

ESPN Thematic Report on integrated support for the long-term unemployed

Poland

2015







EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion Directorate D — Europe 2020: Social Policies Unit D.3 — Social Protection and Activation Systems

Contact: Valdis ZAGORSKIS

E-mail: Valdis.ZAGORSKIS@ec.europa.eu

European Commission B-1049 Brussels

EUROPEAN SOCIAL POLICY NETWORK (ESPN)

ESPN Thematic Report on integrated support for the long-term unemployed

Poland

2015

A. Chłoń-Domińczak, I. Topińska

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by LISER and APPLICA, with the support of OSE - European Social Observatory.

For more information on the ESPN, see: http://ec.europa.eusocialmain.jsp?catId=1135&langId=en

Europe Direct is a service to help you find answers to your questions about the European Union.

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

This document has been prepared for the European Commission, however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

 $\label{thm:model} \mbox{More information on the European Union is available on the Internet (http::www.europa.eu).}$

© European Union, 2015

Reproduction is authorised provided the source is acknowledged.

Contents

SL	JMMARY	6
1	BENEFITS AND SERVICES SUPPORTING THE LONG-TERM UNEMPLOYED	7
	1.1 Income benefits	7
	1.2 Social services	7
	1.3 Activation support	8
	1.4 Conditionalities	9
	1.5 Specific Measures for the older unemployed	9
2	COORDINATION BETWEEN SERVICES TOWARDS A ONE-STOP SHOP APPROACH	9
	2.1 2.1. Division of responsibilities for services provided to the LTU	9
	2.2 2.2. Co-operation between <i>poviat</i> and <i>gmina</i> agencies and NGO involvement	10
	2.3 2.3. Support for the LTU through social employment	11
	2.4 2.4. Possible changes towards more integrated institutional co-operation	11
3	INDIVIDUALISED APPROACHES	12
	3.1 3.1. Characteristics and profiles of the unemployed and LTU	12
	3.2 3.2. Individual support by public employment offices (PUPs)	12
	3.3 3.3. Individual support by social assistance centres	
	3.4 3.4. Individual support by CIS	14
4	OVERVIEW TABLE	15

Summary

The main features of the support for the long-term unemployed in Poland can be summarised as follows:

- <u>Income benefits</u> designed specifically for the long-term unemployed (LTU) do not exist, but there are cash payments linked to the activation measures that are provided by the employment offices or by other agencies implementing labour inclusion programmes that may be used by the eligible unemployed. The LTU may also claim social assistance support. In this area, the 50+ unemployed are in a better position.
- Provision of <u>social services</u> is scarce. Access to public healthcare, guaranteed for all the unemployed registered at the employment office (PUP), is the most important. Also, specific social inclusion services are provided to the LTU participating in the activities of Social Integration Centres or Clubs (CIS, KIS). <u>Activation measures</u> that may be used by the LTU (currently, the unemployed with profile II or III, based on the assistance needed) include: counselling, vocational training courses, internships, public works (organised and financed by public agencies for maximum 12 months) and employment subsidies by PUP for fixed-term contracts of 6-18/48 months.
- <u>Coordination between agencies</u> providing support for the unemployed/LTU at local level is weak. Responsibility for coordination and delivery of services and benefits is divided between various levels: district/poviat (employment), municipal/gmina (social assistance). Also, there are no general rules for the exchange of data on clients using both employment and social assistance services. All this creates an obstacle towards a one-stop shop approach. At the same time, involvement of NGOs and their cooperation with the relevant public institutions is visible and widely supported by ESF-funded projects.
- Currently, an <u>individualised approach</u> is executed through the use of specific contracts: (i) individual action plans, signed by the client advisors with the unemployed/job-seekers and prepared within 60 days after the unemployed profile was established, (ii) optional social contracts, signed by the social workers with the social assistance clients, (iii) individual programmes of social employment established for all clients of CIS. Refusal to sign a contract or its unjustified discontinuation may be penalised. Effectiveness of these measures is moderate and the audit of social contracts points to their various shortcomings (eg. bureaucratic burden, difficulties in setting proper aims).
- Legislative changes put in force in the middle of 2014 open new options for strengthening cooperation and an individualised approach. New tools include: (i) profiling of the unemployed that should allow for better tailoring of the support provided, (ii) possibility of outsourcing activation services by PUPs, at least in some *poviats*, (iii) establishment of the instrument called "Activation and Integration" programme, requiring the use of a mix of instruments and joint financing of (individualised) activation services by the employment offices from the Labour Fund and social assistance centres from the *gmina* funds. Implementation of the new measures shows some administrative limitations and risks (eg. mis-profiling) but final outcomes are still pending.

1 Benefits and services supporting the long-term unemployed

1.1 Income benefits

There are no income benefits designed specifically for the long-term unemployed (LTU) in Poland. In particular, there is no specific income support (other than the access to social assistance benefits) offered after the regular unemployment benefit expires, i.e. after 6 months or in some cases 12 months of the benefit payment. Still, under Polish legislation – which stipulates that a long-tem unemployed is a person registered at the employment office for at least 12 months during the last 2 years, excluding periods of internship and vocational training¹ – a tiny group of the unemployed holding legal LTU status (0.4% or 4,200 in 2013²) remains eligible for the regular benefit.

Other cash payments by the employment office (stipends, cost reimbursement, loans, etc.) are linked to the services provided, and they do not specifically concern the LTU.

Also, the long-term unemployed, like all other unemployed, may claim the incometested temporary benefit (*zasiłek okresowy*) paid within social assistance (SA). For this benefit, unemployment is one of the alternative pre-conditions. In fact, over 80% of the temporary benefits are paid in respect of unemployment³.

1.2 Social services

There is a limited offer of social services for the LTU (and other unemployed). Access to public healthcare, which is insurance based in Poland, remains the most important. Employment offices (*powiatowe urzędy pracy*, PUP) pay health insurance contributions for all registered unemployed (not only for the LTU), assuming they are not otherwise covered by health insurance. By common consensus, access to healthcare is often the only reason to register at the employment office⁴. Therefore, imposing restrictions has been repeatedly discussed but the rules have not been changed.

Other social services available at the employment office play a much smaller role. They are closely linked to activation support and do not specifically target the LTU. These services include counselling, support in the form of cost reimbursement for care of a child under 7 or a dependent (up to 6 months, but only during the training course, internship, and sometimes at the beginning of work), travel cost reimbursement for job-seeking (under certain conditions), financing medical examinations in some cases, etc.⁵

The LTU may also become eligible for social services offered by social assistance (on a regular basis) or by Centres and Clubs for Social Integration (Centra i Kluby Integracji Społecznej). The latter are designed for people whose labour inclusion is difficult: the homeless, the LTU, drug and alcohol addicts, refugees, the disabled etc.6 They use a

¹ Act of 20th April 2004 on the promotion of employment and labour market institutions (*Ustawa z 20 kwietnia 2004 r. o promocji zatrudnienia i instytucjach rynku pracy*) as amended http://isap.sejm.gov.pl/DetailsServlet?id=WDU20040991001+2015%2401%2401&min=1

² Bezrobotni pozostający bez pracy powyżej 12 miesięcy od momentu zarejestrowania się oraz długotrwale bezrobotni w 2013 r. http://psz.praca.gov.pl/-/151700-bezrobotni-bez-pracy-powyzej-12-miesiecy-oraz-dlugotrwale-rok-2013

³ http://www.mpips.gov.pl/pomoc-spoleczna/raporty-i-statystyki/statystyki-pomocy-spolecznej/statystyka-za-2013/

⁴ Access to public healthcare under social assistance is not universal. In the case of the unemployed, it is limited to those who are covered by special programmes/ measures (if they sign a social contract for example).

⁵ Total spending on this type of support is really low. For instance, while the total budget of the Labour Fund for 2015 reaches PLN 12.1 billion, only 1.5 million would go to support care for a child or a dependent of the unemployed and PLN 45 million to finance medical examination. http://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/finanse-publiczne/budzet-panstwa/ustawy-budzetowe/2015/ustawa

⁶ Act of 13th June 2003 on social employment (*Ustawa z dnia 13 czerwca 2003 r. o zatrudnienieu socjalnym*) as amended http://isap.sejm.gov.pl/DetailsServlet?id=WDU20031221143

mix of social and labour inclusion instruments, such as workshops, training sessions for adaptation to social life, etc. (see also Sections 2.3 and 3.4).

1.3 Activation support

Activation support designed for the LTU is more developed than income support or social service provision.

The Act on the promotion of employment of 2004 puts the LTU among the vulnerable groups, together with the young under 30, the old over 50, the unemployed receiving SA benefits, the unemployed with disabilities and the unemployed bringing up at least one child under 6 or at least one disabled child under 18. The unemployed who belong to these groups are given priority in accessing special [activation] programmes, developed and implemented by the employment offices (PUP), and widely co-financed by the ESF.

Labour activation measures used include: counselling, training courses and vocational training for adults (with stipends), internships (with financial support), public works (employment up to 12 months, organised by municipalities or some institutions/NGOs supporting labour activation, and co/financed by public funds), intervention works (employment for 6-18 months or longer, subsidised by PUP), loans or support for starting a business.⁷ The list of measures also contains socially useful work (*prace społecznie użyteczne*), which is different in nature. It is organised by local (*gmina*) authorities for the unemployed without a right to UB, but covered by social assistance (including local social programmes) or implementing some type of individual contract (employment, social).

In 2013, almost 20% (214,000) of legal LTU participated in the labour activation programmes of PUPs, accounting for 45% of all unemployed participants. At the same time, taking up work remained the main reason (40%) for the LTU out-flow. Effectiveness of the ALMP measures for the long-term unemployed is debatable. Not only is participation of the LTU modest, but it is concentrated in low efficiency interventions (public, intervention or socially useful works⁹), less so in internships or other more successful job-supporting instruments. This refers specifically to the older unemployed/LTU, as evidenced by one of the reports of the Supreme Audit Office (*Najwyższa Izba Kontroli, NIK*). ¹⁰

In the middle of 2014, a new approach to the provision of activation instruments was introduced. It involves setting up the profile of assistance needed by the unemployed – from profile I (limited needs) to III (wide range of assistance needed) – and presupposes innovative ways of implementing various measures. Profiling should allow for better tailoring to the individual situation of the unemployed person. Although it is not strictly related to the duration of unemployment it may be expected that the LTU would be assigned profile II or II. 12

Based on the new rules, the unemployed with a profile III may participate in the "Activation and Integration" (*Aktywacja i Integracja*) programmes, implemented and financed jointly by PUPs and social assistance centres (see Section 3 for details). Also, the LTU (including those assigned a profile II or III) may be covered by the out-

⁷ Examples http://www.pup.jaroslaw.pl/urzad pracy/RZL - pomozny dlugotrwale.html http://www.pup.jaroslaw.pl/urzad pracy/Program specjalny pn wyjsc z cienia.html

⁸ http://psz.praca.gov.pl/-/151700-bezrobotni-bez-pracy-powyzej-12-miesiecy-oraz-dlugotrwale-rok-2013

 $^{^9}$ See MPiPS (2014) *Efektywność działań aktywizujących.... w 2013 r.* www.mpips.gov.pl for relevant statistics.

¹⁰ http://www.nik.gov.pl/plik/id,5809,vp,7513.pdf The report concerns activation of people aged 50+

¹¹ Amendment to the Act on the promotion of employment..... of 14th March 2014, http://isap.sejm.gov.pl/DetailsServlet?id=WDU20140000598

¹² Actual way of profiling adopted has been sometimes criticised for the sensitivity of the data collected, bureaucratic burden, etc. See http://panoptykon.org/wiadomosc/jakie-pytania-zawiera-kwestionariusz-profilowania-bezrobotnych or http://praca.gazetaprawna.pl/artykuly/845287,watpliwa-pomoc-urzedow-dla-dlugotrwale-bezrobotnych.html

sourced, so called commissioned activation measures, established in districts/poviats where the PUPs staff is relatively weak (low number of client advisors or high unemployed/staff indicator). The impact of these very new arrangements cannot be evaluated yet.

1.4 Conditionalities

The unemployed/LTU cannot refuse to participate in or decline support offered by the PUP: activation programmes, individual work plans, suitable job offers, medical examinations if needed, etc. In such cases, he/she is deprived of the unemployment status and thus of the relevant benefits for 120-180-270 days, depending on the number of subsequent refusals (maximum is for 3+).

1.5 Specific Measures for the older unemployed

Polish legislation pays more attention to the older unemployed than to the LTU, and in practice more instruments targeted at the former are used.

While the unemployed who are 50+ years old have priority access to labour activation programmes (described in section 1.3), they are also eligible for specific benefits, such as: (i) longer UB duration – up to 12 months, (ii) longer participation in the intervention works – up to 24 months or 48 months, depending on the schedule of work financing, and also since the middle of 2014 (iii) wage subsidies paid to the employer at a maximum of half of the minimum wage, for maximum 12 months for the unemployed aged 50-60 and 24 months for those over 60.

Furthermore, the older unemployed may claim pre-retirement benefits, financed by the Social Insurance Institution. They are payable to people 55+(women)/60+(men) who have been unemployed for more than 180 days and have been laid off from their companies. The benefit level is flat-rate. In December 2014, there were 168,700 pre-retirement benefits paid and 24,100 pre-retirement allowances (based on the former legislation).¹³

2 Coordination between services towards a one-stop shop approach

There is no one-stop shop solution for support of the long-term unemployed in the area of public employment and social assistance services in Poland. Thus, the effectiveness of the co-ordination services depends on local conditions and willingness to co-operate at the local level. Given the current legislative environment, the most important gap is the absence of non-legislative mechanisms supporting development of efficient co-ordination of services provided to the LTU.

2.1 2.1. Division of responsibilities for services provided to the LTU

Following the local governance structure in Poland, the responsibility for co-ordination and delivery of services and benefits for the long-term unemployed is divided between various levels of local authorities. There are three independent layers of territorial division in Poland: regions/voivodships (16), districts/poviats (380) and municipalities/gminas (2,479).

According to the division of responsibilities, employment services for the unemployed are organised at district level by public employment services (*poviat's* employment office – *Powiatowy Urząd Pracy, PUP*). PUP provides the unemployed or job seekers with both passive services (most importantly unemployment benefits) as well as with active labour market policies.

Social assistance services and benefits are provided at *gmina* level, by local social assistance centres (*gminne ośrodki pomocy społecznej, GOPS*). Unemployment, combined with other requirements defined in the regulations, is one of the reasons for

¹³ http://zus.pl/files/INFMIES122014.pdf

claiming social assistance, and in fact some 60% of the unemployed claim it.¹⁴ Though formally the unemployed are not required to provide a confirmation of registration from the employment office, social assistance centres frequently require such documentation¹⁵.

Regional authorities are responsible for setting out a general policy framework for both the labour market and social policy. They are also programming and distributing resources from structural funds, including the European Social Fund.

Finally, the Minister of Labour and Social Policy is responsible for the regulation of the labour market, social assistance and social inclusion policies. This includes, among other things, setting up standards and minimal requirements through the relevant decrees to the existing legislation, as well as proposing new or amending existing laws related to the abovementioned policy areas.

2.2 2.2. Co-operation between *poviat* and *gmina* agencies and NGO involvement

There are no general rules for the exchange of data on clients using both employment and social assistance centre services. There is no common database, nor systematic exchange of data between social assistance and public employment services. In fact, there are different practices observed in this area. The level of co-operation as well as of the information exchange depends on the individual institutions. In some cases, in order to co-ordinate support offered by both institutions, electronic exchange of information is used.

Comparison of data from social assistance centres and PUPs shows that the coexistence of unemployment and social assistance support is particularly high in northern and north-eastern Poland. 75% of social assistance clients are also unemployed (including LTU), receiving cash or non-cash support¹⁶.

The legislation is not clear on the legitimacy of the data exchange from the perspective of the protection of personal data. Nevertheless, GOPSs and PUPs should exchange information in cases where the LTU is covered by joint programmes clearly targeted at individuals. An example of such a programme is the "Activation and Integration" initiative, introduced by the amendment to the Act on employment in the middle of 2014. This is a tool of co-operation between PUPs and public or non-governmental institutions active in the area of social integration (see Section 3.2 for detail).

Recent amendments to the law on employment promotion and labour market institutions also introduced new opportunities for co-operation between public employment services and NGOs or non-public labour market institutions, including support for the LTU with profiles II and III. The aim of this change was to increase the range of activation measures and programmes for the LTU with the involvement of the NGO sector. In general, the NGO sector is involved in the activation of the long-term unemployed as well as of inactive people, frequently within the framework of ESF-funded programmes. Until the end of 2013, a total of 549,000 LTU, including 368,400 women, participated in ESF projects in the programming perspective 2007-2013.

_

¹⁴ Arendt Ł., A. Hryniewicka, I. Kukulak-Dolata, B. Rokicki Bezrobocie – między diagnozą a działaniem, http://irss.pl/wp-content/uploads/2012/04/Bezrobocie%20-%20między%20diagnoza%20a%20działaniem.pdf

¹⁵ Ibid

¹⁶ http://irss.pl/wp-content/uploads/2012/04/Bezrobocie%20-%20miedzy%20diagnoza%20a%20działaniem.pdf

2.3 2.3. Support for the LTU through social employment

Activation of the long-term unemployed is also covered by the provision of the law on social employment¹⁷. The law sets up a framework for the functioning of Social Integration Centres (CIS) and Clubs (KIS). CIS and KIS are specifically developed institutions that offer complex support, using mainly social inclusion instruments, to the LTUs and other people who are far from the labour market. According to the last government report¹⁸, there is a noticeable increase in the number of CIS, related to the continuous need of activation of the long-term unemployed, particularly in those regions where the unemployment rate is above average. This activity was also supported by the ESF. In 2013, there were 77 CIS established by non-governmental organisations and 55 CIS that were established by local governments. Among the CIS participants, there were 6,900 or 70% LTUs.¹⁹ According to the government report, 54% of the CIS leavers end their participation in CIS positively, i.e. they are directed along further activation paths using supported employment policies.

The audit of the CIS performed by the Supreme Audit Office (NIK) in early 2014 concluded that there were several deficiencies in this system. These included: lack of co-operation with local employers and public employment services, which leads to the lower efficiency of social support; lack of adjustment of the social employment programmes to the participants, provision of training in occupations already sufficiently covered by the local labour market as well as a lack of monitoring of the labour market outcomes of the CIS participants.

2.4 2.4. Possible changes towards more integrated institutional cooperation

Given the existing regulatory structure, the establishment of a one-stop shop approach for the LTU is not possible. However, there are several recommendations, developed under the project prepared at the request of the Ministry of Labour and Social Policy²⁰. They include:

- Developing capacity of regular analysis of the local labour market. The aim is for PUPs to better identify the needs of the unemployed and of employers. These needs include various characteristics of the unemployed and job seekers; sectors of economic activity and size of companies active on the local market; the demand for labour by local employers as well as the competencies and qualifications sought.
- Simplification of the bureaucratic burden at PUPs and social assistance centres so that more attention can be paid to providing tailored services to individual clients.
- Co-operation between both types of institutions to maximise the potential positive outcomes, such as identification of people registered at the labour offices who are not seeking work (working informally or inactive),
- Good profiling of the unemployed to provide them with well chosen support measures,
- Regular exchange of information on clients and the type of support provided.

Some of these recommendations (profiling, new ways of co-operation between agencies involved in service provision) have been absorbed in the amendment to the Act on the promotion of employment and institutions of the labour market put in force in the middle of 2014, but outcomes are still pending.

¹⁷ Act of 13th June 2003 on social employment (*Ustawa z dnia 13 czerwca 2003 r. o zatrudnienieu socjalnym*) as amended http://isap.sejm.gov.pl/DetailsServlet?id=WDU20031221143

¹⁸ http://bip.kprm.gov.pl/download/75/13662/RM-24-223-14.pdf

¹⁹ Ibid.

http://irss.pl/wp-content/uploads/2012/04/Bezrobocie%20-%20miedzy%20diagnoza%20a%20działaniem.pdf

3 Individualised approaches

The long-term unemployed can seek support through individualised approaches in all institutions mentioned in Section 2. Additionally, joint initiatives are also possible under the new "Activation and Integration" programmes.

3.1 3.1. Characteristics and profiles of the unemployed and LTU

There is no systematic monitoring of the characteristics of the long-term unemployed, but analyses commissioned by the Ministry of Labour and Social Policy indicate that long-term unemployment happens more frequently among women, people in younger and older age groups, with lower educational attainment, who are childless, without work experience as well as people with disabilities and other long-term health problems²¹. There are no specific individualised approaches addressed to the long-term unemployed, however they can be covered by various individual measures, which are provided by PUPs, social assistance centres or social integration centres (CIS).

In the case of PUPs, the type of support provided depends on the profile of the unemployed (new solution, already mentioned in Section 1.4). There are three types of profiles, which define the "distance" of the unemployed from the labour market. The LTUs can be assigned to profiles II or III. The majority of active labour market measures are available for the unemployed in profile II, while those most distant from the labour market (profile III) can have access to specific measures which combine active policies and social integration measures. The age of the unemployed person (recently also his/her family status to some extent) is more important than the length of unemployment.

Given that relatively little time has passed since the implementation of the profiling, it is difficult to provide an assessment of this approach. Some anecdotal evidence indicates that there is a risk of assigning profile III to the unemployed who could significantly benefit from ALMPs available to those with profile II.

3.2 3.2. Individual support by public employment offices (PUPs)

PUPs develop <u>individual action plans (indywidualny plan działania, IPD</u>) – signed by the client advisor with the unemployed/job seeker (this covers all types of job seekers, not only the LTU). The IPD is developed mandatorily up to 60 days after registration in the labour office. Recently, the scope of the IPD has depended on the profile of the unemployed. The IPD includes²²:

- possible activities of the PUPs within the legal support measures: counselling, job-search support, training;
- activities of the individuals, such as reviewing available job offers and vacancies;
- planned schedule of activities for identified measures;
- forms, the amount and dates of planned contacts with the client advisor or other employees of the poviat office;
- terms and conditions for concluding the IPD.

The IPD can be amended, if the situation of the unemployed individual changes.

Furthermore, from May 2014 PUPs, individually or in co-operation with social assistance centres, may initiate activities in the area of employment activation and social inclusion of the unemployed, under the <u>programme "Activation and Integration"</u>

 22 Legal basis: the Act of 20^{th} April 2004 on the promotion of employment and labour market institutions, art. 2 clause 1 point 10, art. 34a, art. 91 clause 3 point 1.

²¹ http://analizy.mpips.gov.pl/images/stories/publ i raporty/bezro dlugotrwale raport/Ryzyko-dlugotrwalego-bezrobocia-w-Polsce-Raport.pdf

(AI). The programme is designed for the unemployed who are far from the labour market and need special forms of support (profile III), in particular if they are also clients of social assistance and execute an individual social contract. The AI programme is consulted by the *poviat* labour market council and implemented by PUP in co-operation with a social assistance centre or other entities, such as NGOs active in the area of social and labour market integration. For this purpose, PUP uses the socially useful work. The duration of the programme is envisaged to be up to 2 months. The AI programme covers both social integration measures of minimum 10 hours per week (such as counselling, training, support groups) as well as employment measures (socially useful work) up to 10 hours per week. The programme is financed jointly out of the Labour Fund and *gmina* sources.

Assessment of the support provided by PUP to the unemployed in the age group 50+ indicates that despite being obliged to, in some PUPs the IPDs were not prepared for all the unemployed, due to shortages of staff or resources in the PUP offices²³.

3.3 3.3. Individual support by social assistance centres

Social assistance centres use <u>social contracts</u> (<u>kontrakt socjalny</u>). Unlike the IPDs, social contracts are not mandatory. The decision to sign the contract is taken by the social worker, after gathering information on the SA client and his/her family. Each year, there are around 70-80,000 contracts signed. The aim of the social contract is to mobilise the SA beneficiary to undertake economic activity, eg. to register with the labour office. The contract sets out the obligations and rights of both parties. This means that both the recipient of benefits and the social worker agree on performing certain actions within a period specified in the contract. According to the circumstances, the provisions of the contract are subject to change. In the absence of fulfilment of the terms of the negotiated contract, both parties can apply to the head of the social assistance centre for resolution of the issues.

Refusal to sign the social contract, or failure to meet its provisions, may give rise to the refusal to grant a benefit or the withholding of payment of cash benefits. However, the final action taken in such a case is not automatic and takes into account the situation of the beneficiary's dependents. In the case of the unemployed, signing a social contract may be preceded by referral by the PUP, particularly in the case of the LTUs.

The model of social contract is defined by the Regulation of the Minister of Labour and Social Policy of 1st March 2005. It indicates what type of information about the client should be collected and the list measures that might be applied. The Ministry of Labour has prepared a draft of a new model of social contract. It assumes expansion of the contract to "those who are in a special situation in the labour market." The contract will therefore give information on the reason and duration of unemployment, as well as on the chances of changing this situation.

According to the 2013 report by the Supreme Audit Office,²⁴ social workers point out that the social contract is a difficult and labour-intensive tool that is difficult to implement in a situation of staff shortages. Altogether, the audit indicated the following shortcomings:

- Wrong choice of aims set in the contract as well as the ways to achieve them;
- Organization of training in professions that are not in demand in the local labour market;
- Insufficient co-operation between social assistance and public employment services, sometimes limited only to the exchange of data;
- Insufficient support in the area of activation measures and bias towards the passive tools, such as payment of cash benefits, while active measures such as

_

²³ https://www.nik.gov.pl/kontrole/P/13/111/

²⁴ The audit was carried out in 2013 , see https://www.nik.gov.pl/plik/id,5611,vp,7265.pdf

internships, socially useful work, public works covered only 12% of resources utilised in the contract, and supporting activities (psychological counselling, support groups etc.) covered 7% of resources.

The audit also indicates that there are insufficient legal provisions for the enforcement of the contract. Given the individual situation of the clients, in particular their family status, benefits are frequently delivered even if the conditions of the contract are not fulfilled.

Social contracts receive limited support from local governments, given the shortage of resources, but they are widely supported by the ESF: according to the NIK, more than half of all contracts under examination were financed with the use of the ESF.

3.4 3.4. Individual support by CIS

Finally, there are individual programmes developed for participants of Social Integration Centres (CIS). A person addressed to the CIS can participate in the activities of the CIS after signing the <u>individual programme of social employment</u>. Participation in the Centre is therefore based on the specific individual agreement. Participants have access to health insurance and other social benefits.

Implementation of the programme begins with a trial period, which lasts one month. During this time, participants receive an integration allowance set at the rate of 50% of the unemployment benefit. After the trial period, the head of the CIS may qualify the participant for further activities of the Centre, which can last up to 11 months. This period may be extended by an additional six months. At the request of a participant, the head of the Centre grants so called integration benefit equal to the unemployment benefit. This benefit is reduced by 1/20 for each day of unexcused absence in the Centre's activities, lasting no longer than three days a month. However, unjustified absence lasting more than 3 days a month results in the withholding the benefit.

The completion of the programme takes place on the date on which the participant has taken up employment, on the principles laid down in the provisions of the labour law, or has started a self-employment activity, or on the date of expiry of the period of participation in the activities of the Centre.

4 Overview table

		Please put an X in the column that best represents the situation in your country			Please summarise in a few words and in order of priority the 3 key gaps that need to be addressed to improve effectiveness (if only one gap just complete one column)		
		Very good	Medium	Weak	Gap 1	Gap 2	Gap 3
Effectiveness	Income benefits			x	There are no income benefits designed specifically for the LTU. Redesign of regular unemployment benefit would be needed.	Review and strengthen cash payments linked to activation services	
of benefits & services supporting the long-term unemployed	Social services		х		Limited range of services, might be enlarged (childcare?)	Lack of a common database of benefits (concerns also activation services)	Lack of standardised regulation on exchange of data using electronic channels(concerns all benefits)
	Activation services		x		Identification and reduction of risks related to profiling the unemployed to profile III, reducing the access to selected activation measures	Reduction of the bureaucratic burden in public employment services	
Effectiveness of coordination be employment, s assistance and services	etween ocial			Х	Development of a local information database that would support the coordination of activities between services	Identification and dissemination of good practices in the cooperation between institutions	
Extent of individualised support			x		Reduction of the administrative burden for public employment and social assistance employees	Development of guidance and training material for public service workers helping them to prepare individualised support	

