemployed and job seeker. The law obliges poviats labour offices to provide unemployed persons under 25 years of age and above 55 years of age, within the period of 6 months from the day of registration, with a proposal of employment, other gainful work, an apprenticeship or employment within the framework of subsidized or public works. Concerning the long-term unemployed, the same recommendation applies within 6 months from the day of forfeiture unemployment benefits. This solution is justified by the theory that the readiness of the unemployed for activation is observed mainly in the initial phases of unemployment or before the end of the benefit period.
47. To increase the effectiveness of employment services it is necessary to enforce more efficiently than before the obligations of the unemployed under the law. The willingness and univocal readiness of the formally unemployed to cooperate with labour market institutions is a condition *sine qua non* for higher effectiveness of active labour market measures. Some of the formally unemployed registers at the labour office for the sole purpose of gaining access to social rights (i.e., benefit and social insurance). Removing from the unemployment register persons who do not show a willingness to be truly active in increasing their employability, will not improve the labour market situation, but should allow for more accurate and efficient application of labour market instruments.
48. Also important is the cooperation between employment services and social assistance services, to ensure that the unemployed take advantage of the social assistance net with the requirement of collaboration in job seeking. This process has been assisted by the law of 12 March 2004 concerning social assistance (Dz. U. No 64, Text 593). The law has introduced a new instrument - social contracts. Social contracts are contracts between the social assistance staff and their clients, laying down the obligations of both parties. Active job seeking is an obligation of the unemployed. Labour offices provide social assistance centers with information on those unemployed persons who have refused employment. Unemployed persons applying for social assistance and have refused employment may become ineligible for social assistance.
49. The percentage of funds designated for active labour market programs in Poland in 2003 was 12.8 % of total Labour Fund expenditure (not taking into consideration repayment of credit taken by the Labour Fund). It should be added that the Labour Fund is at the disposal of the minister competent for labour issues. Therefore utilizing European structural funds, in particular the European Social Fund, will play a greater role in preventive and mobilizing activities assisting the unemployed. Vocational and social activation of the disadvantaged on the labour market is complemented, in Poland, by voluntary work. Thanks to its development, scarce funds targeting the solution of this the most difficult social problem are utilized more accurately and effectively. Voluntary work is defined by the law of 24 April 2003 concerning public benefit activity and voluntary work (Dz. U. No 96, Text 873, with further amendments). The law also allows the addition of a new – educational and learning – dimension to the work of volunteers, enabling them to acquire experience needed in vocational career.

## **Tasks:**

### **1.1 Youth occupational activation.**

**Objective:** Higher youth employment level.

50. Such employment-oriented labour market programs as those promoting apprenticeship and internships, active job placement, self-employment and voluntary work, are addressed to the young who have problems finding employment and who are at-risk of unemployment.
51. Youth occupational activation shall be carried out by implementation of projects financed from the European Social Fund and by the follow-up of the Governmental program *First Job*. Experience in implementation of *First Job*, which in 2003 covered almost 207 thousand persons aged 18 – 24 years who have not been employed before, including almost 177 thousand graduates (who accounted for 36.6 % of all job-seeking graduates registered in this time), shows, in particular, the effectiveness of three forms of active labour market programs for graduates. They are the following: apprenticeships for graduates, training for graduates and refund of costs incurred in respect of the recruitment of graduates. In 2005, a considerable increase in the number of young persons taking advantage of this program is planned.
52. In line with the promotion of self-employment, it is necessary to carry out an analysis of the conditions for self-employment of the young and other persons starting such activity. Finding ways reducing the burdens connected with insurance and social contributions should be included in such a study. The study shall also address finding ways to insure that the self-employed and hired employees receive equal treatment from the banking system when applying for credit. An increased accessibility of needed premises for those starting up businesses shall also be considered.
53. Counseling, training and subsidized employment, as well as developing a system of lump-sum grants for start-ups businesses. Before starting such endeavors individuals will be required to attend vocational career planning. At the same time, enterprises shall be widely informed about the importance of youth occupational activation, in order to ensure the partnership of employers in the implementation of tasks. The structures of the Voluntary Labour Corps shall ensure vocational preparation in the form of training for the performance of a specific job and the learning of an occupation, or shall enable youth from dysfunctional families and/or pathological environments to complement general education.

#### Expected results:

54. About 500 thousand persons annually shall be covered by various forms of mobilizing by 2006, including at least 30 % of participants of such activations who should start further education or work, within a period of 6 months from completion of the activation program.
55. In consequence, a drop in the youth unemployment rate is to be expected, declining from 41.1% in the fourth quarter of 2003 to 31.5% at the end of 2006. This should result from the fact that a proportion of the unemployed will find permanent employment, start business or continue education.
56. In 2005, a total of about 30 thousand youths shall be covered by education and work programs of the Voluntary Labour Corps, including about 10 thousand youths, who shall be trained for a specific job. About 5 thousand young persons shall be prepared for examinations to be granted qualification titles. It is assumed that because of these activities about 7 thousand participants of the Voluntary Labour Corps shall find employment.

## **1.2 Counteracting and combating long-term unemployment.**

**Objective:** Curbing the phenomenon of the long-term unemployment and elimination of its causes by supporting the unemployed and the long-term unemployed in vocational reintegration on the labour market, and by supporting their social environment.

57. The following activities shall be carried out: vocational guidance and job placement, training in job-seeking skills, vocational training and on-the-job training, subsidized employment and lump-sum grants for business start-ups. Keeping in mind strong negative psychological effects of long-term unemployment and particularly difficult labour market situation of the long-term unemployed, measures taken to aid them returning to employment will mostly follow this sequence: participation in a specific job club and/ then vocational training. The above measures counteracting long-term unemployment shall be addressed to the unemployed under 25 and above 50 years of age, within the period of 6 months from the registration date. The task shall be implemented with the use of the *Sectoral Operational Program Human Resources Development* funds.
58. The long-term unemployed persons often become the clients of social assistance agencies. Within the framework of provided assistance they shall sign social contracts with the social assistance staff, where they should commit themselves to actively seeking employment. Assistance shall be provided only if the person concerned actively looks for employment.
59. At the same time, by mid-2005, independent experts shall complete an analysis of long-term unemployment, taking into account, inter alia, an evaluation of the effectiveness of labour offices in verifying job-seeking activities of the unemployed and their readiness for work, and recognizing the reasons for their discouragement after earlier attempts at finding employment. The survey shall look into the effects on combining the status of being unemployed or registered jobseeker with the right to social benefits.

### Expected results:

60. Lower share of persons registered as long-term unemployed in total number of the unemployed from 50.3 % in 2003 to 44.0 – 45.0 % in 2006. A percentage of the unemployed shall find permanent employment, start up their own business or shall continue education.
61. Expected “soft” results are an improved self-image by the unemployed and increasing their communication skills and job-seeking motivation, which will result in their improved employability. The results of analytical research shall be used to help make decisions on potential amendments to legal regulations and on the directions of such amendments. The potential legal regulations derived from such research will also help separate the people who are rightfully to be considered unemployed from other reasons for joblessness, often connected with serious and acute problems.

## **1.3 Improving and developing labour market instruments and institutions.**

**Objective:** Adjustment of services provided by labour market institutions to vocational activation needs of the unemployed and job seekers.

62. This task is addressed to labour market institutions. It is an important condition for effective activation of the unemployed and job seekers. Development and implementation of vocational standards of qualification for individual vocational categories in public employment services, as well as standards of services provided by labour offices, the training staff of labour offices (more than 17.6 thousand persons) in accordance with model curricula, as well as providing labour offices with modern tools – all of this should result in increased number of employment offers for the clients of labour market institutions. The task shall strengthen the initiatives taken by these institutions to mobilize both the unemployed at an early stage of joblessness, and the unemployed persons who are particularly disadvantaged on the labour market (such as the long-term



unemployed, the disabled, and the Roma population). To improve the functioning of public employment services, an information bank about good practices in implementation of active labour market programs shall be created. Non-public labour market institutions shall be supported. The support shall consist in dissemination of services of almost 200 functioning temporary work agencies, extending the network of 528 Gmina Information Centers (for job seekers and all persons interested in the employment sphere) and more than 200 Academic Career Offices. Employment agencies, providing job placement services, which have been entered to a register of employment agencies kept by the minister competent for labour issues and hold a certificate issued by this minister, and standards for job placement services shall be implemented. The task shall be implemented with utilization of funds from the *Sectoral Operational Program Human Resources Development*.

Expected results:

63. Training delivered in the period 2004-2006 shall cover about 6 thousand employees of public labour market institutions. The improved effectiveness of services of labour offices is also expected, measured by positive opinion of 60 % of the surveyed clients. Model training curricula shall be developed for the staff of public employment services.
64. In 2005, it is planned to train at least 5 % of the staff of both voivodship and poviats labour offices. Besides, information and training meetings shall be organized for about 400 employees of public employment services. It is expected that in 2005, as compared to 2004, the number of employment agencies shall increase by 50 %, the number of Gmina Information Centres by 30 %, and the number of Academic Career Offices by 20 %. It is estimated that about 250 thousand unemployed persons and job seekers shall take advantage of employment agencies.

#### **1.4 Enhancing the quality of vocational guidance services.**

**Objective:** Development of vocational information and guidance in labour market institutions.

65. The number of unemployed persons and job seekers taking advantage of vocational guidance and information services increases every year. Nevertheless, further improvement of the quality of services is an important challenge for public employment services. This task will be implemented, following the objective of increased quality and frequency of vocational guidance and information services provided by the labour market institutions, by means of vocational development of vocational counselors (also in a form of tertiary level studies), dissemination and implementation of methods and tools supporting counseling services (for example the database of the computer program "Counsellor 2000" in off-line and on-line version, the National Resource Center for Vocational Guidance, within the framework of the *Leonardo da Vinci* program – project entitled *Eurocounsellor: integrated networks of disseminating instruments, training paths and methodologies*), institutional development of vocational counseling networks (School Career Centers, Academic Career Offices). A network of services shall be created in the field of vocational information and youth guidance, in a form of Mobile Vocational Information Centers, on the basis of existing Education and Labour Centers as well as Education Centers of the Voluntary Labour Corps. Counseling shall be promoted at each stage of vocational development. Access to counseling services and to widely conceived vocational information shall be increased, at later stages of life for all persons concerned.

Expected results:

66. In 2005, about 400 thousand unemployed persons and job seekers (as compared with 320 thousand in 2003) should take advantage of vocational guidance services in both group and individual forms and at least 500 thousand persons should take advantage of vocational information in public employment services.

## **1.5 New methods of financing job placement services.**

**Objective:** Improved scope and quality of job placement services for the long-term unemployed.

67. Poviats labour offices are organizational units of poviat self-governments. Starting from 1 January 2004, activities of labour offices, including provision of job placement services, are financed from the resources of poviat self-governments. Resources designated by poviat self-governments for the operation of labour offices are insufficient. It results, inter alia, in a very unfavorable number of the unemployed per one job placement officer, which does not guarantee a good quality of services. In 2002, as much as 2,385 persons fell to one job placement officer in poviat labour offices. Existing non-public labour market institutions also are not able to ensure appropriate services for the most disadvantaged persons on the labour market.
68. By virtue of the law of 20 April 2004 concerning employment promotion and labour market institutions, specified remuneration allowances for job placement officers employed in public employment services may be financed from the Labour Fund resources. This solution shall come into force since 1 January 2005. However, it seems that it will not be a sufficient remedy for the present situation of limited staff.
69. Therefore, with a view to increase the effectiveness of public employment services, within the framework of this task, an algorithm of the distribution of Labour Fund resources shall be modified in 2005, to take into account the effectiveness of job placement services. To evaluate the effectiveness of job placement services, among others a universal standard will be used to measure the effectiveness of labour offices and to determine the accessibility at the local level of resources divided by central government.
70. Within the framework of the described task, an analysis of the reasonability of refinancing, from the resources of the Labour Fund, of job placement services provided by non-public labour market institutions shall be carried out. The analysis shall be based on an assumption that a transfer of resources should depend on the effectiveness of job placement services (that non-public labour market offices will only receive refunding when the unemployed person is hired). The analysis shall also cover an evaluation of the methods applied at the central level to fix the amount of refund per one unemployed person who finds employment.
71. To increase the accessibility of job placement services, also for persons with low vocational qualifications, job placement services contracted out by poviat labour offices shall be promoted on a basis of the law of 20 April 2004 concerning employment promotion and labour market institutions.

### Expected results:

72. An increased effectiveness in job placement. Implementation of this task should indirectly contribute to a reduction in structural unemployment thanks to matching labour supply to demand. It should also increase the knowledge of labour offices about local labour markets and should allow for greater effective implementation of other labour market policies.

## **1.6 Curbing the inactivity and poverty traps.**

**Objective:** Reducing the de-activating role of social transfers.

73. An analysis of the impact of social transfers on the de-activation of population shall be carried out in 2005. This analysis should serve as a basis for proposals aimed at better targeting of social transfers to curb inactivity traps.

### Expected results:

74. Changed character of social policy: developing a system promoting economic activity and in effect increased the employability of economically inactive groups.

## **Guideline 2: Job creation and entrepreneurship.**

### **Context:**

75. In 2001, the number of entities in the small and medium enterprises (SMEs) sector increased in Poland to 3,348,000 (the situation as of the end of the year). However, the number of enterprises that were liquidated in that same period is high. The enterprise survival rate after three years is 51%, which means that in Poland only every second enterprise is able to survive longer than 3 years. The SME sector constitutes 99.8% of the total number of enterprises registered with the Regon statistical system. SMEs in Poland give almost half of the Gross Domestic Product and total export. Of about 10,290,200 people employed in the national economy (with exception of agriculture, forestry, fishery and aquaculture) almost 7,006,200 (68.1%) were employed in small and medium enterprises.
76. High general costs and administrative obstacles form a barrier restricting the development of SMEs. SMEs bear high operational costs of running the business. This results in a low level of investment and the lack of opportunities for absorbing the latest technical and technological innovations. Moreover, Polish SMEs has less access to information about new technologies and do not have the necessary skills to transfer such technologies.
77. One of the priorities of the national economic policy is to eliminate financial and organizational barriers to development of entrepreneurship, most of which are bureaucratic. The law of 2 July 2004 on the freedom of economic activity (Dz. U. /Journal of Laws/ No 173, Text 1807) aims at liberalizing the conditions under which enterprises function. The law provides for a significant simplification of the procedures related to setting up of enterprises, reducing the range of concession requirements for economic activities, reducing the scope and the number of controls conducted by monitoring bodies, and eliminates the necessity to holding sales permits for some goods. The law strengthens the status of the entrepreneur in his (or her) relations to public administration.
78. In 2003-2004 numerous amendments were introduced to the labour law regulations which increased the flexibility of employment. Many rules and duties of entrepreneurs were moderated with reference to enterprises that employ less than 20 persons. That should further increase the adaptability of employment terms to the needs of the labour market and shall stimulate job creation in the SME sector.
79. The economic entities are faced with a challenge of documenting the quality of their products and services compliant with the international standards. In Poland, larger enterprises receive a significant majority of certificates. Small enterprises are often not able to take interest in getting formal quality certificates because the process of certification requires large amounts of money and is time-consuming.
80. However, despite their limited financial resources and a certain psychological barrier, SMEs very often make use of the support and assistance of counseling, informational, financing and training institutions. The services provided by those institutions are not always of a high or comparable level. Also they are not easily available. The system of support for small and medium enterprises, including for example the network of the National System of Services for Small and Medium Enterprises supervised by the Polish Agency for Enterprise Development, provides access to necessary information, counseling and financial support. The system has been systematically developed, however it still lacks the necessary resources to satisfy the needs of entrepreneurs.

## **Tasks:**

### **2.1 Supporting investments in enterprises.**

**Objective:** Increasing the competitiveness and adaptability of enterprises to conduct business in the Unified European Market through product modernization and improved technology and by growth of investment outlays in enterprises.

81. Small and medium enterprises shall be offered financial support for part of the expenditures for purchasing machinery and equipment, the cost of research and development and/or rights to industrial property and to the implementation and commercialization of technologies and innovative products. Those tasks shall be fulfilled under the *Sectoral Operational Program Improvement of the Competitiveness of Enterprises*. Help to reach this task shall come with the implementation of the actions arising from the report of the Ministry of Economy and Labour, titled *Entrepreneurship in Poland of 2004* (adopted by the Council of Ministers on 6 July 2004)., That report addressed such areas as creation of a solid macro-economic foundation, facilitation and acceleration of the investment constructing processes to minimize the investment risk and investment costs, and the creation of extensive and unambiguous tax regulations.

#### Expected results:

82. In consequence of providing about 5,000 enterprises with financial support, by 2006 there should an increase of investment outlays by about 3 % and modernization of capital assets in small and medium enterprises. It is assumed that as a result of the investments made not only the number of the current jobs should be maintained, but also about 18,000 new jobs should be created in enterprises (within 18 months since the completion of the implementation of such projects).

### **2.2 Development of business support for enterprises – counselling and supporting institutions.**

**Objective:** Easier access by entrepreneurs to business specialists and counselling concerning: doing business in the Unified European Market, implementing and programming quality management systems, improving both the work environment and occupational health and safety, obtaining compliance certificates, help introduce innovations and new technologies, starting and developing export activities, building of co-operative networks, and combining enterprises.

83. To achieve this objective there are the measures pointed to by the projects of the *Sectoral Operational Program Improvement of the Competitiveness of Enterprises*, aimed at establishment and development of a coherent system of business services and financial support to small and medium enterprises for reimbursement of part of the costs of accredited counselling services. The Polish Agency for Enterprise Development handles accreditation for potential service providers.

#### Expected results:

84. By providing support to about 16,000 enterprises, by 2006 there should be an increase in the number of enterprises holding quality certificates by some 2,500 and an increase in the number of innovative enterprises by about 300. It is also assumed that the exports of SMEs should grow – about 6,000 enterprises should have an increase in their export returns (in 18 months since the completion of the projects). It is assumed that about 8,800 jobs should be created and maintained in one year after the completion of the implementation of these projects. The number of the institutions assembled in the National System of Services for SME should increase up to around 270 and a National Network of Innovation should be established, linking together about 120 institutions.

85. Another result should be that the quality of services provided by business support institutions shall improve and they shall increasingly address the needs of the entrepreneurs, which shall contribute to an increase in the enterprise survival rate as well as the job maintenance rate.

### **2.3 Development of the loan and guarantee funds system.**

**Objective:** Easier access for entrepreneurs to external sources of financing to foster investments in enterprises to improve their competitiveness.

86. The tasks will consist in capitalization of the loan and guarantee funds, which will make the access to bank credits easier, and thus will increase the opportunities for stable development for small and medium enterprises. The task may be carried out under the *Sectoral Operational Program Improvement of the Competitiveness of Enterprises*. At the same time the system of loans granted by Bank Gospodarstwa Krajowego (the National Economy Bank) to young people (unemployed persons under 25 years of age or graduates of tertiary level schools under 27 years of age) for starting economic activity will be developed.

#### Expected results:

87. An increasing number of the guarantee funds and the loan funds operating within Poland and their more balanced regional distribution. The goal is to built a network of about 100 local guarantee funds and 16 regional guarantee funds, and also 100 local loan funds and 16 regional loan funds, which in effect shall contribute to the growth of investment in the enterprise sector, as well as creating new employment opportunities in this sector. It is assumed that about 3,000 new jobs shall be created (in 18 months since the completion of the projects) in the enterprises utilizing services of financial institutions.

88. Thanks to the loans from the Bank Gospodarstwa Krajowego (the National Economy Bank) about 370 to 450 new jobs shall be created for young people.

### **2.4 Promoting Entrepreneurship – support for developing mirco-enterprises.**

**Objective:** Fostering establishment of new micro-enterprises and providing the newly established micro-enterprises with assistance in utilization of available support instruments.

89. This task consists in providing complex direct support to persons that plan to start up their own business (in the form of a micro-enterprise employing up to 9 workers). Assistance shall be provided in overcoming barriers that obstruct both setting up such an enterprise, and its initial functioning. The task under the *Integrated Operational Program for Regional Development* shall be carried out by the network of centers providing training and advising services. These centers oversee the operation in Poland of over 140 Consulting and Advisory Centers. These centers were selected through competition for those non-commercial organizations assisting entrepreneurship development, holding certificates of quality assurance (issued by the National System of Services for Small and Medium Enterprises or according to ISO 9000 standards or their equivalent). The network of centers, selected also on the basis of competition, shall provide advisory and training services that support establish and conduct of businesses and transfer financial support (in the form of a single investment grant for the development of activities) that is available after the registration of a micro-enterprise.

#### Expected results:

90. It is assumed that about 4,000 new micro-enterprises shall be set up, of which 50 % shall be established by persons leaving the agriculture sector, 40 % shall be established by persons leaving a restructuring industrial sector (where loss of employment is threatened), 20% shall be run by women, and 15 % shall be run by the youth under 25 years of age.

### **Guideline 3: Address change and promote adaptability and mobility in the labour market.**

#### **Context:**

91. There is a growing demand in Poland for employees with higher levels of education, and high levels of qualifications, professional experience, as well as with an ability to acquire and apply knowledge. The description of the nature of unemployment against the changes in the demand structure points to the problems of enterprises in recruiting suitable workers. This can be seen in the detailed results of the labour demand survey conducted by the Central Statistical Office among 62,800 economic entities in 2002. The surveyed entities faced difficulties in recruitment of 47,700 persons of specific occupations and of varied levels of education. At the same time among the recruited employees the majority of them (more than 69% of the total recruited) lacked the needed levels of education, i.e. only possessing basic vocational and primary education.
92. Labour supply usually adapts to new requirements very gradually. Polish villages are particularly confronted with a surplus of labour, true both farmers and other village residents, usually persons with lacking needed qualifications. Thus the labour forces living in Polish villages offer a greater challenge to the system of life-long learning, re-qualification and vocational improvements for employees to prevent exclusion from the labour market.
93. The wide spread promulgation and application of the regulations concerning flexible forms of employment and work organization that existing Polish labour law possesses, seems equally essential for the greater adaptability of both employees and enterprises to the ever increasing requirements of labour supply. The effects of wide spread promulgation shall have impact on increasing the ability of enterprises to be willing to create flexible forms of employment, to allow greater flexibility of the scheduling of work-time and to introduce new work systems (i.e., weekend working, a shorter working week, task working, telecommuting etc.). Greater knowledge of existing labour law will help enterprises to liberalize the principles of compensation for Sunday and holiday working thereby increasing its availability, and introduce the concept of using replacement workers for absent employees. The new form of employment, which are easier to apply and needed in many sectors, such as part-time work or temporary work, offer an incentive to the employers to employ for a short period or for a definite work period.
94. The law of 20 April 2004, concerning employment promotion and labour market institutions, allows for special solutions related to the management of labour resources. The law holds that when laying-off a large number of employees the employer shall be obliged, in co-ordination with the labour office, to support them by providing placement services, vocational guidance, training and assistance in active job searching. In the case outplacement the employer shall undertake such measures in the form of a separate strategy towards the employees foreseen to be laid-off or in the process of the process of being laid-off. Another solution that ensures the flexibility in managing human resources comes from the provision of the law that accounts for a possibility financing the costs of the training of an employer delegated to long training by the means of the Labour Fund on the condition that the employer recruits (for the job of the employee delegated to training) an unemployed person (so-called *job-rotation*).
95. In Poland, full-time work is certainly the dominating form of employment. Part-time employment constitutes only 11% of the working population (5 % in the public sector and 13 % in the private sector). The reason for taking up part-time employment for 28 % of employees (from a total of 1,467,000 persons employed on part-time work) was the inability to find full-time employment, whereas 34 % of employees prefer this form of employment. Solutions utilizing flexible forms of employment were introduced by the Labour Code and the law of 20 April 2004 concerning employment promotion and labour market institutions and their promotion requires intensification of partnership actions of both trade unions and employers. The principle of fully complying with the law in relations between employers and employees should be promoted. To support realizing that principle there is the plan to implement Directive 2002/14/EC of the European Parliament and

of the Council of 11 March 2002, establishing a general framework for informing and consulting employees in the European Community, in Poland by March 2005. On the other hand, planned implementation of the resolution of the Constitutional Tribunal on the permitted effective termination of collective labour agreements shall foster the decentralization of the labour law and at the same time allow for the flexible application of contract law for improvement of working conditions and the employees' sense of job security.

96. Social partnership for vocational mobility of the labour force finds its expression in the employers' involvement in continuous training of their employees. As the indicator of such involvement, one can take the share of the expenditures for improvement, training and retraining of the personnel in the total labour costs, which in Poland is 0.8 %. The share of the expenditures for improvement, training and retraining of the personnel in the total labour costs strongly differentiates the public sector and the private sector, to the advantage of the latter (in 2000 0.5 % and 1.0 % respectively). The highest share, 1.7 %, is recorded in the private sector of transport, storage and communication and the financial intermediation sector.
97. Recruitment of the long-term unemployed persons as volunteers working for public interest organizations, functioning in the area of social services, should be also considered as a condition for acquiring the right to free health insurance. This would require re-definition of the status of the unemployed, changes in legislation governing unemployment, social insurance and voluntary work. An intention of the "voluntary work program" in this sense should be to create conditions for activation of persons who do not leave employment registers only to take advantage of the free health insurance. An additional effect would be increasing popularity of non-governmental organizations and strengthening their role in organizing local communities.
98. Geographical mobility of the Polish labour market cannot easily be ovulated. The disadvantageous situation on the regional labour market does not seem to be the only reason of migration. Living conditions can be considered an equally significant factor in migration. For example in Lubelskie voivodship in 2002 the largest deficit of internal migration was recorded, with the lowest unemployment rate in the country, including youth unemployment (15-24 years of age) and the share of the long-term unemployment below the national average. At the same time Lubelskie voivodship records the worst indicators of households furnished with water supply, bathrooms and gas ranges, which might be considered the determinant of the living conditions.
99. Renting within the framework of the social housing, combined with participation in costs of construction is a relatively new form of satisfaction of housing needs. The programme of social housing was first of all aimed at creating the resources of apartments for rent with financial contribution of gminas and employers. And meanwhile, the vast majority of contributions come from individuals. For this reason the social housing societies become similar, in their actual form, to cooperative housing. It is required that the future form of social housing corresponds to initial assumptions.
100. In the long term it is possible to use the social housing societies as a factor favouring territorial mobility of the labour force. However, for this purpose it is necessary to ensure that apartments in the societies are characterised by flexibility typical for apartments for rent, which means that they should be characterised by a possibly low level of „financial ties” of the tenant with occupied apartment. Apartments of the social housing societies do not meet this condition, which is mainly a result of high participation in costs of construction of the apartment. These issues should be subject to profound analysis to take optimum decisions in this field.
101. The tasks planned within the framework of the National Action Plan for Employment serve to shorten the period of matching labour supply to demand, to apply flexible forms of employment to a higher degree than currently exists, to increase vocational and geographical mobility of labour resources. An efficient realization of this set of tasks requires, however, the participation of and acceptance by the social partners, as well as strengthening social dialogue and involving the social partners.

## **Tasks:**

### **3.1. Staff development for the modern economy.**

**Objective:** Increasing the competitiveness and developing the adaptability of enterprises by investing in human resources.

102. Adaptability of human resources of enterprises to the changing economic conditions is of decisive importance both to labour supply and demand. Increasing the competitiveness of enterprises requires highly qualified personnel, including managerial staff, and promoting the co-operation of enterprises with the science sector. Therefore under the *Sectoral Operational Program Human Resources Development* measures shall be taken (training, post-diploma studies, apprenticeships, counseling related to training, information and promotion, research and analysis) addressed to both employers and employees. An essential element of those measures shall consist in improving so-called general and social competencies (for example information technologies, foreign languages, work culture, team co-operation, unaided problem solving).
103. The dialogue with the social partners shall also be continued, aimed at increasing investments of employers in the development of human resources. The idea of setting-up enterprise training funds shall be promoted. In 2005 the process of drafting up amendments to the legal regulations shall be started, so that in 2008 employers should be obliged to set up an enterprise training fund and to establish enterprise training plans. The plan is that the amount of a training fund should constitute at least 1% of the wage fund, assuming that the amount spent with it should be reckoned towards the revenue-acquisition costs.

#### Expected results:

104. An increase in the proportion of enterprise employees being trained by at least 60,000 every year up to 2006. It is expected that the number of enterprise employees, who after completion of training obtain certificates proving their acquisition of new vocational qualifications and skills, shall grow at least by 40,000 every year, which should improve the way enterprises function.
105. The expected "soft" effects include the promotion, among employers and employees, of the knowledge of the benefits coming from investment in vocational development, a change of attitudes, where training is seen in terms of investment and not of costs, and an increased motivation to learn.

### **3.2 Promoting flexible employment.**

**Objective:** Increasing the knowledge of the opportunities to apply flexible forms of employment.

106. Despite significant modifications of the labour law in Poland whose main aim was to introduce a greater flexibility of labour law regulations and to enable a wider application of flexible forms of employment, the knowledge of the possibilities created by the new legal regulations among employers and employees is less than adequate. Despite the established legal instruments, the application of flexible forms of employment remains at a relatively low level.
107. A survey of the conditions and quality of work organization in Poland shall be conducted on the ground of the social dialogue between employers and workers organizations (also within the Tripartite Commission). Cases of violation of the labour law under the banner of flexibility and the conditions for actual implementation of flexible employment forms (as an opportunity for the growth of employment) shall be the subject of the survey and evaluation. Then, on the basis of the results and conclusions of this survey, a promotion and information campaign shall be launched. It shall be addressed both to employers and to disadvantaged persons on the labour market. The campaign shall focus on presenting the flexible forms of employment not as less desirable substitute to standard forms of employment but as a very attractive alternative, allowing disadvantaged persons to enter and develop in the labour market. It concerns the young, women and elderly persons, as well as the disabled. Self-employment shall be especially promoted by



implementation of such legal and organizational solutions (for example curbing of the financial burdens connected with social insurance and social contributions, equal treatment by the banking system of the self-employed to the employed in credit-applications, and easier accessibility to premises) that shall encourage individual economic activity.

108. As in the case of the flexibility of employment, similar promotion is required encouraging greater organizational flexibility (application of various forms of enterprise organization from the point of view of the work delivery process, for example telecommuting, job rotation) and improved functional flexibility (modifications to the task scope of an employee following the changes in the tasks of the enterprise).

109. It is expected that this task shall be fulfilled in co-operation with the social partners.

Expected results:

110. It is assumed that the application rate of flexible forms of employment (weighted) shall grow to 1 %, and a change to the image of persons working in such flexible forms of employment shall occur, especially among the employers and the young, the elderly, women and the disabled.

### **3.3 Vocational reorientation of persons threatened by restructuring.**

**Objective:** Reorientation of vocational qualifications of the employees of sectors under restructuring, as well as of other persons threatened with loss of employment resulting from restructuring.

111. The fulfilment of the described task shall enable the workers threatened with loss of employment in sectors under restructuring, not covered by governmental protective programs, as well as employees of sectors that received state aid in the form of such programs, as *Coal mining restructuring program and aid for Silesia in 2003-2006, The Activation Package for Metallurgy*, to take up new occupations. Aid shall be also offered to employees in the period of notice where the cause is due to the employer, and to people employed by an employer who was declared bankrupt or who is under liquidation. For the above mentioned categories of workers, there shall be training aimed at providing them with qualifications and vocational skills related to their new occupation, job placement in Poland, vocational information, counselling services related to the selection of a new occupation or needed qualifications. Individual action plans shall be offered, consisting in supporting persons threatened employment loss in choosing proper occupation and workplaces and in subsidizing employment in a new workplace. This task forms a part of the *Integrated Operational Programmed for Regional Development*.

Expected results:

112. It is expected that from 15,000 persons in total covered by these tasks, 85 % shall successfully complete their training and courses.

113. From among the total number of 35,000 participants of the projects, within 6 months of completing their participation in such projects mentioned in this task, 18 % shall find new job outside of industries, sectors and enterprises restructured.

### **3.4 Implementing the EURES system.**

**Objective:** Supporting mobility in the national and European labour market.

114. On the day of Poland's accession to the European Union, the Polish public employment services joined the EURES network. Organizational activities (development of the national Internet portal, preparation of the PULS and/or SYRIUSZ systems to collaborate with the EURES network, training of employees) and promotional activities (propagation of information about the system among employers and job seekers) leading to the creation and development of effectively co-operating with the EURES network all over the country shall be continued. In that way, services provided by voivodship and poviats labour offices shall be supplemented by services offered by EURES. Making use of the services of EURES, on the one hand, offers a chance to the

unemployed persons and job seekers from Poland to find suitable employment in countries of the European Economic Area (EEA), and on the other hand enables the Polish employers that cannot find appropriate candidates for work in Poland to recruit in the countries of the EEA.

Expected results:

115. Easier access of job seekers, employers and other persons concerned to the information about EURES and job offers in the area of the EEA by use of the modern computer technologies. About 200,000 visits at the web-site per year are expected.
116. Greater dissemination of the services offered by EURES shall take place. In a year, about 150 meetings and information workshops shall be organized. EURES counselors and assistants shall take part in about 50 fairs and job markets, while about 1500 institutions and organizations of the social partners shall be sent promotional materials.
117. It is expected that at least 20 recruitment actions within the framework of EURES for foreign employers shall be organized, which will bring fruits in the form of declared employment of Polish citizens in the EEA countries.

### **3.5 Improving the public transport system as a condition for enhancing geographic mobility on the labour market.**

**Objective:** Removing transportation barriers related to commuting to and from work.

118. The law of 20 April 2004 concerning employment promotion and labour market institutions allows for reimbursement with the Labour Fund of the costs of transportation, for example to and from the place of employment or any other paid work (as well as of an apprenticeship, training or vocational guidance classes), to persons meeting specific criteria. However, a weak infrastructure of roads and railways, lack of transportation means, not-correlated time-tables of different transport services providers, and lack of harmonization of time-tables among regions are significant factors that restrict the access to employment (and education). Removing such obstacles are beyond the competency of labour market instruments. Removal of such barriers, and optimization of the regional passenger transport are actions to be undertaken under a task which in part shall contribute to diminishing the unwillingness in changing the location of one workplace and for looking for a job outside of areas close to one's residence, and reducing the low geographical mobility of human resources.

Expected results:

119. Removal of transport barriers and in doing so increasing the mobility of human resources between neighbouring regions.

### **3.6 Implementation of the monitoring the growth and decline of occupations.**

**Objective:** Co-ordinating the education and training of the unemployed and job seekers with the requirements of the labour market.

120. In view of the necessity to adjust the qualifications of people sought by employers to the specific requirements of the jobs offered, it is important to correctly diagnose the requirements of given employers. The methodology of monitoring the growth and decline of occupations, worked out in the recent years, was implemented on pilot project basis. Undertaking systematic actions under this task the following systematic actions will be taken: drafting semi-annual diagnostic reports and annual diagnostic and prognostic reports on occupations, survey research in workplaces on planned recruitment and dismissal of employees in particular occupations, monitoring the number of graduates of the upper-secondary schools, the implementation of the computer information system. In results such method shall be implemented as a standard instrument for labour offices.

Expected results:

121. Systematic recognition of the directions and intensity of the fluctuations taking place in the occupation and qualification structure within the local, regional and national labour markets. Such recognition will be made possible by use of the computer information database. There also should be an increased effectiveness of organized training thanks to the adaptation of training directed to the needs of employers. Making the result of information obtained by this task available to educational authorities and school headmasters to correct the level, structure and content of vocational education.

**3.7 Implementing the labour demand forecasting system in Poland (LDFS).**

**Objective:** Making labour demand forecasts in terms of qualifications and localization for 2006-2015.

122. Work shall be undertaken to make labour demand forecasts in terms of qualifications and of occupations and in terms of localization (in the country and in particular voivodships) for 2006-2015. It shall cover updating the existing databases necessary for making forecasts and improving the informational part of LDFS, and adapting the macro-econometric model.

Expected results:

123. Regular identification of the directions and intensity of the fluctuations taking place in the occupation and qualification structure on the regional and national labour market shall result in improving human resources management by providing needed information about employment opportunities. It shall ensure more correct adjustment of educational paths to the needs of the labour market. This shall form the basis for guiding the development of human resources. In effect, it should contribute to reducing structural unemployment.

**3.8 Monitoring local labour markets.**

**Objective:** Improving the quality of labour market services on the basis of analysis of local labour markets and the knowledge of local labour demand and supply.

124. A methodology – via an analytical package – shall be developed for local (poviat) authorities to enable them to analyze the situation of the poviat labour market. The analysis will cover the main factors affecting the labour market situation, reasons for maladjustment of wage expectations, attitudes of the unemployed and economically inactive persons, personal features determining their labour market situation and causes of barriers to employment development. The staff of the poviat labour offices shall be trained in the application of this methodology. The study of usefulness of the analytical package for economic policy at self-governmental level shall be carried out. This task, which assumes examination of labour demand and supply, implemented with the use of financial resources under the *Sectoral Operational Program Human Resources Development*, is of a complementary character to the *Monitoring of Deficit and Surplus Occupations*, which focuses on the unemployed.

Expected results:

125. Services offered by poviat labour offices should be adjusted to meet the actual needs that are revealed by of the studies made from this task.

## **Guideline 4: Promoting the development of human capital and lifelong learning.**

### **Context:**

126. In the 1990s, the legal foundations were established to enable the education system to function under the new political and economic conditions. In 2004, a reform was introduced that covered the upper secondary schools. Scholarization rates at the secondary and higher level increased. The demand for education at the higher level increased. In the 2003/2004 academic year the number of students amounted to 1,858,700 against 403,800 in 1990/1991, and the gross scholarization rate at that level of education increased from 13.1 % to 47.0%. From among all the students in the academic year of 2003/2004, 52.9 % studied in the evening system, extramural system and accelerated system. It is expected that in the 2004/2005 academic year the number of students shall grow to 1,937,900 (scholarization rate – 49.4%), and in the 2005/2006 academic year to 1,996,100 (scholarization rate – 50.9%).
127. In Poland, 49 % of people between 25 and 64 years of age completed at least secondary education, and when basic vocational education is included (in compliance with the ISCED classification – level 3c) the rate goes to 79 %. This points to the challenges facing the system of continuing education. Its significance was further shown in the *Strategy for Development of Continuing Education until the year 2010*, adopted by the Council of Ministers in 2003. This strategy formulated six strategic goals: increasing access to continuing education, recognizing the needs of persons wishing to broaden their knowledge and improve qualifications, and requirements resulting from the labour market transformations, raising the quality of lifelong learning, increasing co-operation and social partnership in its implementation, increasing investment in human resources, creation of information resources and the development of counselling services, and developing the social recognition of the role and importance of lifelong learning. The implementation of the *Strategy for Development of Continuing Education until the year 2010* requires increased funds. At present adult education constitutes only 0.6% of the total state budget for education.
128. Increased investment in the development of human resources cannot be adequate done without shaping positive attitudes towards lifelong learning, starting from a young age. Positive attitudes towards lifelong learning might be shaped by the network of School Career Centers operating in 158 upper-secondary schools, developed under the framework of *First job* and with the financial support of self-governmental authorities, which by 2006 shall cover 20 % of over 7,500 upper-secondary schools for young persons in Poland. The plan is to provide the young in almost all upper-secondary schools with assistance of a trained teacher–adviser in planning their educational and professional career. Academic Career Offices, the number of which grew to more than 200 over the recent years, also contribute to the promotion of lifelong learning. Applying the appropriate forms and methods of education are an important promotional factor of lifelong learning with adults and the elderly. Modular education has here a leading role. It enables the flexible beginning of and completion of education, making it easier to use and combine practical vocational skills with theoretical knowledge and social competencies. It ensures the transparency of acquired qualifications necessary to perform specified vocational tasks and certified.
129. Employers have become partners in the field of adult education. There is a growing interest of employees in training courses that improve the quality of their qualifications. From research conducted recently, one can conclude that 41 % of enterprises organized some form of training. However, a significant part of the adult population (49 %) still does not see any need for training. Other surveys also show that the number of persons in Poland that undergo further training amounts from 1,200,000 to 1,500,000, i.e. from 8 % to 10 % of the persons employed in the economy (against 20% respectively in the EU), and every employed person spends in some organized form of training about 2 hours a year on average (as against 50-70 hours per year in the western members of the EU). The expenditure by employers on staff training, development and

retraining constitute about 0.8 % of the labour costs. Personnel management, including so-called age management, the purpose of which is to make use of extensive vocational experience and to sustain activity of elderly employees, seems to constitute a challenge to small and medium enterprises. This should also be addressed by the offer of support to an enterprise by way of counselling and services of institutions supporting business (see Guideline 2).

130. An income tax exemption for the amount of the allowances granted by an employer for the development of vocational qualifications and general education of an employee is a factor encouraging investment in vocational development.
131. The new law of 20 April 2004 concerning employment promotion and labour market institutions to set up an enterprise training fund in companies can play a significant role in motivating employees and employers to pursue education. Creation of the training fund is of a facultative character, but the very existence of such a fund can make it easier for an employer to obtain public means for purposes related to the education and training of employees. Under the circumstances of the expected economic growth and inflow of means from European structural funds, the training fund might successfully be used. This instrument could be successfully used to assist employers to cover those employees engaged in off-site training by employing people on a temporary basis. It is planned that after 2008 a facultative enterprise training fund shall be changed into an obligatory fund financed through a 1 % deduction from the wage fund, which employers will be able to count towards their revenue-earning costs (see Task 3.1 under Guideline 3).
132. Over the recent years the Labour Fund expenditure on financing vocational training of the unemployed and job seekers has increased. Of the total unemployment, 4 % attend such training. The effectiveness of such training measured with employment after the completion of training does not exceed 1/3 of the total number of the trained unemployed. Thus it is essential to combine investment in training of the unemployed with the needs arising from economic development plans, so that it should be possible to create staff potential for the regional and local labour markets. Such potential, created by appropriate qualifications, shall be able to attract future investments, also investments of foreign capital.

#### **Tasks:**

#### **4.1 Developing an information system assisting lifelong learning**

**Objective:** Drafting up and implementation of the all-Poland system of information about the opportunities of continuing education in individual regions of the country.

133. A database shall be built which will enable to obtain information about schools for adults, with accounting for the types of schools and types of educational services, and also the centers providing off-site continuing education as well as the number and variety of those forms. The data collected in the database shall enable to identify the number of schools and centers, including the centers with accreditation of the superintendent of schools (the regional educational authority), the scopes and forms of lifelong learning available, both all over the country and in particular voivodships. The database shall enable all concerned entities to get a better understanding of what is available in the educational services market.
134. In addition, voivodship labour offices shall conduct registration of training institutions interested in obtaining public funding for training the unemployed and job seekers. The data from those registration records – available on the Internet – shall constitute an information database for labour offices, employers and individual persons about potential training offers. They shall also be collected at a level of the Ministry of Economy and Labour for analytical purposes.

#### **Expected results:**

135. The information – widely promoted by the creation of generally accessible websites – on the opportunities to get educational and vocational qualifications in a given area, and about the varieties of forms and scopes of training and education available. In 2005, the data about 3-4,000 training institutions shall be collected and updated in the register.

#### **4.2 Drafting up and implementing the principles of distance learning for lifelong education.**

**Objective:** Creating the network of regional distance-learning centers and formulating the principles of its functioning.

136. Creation of a network of distance-learning centers and institutions, which shall enable, especially adult persons, to obtain and supplement general knowledge and vocational qualifications in off-site forms. This shall also address measures planned in the *Sectoral Operational Program Human Resources Development*: drafting up the underlying principles of distance-learning, post-graduate studies for the personnel delivering distance-learning, drafting up appropriate curricula and multimedia packages, equipment of the centers and institutions with specialist devices. Access to the network by the disabled shall be supported by the purchase of necessary technical measures (see Guideline 7).

Expected results:

137. 16 regional centers of distance-learning will be created, which shall increase the access to various kinds of off-site programs and in particular shall enable those groups access to distance learning who have till now had difficult access to education because of their place of residence, low level of education, personal situation or health condition (e.g., residents of rural areas, the disabled, the unemployed and job seekers).

#### **4.3 Developing vocational qualification standards.**

**Objective:** Improvement of the quality of vocational education and lifelong learning in relation to the needs of the labour market, and establishment of the basis for creating a system of transparency of and recognition of qualifications.

138. Standards of qualifications shall serve to launch education and training programs and to specify examination requirements. They shall facilitate the recognition of certificates, shall ensure transparency and the recognition of qualifications acquired in various forms and in various places. Thus they shall enable implementation of other actions serving to enhance the education quality under the *Sectoral Operational Program Human Resources Development*. This task consists in the further development of the standards of vocational qualifications, supplementing the existing collection, and derived from the needs of enterprises and institutions (though using existing research methodologies). The task also includes creation of an electronic database on the standards of vocational qualifications at the national level and updating its resources, as well as disseminating information about the standards of vocational qualifications through the Internet.

Expected results:

139. In 2005 a need for drafting up successive vocational standards of qualifications shall be identified in co-operation with the education authorities, social partners, sectoral organizations. This shall form the basis for drafting up about 100 new standards of vocational qualifications, of which about 50 standards shall be introduced into the database available in the website of the Ministry of Economy and Labour.

#### **4.4 Modernizing and developing a program for lifelong learning by creating modular curricula.**

**Objective:** Increase in vocational mobility and ability to get and maintain employment on the local, national and European labour market.

140. Modular curricula allow for quick updating of the contents of vocational education in accordance with the developing technique and new technologies. Implementation of the modular education shall increase the efficiency of vocational education. Because of their properties, modular curricula may be successfully applied in vocational development of employees, especially in their acquisition of new vocational skills, which result from technological reforms and changes to the organization of work, development of science and the requirements of the labour market. This task

covers the following measures: identification of occupations for which modular curricula should be created for, spelling out curricula, training of the staff of public lifelong and practical education centers in the application of modular curricula.

141. In addition, successive vocational modular curricula shall be created based on the methodology worked out in the recent years in Poland following the guideline from the International Labour Organization. The Ministry of Economy and Labour shall keep electronic database on the modular curricula and its resources shall be systematically updated. The database shall serve to propagate information on modular training and to spread the contents of modular curricula to the persons and entities concerned.

Expected results:

142. In result of the performance of this task, the curricular offer of lifelong learning opportunities shall be modernized and enriched with particular consideration of further promotion of modular curricula encouraging the quality improvement of vocational education and training. Currently 50 modular curricula for schools are being created, and by 2006, another 150 curricula will be created and about 2,500 educational packages, which form a didactic structure to modular units (a package consists of a student handbook and a teacher's guide). In 2005, about 80 new vocational modular curricula shall also be created, of which about 50 introduced into the database shall be available for use by the centers and persons concerned.

#### **4.5 Increased access to education – promoting lifelong learning.**

**Objective:** Increased access to education at all levels of education – from kindergarten to continuing education for adults, with the promotion of lifelong learning in rural areas.

143. The task performed under the *Sectoral Operational Program Human Resources Development* includes the establishment of new institutions, encouraging research, providing subsidies to schools, assisting in the purchasing of computer and techno-didactic equipment, and creating curricula, didactic materials and methodologies. An essential element strengthening the enlargement and modernization of the system of lifelong learning shall be the implementation of educational measures undertaken under the framework of the *Integrated Operational Program for Regional Development* in the form of granting premiums for implementation of education and training undertakings (courses, qualifications development training, language and IT training, vocational apprenticeship, scholarships, counselling services in education). Such educational and training undertakings just mentioned shall contribute to the improvement of the education level and vocational skills of citizens, especially in rural areas and regions experiencing the restructuring of industries.

Expected results:

144. By 2006, access to education shall increase by the establishment of 13,000 educational entities, such as alternative kindergarten education, distance learning centers in villages, the Internet centers of multimedia information in school and teaching libraries. It is expected that thanks to the implementation of this task, in 2006, the percent of persons with maximum lower-secondary education who do not continue education shall drop to 7 % (in comparison with 7.6 % in 2002).

#### **4.6 Enhancing the quality of education responding to labour market needs.**

**Objective:** Strengthening of the future employability of students encouraging of the use of IT applications in the education process, training for teachers, the accreditation of educational institutions and the creation of a system of collection and analysis of educational statistical data.

145. The objective shall be achieved, under the *Sectoral Operational Programme Human Resources Development*, both by providing schools and educational centers with modern equipment, and by supporting the system of external examinations, developing the vocational guidance and counseling, vocational development of staff, and introducing the system of accreditation of the

institutions delivering education in out-of-school forms. Supplementary measures shall for example be as follows: courses for teachers (ICT, foreign languages, pedagogy, methodology of teaching), training for administrative staff in accreditation procedures, post-graduate studies, creation of databases of accredited institutions, purchase of computer equipment together with software, drafting up a guidebook to accreditation procedures for centers delivering continuing education in out-of-school forms, research on the results of external examinations.

#### Expected results:

146. By 2006, 200,000 new computer workplaces shall be created in schools. In result students shall have definitely better access to the Internet – the number of students per one computer with the Internet access shall drop to 15 in 2006 (in comparison with the average of 41.8 in the 2001/2002 school year).
147. By 2006, 34.3 % of the total number of teachers shall have been trained in the application of information and communication technologies, foreign languages, teaching second subject, special pedagogy, methodology of teaching vocational and general vocational subjects, and playing the role of a vocational counsellor. From among all the teachers trained in application of information and communication technologies, 90 % shall obtain certificates proving their qualifications in the application of those technologies in the educational process. The share of the teachers trained in foreign languages shall reach 6.8 % of the total number of teachers.

## **Guideline 5: Increasing labour supply and promoting active ageing**

### **Context:**

148. Rural areas in Poland are characterized by the phenomenon of non-utilized labour force. In the fourth quarter of 2003, employment in rural areas amounted to 5,388 thousand persons, which accounted for 39.3 % of total employment. At the same time, 1,076 thousand persons resident in rural areas were unemployed, accounting for 32.9 % of total unemployment in Poland. In the same period, the general employment and unemployment rates for rural population 15 years and older amounted to 46.8 % and 16.6 % respectively. The number of economically inactive persons 15 years and older, residing in rural areas, reached the level of 5,039 thousand, which accounted for 36.0 % of the total number of economically inactive population.
149. The level of labour supply in Poland results both from demographic trends and from several factors that bring about the phenomenon of de-activation of population. Some of those factors are earlier retirement, pre-retirement allowances and benefits, extension of the education period and growth in the scholarization rate. The declining trend of the population activity rate, which shows the degree of economic utilization of potential labour resources, was recorded in the 1990s. According to LFS, the activity rate in the fourth quarter of 2002 amounted to 55 % and in the same period in 2003 to 54.8 %. Employment decrease is reflected, on the one hand, by open unemployment and, on the other hand, by a high number of economically inactive persons (particular the elderly). The employment rate in the fourth quarter of 2003 for persons aged 55 - 64 amounted to 27.2 %. In 2002, the highest rate of long-term unemployment was recorded in the 50-54 age group, which means that these persons lost their jobs no later than 2000-2001 and at the age of 48-52. The situation becomes even more complicated due to demographic changes occurring in Poland. The Polish population is ageing, the number of births is dropping. This phenomenon may result in future decrease in labour force and may reduce the efficiency of the system of social transfers.
150. Before mid-1990s, favourable conditions were created for persons interrupting work before reaching the retirement age, thus encouraging them towards vocational de-activation. Later these advantages were being restricted. As the first step, the old-age pension reform has been launched. It discouraged people from prematurely becoming economic inactive. Besides, the principles of granting pensions in respect of inability to work have been changed, by introducing new institutional and organizational solutions and more rigid criteria to acquire the right to these



benefits. The process of liquidating pre-retirement allowances has been initiated (as from 2002 they have not been granted any longer) and the pre-retirement benefits have begun to be gradually curbed. Legal regulations, introduced by the law of 20 April 2004 concerning employment promotion and labour market institutions, as well as by the law of 30 April 2004 on pre-retirement benefits (Dz. U. No 120, Text 1252), introduce more rigid requirements that have to be met in order to be granted the pre-retirement benefits, and thereby make their accessibility dependent on undergoing vocational activation procedures proposed by the labour office. Besides, the right to this benefit is acquired 6 months after being entered into the register of the unemployed and under condition of receiving the unemployment benefit during this period.

#### **Tasks:**

##### **5.1 Promoting economic activity among the rural population.**

**Objective:** Reducing hidden unemployment in rural areas and better manage the surplus of labour resources.

151. This task shall be implemented mainly with the support of the *Sectoral Operational Program Restructuring and Modernization of the Food Sector and Rural Development*, as well as *SAPARD*.

152. It includes activities which support starting up or development by rural population of supplementary activity in the field of agro-tourism, services connected with tourism and recreation, services supporting agriculture and forestry, small scale processing of agricultural products or edible forest products, direct sales of products (in most cases from their own farm), manufacture of energetic materials from biomasses (processing of straw, meadow and forest waste, etc.), establishing plantations of perennials designated as fuel, craft and handicraft, petty services for rural population and e-commerce of agricultural products.

153. The measuring of supporting supplementary economic activity of the rural population shall be accompanied by vocational training preparing for restructuring of farms and their modernization, market orientation of production, following the good agricultural practices and adjustment to EU standards in the field of environment protection, hygiene and production quality, food safety and conditions of keeping animals. Blocks of specialized vocational training addressed to farmers under 50 years of age who meet the educational and experience requirement (minimum requirement – primary or basic vocational education of profile other than agriculture and at least 10-year experience in running a farm), shall be devoted to different fields of production, accountancy in rural holding, implementation of agricultural environment programs, as well as tourism, recreation and services provided in rural areas.

154. Vocational activation of the rural population shall be encouraged through support for public and private agricultural counselling services, which provide counselling in taking advantage of assistance within the framework of Common Agricultural Policy, by means of instruments accompanying this policy and structural policy.

155. Measures carried out assisting the rural population shall be supplemented by a project titled *Plan your own career*, implemented by Voluntary Labour Corps. The objective of this project is to mobilize the young from the areas where state-owned farms were formerly located, whom are threatened by structural unemployment. The main measures within the framework of this project include the promoting forms economic activity to replace agricultural activity, developing cooperatives, offering equal opportunities by means of training and didactic workshops.

#### Expected results:

156. About 6,450 projects shall be implemented in 2004-2006 within the framework of this task, including 5,160 projects on individual farms and 1,290 projects on farms run by legal persons. In effect, about 10 thousand jobs shall be created in 2004-2006. The creation or development of supplementary activity, using the resources existing on the farm and in the region as well as taking into consideration market needs, shall create suitable conditions for the development of multifunctional farms that are economically sustainable.

157. Besides, about 10 thousand training sessions shall be delivered for about 400 thousand farmers. Within the framework of specialist courses, about 6 thousand farmers shall be trained.
158. It is assumed that support for activities of public and private agricultural counselling services shall result in creating, with the assistance of counsellors, at least 1,600 thousand applications for financial assistance by farmers.

## **5.2 Promoting economic activity of persons above 50 years of age.**

**Objective:** Encouraging an higher employment rate of persons above 50 years of age, with maintaining necessary social security systems for the most disadvantaged persons on the labour market.

159. Within the framework of this task aimed at increasing the employment rate of persons above 50 years of age, after maintaining necessary social security systems for the most disadvantaged persons on the labour market, the Minister of Economy and Labour shall invite, in the fourth quarter of 2004, labour market institutions to compete in a pilot program entitled *50 +*. In this way activities shall be initiated to curb the phenomenon of leaving the labour market by persons above 50 years of age who tend to apply for various kinds of allowances and for earlier retirement. This objective shall be achieved thanks to measures activating persons losing the right to pensions in respect of incapacity for work (disability pensions) and to rehabilitation benefits, and also enabling the re-employment of unemployed persons above 50 years of age.
160. At the same time, employers shall be encouraged to change their policy towards the employees and candidates for work reaching 50 years of age. In the practice of human resources management such principles should be followed that would encourage employers to utilize more effectively the potential of elderly employees and keep them employed. This task also requires motivation of elderly employees and providing them with opportunities to adjust to new labour market requirements. It is all the more important because in near future the supply of new labour force show a declining trend.
161. Public employment services shall carry out an active employment-oriented policy towards persons who may acquire the right to pre-retirement benefit and to earlier retirement. This policy shall be aimed at vocational activation of persons entitled to pre-retirement benefits before they take advantage of these benefits. The greater possible number of unemployed persons above 50 years of age shall be allowed to participate in active labour market programs.
162. Vocational activity of persons taking advantage of pre-retirement allowances and benefits shall be studied. The law concerning pre-retirement benefits has laid down a new, more advantageous principle of combining the benefit with vocational activity, which should contribute to higher vocational activity of this group of beneficiaries.

### Expected results:

163. The implementation of the task should contribute to activation of about 50 - 80 thousand unemployed elderly persons and persons receiving pre-retirement benefits and allowances.

## **Guideline 6: Gender equality.**

### **Context:**

164. In Poland, vocational activity of women is lower than of men. In the fourth quarter of 2003, the respective activity rates amounted to 47.9 % for women and 62.4 % for men. Women, more often than men, work in the public sector. In the private sector the dynamics of the employment of women is similar as the dynamics the employment of men. In the period of transformation, particular employment growth was recorded among women starting self-employment.

165. According to statistical data, the ratio of the average monthly salaries of women to the average salaries of men in 2002 was about 83 %. The distribution of salaries shows that women tend to belong to the lowest and average groups of pay scales, while men – to the highest.
166. Within the years of 2002 and 2003, the unemployment rate of women (data from the fourth quarter) amounted to 20.6 % and 20.3 % respectively and was higher by 1.6 and 1.9 percentage point respectively as compared to men. In spite of generally higher levels of education, women also have bigger problem in returning to the labour market – when unemployed they take a longer time on average before finding a new employment. This can be seen in their proportion among the long-term unemployed. As of the end of 2003, the percent of women in the status of long-term unemployment as part of the total unemployment rate for women was 58.6 %, while the similar rate for men was 46.0 %. At the same time, domestic work is undervalued and depreciated, as the work that does not generate any measurable income. The following challenges are faced by national labour market policy in this field acceleration of processes of vocational reintegration of women and introduction of mechanisms of "maintaining the readiness" for vocational work in the course of parental leaves taken by women. One of the principal conditions of vocational reintegration of women is the development of institutional care of young children, allowing women to reconcile the requirements of vocational and family life. In the case of women in the so called non-mobile employment age, accessibility of care services for the dependent persons is the condition for encouraging the economic activity of women, because the care of the family members requiring care is usually provided by women.
167. Part-time employment and/or temporary work are the solutions that serve the employment of women who wish to combine household and occupational duties. Part-time employment or temporary work of elderly women allows them to be at least partly active in an occupation. Both forms of employment should be disseminated among employers and women.
168. The law of 20 April 2004 concerning employment promotion and labour market institutions guarantees state aid to a single parent, bringing up a child under 7 years of age or taking care of a dependent jobless person, who has lost the right to unemployment benefit. The aid consists in refund of a part of costs of child care within a period of 6 months, if the parent takes up employment (or starts an apprenticeship) for one year, or within a period of 3 months - in the case of employment (or apprenticeship) of at least half a year in duration.

#### **Tasks:**

##### **6.1 The vocational integration and reintegration of women.**

**Objective:** Comprehensive support for women on the labour market, increasing their rate of employment and increasing their vocational and social status.

169. In 2005, a diagnosis shall be made of women's access to hired work in the public and private sector (in a context of working conditions, the period of employment, its stability, etc.), as well as their access to self-employment and ability to create their own business. On the basis of this diagnosis, promotional and training activities shall be carried out to ensure equal opportunities for employment for both sexes. Information concerning flexible forms of employment shall be disseminated to allow for reconciliation of occupational and family duties through implementation of various projects in this field, financed by the European Social Fund. An important objective is the overcoming of the cultural stereotypes that impose presupposed social roles upon men and women. Within the framework of this task, the non-governmental organizations and employers shall initiate training activities and wide-scale counselling (vocational, legal). Costs connected with the creation of new jobs shall be refunded and lump sums shall be granted for start-up businesses. The task shall also include doing research on and getting more knowledge about the situation of women in the labour market (both in horizontal and regional dimensions). Moreover within the framework of this task, improving the availability of care services for children and dependants.

### Expected results:

170. Higher share of employed women in total population of women: an increase from 46.4 % in 2002 to 49 % in 2006. A portion of unemployed women shall find permanent employment or shall start own business, a portion of them shall complement education, updating or changing their qualifications.
171. The implementation of this task shall result in raising among women the level knowledge and legal awareness concerning anti-discrimination labour law provisions, raising the vocational aspirations of women, ensuring good and conflict-less atmosphere in the workplace, improving the working conditions of women, combating harmful stereotypes concerning equal opportunities of women and men in labour relations and on the labour market.

### **6.2 Promoting the anti-discrimination provision of labour law.**

**Objective:** Development and preparation of complex information materials on anti-discrimination provisions of the labour law, which contribute to raising the level of knowledge and legal awareness (of employees, job seekers and the unemployed) of the equal labour market opportunities for women and men.

172. Information materials, which should be free and legible, shall be prepared thanks to support from the European Social Fund, and shall be delivered to all voivodship and poviats labour offices, to the labour courts and to the largest organizations of employers and employees. The materials shall be also available on the website of the Government Plenipotentiary for Equal Status of Women and Men.

### Expected results:

173. Higher level of knowledge and legal awareness by women regarding anti-discrimination provisions of the labour law shall be one of the "soft results of the project".
174. The information campaign is the "hard result of the project". For this campaign, 80 thousand booklets and 2 thousand promotion posters shall need to be published. It is assumed that about 180 thousand unemployed persons, job seekers and employees shall get acquainted with these information materials.

## **Guideline 7: Promote the integration of and combat the discrimination against people at a disadvantage in the labour market.**

### **Context:**

175. The interaction between social exclusion and employment justifies the classification of persons disadvantaged on the labour market by two wide categories - persons susceptible to social exclusion and persons threatened by social exclusion. The status of persons threatened by social exclusion in particular restrains employment opportunities on the labour market, where the technical and technological development and its dynamics (i.e. new occupations, work organization and labour standards) in the regional and global dimension result in the growing requirements of employers regarding the type of candidates (and their skills) they require for the positions they have available.
176. Persons without vocational and general qualifications, including the so-called social qualifications, undoubtedly have lower labour market opportunities. It concerns all groups irrespective of age, both youths dropping out of school (in Poland one must attend school until 18 years of age), in particular residents of rural areas and areas industrial decay, and the elderly whose qualifications are not demanded on the labour market because of their low level and additionally because their skills need to be updated. This is proved by high rate of long-term unemployment among the young and the elderly.

177. The disabled persons belong to groups whose job opportunities on the open labour market are considerably restricted. For a long period, the system of protected employment (the so-called protected work establishments) for the disabled was an alternative for the employment of these persons on the open labour market. However, this system favored the undesirable isolation of the disabled from mainstream vocational and social life. The labour market situation of these persons is determined by two main factors: their relatively low level of education and vocational preparation and their low level of economic activity. According to the National Census of Population and Housing carried out in 2002, the number of the disabled in Poland amounted to 5,456.7 thousand, and 4,450.1 thousand persons held legal confirmation of their disability, including 4,315 thousand persons aged 16 and older. And the results of the quarterly Labour Force Survey (LFS) conducted by CSO in 2003 show that the number of the disabled with legally confirmed disability, aged 15 years and older, was 4,175 thousand in 2003, including 2,462 thousand persons within the working age. The main problem from the point of view of the labour market is the low level of economic activity of working-age disabled persons. On average 16.5 % of the disabled aged 15 years and older and 23.7 % persons of working age were economically active in 2003. For able persons these indices equaled 60.7 % and 75.2 % respectively. The economic activity of the disabled has been characterized in recent years by a declining trend. At the same time the number of job offers for the disabled (recorded in December 2003) accounted for 4.7 % of a total number of offers reported to labour offices. Nevertheless, the situation of the disabled from the standpoint of offers available in labour offices is generally more advantageous than the situation of able persons. In December 2003, there were 39.6 applicants per job offer addressed to the disabled persons, while in the case of able persons there were 83.1 applicants per job offer.
178. Also single mothers, who are caring for several children, is one more group, although less numerous than other groups, which faces an unfavorable labour market situation. They all too often become the recipients of social assistance, because they do not have an opportunity to combine the child care with available employment opportunities.
179. Another group requiring consideration is the Roma ethnic minority in Poland. During the National Population Census 15,657 persons holding Polish citizenship declared themselves using the Roma language in everyday usage. The majority of persons belonging in Poland of Roma minority are unemployed and live on social assistance and/or on earnings from simple jobs, all too often in the so-called "grey sphere". This group is covered by the national ten-year *Program for the Roma population in Poland*, drafted on the basis of experience resulting from implementation of the *Pilot governmental program for the Roma population in małopolskie voivodship for 2001 – 2003*.
180. Effective integration and combating the labour market discrimination of persons from the so-called at-risk groups, require divergent but integrated forms of support. They include measures preceding employment, for example vocational preparation and training, medical rehabilitation, periodic aid received from social assistance in justified cases, or psychological and learning assistance. The promotion of such a multifunctional and integrated support for the mentioned groups of disadvantaged persons is possible thanks to activities carried out within the framework of the *National Action Plan for Social Inclusion*, which include social adaptation and psychological assistance that should always precede or be combined with vocational preparation or job seeking. The law of 13 June 2003 on social employment (Dz.U. No 122, Text 1143, with further amendments) creates special conditions for persons threatened with social exclusion by creating special workplaces. These new jobs shall be created in the so-called Social Integration Centers. It is expected that work in these Centers shall assist people concerned returning (or entering) to the open labour market.

## **Tasks:**

### **7.1 Vocational and social inclusion of the disabled persons.**

**Objective:** A higher degree of vocational preparation and employability of persons with considerable and moderate degree of disability, using new and existing - but improved - instruments to increase the potential of the disabled entering the labour market for the first time, as well as the long-term unemployed or persons facing particular problems in entering the labour market.

181. This task shall be implemented by means of measures aimed at counteracting the two main factors causing the unfavourable labour market situation of the disabled, that is their relatively low level of vocational preparation and their low level of economic activity. Vocational guidance and other services provided by the labour market institutions shall be combined with accompanying activities, such as transport to the place where needed services are provided. Training for the disabled persons shall be delivered within the framework of available resources of the Labour Fund and SFRDP. Efforts shall be taken to increase the variety of training offered to the disabled. Distribution of information and promotion activities addressed to employers, those assisting the disabled and training institutions shall hopefully contribute to counteracting the stereotypes that impeding vocational and social rehabilitation of the disabled within society and within the working environment. To raise economic activity of the disabled and to allow them to acquire vocational experience, there shall be organized apprenticeships, subsidized employment and support, which shall be offered as a form of alternative employment on the open labour market. The purchase of technical devices shall be continued, including hardware and software enabling the disabled to pursue education and employment opportunities.

182. The service offer of labour market institutions should be strengthened. Support should be offered for the purpose of developing of qualifications by the staff of employment services, occupational medicine services and territorial self-government units active in the area of assistance for the disabled. For this purpose, relevant methodical and information materials shall be prepared. The State Fund of the Rehabilitation of Disabled People shall play a leading role in implementation of these tasks within the framework of the *Sectoral Operational Program Human Resources Development*.

#### Expected results:

183. Activities carried out until 2006 shall cover 26 thousand persons, including 21 thousand disabled persons with considerable and moderate degree of disability. It is additionally assumed that 15-20 % of the disabled shall continue education or find employment after completion of their participation in such programs offered under this task.

184. The following shall be the incommensurable effects: higher degree of integration by the disabled on the open labour market, their higher level of vocational activation, growing interest of employers and other labour market partners in recruitment of the disabled, minimizing the effects of stereotypes and prejudice regarding to the disabled in the work place and in local communities.

### **7.2 Support to increase the employment opportunities of at-risk groups.**

**Objective:** Curbing social exclusion and preparing persons at-risk of social exclusion to enter the labour market, retaining employment or returning to economic activity.

185. The task promotes active social policy. It shall be implemented by means of the following measures: training (also in the area of job-seeking skills), vocational workshops, counselling on the use of mobile centers of vocational counselling, subsidized employment within the framework of Social Integration Centers (these are centers that serve the vocational and social reintegration of persons at-risk of social exclusion), subsidized employment on the open labour market, providing temporary work, accompanying activities such as the care of children and dependants, dissemination of information regarding the use of databases on employers and the promotion

among employers of knowledge on the various active forms of vocational reintegration of the unemployed and persons threatened by social exclusion. This task shall serve the purpose of enhancing the self-evaluation, skills and the development of qualifications by persons at-risk of social exclusion, including members of Roma community, increasing their motivation for their active seeking of employment and educational opportunities. For persons of Roma ethnicity at-risk of social exclusion, the implementation of this task shall additionally include the identification of necessary forms of assistance, organization of subsidized employment and training opportunities to increase and change their vocational qualifications. There shall be also organized vocational guidance for the Roma population. Implementation of tasks provided for in the *Program of Community Initiative EQUAL* and in the *Sectoral Operational Program Human Resources Development*, shall contribute to full integration of the target groups on the labour market.

Expected results:

186. In 2006, various forms of support shall cover a total of 200 thousand persons from groups at-risk of social exclusion, and it is assumed that 30 % of persons covered by such support shall take up further educational or employment opportunities. It is assumed that about 2,500 persons belonging to the Roma ethnic minority shall participate in active forms of programs aimed at counteracting unemployment.
187. 7.5 thousand employees of institutions assisting persons at-risk of social exclusion shall be trained increasing their vocational qualifications.

### **7.3 Implementing the system of grants for students having poor access to education.**

**Objective:** Raising the education level of the young from rural areas and from industries being restructured, by means of a system of grants for those attending schools above the lower secondary level ending with matura examination and certificate. Thus enabling the full development of the abilities, interests and predisposition of students.

188. This task shall be implemented through two types of measures. The first type of measures shall consist in consolidation of the system of grants payable from many sources in a coherent and coordinated National Grants Program. The program shall be accessible for students meeting defined criteria. The aid shall include among others things, social grants, motivation grants, grants for achievements in sports or arts. Individual criteria have been or shall be provided in the detailed legislation, which govern the principles for supporting students. The amended law on the education system shall improve the distribution of financial means designated for material assistance for students. It shall allow the covering by aid those students who fulfil uniform criteria throughout the territory of Poland, therefore there will be an equal opportunity to such benefits. The amended law shall lay down the criteria, principles and forms of granting aid. Special attention should be paid to pupils of schools above the lower secondary level whose graduation allows the receipt of a matura certificate after passing an examination, especially if such students come from rural areas and areas where the state-owned farms previously existed. Beside the general solutions applying to all pupils, the National Grants Program shall include a measure especially supporting youths from those areas. The second type of measures – implemented with contribution of financial resources from the *Integrated Operational Program for Regional Development* – shall cover students coming from rural and marginalized areas who lack the needed economic resources to allow them to start or continue education at the tertiary level. These students shall receive grants provided at the local level.

Expected results:

189. An increased proportion of pupils in schools above the lower secondary level, whose graduation allows them to receive a matura certificate after passing an examination, as well as increased proportion of persons taking up education at tertiary level – especially those coming from poor families as well as from rural and other marginalized areas. It is assumed that about 350 thousand students shall be covered by the system of grants.

#### **7.4. The vocational activation of the young who are at-risk of social exclusion.**

**Objective:** Preparing the young whom are at-risk of social exclusion, by developing their social and vocational qualifications, to allow them to play an active role on the labour market.

190. Measures shall be taken encouraging the social and vocational reintegration of youth who are at-risk of social exclusion. The Voluntary Labour Corps, within the framework of such projects as *Equal start*, *Opportunity 13-18*, *Opportunity 18-24* shall promote employment, assist in organization of self-employment, and also shall provide counselling and educational services. These measures shall be addressed to youth in difficult living situation. Besides, in cooperation with the self-governmental organizations, employers, schools, church institutions and non-governmental organizations, the Voluntary Labour Corps shall further educational activities, combining work and education with participation in cultural, recreational and sporting events, in the in-client and out-client form.

#### Expected results:

191. Within the framework of the task, in 2005 the social activation program implemented by the Voluntary Labour Corps shall cover nearly 30 thousand young persons, and projects increasing employment opportunities shall cover about 12 thousand persons. Besides, the organization by the Voluntary Labour Corps of various forms of active recreation is planned for about 60 thousand persons.

### **Guideline 8: Make work pay through incentives to enhance the attractiveness of work.**

#### **Context:**

192. According to statistics for 2002, employees with tertiary level education achieved the highest level of salaries. Their earnings exceeded by 51 % the average earnings of all fully employed persons. Salaries of persons with secondary education were slightly below the average, while employees with basic vocational education received remuneration by 22.7 % lower than average, and employees with the lowest education (primary or incomplete primary) by 28.7 % lower than average. The private sector, although generally offering lower salaries, creates better wage conditions for persons with higher education, for both women and men. Salaries of persons with higher education employed in the private sector twice exceed average earnings in the public sector (in this sector their salaries are 23.6 % higher than average). Comparison of extreme levels of average earnings, that is salaries of employees with tertiary level education with those of employees with education not higher than primary, shows that this ratio in the public sector is 1.6 : 1, while in the private sector - 2.9 : 1. It means that wage preferences depending on qualifications are clearer in the private sector than in the public one. In the private sector, "white collar" employees requiring high qualifications were better paid than other employees. Whereas in the public sector, "blue collar" employees were better paid. Their remuneration equalled 106.6 % of average earning in the public sector (while only 76.7 % in the private sector).

193. Salaries increase with the age of the employees. This is true both for men and women, both in the public and private sector. Salaries of the young (below 24 years of age) accounted for 62.3 % of average earning. The average level of earnings in economy is reached by employees of an average age (35 – 44). Employees in the age close to retirement (between 60 – 64) received salaries 40.2 % higher than the average earnings and about 2.3 times higher than the earnings of the youngest group of employees.

194. High tax and tax-like burdens and low economic activity result in a situation where the utilization of labour in the production process is less profitable and work performance generates lower incomes for employees. For this reason, the system of direct taxes and social insurance contributions on remuneration requires careful construction to avoid the distortions that reduce labour profitability.



195. Effects of high tax and tax-like burdens are unevenly distributed among the working population, and they are most arduous for the least productive persons, that is often the elderly, the young, the uneducated, the disabled and the long-term unemployed. For example, a person employed in Poland on the basis of an employment contract, receiving the gross minimum salary of 824 PLN, is paid a net amount of 603 PLN, while the employer incurs a cost of almost 1000 PLN because of his or her employment. It means that a person, who being employed on a full-time basis and is not able to generate a product worth at least 1000 PLN has little opportunities of declared employment. This results in high structural unemployment accompanied with employment increase in the “grey sphere”.
196. Many social benefits are payable in manner which arouses doubts as to the accuracy of their targeting. Social benefits should not be a substitute for incomes derived from work, but a support in exceptional living situations. It is necessary to verify the entitlements to payment and who are entitled to them.
197. Attention should be also paid to the employed who remain in poverty. Poverty in spite of work depends, in particular, on the family situation (a number of employed members of a given household and the number of children). A high share of the self-employed those who find themselves in a state of poverty, as recorded by any developed European countries. Therefore, it is advisable to start in Poland, in the mainstream of this guideline and in cooperation with European organizations, an analysis of the phenomenon of the employed in poverty.

#### **Tasks:**

#### **8.1 Reduction in tax burden and burden resulting from social insurance contributions in labour costs of persons with the lowest earnings.**

**Objective:** Lower share of burden connected with taxes and social insurance contributions in labour costs of persons with the lowest earnings.

198. An analysis shall be carried out to estimate the possibilities of reducing the tax wedge for persons with the lowest earnings, understood as a sum of obligatory surcharge on labour costs in relation to total labour costs. The evaluation shall cover the following elements:
- a. analysis of possible variants of modification of the existing system to take into account introduction of an amount exempted from some social insurance contributions or liquidation of some contributions, for example for the Labour Fund, disability pension or sickness contribution (which reduces the wedge for all the income groups), modification of the system of the personal income tax to “even” the tax wedge, or the replacement of the present law on personal income tax by two laws: one of them would regulate personal incomes from employment relationship, while another would govern incomes of other individuals (from business activity or social transfers), which will allow for creating an instrument of direct influence upon the labour costs of persons employed on the basis of employment contract, without affecting other taxpayers;
  - b. estimating macro-economic effects of the proposed changes and their funding opportunities, with the use – for example – of revenues from indirect taxes or raising the maximum limit of remuneration covered by pension insurance (which, however, brings about financial effect in a form of increased liabilities and expenditures of the social insurance system).
199. On the basis of carried out analyses there shall be worked out a proposal of amendment of the tax system and the system of social and health insurance, as regards contributions. These systems, beside achieving the above mentioned objective, should also allow for the maintenance of hitherto protection of employees with the lowest earnings within the framework of the social insurance, provide for safe financing of the social insurance system and payment of benefits from this system, as well as should not contribute to significant growth of burden for persons who do not derive incomes from work (for example pensioners).

#### Expected results:

200. Higher employability of the least qualified persons.

## **8.2 Enhancing the financial attractiveness of work for the unemployed.**

**Objective:** Developing and implementing a mechanism encouraging the unemployed to derive incomes from employment instead of living off social transfers.

201. The law of 20 April 2004 concerning employment promotion and labour market institutions provides for a possibility to pay the unemployed receiving the unemployment benefit a kind of premium – mobilizing allowance – when taking up part-time employment with remuneration lower than the minimum wage. The mobilizing allowance may not exceed 50 % of the unemployment benefit and is payable during a period when the unemployed person is entitled to the benefit. Within the framework of this task the effectiveness of this solution shall be examined. Basing on results of this examination, a study of possibilities and principles for encouraging the unemployed to take up employment shall be conducted.

### Expected results:

202. Conclusions shall be formulated for developing a concept of a mobilizing allowance that acts as a form of compensation for the unemployed who find employment.

## **Guideline 9: Transforming undeclared work into regular employment.**

### **Context:**

203. Estimates of undeclared employment differ from 390 thousand to 1,400 thousand persons. The majority of persons working in the “grey” sphere (in 2001) found employment in trade and repair (52.4 % of persons working in the “grey” sphere), construction (23.3 %) and manufacturing (15 % of persons working in the “grey” sphere). Other sources estimate that  $\frac{3}{4}$  of a total number of persons performing undeclared work were employed in four divisions: construction services (30.4 % of persons working in the grey sphere), gardening and agriculture (20.6 %), the so-called neighborhood services (17.3 %) and trade (5.8 %).

204. Production and employment are not being declared, first of all, to avoid taxes and other burdens connected with running business, such as customs, social insurance contributions or contributions to other obligatory funds, but also to avoid the observance of legal regulations, in particular labour law (hours of work, overtime, occupational health and safety (OHS) regulations and other). It is generally considered that existence of the “grey” sphere is connected with small enterprises, with employment not exceeding 50 persons, and in particular with micro-enterprises (up to 9 employees) and one-person enterprises. However, most frequently individual employ undeclared workers.

205. In the “grey” sphere the employees with relatively low education prevail with primary and incomplete primary and with basic vocational education (74 % of persons employed), while among persons in regular employment, 46 % had education at this level. Employment in the “grey” sphere included 81 thousand persons with tertiary level education who mainly perform such jobs as private lessons (35 %), construction services (15 %), financial, accounting and law counseling (9 %) and medical services (7 %).

206. According to administrative data, in 2003 there were 7,922 cases of undeclared employment or of entrusting other paid work as well as 8,106 cases of employment or of entrusting other paid work to unemployed persons without notification to the labour office. In 4,679 cases employment has been legalized. Legalization consists in signing by the employer, in result of the inspection, of an employment contract or civil law contract with an undeclared employee.

207. The risk of existence and development of the “grey” sphere results from relatively unattractive conditions of regular employment. The earlier mentioned initiatives aimed at increasing the economic freedom, adopting more flexible labour law regulations, as well as reducing the wage costs incurred by the employer shall result in reduction of this sphere.

208. One of the initiatives in this area shall be the law on employment of domestic workers. The proposed solutions of this law aim at legalization of such work and introduce benefits both for employers – individual persons (tax relief in the case of recruitment of the long-term unemployed person), and employees (old-age pension insurance). It is estimated that this regulation should allow the creation of at least several thousand new (declared) jobs per year.

**Tasks:**

**9.1 Eliminating undeclared employment or illegal gainful work.**

**Objective:** Curbing undeclared employment or illegal gainful work referred to in the law of 20 April 2004 concerning employment promotion and labour market institutions.

209. Activities aimed at the curbing of undeclared work shall be intensified. They shall take the form of inspections carried out by voivods who exercise the control over the legality of employment. The objective of intensification of activities shall be achieved by development and implementation of instruments and methods strengthening inspection activities carried out by inspectors of employment legality inspection, whose number as of the end of 2003 was 337 persons (that is on average about 20 inspectors per one voivodship).

Expected results:

210. As compared with 2003, when more than 4.6 thousand cases of legalization of undeclared employment or illegal gainful work were recorded, their number should increase in 2005 by 2 thousand.

**9.2. New solutions for creating favourable conditions for employment.**

**Objective:** Enhancing the attractiveness of declared employment.

211. To improve the conditions of operations, enterprises shall be released from bureaucratic burdens, by virtue of the law of 2 July 2004 on the freedom of business activity. To complement this proposal, measures proposed in the report of the Ministry of Economy and Labour, entitled *Entrepreneurship in Poland*, shall be taken. They include simplification of the tax system, ensuring its transparency for entrepreneurs, and reducing the arduousness of public levies for entrepreneurs, as well as simplifying and shortening legal procedures regarding economic cases before the Polish courts. More flexible conditions of recruitment and dismissal shall be an element of creating suitable legal conditions for setting up, running and liquidating enterprises.

212. Besides, a formal and financial examination of regional diversification of the minimum wage shall be carried out. It shall evaluate, among other things, the impact of regional diversification of the minimum wage on the labour demand.

213. All measures aimed at popularizing declared employment shall be summarized to expose the long-term advantages of this form of employment, both for employers and employees.

214. The purpose of transforming undeclared employment into regular self-employment shall be also served by an examination of the conditions for self-employment, including reducing the burden connected with social insurance and with social contributions, equal treatment by the self-employed and hired persons applying for credit within the banking system and facilitated access to premises (see Task 1.1)

Expected results:

215. Intensification of activities aimed at transforming undeclared work into regular employment and desiring to increase labour demand.

## **Guideline 10: Addressing regional employment disparities.**

### **Context:**

216. One of the features characterizing the Polish labour market is the large territorial disparity respecting the unemployment rate and the employment rate. The warmińsko-mazurskie, zachodniopomorskie and lubuskie (unemployment rate of around 30 % in 2003) voivodships have been characterized by highest unemployment over the recent years and mazowieckie, małopolskie and podlaskie (unemployment rate of ca 15 % in 2003) voivodships have been characterised by the lowest unemployment. Unemployment differs also within voivodships. In mazowieckie voivodship Warsaw is an employment enclave, where – according to statistics of 2003 – the unemployment rate amounted to around 6 %, while for example in szydłowiecki powiat it was around 30 %. The existence of job areas in certain “points” has been observed. They are mainly connected with large urban agglomerations where existing and developed infrastructure attracts investors. The main instrument allowing compensating for regional employment disparities shall be the relevant local and regional programs. In launching such programs and in their implementation new opportunities created by EU structural funds there should be considered, as well as greatest possible participation of the social partners should be ensured.
217. Other problem is connected with large areas of unemployment due to the results of restructuring of old and economically ineffective sectors of economy. Employment reductions in mining, metallurgy and heavy machine industry has not been compensated with the creation of new employment opportunities in new technologies enterprises and in the service sector, but contributed to emergence of specific social problems. These areas require revitalization and special attention within the framework of social policy.

### **Tasks:**

#### **10.1 The vocational reorientation of persons leaving agriculture.**

**Objective:** Assisting the rural population to the changing socio-economic conditions and preparing people from rural areas find employment outside of the agricultural sector.

218. Farmers and their families, as well as other persons working in agriculture shall be equipped with skills enabling acquiring new employment and performance of a new occupation in connection with the process of restructuring Polish agriculture. Various kinds of training and counselling shall be provided to change the vocational qualifications of farmers who seek opportunities of deriving non-agricultural based income, particularly in the service sector. The following services shall be offered to persons at-risk of losing employment in the agricultural sector: job placement, vocational information and counselling in the choice of a new occupation and acquiring new vocational skills, including individual action plans, for the purposes of assisting suitable choice of occupation and workplace. This task shall be implemented within the framework of the *Integrated Operational Program for Regional Development*.

#### Expected results:

219. It is assumed that from a total number of around 14.7 thousand persons, 75 % shall successfully complete training and retraining courses.
220. Besides, from among a total number of around 30 thousand participants in projects, 12 % shall find new employment outside of agriculture within 6 months after the end of their participation in the project.

#### **10.2 Regional innovative strategies aimed at the transfer of knowledge.**

**Objective:** Enhancing the innovativeness of regions increasing the competitiveness of enterprises.

221. Regional innovative strategies shall be developed. They shall be based on cooperation among the research and development sector, enterprises and other entities on the regional and local level. An integral part of this task shall be developing a communication and information exchange system to

support the transfer of knowledge and technology, promotion campaigns, organization of seminars, workshops, knowledge fairs. A parallel group of measures shall be addressed to graduates of tertiary level schools, including those who participate in doctoral studies as well as the employees of the research and development sector. These measures shall include apprenticeships and grants, supporting refunding of costs incurred in connection with research. This task is a part of the *Integrated Operational Program for Regional Development*.

Expected results:

222. On national scale, it is planned that 800 economic entities shall sign cooperation agreements with scientific and other forms of research institutions, which support innovative regional development. Also the active participation of 650 economic entities (small and medium-sized, employing up to 250 persons) is planned to develop and implement Regional Innovation Strategies.

**10.3 Developing the vocational skills of adults connected with labour market needs and increased lifelong learning opportunities in a region.**

**Objective:** Higher vocational mobility of adults and adaptability of their skills and vocational qualifications to regional labour market requirements, as well as the improved adjustment to the needs of persons concerned with and the requirements of the regional labour market, taking into consideration the monitoring of regional labour and the dissemination of collected information.

223. Planned measures include supporting the development of vocational qualifications by means of:

- Training working adults desirous of raising or adjusting their vocational qualifications to the needs of the labour market, also in foreign languages as well as in utilization of information and communication technologies (ICT).
- Training to improve the qualifications of agricultural counsellors.
- Training farmers and members of their households for non-agricultural opportunities supporting agriculture.
- Counselling farmers and members of their households for non-agricultural opportunities supporting agriculture.
- Counselling supporting the development of vocational careers by working adults along with an initiative of improving or adjusting their vocational qualifications to the needs of the labour market and the counselling of students.

224. One of conditions for implementing the planned measures ensuring the necessary accompanying services, that shall particularly allow women who desire training the ability to participate in such training, such as assisting in child care or transport to the place of training for residents of remote areas.

225. Research and studies shall be carried out on the needs of regional labour market, complementing tasks within the framework of Guideline 3, concerning:

- Methods of information exchange between institutions involved in monitoring of the regional labour market, as well as educational and training opportunities, strengthening the cooperation between these institutions.
- Coherence of activities carried out in the region aimed at raising skills and vocational qualifications, meeting the needs of regional labour market needs.
- Situation on the regional labour market, inter alia, concerning the demand and supply of occupations, the forecasted expectations of employers regarding required qualifications and employee skills, required training services, reforms of the SME sector, and the socio-economic development of regions.

Expected results:

226. It is assumed that out of around 44 thousand adults covered by this task, 90 % shall successfully complete training, including 75 % of farmers and members of their households.

227. From among a total of around 100 thousand adults participating in such projects under this task, 12 % shall find a new job within 6 months after the end of participation in projects, including 30 % of farmers and members of their households.

## CHAPTER 3

### MANAGEMENT AND PARTNERSHIP

228. The *Underlying principles for program and organization of the draft National Action Plan for Employment for 2005* were drafted in the Ministry of Economy and Labour in January 2004, and were adopted by the management of the ministry.
229. Regulation No 39 of the Prime Minister of 19 April 2004 set up an Interministerial Group for Drafting the National Action Plan for Employment for 2005. The Group was headed by the undersecretary of state supervising the section of labour. The Ministry of Economy and Labour provided administrative services and ensured the coordination of the Group's activities. The Group was composed of representatives of ministries and central governmental offices, representing various levels of managerial and independent posts within the administration, and namely: Ministry of Internal Affairs and Administration, Ministry of Finance, Ministry of National Education and Sports, Ministry of Agriculture and Rural Development, Secretariat of the Government Plenipotentiary for Equal Status of Women and Men, Office of the Government Plenipotentiary for Disabled Persons, Central Statistical Office, the Chancellery of the Prime Minister and the Ministry of Economy and Labour.
230. Information on the progress of the Group's activity was systematically transferred to the Ministry of Social Policy, where the works on the National Action Plan for Social Inclusion were carried out, with participation of representatives of the Ministry of Economy and Labour. And the Ministry of Social Policy, in turn, was represented in the Group for Drafting the National Action Plan for Employment by a delegate of the Government Plenipotentiary for Disabled Persons.
231. Ensuring the wider participation of social partners, broadly understood, is understood to be an important element of the National Action Plan for Employment. Several tasks within the framework of the National Action Plan for Employment may be carried out only with considerable participation of social, economic and self-governmental partners. The law of 20 April 2004, concerning employment promotion and labour market institutions, provides in its art. 21 that the labour market policy implemented by public authorities shall be derived from dialogue and cooperation with the social partners. Input from employment councils and local partnerships should complement that dialogue. Ultimately, the social partners and employment agencies should complement and broaden the existing services provided by public employment services. The law imposes upon the Supreme Employment Council a task of giving an opinion on the draft National Action Plan for Employment.
232. In May 2004, at the first stage of drafting the National Action Plan for Employment, the Supreme Employment Council was notified, in writing, about the work done on the draft document by the Interministerial Group. At the same time directors of all voivodship labour offices received, in electronic form, information materials prepared to meet the needs of the Group. The chairman of the Group sent, in mid-June 2004, a letter to the social partners composing the Tripartite Commission for Socio-Economic Issues, a proposed schedule of consultative meetings and requested that the social partners submit proposals of initiatives to be incorporated into the National Action Plan for Employment. On 16 July 2004, a consultative meeting was held to discuss a working version of the draft of National Action Plan for Employment, with participation of representatives of the social partners composing the Tripartite Commission for Socio-Economic Issues.
233. In August 2004, the draft of the National Action Plan for Employment, in its final version adopted by the Interministerial Group, was delivered for interministerial and social consultations. The following have been invited to give their opinion:

- The Tripartite Commission for Socio-Economic Issues.
  - The Joint Commission of the Government and Territorial Self-Government.
  - The Council of Public Benefit Activities.
  - Members of the Supreme Employment Council – term of office: September 2002 – June 2004.
234. The process of management of the implementation of the National Action Plan for Employment is supported by art. 3 of the law of 20 April 2004 concerning employment promotion and labour market institutions, which imposes upon voivodship self-government an obligation to draw up, on the basis of the National Action Plan for Employment (taking into consideration the voivodship development strategy and the voivodship strategy of social policy) regional action plans for employment, determining preferred regional programs, local projects, priority groups of unemployed persons and other persons requiring support – after having consulted the poviat self-government units and the social partners. To ensure the synergy of the National Action Plan for Employment and regional action plans for employment, consultative meetings were organized in regions already at the stage of drafting the first plan.
235. As a follow-up to regional consultations, the chairman of the Group addressed, in August 2004, a letter to all directors of voivodship and poviat labour offices and to social policy divisions in Voivodship Offices, to inform them that the National Action Plan for Employment had been drawn up and sent for interministerial consultations and to request their comments on the document.
236. To support public administration in performance of professional tasks covered by the National Action Plan for Employment, training is being organized for the members of the civil service corps, in particular for the staff at the higher and lower managerial level. Training are organized within the framework of the *Sectoral Operational Program Human Resources Development*. Training should cover a total of 800 persons. They include language courses and general and specialist knowledge courses on the European Union. They should increase the availability of the reference materials, should allow a better understanding the ideas and objectives of different European initiatives of the national and regional range and the interrelations of those initiatives. In result, higher effectiveness of regional and local measures taken within the framework of the European Employment Strategy may be expected, including the drawing up and implementation of action plans for employment.
237. Other undertaking supporting the implementation of the National Action Plan for Employment in Poland shall be the *Program of Community Initiative EQUAL*, implemented by the so-called *Partnerships for Development* (that is associations of various organizations and institutions) functioning in selected regions or sectors of socio-economic life, in cooperation with partners from the EU Member States. The idea of partnerships created within the framework of EQUAL is to combine efforts and potential of various institutions, non-governmental organizations, territorial self-governments and their subordinated institutions, tertiary level schools, religious associations, social partners, central administration offices and other entities legally functioning in Poland, to work out new and innovative methods of activity, instruments, systems contributing to vocational and social integration of groups of persons with low levels of employability. EQUAL is aimed at the promotion of innovative solutions aimed at combating all forms of discrimination and inequality related to the labour market. For this reason, EQUAL contributes to the implementation of a considerable part of tasks planned in response to challenges resulting from the European employment guidelines.
238. Beside the partnership, an important issue is to ensure a clear division of roles in implementing the National Action Plan for Employment between parties that participated in its drafting. Annex 5 presents entities participating in implementation of individual tasks within the framework of a given guideline as well as entities obliged to report on the progress of tasks under their competence. Reporting entities are at the same time responsible for the implementation of a complete task. A complete task is one where there are a large number of sub-tasks to be implemented by a variety of providers.



239. The National Action Plan for Employment mentions tasks that have been identified by the Interministerial Group as the most urgent for implementation in 2005 and looking forward to 2006, for which concrete funds have been planned. The financial resources planned for the implementation of tasks covered by the National Action Plan for Employment (NAP/E) have been specified in financial tables in Annexes 2a, 2b and 2c. Annex 2a presents amounts in thousands of PLN, Annex 2b - in thousands of euros, and Annex 2c – presents the structure of expenditures from funding sources. Financial tables have been compiled with the following assumptions:

- 1) Amounts for the implementation of tasks covered by NAP/E have been given according to the already planned budget.
- 2) The following funding sources have been specified: Labour Fund, ESF, ERDF, State budget and other (resources of tsu, SFRDP, EAGGF, and private funds). Concerning the State budget as the financing source, the concerning resources are included as a part of the State budget by the Budgetary Law for 2005.
- 3) The estimate cost of implementing integrated tasks covered by NAP/E has been specified as a sum of the costs of individual tasks (composing an integrated task) notified by individual implementing entities. A list of notified and integrated tasks has been presented in Annex 5.
- 4) Each task included in the tables is accompanied with an estimate amount for its implementation. Tables have been compiled with the following exchange rate: 1 euro = 4.58 PLN, rounded up to 1 thousand.
- 5) Costs of tasks covered by NAP/E but implemented within the framework of SOP HRD have been deducted from the relevant amounts provided for measures implemented under SOP HRD. In this way it is possible to sum up amounts given in financial tables without the risk of counting the same costs several times.

## **CHAPTER 4**

### **MONITORING AND COORDINATION OF TASKS' PERFORMANCE**

240. The law of 20 April 2004 concerning employment promotion and labour market institutions imposes upon the Council of Ministers an obligation of presenting to the Sejm of the Republic of Poland the National Action Plan for Employment adopted by the government, and reporting to the Sejm on its implementation. The minister competent for labour issues, who drafts the National Action Plan for Employment in cooperation with the ministers competent for economy, education and higher education, is obliged to draw up annual reports on the implementation of the Plan.
241. The coordination of the European Employment Strategy with other EU policies, such as broad economic policy guidelines, are being simplified and improved. The European guidelines for the employment policies increasing emphasize the importance of monitoring and the results of implementation those guidelines by the Member States. The EC Employment Committee (EMCO) also puts an emphasis on monitoring of all the principal objectives and the main fragmentary objectives within the framework of the European guidelines for employment. The examination and evaluation of the implementation of employment guidelines in individual Member States is based on jointly agreed indicators. These indicators are applied in Joint Employment Reports (JER), drawn up by the European Commission on the basis of National Action Plans for Employment. The indicators, agreed by the Group for indicators of the Employment Committee, are presented in two lists: (i) a list of 40 key indicators for monitoring employment guidelines, (ii) a list of 26 context indicators supporting the analysis of the National Action Plans by placing the national policies and their implementation in a wider perspective.
242. The above is a premises for defining the steps that would determine, as precisely as possible, the manner of monitoring and coordinating the implementation of the National Action Plan for Employment, irrespective of specific measures within the framework of individual tasks, serving the purpose of evaluation of their effectiveness, such as conducting surveys, organizing seminars or conferences, drawing up reports and publications.
243. Monitoring and coordinating the tasks performed under the National Action Plan for Employment (NAP/E) by the minister competent for labour issues shall be carried out in accordance with the following procedure:
- 1) The reporting entity, basing on information received from entities implementing the task covered by NAP/E, shall submit to the Labour Market Department of the Ministry of Economy and Labour a semi-annual report on task implementation, before 20 July 2005. The semi-annual report should especially include the following, clearly distinguished, information:
    - A symbol of the task expressed by two digits, the first being a number of the guideline and the second – the number of the task, in accordance with NAP/E.
    - Concise characteristics of measures carried out in the reporting period.
    - Estimate of expenditures with indication of financing source.
    - Evaluating of task implementation compliance with NAP/E.
    - Difficulties connected with the implementation of tasks and proposing the means of overcoming emerging difficulties.

- 2) On the basis of semi-annual report on implementation of NAP/E tasks, the minister competent for labour issues shall take necessary decisions to ensure the efficient implementation of tasks. The minister competent for labour issues shall be obliged to notify the Council of Ministers of any difficulties in implementing the NAP/E, giving the reasons for this situation and proposed remedies.
  - 3) The reporting entity, using information received from entities implementing the tasks covered by the NAP/E, shall submit to the Labour Market Department of the Ministry of Economy and Labour an annual report on task implementation, before 30 January 2006. The annual report should in particular include the following distinguished parts:
    - A symbol of the task expressed by two digits, the first being a number of the guideline and the second – the number of the task, in accordance with NAP/E.
    - Characteristics of the task (objective, implementing entities, initiated and completed measures).
    - Expenditures with an indication of financing source.
    - Evaluating the implementation of tasks in compliance with the NAP/E.
    - The quantitative and qualitative dimension of the achieved effects.
    - Conclusions and recommendations resulting from the implementation of tasks.
  - 4) The minister competent for labour issues shall draw up, before 20 February 2006, a report for the Council of Ministers on NAP/E implementation in 2005.
  - 5) The Council of Ministers shall submit to the Sejm of the Republic of Poland, before 30 March 2006, a report on NAP/E implementation in 2005.
244. In accordance with the law of 20 April 2004 concerning employment promotion and labour market institutions, the periodic reports on NAP/E implementation the Supreme Employment Council, being a consultative and advisory body of the minister competent for labour issues for such issues, shall be consulted.
245. The semi-annual report on the implementation of the National Action Plan for Employment for 2005, shall be also one of source documents for drafting the National Action Plan for Employment for 2006, and the annual report – and it shall be a source material for drawing up the draft document for the subsequent year.

## II

(Acts whose publication is not obligatory)

## COUNCIL

## COUNCIL DECISION

of 22 July 2003

on guidelines for the employment policies of the Member States

(2003/578/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 128(2) thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the European Economic and Social Committee <sup>(3)</sup>,

Having regard to the opinion of the Committee of the Regions <sup>(4)</sup>,

Having regard to the opinion of the Employment Committee,

Whereas:

(1) Article 2 of the Treaty on the European Union sets the Union the objective of promoting economic and social progress and a high level of employment. Article 125 of the Treaty establishing the European Community states that Member States and the Community shall work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets responsive to economic change.

(2) Following the extraordinary European Council meeting on employment on 20 and 21 November 1997 in Luxembourg, the Council resolution of 15 December 1997 on the 1998 employment guidelines <sup>(5)</sup> launched

a process with high visibility, strong political commitment and a wide-ranging acceptance by all parties concerned.

(3) The Lisbon European Council on 23 and 24 March 2000 set a new strategic goal for the European Union to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion. To this end the Council agreed overall employment targets and employment targets for women, for 2010, which were completed at the Stockholm European Council on 23 and 24 March 2001, by intermediate targets for January 2005, and a new target for 2010, reflecting the demographic challenge, for the employment rate of older women and men.

(4) The Nice European Council on 7, 8 and 9 December 2000 approved the European Social Agenda, which states that the return to full employment involves ambitious policies in terms of increasing employment rates, reducing regional gaps, reducing inequality and improving job quality.

(5) The Barcelona European Council of 15 and 16 March 2002 called for a strengthening of the European Employment Strategy through a reinforced, simplified and better-governed process, with a time frame aligned to 2010, and which incorporates the targets and goals of the Lisbon strategy. The Barcelona European Council also requested a streamlining of policy coordination processes, with synchronised calendars for the adoption of the broad economic policy guidelines and the employment guidelines.

<sup>(1)</sup> Proposal of 8 April 2003 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion of 3 June 2003 (not yet published in the Official Journal).

<sup>(3)</sup> Opinion of 14 May 2003 (not yet published in the Official Journal).

<sup>(4)</sup> Opinion of 3 July 2003 (not yet published in the Official Journal).

<sup>(5)</sup> OJ C 30, 28.1.1998, p. 1.

- (6) The Brussels European Council of 20 and 21 March 2003 confirmed that the employment strategy has the leading role in the implementation of the employment and labour market objectives of the Lisbon strategy, and that the employment strategy and the broad economic policy guidelines, which provide the overarching economic policy coordination for the Community, should operate in a consistent way. The same European Council called for guidelines to be limited in number and to be result orientated, allowing Member States to design the appropriate mix of action, and for them to be supported by appropriate targets. 2003 provides a particular opportunity to use streamlined key policy coordination instruments — the broad economic policy guidelines, the employment guidelines and the internal market strategy — and give them a new three-year perspective.
- (7) The employment strategy has been exhaustively evaluated, including a thorough mid-term review, completed in 2000, and a major evaluation of the experiences of the first five years completed in 2002. This evaluation pointed to the need for continuity in the strategy to address remaining structural weaknesses, as well as the need to address new challenges facing an enlarged European Union.
- (8) The successful implementation of the Lisbon agenda calls for the employment policies of Member States to foster, in a balanced manner the three complementary and mutually supportive objectives of full employment, quality and productivity at work, and social cohesion and inclusion. The achievement of these objectives requires further structural reforms concentrating on 10 key interrelated priorities and special attention should be paid to the coherent governance of the process. Policy reforms require a gender-mainstreaming approach in implementing all actions.
- (9) On 6 December 2001 the Council adopted a series of indicators to measure 10 dimensions for investing in quality in work and called for these indicators to be used in monitoring the European employment guidelines and recommendations.
- (10) Active and preventative policies should be effective and contribute to the goals of full employment and social inclusion by ensuring that unemployed and inactive people, are able to compete in and integrate into the labour market. Those policies should be supported by modern labour market institutions.
- (11) Member States should encourage the creation of more and better jobs by fostering entrepreneurship and innovation in a favourable business environment. Member States are committed to implementing the European Charter for Small Enterprises and are engaged in a process of benchmarking of the enterprise policy.
- (12) Providing the right balance between flexibility and security will help support the competitiveness of firms, increase quality and productivity at work and facilitate the adaptation of firms and workers to economic change. In this context the Barcelona and Brussels European Councils called in particular for a review of employment legislation, while respecting the role of Social Partners. Levels of health and safety standards at work should be raised in line with the new Community strategy for 2002 to 2006. Particular focus should be placed on high-risk sectors for accidents at work. Access of workers to training is an essential element of the balance between flexibility and security and the participation of all workers should be supported, taking into account the returns on investment for workers, employers as well as society as a whole. Economic restructuring poses a challenge for employment both in current and future Member States and calls for positive management involving all relevant actors, including the Social Partners.
- (13) The Barcelona European Council welcomed the Commission action plan on skills and mobility and the Council Resolution of 3 June 2002 on skills and mobility further invited the Commission, Member States and the Social Partners to undertake the measures required. Better occupational and geographic mobility and job matching will help increase employment and social cohesion, taking into account the labour aspects of immigration.
- (14) The implementation of coherent and comprehensive lifelong learning strategies is critical in delivering full employment, improved quality and productivity at work, and better social cohesion. The Barcelona European Council welcomed the Commission communication 'Making a European area of lifelong learning' which spelt out the essential building blocks of lifelong learning strategies of partnership, insight into demand for learning, adequate resources, facilitating access to learning opportunities, creating a learning culture, and striving for excellence. The ongoing process on concrete future objectives for education systems, launched by the Lisbon

European Council, plays an important role with respect to human capital development and synergies with the Employment strategy should be fully exploited. On 5 to 6 May 2003, the Council adopted a series of benchmarks of European average performance in education and training, several of which are of particular relevance in the context of employment policies. The Lisbon European Council called for a substantial per capita increase in investment in human resources. This requires sufficient incentives for employers and individuals, and redirecting public finance towards more efficient investment in human resources across the learning spectrum.

(15) An adequate labour supply is needed in order to meet the demographic challenge, support economic growth, promote full employment, and support the sustainability of social protection systems. The joint report from the Commission and the Council, 'Increasing labour-force participation and promoting active ageing' adopted by the Council on 7 March 2002, concludes that this requires developing comprehensive national strategies based on a life cycle approach. Policies should exploit the employment potential of all categories of persons. The Barcelona European Council agreed that the European Union should seek, by 2010, a progressive increase of about five years in the effective average exit age at which people stop working. This age was estimated at 59,9 in 2001.

(16) Gender gaps in the labour market should be progressively eliminated, if the European Union is to deliver full employment, increase quality at work and promote social inclusion and cohesion. This requires both a gender mainstreaming approach and specific policy actions to create the conditions for women and men to enter, re-enter, and remain in the labour market. The Barcelona European Council agreed that by 2010 Member States should provide childcare to at least 90 % of children between three years old and the mandatory school age and at least 33 % of children under three years of age. The underlying factors of the gender gaps in unemployment and in pay should be addressed and targets on the reduction of such gaps should be achieved as a result, without calling into question the principle of wage differentiation according to productivity and labour market situation.

(17) The effective integration into the labour market of people at a disadvantage will deliver increased social inclusion, employment rates, and improve the sustainability of social protection systems. Policy responses

need to tackle discrimination, provide a personalised approach to individual needs, and create adequate job opportunities by providing recruitment incentives for employers. Council Decision 2001/903/EC<sup>(1)</sup> of 3 December 2001 designated 2003 as the 'European year of people with disabilities'. Access to the labour market is a major priority with respect to people with disabilities who are estimated to represent some 37 million people in the European Union, many of whom have the ability and desire to work.

(18) In order to improve the prospects for full employment and social cohesion, the balance between income from work against income in unemployment or inactivity should be such as to encourage people to enter, re-enter and to remain in the labour market, and to foster job creation.

(19) Undeclared work is taken to mean 'any paid activities that are lawful as regards their nature but not declared to public authorities'. Studies estimate the size of the informal economy on average at between 7 % and 16 % of EU GDP. This should be turned into regular work in order to improve the overall business environment, the quality in work of those concerned, social cohesion and the sustainability of public finance and social protection systems. Improving knowledge about the extent of undeclared work in Member States and the European Union should be encouraged.

(20) Employment and unemployment disparities between regions in the European Union remain large and will increase after enlargement. They should be tackled through a broad approach involving actors at all levels in order to support economic and social cohesion, making use of the Community Structural Funds.

(21) The evaluation of the first five years of the employment strategy highlighted better governance as a key for the strategy's future effectiveness. A successful implementation of employment policies depends on partnership at all levels, the involvement of a number of operational services, and adequate financial resources to support the implementation of the employment guidelines. Member States have responsibility for the effective implementation of the employment guidelines, including ensuring a balanced delivery at regional and local level.

<sup>(1)</sup> OJ L 335, 19.12.2001, p. 15.

- (22) The effective implementation of the employment guidelines requires active participation of social partners, at all stages, from designing policies to their implementation. At the Social Summit on 13 December 2001 the Social Partners expressed the need to develop and improve coordination of tripartite consultation. It was also agreed that a Tripartite Social Summit for Growth and Employment would be held before each spring European Council.
- (23) In addition to the employment guidelines, Member States should fully implement the broad economic policy guidelines and ensure that their action is fully consistent with the maintenance of sound public finances and macroeconomic stability,

HAS DECIDED AS FOLLOWS:

*Sole Article*

The guidelines for Member States' employment policies ('employment guidelines'), annexed hereto, are hereby adopted. Member States shall take them into account in their employment policies.

Done at Brussels, 22 July 2003.

*For the Council*  
*The President*  
G. ALEMANNIO

## ANNEX

**THE EMPLOYMENT GUIDELINES****A European strategy for full employment and better jobs for all**

Member States shall conduct their employment policies with a view to implementing the objectives and priorities for action and progressing towards the targets specified below. Special attention will be given to ensuring good governance of employment policies.

In addition to the Employment guidelines and their associated Employment recommendations, Member States should fully implement the Broad economic policy guidelines and ensure that the two instruments operate in a consistent way.

Reflecting the Lisbon agenda, the employment policies of Member States shall foster the three overarching and interrelated objectives of full employment, quality and productivity at work, and social cohesion and inclusion.

These objectives should be pursued in a balanced manner, reflecting their equal importance in achieving the ambitions of the Union. They should be pursued involving all relevant actors. Synergies should be fully exploited, building on the positive interaction between the three objectives. Equal opportunities and gender equality are vital for making progress towards the three objectives.

Such an approach would also contribute to reducing unemployment and inactivity.

*Full employment*

Member States shall aim to achieve full employment by implementing a comprehensive policy approach incorporating demand and supply side measures and thus raise employment rates towards the Lisbon and Stockholm targets.

Policies shall contribute towards achieving on average for the European Union:

- an overall employment rate of 67 % in 2005 and 70 % in 2010,
- an employment rate for women of 57 % in 2005 and 60 % in 2010,
- an employment rate of 50 % for older workers (55 to 64) in 2010.

Any national targets should be consistent with the outcome expected at European Union level and should take account of particular national circumstances.

*Improving quality and productivity at work*

Improved quality at work is closely interlinked with the move towards a competitive and knowledge-based economy and should be pursued through a concerted effort between all actors and particularly through social dialogue. Quality is a multi-dimensional concept addressing both job characteristics and the wider labour market. It encompasses intrinsic quality at work, skills, lifelong learning and career development, gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market, work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination, and overall work performance.

Increasing employment rates must go hand in hand with raising overall labour productivity. Quality at work can help increase labour productivity and the synergies between both should be fully exploited. This represents a specific challenge for social dialogue.

*Strengthening social cohesion and inclusion*

Employment is a key means to social inclusion. In synergy with the open method of coordination in the field of social inclusion, employment policies should facilitate participation in employment through promoting access to quality employment for all women and men who are capable of working; combating discrimination on the labour market and preventing the exclusion of people from the world of work.

Economic and social cohesion should be promoted by reducing regional employment and unemployment disparities, tackling the employment problems of deprived areas in the European Union and positively supporting economic and social restructuring.



### SPECIFIC GUIDELINES

In pursuing the three overarching objectives, Member States shall implement policies which take account of the following specific guidelines which are priorities for action. In doing so they shall adopt a gender-mainstreaming approach across each of the priorities.

#### 1. ACTIVE AND PREVENTATIVE MEASURES FOR THE UNEMPLOYED AND INACTIVE

Member States will develop and implement active and preventative measures for the unemployed and the inactive designed to prevent inflow into long-term unemployment, and to promote the sustainable integration into employment of unemployed and inactive people. Member States will:

- (a) ensure that, at an early stage of their unemployment spell, all jobseekers benefit from an early identification of their needs and from services such as advice and guidance, job search assistance and personalised action plans;
- (b) based on the above identification, offer jobseekers access to effective and efficient measures to enhance their employability and chances of integration, with special attention given to people facing the greatest difficulties in the labour market.

Member States will ensure that:

- every unemployed person is offered a new start before reaching six months of unemployment in the case of young people and 12 months of unemployment in the case of adults in the form of training, retraining, work practice, a job, or other employability measure, combined where appropriate with ongoing job search assistance,
  - by 2010, 25 % of the long-term unemployed participate in an active measure in the form of training, retraining, work practice, or other employability measure, with the aim of achieving the average of the three most advanced Member States;
- (c) modernise and strengthen labour market institutions, in particular employment services,
  - (d) ensure regular evaluation of the effectiveness and efficiency of labour market programmes and review them accordingly.

#### 2. JOB CREATION AND ENTREPRENEURSHIP

Member States will encourage the creation of more and better jobs by fostering entrepreneurship, innovation, investment capacity and a favourable business environment for all enterprises. Particular attention will be given to exploiting the job creation potential of new enterprises, of the service sector and of R & D. Supported by the process of benchmarking of enterprise policy and the implementation of the European Charter for Small Enterprises, policy initiatives will focus on:

- simplifying and reducing administrative and regulatory burdens for business start-ups and SMEs and for the hiring of staff, facilitating access to capital for start-ups, new and existing SMEs and enterprises with a high growth and job creation potential (see also BEPGs, guideline 11),
- promoting education and training in entrepreneurial and management skills and providing support, including through training to make entrepreneurship a career option for all.

#### 3. ADDRESS CHANGE AND PROMOTE ADAPTABILITY AND MOBILITY IN THE LABOUR MARKET

Member States will facilitate the adaptability of workers and firms to change, taking account of the need for both flexibility and security and emphasising the key role of the social partners in this respect.

Member States will review and, where appropriate, reform overly restrictive elements in employment legislation that affect labour market dynamics and the employment of those groups facing difficult access to the labour market, develop social dialogue, foster corporate social responsibility, and undertake other appropriate measures to promote:

- diversity of contractual and working arrangements, including arrangements on working time, favouring career progression, a better balance between work and private life and between flexibility and security,
- access for workers, in particular for low skill workers, to training,

- better working conditions, including health and safety; policies will aim to achieve in particular: a substantial reduction in the incidence rate of accidents at work and of occupational diseases,
- the design and dissemination of innovative and sustainable forms of work organisation, which support labour productivity and quality at work,
- the anticipation and the positive management of economic change and restructuring.

Member States will address labour shortages and bottlenecks through a range of measures such as by promoting occupational mobility and removing obstacles to geographic mobility, especially by implementing the skills and mobility action plan, improving the recognition and transparency of qualifications and competencies, the transferability of social security and pensions rights, providing appropriate incentives in tax and benefit systems, and taking into account labour market aspects of immigration.

The transparency of employment and training opportunities at national and European level should be promoted in order to support effective job matching. In particular, by 2005, jobseekers throughout the EU should be able to consult all job vacancies advertised through Member States' employment services.

#### 4. PROMOTE DEVELOPMENT OF HUMAN CAPITAL AND LIFELONG LEARNING

Member States will implement lifelong learning strategies, including through improving the quality and efficiency of education and training systems, in order to equip all individuals with the skills required for a modern workforce in a knowledge-based society, to permit their career development and to reduce skills mismatch and bottlenecks in the labour market.

In accordance with national priorities, policies will aim in particular to achieve the following outcomes by 2010:

- at least 85 % of 22-year olds in the European Union should have completed upper secondary education,
- the European Union average level of participation in lifelong learning should be at least 12,5 % of the adult working-age population (25 to 64 age group).

Policies will aim in particular to achieve an increase in investment in human resources. In this context, it is important that there is a significant increase in investment by enterprises in the training of adults with a view to promoting productivity, competitiveness and active ageing. Efficient investment in human capital by employers and individuals will be facilitated.

#### 5. INCREASE LABOUR SUPPLY AND PROMOTE ACTIVE AGEING

Member States will promote an adequate availability of labour and employment opportunities to support economic growth and employment, taking into account labour mobility, as indicated in specific guideline 3. In particular, they will:

- increase labour market participation by using the potential of all groups of the population, through a comprehensive approach covering in particular the availability and attractiveness of jobs, making work pay, raising skills, and providing adequate support measures,
- promote active ageing, notably by fostering working conditions conducive to job retention — such as access to continuing training, recognising the special importance of health and safety at work, innovative and flexible forms of work organisation — and eliminating incentives for early exit from the labour market, notably by reforming early retirement schemes and ensuring that it pays to remain active in the labour market; and encouraging employers to employ older workers,

In particular, policies will aim to achieve by 2010 an increase by five years, at European Union level, of the effective average exit age from the labour market (estimated at 59,9 in 2001). In this respect, the social partners have an important role to play. Any national targets should be consistent with the outcome expected at the European Union level and should take account of particular national circumstances,

- and, where appropriate, give full consideration to the additional labour supply resulting from immigration.

## 6. GENDER EQUALITY

Member States will, through an integrated approach combining gender mainstreaming and specific policy actions, encourage female labour market participation and achieve a substantial reduction in gender gaps in employment rates, unemployment rates, and pay by 2010. The role of the social partners is crucial in this respect. In particular, with a view to its elimination, policies will aim to achieve by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors of the gender pay gap, including sectoral and occupational segregation, education and training, job classifications and pay systems, awareness-raising and transparency.

Particular attention will be given to reconciling work and private life, notably through the provision of care services for children and other dependants, encouraging the sharing of family and professional responsibilities and facilitating return to work after a period of absence. Member States should remove disincentives to female labour force participation and strive, taking into account the demand for childcare facilities and in line with national patterns of childcare provision, to provide childcare by 2010 to at least 90 % of children between three years old and the mandatory school age and at least 33 % of children under three years of age.

## 7. PROMOTE THE INTEGRATION OF AND COMBAT THE DISCRIMINATION AGAINST PEOPLE AT A DISADVANTAGE IN THE LABOUR MARKET

Member States will foster the integration of people facing particular difficulties on the labour market, such as early school leavers, low-skilled workers, people with disabilities, immigrants, and ethnic minorities, by developing their employability, increasing job opportunities and preventing all forms of discrimination against them.

In particular, policies will aim to achieve by 2010:

- an EU average rate of no more than 10 % early school leavers,
- a significant reduction in each Member State in the unemployment gaps for people at a disadvantage, according to any national targets and definitions,
- a significant reduction in each Member State in the unemployment gaps between non-EU and EU nationals, according to any national targets.

## 8. MAKE WORK PAY THROUGH INCENTIVES TO ENHANCE WORK ATTRACTIVENESS

Member States will reform financial incentives with a view to making work attractive and encouraging men and women to seek, take up and remain in work. In this context, Member States should develop appropriate policies with a view to reducing the number of working poor. They will review and, where appropriate, reform tax and benefit systems and their interaction with a view to eliminating unemployment, poverty and inactivity traps, and encouraging the participation of women, low-skilled workers, older workers, people with disabilities and those furthest from the labour market in employment.

Whilst preserving an adequate level of social protection, Member States will in particular review replacement rates and benefit duration; ensure effective benefit management, notably with respect to the link with effective job search, including access to activation measures to support employability, taking into account individual situations; consider the provision of in-work benefits, where appropriate; and work with a view to eliminating inactivity traps.

In particular, policies will aim at achieving by 2010 a significant reduction in high marginal effective tax rates and, where appropriate, in the tax burden on low paid workers, reflecting national circumstances.

## 9. TRANSFORM UNDECLARED WORK INTO REGULAR EMPLOYMENT

Member States should develop and implement broad actions and measures to eliminate undeclared work, which combine simplification of the business environment, removing disincentives and providing appropriate incentives in the tax and benefits system, improved law enforcement and the application of sanctions. They should undertake the necessary efforts at national and EU level to measure the extent of the problem and progress achieved at national level.

#### 10. ADDRESS REGIONAL EMPLOYMENT DISPARITIES

Member States should implement a broad approach towards reducing regional employment and unemployment disparities. The potential for job creation at the local level, including in the social economy, should be supported and partnerships between all relevant actors should be encouraged. Member States will:

- promote favourable conditions for private sector activity and investment in regions lagging behind,
- ensure that public support in regions lagging behind is focused on investment in human and knowledge capital, as well as adequate infrastructure (see also BEPGs, guidelines 18 and 19).

The potential of the Cohesion and Structural Funds and the European Investment Bank should be fully exploited.

#### **GOOD GOVERNANCE AND PARTNERSHIP IN THE IMPLEMENTATION OF THE EMPLOYMENT GUIDELINES**

Member States will ensure the effective implementation of the Employment guidelines, including at the regional and local level.

##### **Involvement of parliamentary bodies, social partners and other relevant actors**

Good governance and partnership are important issues for the implementation of the European employment strategy, while fully respecting national traditions and practices. The European Parliament will play an important role in this respect. Responsibility for implementation of the European employment strategy lies with the Member States. In accordance with national traditions, relevant parliamentary bodies as well as relevant actors in the field of employment at national, regional and local level have important contributions to make.

In accordance with their national traditions and practices, Social Partners at national level should be invited to ensure the effective implementation of the Employment guidelines and to report on their most significant contributions in all areas under their responsibility, in particular concerning the management of change and adaptability, synergy between flexibility and security, human capital development, gender equality, making work pay and active ageing as well as health and safety at work.

European Social Partners at interprofessional and sectoral level are invited to contribute to the implementation of the Employment guidelines and to support efforts undertaken by the national social partners at all levels, such as at interprofessional, sectoral and local level. As announced in their joint work programme, the European social partners at interprofessional level will report annually on their contribution to the implementation of the Employment guidelines. European Social Partners at sectoral level are invited to report on their respective actions.

Moreover, operational services should deliver the employment policies in an efficient and effective way.

##### **Adequate allocation of financial resources**

Member States will ensure transparency and cost-effectiveness in the allocation of financial resources to the implementation of the Employment guidelines, while complying with the need for sound public finances in line with the Broad economic policy guidelines.

They will fully exploit the potential contribution of the Community Structural Funds, in particular the European Social Fund, to support the delivery of policies and to strengthen the institutional capacity in the field of employment.

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**FINANCIAL TABLE FOR TASKS PERFORMED WITHIN THE FRAMEWORK OF NAP/E FOR 2005 (structure in thousands PLN)**

Symbol of a task	2004						2005						2006					
	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Tasks total guid. 6</b>	<b>89296</b>		<b>5217</b>	<b>70952</b>	<b>11034</b>	<b>2093</b>	<b>127166</b>		<b>7452</b>	<b>101041</b>	<b>15682</b>	<b>2991</b>	<b>163383</b>		<b>9655</b>	<b>129811</b>	<b>20042</b>	<b>3875</b>
6.1***	<b>89236</b>		5217	70904	11022	2093	<b>126977</b>		7452	100890	15644	2991	<b>163383</b>		9655	129811	20042	3875
6.2	<b>60</b>			48	12		<b>189</b>			151	38							
<b>Tasks total guid. 7</b>	<b>454680</b>		<b>4296</b>	<b>324915</b>	<b>85472</b>	<b>39997</b>	<b>825628</b>		<b>6192</b>	<b>582864</b>	<b>179431</b>	<b>57141</b>	<b>645036</b>		<b>7955</b>	<b>467663</b>	<b>95383</b>	<b>74035</b>
7.1	<b>114967</b>			81726		33241	<b>164263</b>			116772		47491	<b>212837</b>			151305		61532
7.2	<b>108638</b>		4296	85944	11642	6756	<b>155221</b>		6142	122794	16635	9650	<b>201120</b>		7955	159109	21553	12503
7.3	<b>231075</b>			157245	73830		<b>500594</b>			343298	157296		<b>231079</b>			157249	73830	
7.4							<b>5550</b>		50		5500							
<b>Tasks total guid. 8</b>																		
8.1**																		
8.2**																		
<b>Tasks total guid. 9</b>							<b>10800</b>				<b>10800</b>							
9.1							<b>10800</b>				10800							
9.2**																		
<b>Tasks total guid. 10</b>							<b>174326</b>			<b>130747</b>	<b>43579</b>							
10.1							<b>110918</b>			83191	27727							
10.2							<b>19817</b>			14863	4954							
10.3							<b>43591</b>			32693	10898							

\*/ The amounts given do not include costs of implementation of the following tasks: 4.3, 5.2 and 1.4.1 (computer programme "Counsellor 2000").

\*\*/ The task is performed within the framework of own resources designated for current activity.

\*\*\*/ The given costs do not include costs of implementation of task 6.2.



**FINANCIAL TABLE FOR TASKS PERFORMED WITHIN THE FRAMEWORK OF NAP/E FOR 2005 (structure in thousands of Euro)**

Symbol of a task	2004						2005						2006					
	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Tasks total guid. 6</b>	<b>19497</b>		<b>1139</b>	<b>15491</b>	<b>2410</b>	<b>457</b>	<b>27765</b>		<b>1627</b>	<b>22061</b>	<b>3424</b>	<b>653</b>	<b>35673</b>		<b>2108</b>	<b>28343</b>	<b>4376</b>	<b>846</b>
6.1***	19484		1139	15481	2407	457	27724		1627	22028	3416	653	35673		2108	28343	4376	846
6.2	13			10	3		41			33	8							
<b>Tasks total guid. 7</b>	<b>99275</b>		<b>938</b>	<b>70942</b>	<b>18662</b>	<b>8733</b>	<b>180268</b>		<b>1352</b>	<b>127263</b>	<b>39177</b>	<b>12476</b>	<b>140838</b>		<b>1737</b>	<b>102110</b>	<b>20826</b>	<b>16165</b>
7.1	25102			17844		7258	35865			25496		10369	46471			33036		13435
7.2	23720		938	18765	2542	1475	33891		1341	26811	3632	2107	43913		1737	34740	4706	2730
7.3	50453			34333	16120		109300			74956	34344		50454			34334	16120	
7.4							1212		11		1201							
<b>Tasks total guid. 8</b>																		
8.1**																		
8.2**																		
<b>Tasks total guid. 9</b>							<b>2358</b>				<b>2358</b>							
9.1							2358				2358							
9.2**																		
<b>Tasks total guid. 10</b>							<b>38062</b>			<b>28547</b>	<b>9515</b>							
10.1							24218			18164	6054							
10.2							4327			3245	1082							
10.3							9517			7138	2379							

\*/ The amounts given do not include costs of implementation of the following tasks: 4.3, 5.2 and 1.4.1 (computer programme "Counsellor 2000").

\*\*/ The task is performed within the framework of own resources designated for current activity.

\*\*\*/ The given costs do not include costs of implementation of task 6.2.



## FINANCIAL TABLE FOR TASKS PERFORMED WITHIN THE FRAMEWORK OF NAP/E FOR 2005 (structure in %)

Symbol of a task	2004						2005						2006					
	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>TOTAL</b>	<b>100</b>	<b>12,8</b>	<b>4,5</b>	<b>42,7</b>	<b>16,0</b>	<b>24</b>	<b>100</b>	<b>10,8</b>	<b>13,8</b>	<b>42,5</b>	<b>15,6</b>	<b>17,4</b>	<b>100</b>	<b>13,9</b>	<b>4,9</b>	<b>44,5</b>	<b>15,3</b>	<b>21,4</b>
<b>Tasks total guid. 1</b>	<b>100</b>		<b>24,5</b>	<b>72,7</b>	<b>0,6</b>	<b>2,1</b>	<b>100</b>		<b>54,6</b>	<b>43,4</b>	<b>0,8</b>	<b>1,3</b>	<b>100</b>		<b>24,1</b>	<b>73,2</b>	<b>0,6</b>	<b>2,1</b>
1.1	100		26,0	71,5		2,5	100		71,1	27,4	0,5	1,0	100		26,0	71,5		2,5
1.2	100		24,8	72,6		2,6	100		24,8	72,6		2,6	100		24,8	72,7		2,6
1.3*	100		20,0	76,2	3,8		100		18,4	77,9	3,6		100		17,9	78,6	3,5	0,0
1.4	100		25,0	75,0			100		18,3	9,8	55,9	16,0	100		18,9	19,8	20,7	40,5
1.5**																		
<b>Tasks total guid. 2</b>	<b>100</b>	<b>44,4</b>			<b>15,6</b>	<b>40,0</b>	<b>100</b>	<b>41,7</b>		<b>4,0</b>	<b>16,8</b>	<b>37,6</b>	<b>100</b>	<b>44,4</b>	<b>0,0</b>	<b>0,0</b>	<b>15,6</b>	<b>40,0</b>
2.1	100	35,0			15,0	50,0	100	35,0			15,0	50,0	100	35,0	0,0	0,0	15,0	50,0
2.2	100	50,3			14,5	35,2	100	50,3			14,5	35,2	100	50,3	0,0	0,0	14,5	35,2
2.3	100	68,4			17,7	13,9	100	65,9			20,8	13,4	100	68,4	0,0	0,0	17,7	13,9
2.4							100			75,0	25,0							
<b>Tasks total guid. 3</b>	<b>100</b>			<b>72,8</b>	<b>24,3</b>	<b>3,0</b>	<b>100</b>			<b>73,1</b>	<b>24,4</b>	<b>2,5</b>	<b>100</b>			<b>72,8</b>	<b>24,3</b>	<b>3,0</b>
3.1	100			72,8	24,3	3,0	100			72,8	24,3	3,0	100			72,8	24,3	3,0
3.2																		
3.3							100			75,0	25,0							
3.4							100				5,6	94,4						
3.5																		
3.6	100		100,0				100		100,0				100		100,0			
3.7**																		
<b>Tasks total guid. 4</b>	<b>100</b>			<b>75,0</b>	<b>25,0</b>		<b>100</b>		<b>0,1</b>	<b>74,6</b>	<b>24,5</b>	<b>0,8</b>	<b>100</b>		<b>0,1</b>	<b>75,0</b>	<b>24,9</b>	
4.1	100			75,0	25,0		100		6,9	60,9	32,2							
4.2	100			72,8	27,2		100			74,4	25,6		100			75,0	25,0	
4.3	100		20,5	78,6	1,0		100		20,4	78,6	1,0		100		20,4	78,6	1,0	
4.4	100			75,1	24,9		100			57,4	9,3	33,3	100			74,5	25,5	
4.5	100			75,0	25,0		100			75,0	25,0		100			75,0	25,0	
4.6	100			75,0	25,0		100			75,0	25,0		100			75,0	25,0	
<b>Tasks total guid. 5</b>	<b>100</b>			<b>2,4</b>	<b>17,4</b>	<b>80,2</b>	<b>100</b>			<b>1,0</b>	<b>16,5</b>	<b>82,4</b>	<b>100</b>				<b>16,3</b>	<b>83,7</b>
5.1	100				17,8	82,2	100				16,7	83,3	100				16,3	83,7

**FINANCIAL TABLE FOR TASKS PERFORMED WITHIN THE FRAMEWORK OF NAP/E FOR 2005 (structure in %)**

Symbol of a task	2004						2005						2006					
	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other	Total	ERDF	LF	ESF	State budget	Other
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
5.2	100			100,0			100			100,0								
<b>Tasks total guid. 6</b>	100		5,8	79,5	12,4	2,3	100		5,9	79,5	12,3	2,4	100		5,9	79,5	12,3	2,4
6.1***	100		5,8	79,5	12,4	2,3	100		5,9	79,5	12,3	2,4	100		5,9	79,5	12,3	2,4
6.2	100			76,9	23,1		100			80,5	19,5							
<b>Tasks total guid. 7</b>	100		0,9	71,5	18,8	8,8	100		0,7	70,6	21,7	6,9	100		1,2	72,5	14,8	11,5
7.1	100			71,1		28,9	100			71,1		28,9	100			71,1	0,0	28,9
7.2	100		4,0	79,1	10,7	6,2	100		4,0	79,1	10,7	6,2	100		4,0	79,1	10,7	6,2
7.3	100			68,0	32,0		100			68,6	31,4		100			68,1	31,9	
7.4							100		0,9		99,1							
<b>Tasks total guid. 8</b>																		
8.1**																		
8.2**																		
<b>Tasks total guid. 9</b>							100				100,0							
9.1							100				100,0							
9.2**																		
<b>Tasks total guid. 10</b>							100			75,0	25,0							
10.1							100			75,0	25,0							
10.2							100			75,0	25,0							
10.3							100			75,0	25,0							

\*/ The amounts given do not include costs of implementation of the following tasks: 4.3, 5.2 and 1.4.1 (computer programme "Counsellor 2000").

\*\*/ The task is performed within the framework of own resources designated for current activity.

\*\*\*/ The given costs do not include costs of implementation of task 6.2.

**SCHEDULE OF TASKS IMPLEMENTATION UNDER THE NATIONAL ACTION PLAN FOR EMPLOYMENT**

Name of the task	2005				2006			
	first semester		second semester		first semester		second semester	
	qu. 1	qu. 2	qu. 3	qu. 4	qu. 1	qu. 2	qu. 3	qu. 4
<b>Guideline 1</b>								
1. Youth occupational activation								
2. Counteracting and combating long-term unemployment.								
3. Improvement and development of the labour market instruments.								
4. Enhanced quality of vocational guidance services.								
5. New methods of financing job placement services.								
6. Curbing the inactivity and poverty traps.								
<b>Guideline 2</b>								
1. Support of enterprises in investments.								
2. Development of business support for enterprises – counseling and supporting institutions .								
3. Development of the loan and guarantee funds system.								
4. Entrepreneurship promotion – support micro-enterprises’ development.								

Name of the task	2005				2006			
	first semester		second semester		first semester		second semester	
	qu. 1	qu. 2	qu. 3	qu. 4	qu. 1	qu. 2	qu. 3	qu. 4
Guideline 3								
1. Staff development for modern economy.								
2. Flexible employment promotion.								
3. Vocational reorientation of persons threatened with restructuring processes.								
4. EURES system implementation.								
5. Improvement of the public transport system as a condition for enhancing geographic mobility on the labour market.								
6. Implementation of deficit and surplus occupations' monitoring.								
7. Implementation of the labour demand forecasting system in Poland.								
8. Monitoring local labour markets.								



Name of the task	2005				2006			
	first semester		second semester		first semester		second semester	
	qu. 1	qu. 2	qu. 3	qu. 4	qu. 1	qu. 2	qu. 3	qu. 4
Guideline 7								
1. Vocational and social inclusion of the disabled persons.								
2. Support for risk groups to increase their employment opportunities.								
3. Putting into operation of the grants' system for students with difficult educational start. .								
4. Vocational activation of youth at risk of social exclusion.								
Guideline 8								
1. Reduction in tax burden and burden resulting from social insurance contributions in labour costs of persons with the lowest earnings.								
2. Enhancing financial attractiveness of work for unemployed persons.								
Guideline 9								
1. Elimination of undeclared employment or illegal gainful work.								
2. New solutions for creating favourable conditions for employment.								
Guideline 10								
1. Vocational reorientation of persons leaving agriculture.								
2. Regional innovative strategies and transfer of knowledge.								
3. Development of adults' vocational skills connected with the labour market needs and increased continuous education opportunities in a region.								

**IMPLEMENTING AND REPORTING ENTITIES FOR TASKS COVERED BY NAP/E FOR 2005****Guideline 1**

Name of the task	Implementing entity	Reporting entity
1. Youth occupational activation	MEL / ESFMD, LMD, labour offices, VLC, other.	MEL / LMD
2. Counteracting and combating long-term unemployment	MEL / ESFMD, LMD, labour offices	MEL / LMD
3. Improvement and development of the labour market instruments	MEL / LMD, ESFID, labour offices	MEL / LMD
4. Enhanced quality of vocational guidance services	MEL / LMD, VLC	MEL / LMD
5. New methods of financing job placement services	MEL / EAFD, LMD, MF	MEL / LMD
6. Curbing the inactivity and poverty traps.	MSP/ EAFD	MSP/ EAFD

**Guideline 2**

Name of the task	Implementing entity	Reporting entity
1. Support of enterprises in investments	MEL / EDD, SAED	MEL / RPD
2. Development of business support for enterprises – counselling and supporting institutions	MEL / EDD, SAED	MEL / RPD
3. Development of the loan and guarantee funds system	MEL / EDD, LMD-BGK, SAED	MEL / RPD, LMD
4. Entrepreneurship promotion – support micro-enterprises’ development	MEL / DRDP	MEL / DRDP

**Guideline 3**

Name of the task	Implementing entity	Reporting entity
1. Staff development for modern economy	SAED, labour market institutions, employers’ organisations, social partners	MEL / ESFMD
2. Flexible employment promotion	MEL, SAED	SAED
3. Vocational reorientation of persons threatened with restructuring processes	VLO	MEL / DRDP
4. EURES system implementation	MEL / LMD, labour offices	MEL / LMD
5. Improvement of the public transport system as a condition for enhancing geographic mobility on the labour market	MI	MI
6. Implementation of deficit and surplus occupations’ monitoring	MEL / LMD, ITD, labour offices, SSO, CSO	MEL / LMD
7. Implementation of the labour demand forecasting system in Poland	GCSS, CSO, ŁU	GCSS
8. Monitoring local labour markets.	MSP/ EAFD	MSP/ EAFD

**Guideline 4**

Name of the task	Implementing entity	Reporting entity
1. Development of the continuous education information system	MNES, MEL / LMD, tsu, labour offices	MNES MEL /LMD
2. Drafting up and implementation of the principles of continuous education in out-of-school forms	MNES, tsu, academies, distance learning centres	MNES
3. Vocational qualification standards' development	MEL / LMD	MEL / LMD
4. Modernisation and development of a programme offer for continuous education by creating modular curricula	MNES, MEL / LMD, competent ministers, educational and scientific institutions	MEL / LMD
5. Increased access to education – lifelong learning promotion	MNES / Implementing Office ESF	MNES / Implementing Office ESF
6. Enhanced quality of education to respond to the labour market needs	MNES	MNES

**Guideline 5**

Name of the task	Implementing entity	Reporting entity
1. Promotion of rural population economic activity	MARD, VLC	MARD
2. Promotion of economic activity of persons above 50 years of age	MEL / LMD, labour offices	MEL / LMD

**Guideline 6**

Name of the task	Implementing entity	Reporting entity
1. Women's vocational integration and reintegration	SGPES, MEL / ESFID, ESFMD	SGPES
2. Promotion of anti-discrimination labour law provisions	SGPES	SGPES

**Guideline 7**

Name of the task	Implementing entity	Reporting entity
1. Vocational and social inclusion of the disabled persons	SFRDP, labour market institutions, NGO, tsu, employers	MSP / ODP / SFRDP
2. Support for risk groups to increase their employment opportunities	MEL / ESFMD, MIAA, VLC	MEL / ESFMD, MIAA
3. Putting into operation of the grants' system for pupils and students with difficult educational start	MNES, MSP, tsu, social partners, NGO	MNES
4. Vocational activation of youth at risk of social exclusion	VLC	MEL / LMD; VLC



**Guideline 8**

Name of the task	Implementing entity	Reporting entity
1. Reduction in tax burden and burden resulting from social insurance contributions in labour costs of persons with the lowest earnings	MEL / EAFD, MF	MF
2. Enhancing financial attractiveness of work for unemployed persons	MEL /LMD, FD, EAFD	MEL / LMD

**Guideline 9**

Name of the task	Implementing entity	Reporting entity
1. Elimination of undeclared employment or illegal gainful work	MF, MEL / LMD, voivods	MIAA
2. New solutions for creating favourable conditions for employment	MEL/SPD-Tripartite Commission	MEL/SPD

**Guideline 10**

Name of the task	Implementing entity	Reporting entity
1. Vocational reorientation of persons leaving agriculture	MEL / DRDP, VLO	MEL / DRDP
2. Regional innovative strategies and transfer of knowledge	MEL / DRDP, Marshal's Offices	MEL / DRDP
3. Development of adults' vocational skills connected with the labour market needs and increased continuous education opportunities in a region	MEL / DRDP, VLO	MEL / DRDP

## LIST OF NOTIFIED AND INTEGRATED TASKS COVERED BY NAP/E FOR 2005

Integrated tasks		Notified tasks	Applicant	Notes
Symbol	Name			
1.1	Youth occupational activation	1. Perspectives for youth	MEL/ESFMD	
		2. Implementation of the programme „First job”	MEL/LMD	
		3. Promotion of legal solutions concerning voluntary work	MSP/PBD	
		4. Organisation of youth vocational preparation	VLC	
1.2	Counteracting and combating long-term unemployment	Counteracting and combating the long-term unemployment	MEL/ESFMD	
1.3	Improvement and development of the labour market instruments	1. Development and modernisation of labour market instruments and institutions	MEL/ESFMD	
		2. Development of services provided by public employment services	MEL/LMD	
		3. Development of qualifications of the public employment services' staff	MEL/LMD	
		4. Strengthening the activity of non-public labour market institutions	MEL/LMD	
1.4	Enhanced quality of vocational guidance services	1. Enhancing the quality of vocational guidance services	MEL/LMD	
		2. Standards and examination of quality of vocational guidance services of MCIZ VLC	VLC	
1.5	New methods of financing job placement services	Nowe metody finansowania usług pośrednictwa pracy świadczonych przez powiatowe urzędy pracy	MEL/EAFD	
1.6	Curbing the inactivity and poverty traps.	Curbing the inactivity and poverty traps	MSP / EAFD	
2.1	Support of enterprises in investments	Financial support of enterprises in investments	MEL/EDD	
2.2	Development of business support for enterprises – counselling and supporting institutions	1. Financial support of enterprises in taking advantage of counselling assistance	MEL/EDD	
		2. Development of institutions supporting activities of enterprises		

Integrated tasks		Notified tasks	Applicant	Notes
Symbol	Name			
2.3	Development of the loan and guarantee funds system	1. Development of the loan and guarantee funds system	MEL/EDD	
		2. Development of the system of loans granted to graduates by BGK for business start up	MEL/LMD	
2.4	Entrepreneurship promotion – support micro-enterprises' development	Entrepreneurship promotion	MEL/DRDP	
3.1	Staff development for modern economy	Staff development for modern economy	MEL/ESFMD	
3.2	Flexible employment promotion	Flexible employment promotion	Interministerial Group for NAP/E	Proposed reporting entity SAED
3.3	Vocational reorientation of persons threatened with restructuring processes	Vocational reorientation of persons threatened with restructuring processes	MEL/DRDP	
3.4	EURES system implementation	Participation of the Polish public employment services in the network of European services EURES	MEL/LMD	
3.5	Improvement of the public transport system as a condition for enhancing geographic mobility on the labour market	Improvement of the public transport system as a condition for enhancing geographic mobility on the labour market	Interministerial Group for NAP/E	Proposed reporting entity MI
3.6	Implementation of deficit and surplus occupations' monitoring	Implementation of deficit and surplus occupations' monitoring	MEL/LMD	
3.7	Implementation of the labour demand forecasting system in Poland (SPPP)	Implementation of the computer, integrated system of labour demand forecasting in Poland (SPPP)	Interministerial Group for NAP/E	Proposed reporting entity GCSS
3.8	Monitoring local labour markets.	Analysis of the situation of selected poviats labour markets.	MSP / EAFD	
4.1	Development of the continuous education information system	1. Drafting the generally available information on continuous education	MNES	
		2. Keeping the register of training institutions	MEL/LMD	
4.2	Drafting up and implementation of the principles of continuous education in out-of-school forms	Drafting up and implementation of the principles of continuous education in out-of-school forms	MNES	
4.3	Vocational qualification standards' development	Vocational qualification standards' development	MEL/LMD	

Integrated tasks		Notified tasks	Aplicant	Notes
Symbol	Name			
4.4	Modernisation and development of a programme offer for continuous education by creating modular curricula	1. Modification and enriching the programme offer for continuous education by creating modular curricula	MNES	
		2. Development of modular curricula of vocational training programmes	MEL/LMD	
4.5	Increased access to education – lifelong learning promotion	Increased access to education – lifelong learning promotion	MEL/ESFMD	
4.6	Enhanced quality of education to respond to the labour market needs	Enhanced quality of education to respond to the labour market needs	MEL/ESFMD	
5.1	Promotion of rural population economic activity	1. Differentiation of agricultural activity and activity close to agriculture to ensure the divergence of activities or alternative sources of incomes (SOP) 2. Training (SOP) 3. Support for agricultural counselling (SOP) 4. Vocational training (SAPARD)	MARD	
5.2	Promotion of economic activity of persons above 50 years of age	Implementation of Programme 50+	MEL/LMD	
6.1	Women's vocational integration and reintegration	1. Women's vocational integration and reintegration	MEL/ESFMD	
		2. Multi-aspect diagnosis of women's labour market situation	SGPES	
6.2	Promotion of anti-discrimination labour law provisions	Promotion of anti-discrimination labour law provisions	SGPES	
7.1	Vocational and social inclusion of the disabled persons	Vocational and social inclusion of the disabled persons	MSP/ODP	
7.2	Support for risk groups to increase their employment opportunities	1. Promotion of active social policy by supporting risk groups	MEL/ESFMD	
		2. Counteracting unemployment of Roma population	MIAA	

Integrated tasks		Notified tasks	Applicant	Notes
Symbol	Name			
7.3	Putting into operation of the grants' system for pupils and students with difficult educational start	1. Putting into operation of the National Grants Fund for pupils and students with difficult educational start	MNES	
		2. Equalisation of educational opportunities by means of grants' programmes	MEL/DRDP	
7.4	Vocational activation of youth at risk of social exclusion	1. Youth Social Activation Programme of Voluntary Labour Corps 2. Project „Equal start” 3. Project „Opportunity 13-18” 4. Project „Opportunity 18-24” 5. Project „Plan your own career”	VLC	
8.1	Reduction in tax burden and burden resulting from social insurance contributions in labour costs of persons with the lowest earnings	Reduction in tax burden and burden resulting from social insurance contributions in labour costs of persons with the lowest earnings	MEL/EAFD	
8.2	Enhancing financial attractiveness of work for unemployed persons	Enhancing financial attractiveness of work for unemployed persons	Interministerial Group for NAP/E	
9.1	Elimination of undeclared employment or illegal gainful work	Elimination of undeclared employment or illegal gainful work	MEL/LMD	
9.2	New solutions for creating favourable conditions for employment	New solutions for creating favourable conditions for employment	Interministerial Group for NAP/E	Proposed reporting entity MEL/SPD
10.1	Vocational reorientation of persons leaving agriculture	Vocational reorientation of persons leaving agriculture	MEL/DRDP	
10.2	Regional innovative strategies and transfer of knowledge	Regional innovative strategies and transfer of knowledge	MEL/DRDP	
10.3	Development of adults' vocational skills connected with the labour market needs and increased continuous education opportunities in a region	Development of vocational skills connected with the labour market needs and increased continuous education opportunities in a region	MEL/DRDP	

### STATISTICAL ILLUSTRATION

Table 1: Employment by sex and place of residence in 2000-2003 (in the fourth quarter)

Specification	2000	2001	2002	2003	2002=100%
	in thousand				
Total	14540	14043	13722	13718	99.97%
males	8066	7728	7517	7520	100.04%
females	6474	6315	6205	6198	99.89%
urban areas	8944	8638	8356	8330	99.69%
rural areas	5596	5405	5366	5388	100.41%
	in percent				
males	55.5	55.0	54.8	54.8	x
females	44.5	45.0	45.2	45.2	x
urban areas	61.5	61.5	60.9	60.7	x
rural areas	38.5	38.5	39.1	39.3	x

Source: LFS

Table 2: Employment structure by ownership and economic sectors in 2000-2003 (in the fourth quarter)

Specification	2000	2001	2002	2003
	in percent			
Total	100.0	100.0	100.0	100.0
by ownership sectors:				
public sector	33.6	31.6	32.8	31.5
private sector	66.4	68.4	67.2	68.5
by economic sectors:				
agriculture	18.9	19.1	18.6	18.5
industry	30.8	29.9	28.5	28.6
services	50.3	51.0	52.9	52.9

Source: LFS

Table 3: Unemployed persons by sex and place of residence in 2000-2003 (in the fourth quarter)

Specification	2000	2001	2002	2003	2002=100%
	in thousand				
Total	2760	3186	3375	3273	97.0%
males	1331	1613	1766	1695	96.0%
females	1429	1574	1608	1578	98.1%
urban areas	1824	2103	2260	2197	97.2%
rural areas	937	1083	1115	1076	96.5%
	in percent				
Total	100.0	100.0	100.0	100.0	x
males	48.2	50.6	52.3	51.8	x
females	51.8	49.4	47.6	48.2	x
urban areas	66.1	66.0	67.0	67.1	x
rural areas	33.9	34.0	33.0	32.9	x

Source: LFS

Table 4: Unemployed persons by sex and age in 2000-2003 (in the fourth quarter)

years	Total	age						
		15-19	20-24	25-29	30-34	35-44	45-54	55 years and more / 55-74 years
<b>Total</b>								
in thousand								
2000	2760	169	623	400	323	651	481	114
2001	3186	175	767	485	332	763	571	93
2002	3375	158	783	555	377	729	665	108
2003	3273	146	741	528	376	693	658	130
in percent								
2000	100.0	6.1	22.6	14.5	11.7	23.6	17.4	4.1
2001	100.0	5.5	24.1	15.2	10.4	23.9	17.9	2.9
2002	100.0	4.7	23.2	16.4	11.2	21.6	19.7	3.2
2003	100.0	4.5	22.6	16.1	11.5	21.2	20.1	4.0
<b>females</b>								
in thousand								
2000	1429	78	306	210	186	364	239	46
2001	1574	86	355	243	169	411	272	37
2002	1608	70	346	270	191	375	316	41
2003	1578	71	339	241	207	358	317	44
in percent								
2000	100.0	5.5	21.4	14.7	13.0	25.5	16.7	3.2
2001	100.0	5.5	22.6	15.4	10.7	26.1	17.3	2.4
2002	100.0	4.4	21.5	16.8	11.9	23.3	19.7	2.5
2003	100.0	4.5	21.5	15.3	13.1	22.7	20.1	2.8
<b>males</b>								
in thousand								
2000	1331	91	317	191	137	286	241	68
2001	1613	90	412	242	163	351	299	57
2002	1766	88	437	285	186	354	349	67
2003	1695	75	402	287	169	335	341	86
in percent								
2000	100.0	6.8	23.8	14.4	10.3	21.5	18.1	5.1
2001	100.0	5.6	25.5	15.0	10.1	21.8	18.5	3.5
2002	100.0	5.0	24.7	16.1	10.5	20.0	19.8	3.8
2003	100.0	4.4	23.7	16.9	10.0	19.8	20.1	5.1

Source: LFS

As from the first quarter of 2001 the population of unemployed persons, following EUROSTAT recommendations, has been limited to persons aged 15-74 years.

Table 5: Unemployed persons by sex and period of seeking job (in the fourth quarter)

years	Total	period of seeking job			
		to 3 months inclusive	4-6	7-12	13 months and more
<b>Total</b>					
in thousand					
2000	2760	515	488	621	1135
2001	3186	556	509	677	1445
2002	3375	488	482	703	1701
2003	3273	533	482	610	1648
in percent					
2000	100.0	18.7	17.7	22.5	41.1
2001	100.0	17.5	16.0	21.2	45.4
2002	100.0	14.5	14.3	20.8	50.4
2003	100.0	16.3	14.7	18.6	50.4
<b>females</b>					
in thousand					
2000	1429	233	230	310	655
2001	1574	239	243	331	760
2002	1608	214	222	304	868
2003	1578	232	235	320	791
in percent					
2000	100.0	16.3	16.1	21.7	45.8
2001	100.0	15.2	15.4	21.0	48.3
2002	100.0	13.3	13.8	18.9	54.0
2003	100.0	14.7	14.9	20.3	50.1
<b>males</b>					
in thousand					
2000	1331	283	258	311	480
2001	1613	316	265	346	685
2002	1766	274	261	399	833
2003	1695	301	247	291	857
in percent					
2000	100	21.3	19.4	23.4	36.1
2001	100	19.6	16.4	21.5	42.5
2002	100	15.5	14.8	22.6	47.2
2003	100	17.8	14.6	17.2	50.6

Source: LFS

As from the first quarter of 2001 the population of unemployed persons, following EUROSTAT recommendations, has been limited to persons aged 15-74 years.



Table 6: Unemployed persons by education level in 2000-2003 (in the fourth quarter)

years	Total	tertiary	postsecondary	secondary vocational	secondary general	basic vocational	primary and incomplete primary
	in thousand						
2000	2760	103	72	628	247	1164	546
2001	3186	151	88	718	283	1376	569
2002	3375	189	106	756	310	1396	617
2003	3273	218	102	708	312	1362	571
	in percent						
2000	100.0	3.7	2.6	22.8	8.9	42.2	19.8
2001	100.0	4.7	2.8	22.5	8.9	43.2	17.9
2002	100.0	5.6	3.1	22.4	9.2	41.4	18.3
2003	100.0	6.7	3.1	21.6	9.5	41.6	17.4

Source: LFS

Table 7: Employed persons by voivodships in 2000-2003 (in the fourth quarter)

Voivodships	2000		2001		2002		2003	
	employed persons	employment rate	employed persons	employment rate	employed persons	employment rate	employed persons	employment rate
	in thous.	in %	in thous.	in %	in thous.	in %	in thous.	in %
Total	14540	47.4	14043	45.5	13722	44.1	13718	44.2
Dolnośląskie	1066	45.2	927	41.4	922	39.8	884	38.9
Kujawsko-Pomorskie	849	46.4	832	45.9	787	43.6	763	42.2
Lubelskie	927	51.5	942	50.7	934	48.6	889	48.4
Lubuskie	337	41.6	353	39.9	358	39.5	366	40.8
Łódzkie	1135	47.4	1069	44.6	1095	45.0	1104	44.7
Małopolskie	1312	50.5	1255	47.7	1260	46.8	1215	46.5
Mazowieckie	2064	50.8	2002	49.6	1921	49.0	1992	49.6
Opolskie	383	47.5	345	44.2	335	42.5	337	42.6
Podkarpackie	691	45.9	658	44.8	737	46.0	790	47.1
Podlaskie	493	51.8	472	49.1	428	46.4	415	45.7
Pomorskie	753	47.5	772	46.6	665	42.5	643	41.9
Śląskie	1458	42.0	1552	41.0	1532	40.3	1565	40.9
Świętokrzyskie	583	48.8	529	45.4	477	40.9	469	40.8
Warmińsko - Mazurskie	478	41.9	457	41.7	456	40.6	480	42.8
Wielkopolskie	1405	49.9	1276	47.3	1251	46.3	1258	46.5
Zachodniopomorskie	605	44.8	600	42.3	563	39.1	547	39.7

Source: LFS

Table 8: Unemployed persons by voivodships in 2000-2003 (in the fourth quarter)

Voivodships	2000		2001		2002		2003	
	unemplo yed persons	unemplo yment rate	unemplo yed persons	unemplo yment rate	unemplo yed persons	unemplo yment rate	unemplo yed persons	unemplo yment rate
	in thous.	in %	in thous.	in %	in thous.	in %	in thous.	in %
Total	2760	16.0	3186	18.5	3375	19.7	3273	19.3
Dolnośląskie	282	20.9	286	23.6	344	27.2	304	25.6
Kujawsko- Pomorskie	180	17.5	188	18.4	217	21.6	224	22.7
Lubelskie	142	13.3	156	14.2	186	16.6	164	15.6
Lubuskie	88	20.7	124	26.0	125	25.9	113	23.6
Łódzkie	234	17.1	278	20.6	265	19.5	270	19.7
Małopolskie	170	11.5	206	14.1	242	16.1	271	18.2
Mazowieckie	304	12.8	366	15.5	391	16.9	357	15.2
Opolskie	68	15.1	72	17.2	71	17.5	64	16.0
Podkarpackie	151	17.9	152	18.8	166	18.4	164	17.2
Podlaskie	80	14.0	92	16.3	92	17.7	89	17.7
Pomorskie	153	16.9	185	19.3	186	21.9	159	19.8
Śląskie	299	17.0	396	20.3	355	18.8	411	20.8
Świętokrzyskie	105	15.3	101	16.0	110	18.7	115	19.7
Warmińsko - Mazurskie	151	24.0	142	23.7	150	24.8	137	22.2
Wielkopolskie	214	13.2	264	17.1	278	18.2	263	17.3
Zachodniopom orskie	138	18.5	177	22.8	197	25.9	169	23.6

Source: LFS

Table 9: Unemployment rate in 2000-2003 (in the fourth quarter)

Specification	2000	2001	2002	2003
	in percent			
Total	16.0	18.5	19.7	19.3
males	14.2	17.3	19.0	18.4
females	18.1	20.0	20.6	20.3
urban areas	16.9	19.6	21.3	20.9
rural areas	14.3	16.7	17.2	16.6
Total in age:				
15-64	16.2	18.8	20.1	19.6
15-24	34.1	41.1	43.6	41.1
25-34	16.2	18.0	20.0	19.4
35-44	13.2	16.0	15.8	15.7
45 and more	10.7	11.8	13.6	13.7
by education level				
tertiary	4.8	6.4	7.5	7.7
secondary vocational	13.6	16.1	17.4	16.9
secondary general	19.6	22.9	24.0	22.9
basic vocational	19.2	22.4	23.8	23.5
primary and incomplete primary	20.2	22.6	25.4	26.0

Source: LFS

Table 10: Employment in voivodship and poviats labour offices in 2000-2003

<b>Specification</b>	<b>As of the end of the year</b>							
	2000		2001		2002		2003	
	in persons	in %	in persons	in %	in persons	in %	in persons	in %
Persons employed in labour offices:								
- voivodship	1101	6.4	1139	6.9	1127	7.1	1450	8.2
- poviats	16061	93.6	15347	93.1	14747	92.9	16185	91.8
Total	17162	100.0	16486	100.0	15874	100.0	17635	100.0

Source: Report MPiPS-06

Table 11: Employment structure in labour offices by work posts in 2000-2003

<b>Specification</b>	<b>As of the end of the year</b>			
	2000	2001	2002	2003
Persons employed in VLO in total (in number of persons)	1101	1139	1127	1450
of which on posts:				
- managerial	172	200	210	234
- primary-promoting activity	547	588	591	882
- regulatory and supportive	208	199	186	206
- auxiliary	174	152	140	128
Persons employed in PLO in total (in number of persons).	16061	15347	14747	16185
of which on posts:				
- managerial	2066	2074	1970	1971
- job placement officers	1651	1353	1349	1438
- vocational counsellors	477	453	482	557
Total	17162	16486	15874	17635

Source: Report MPiPS-06

Table 12: Persons employed in powiat labour offices and unemployed persons by voivodships in the end of 2003.

Specification	Persons employed in PLO*	Registered unemployed persons	col.3:col.2
1	2	3	4
Poland	16 185	3 175 674	196.2
Dolnośląskie	1 474	278 271	188.8
Kujawsko - Pomorskie	995	212 066	213.1
Lubelskie	997	174 529	175.1
Lubuskie	556	108 026	194.3
Łódzkie	1 355	233 064	172.0
Małopolskie	1 157	208 028	179.8
Mazowieckie	1 587	363 554	229.1
Opolskie	469	81 623	174.0
Podkarpackie	1 047	182 497	174.3
Podlaskie	539	81 274	150.8
Pomorskie	891	191 525	215.0
Śląskie	1 612	325 516	201.9
Świętokrzyskie	635	126 538	199.3
Warmińsko - Mazurskie	829	170 430	205.6
Wielkopolskie	1 213	247 869	204.3
Zachodnio - Pomorskie	829	190 864	230.2

\* Persons employed in powiat labour offices including branches.

Source: Report MPiPS-01 and MPiPS-06

Table 13: Persons employed in voivodship labour offices and unemployed persons by voivodships in the end of 2003.

Specification	All persons employed in VLO*	Registered unemployed persons	col.3:col.2
1	2	3	4
Poland	1450	3 175 674	2 190.1
Dolnośląskie	87	278 271	3 198.5
Kujawsko - Pomorskie	108	212 066	1 963.6
Lubelskie	88	174 529	1 983.3
Lubuskie	61	108 026	1 770.9
Łódzkie	119	233 064	1 958.5
Małopolskie	91	208 028	2 286.0
Mazowieckie	217	363 554	1 675.4
Opolskie	51	81 623	1 600.5
Podkarpackie	101	182 497	1 806.9
Podlaskie	63	81 274	1 290.1
Pomorskie	71	191 525	2 697.5
Śląskie	100	325 516	3 255.2
Świętokrzyskie	64	126 538	1 977.2
Warmińsko - Mazurskie	69	170 430	2 470.0
Wielkopolskie	77	247 869	3 219.1
Zachodnio - Pomorskie	83	190 864	2 299.6

\*does not cover employees at a powiat level

Source: Report MPiPS-01 and MPiPS-06

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