Youth employment measures

Youth employment is supported through a range of services and instruments provided for in the Act of 20 April 2004 on the promotion of employment and labour market institutions (Journal of Laws (Dz.U.) of 2017, item 1065, as amended [1]). Many services and instruments addressed to young people are implemented through public labour market institutions i.e. Employment Offices and Voluntary Labour Corps Ochotnicze Hufce Pracy [2] (OHP). It is worth stressing that during the first decades of market economy the youth unemployment rate was very high and that the services and instruments supporting young people were available also for young adults (under 30 years old).

In Employment Offices, those registered as an unemployed may avail of the following services or support instruments:

- job seeking and recruitment, job placement, vocational guidance;
- intervention works, public works, socially useful works, reimbursed costs of travel and accommodation, reimbursed costs of taking care of child under 7 or a dependent;
- improving qualifications: traineeships, training sessions, tripartite training agreements, apprenticeships for adults, scholarship for continuing education, co-founding post-
university courses, founding the costs of exams and licences, training loans;

- co-founding the business activity start, loan for the business activity start, co-founding the business activity start based on the rules stipulated for social cooperatives;
- employment voucher, occupancy (housing) voucher, traineeship (internship) voucher, training voucher (these forms only for an unemployed under 30 years old).

One of the most popular measures of support offered for young people by employment offices are internships, followed by trainings. In the years 2016-2019 it has been possible to reimburse the employer for part of the cost of salaries and social security contributions for full-time employment of unemployed persons under the age of 30. The refund covers a period of 12 months as long as the employment lasts 18 months. Another form of support can be the loan to start a business. The loan can be dismissed after fulfilling certain criteria.

Employment Offices offer funding support which can be obtained for the purpose of starting a business (see 3.9 Start-up Funding for Young Entrepreneurs).

Implementation of the Youth Guarantee Initiative was launched in Poland in 2014. Among the addressees of the Youth Guarantee Initiative (Zaktualizowany Plan Realizacji Gwarancji dla Młodzieży [3]) within Poland, four subgroups have been identified. The offering of the Initiative has been adjusted according to the subgroups needs:

- Persons aged 15 to 17 who are leaving school early – persons who neglect the schooling obligation (under 16 years old) or the educational obligation (under 18 years old).
- Persons aged 18 to 29 who are not in employment, education or training (NEET) – including those who require special support, i.e. those who are separated from the labour market, from disadvantaged backgrounds, and from rural areas.
- Persons aged 18 to 29 registered as unemployed – including registered students of extramural and evening study programmes.
- Unemployed youth and job seeking graduates of schools and higher education institutions within 48 months from the date of graduation or receiving vocational qualification, aged 18 to 29 – in terms of support of young entrepreneurship.

Initially, activation measures for young unemployed were carried out exclusively by Employment Offices and Voluntary Labour Corps (OHP).

In November 2014, a loan scheme provided by The National Development Bank (Bank Gospodarstwa Krajowego - BGK) was deployed throughout the country (the pilot phase covered only three provinces).

In 2015 and 2016, youth activation continued in Employment Offices (also through co-operation with BGK within the framework of the “First Business – Start-up Support” scheme) and through Voluntary Labour Corps.

In addition to the standard activities of Employment Offices and BGK, OHP projects “Action Activation – YEI and ESF” and “Unlock Your Potential – YEI and ESF” are implemented, which include individual psychological support; group active job search workshops; vocational courses; vocational qualification courses; language courses; ECDL courses; driving courses; entrepreneurship courses; job placement and mediation in the organisation of internships; and internships with employers. In 2017, the implementation of projects “From Training to Employment – YEI and ESF” began for 3,700
professionally inactive persons from the NEET group.

Additional actions have been taken within the framework of central competitions organised under the programme “Young People on the Labour Market” (Knowledge Education Development Operational Programme). The competitions, announced by the Minister of Family, Labour and Social Policy under the Youth Guarantee Initiative, concern projects supporting individual and comprehensive professional and educational activation of young people (unemployed, professionally inactive and jobseekers, especially those not registered at any Employment Office). The aim is to increase the employability of young people under the age of 29 who remain unemployed, especially those who are not in education or training (NEET youth). It is estimated that approximately 18 thousand people aged 15 to 29 will receive support within the framework of those central competitions (in 2016-2021).

**ECAM – OHP** have launched the Electronic Youth Activation Centre (Elektroniczne Centrum Aktywizacji Młodzieży – ECAM). It is a service platform for young jobseekers, those with learning difficulties or having problems with functioning in their environment. Through the ICT system, young people can receive specific information about the location of the nearest OHP unit, which can provide them with education or employment assistance. ECAM was created as part of the project “OHP as a Provider of Labour Market Services” thanks to European Union funds from the European Social Fund.

**State Fund for the Rehabilitation of Disabled Persons** (Państwowy Fundusz Rehabilitacji Osób Niepełnosprawnych, PFRON) subsidises services and instruments addressed to people with disabilities offered by Employment Offices. Support can be provided to people with disabilities registered as unemployed and those who do not have an unemployed status but who are looking for work.

In 2017, PFRON launched three pilot programmes aimed at increasing the employment of people with disabilities in the open labour market (including young people). Each programme is expected to provide employment to at least 1,000 people.

- The Graduate programme, addressed to graduates and students in their final year at higher education institutions.
- The Stable Employment programme in administration and public services.

The “Work-Integration” programme, addressed to enterprises and non-governmental organisations.

**Flexicurity measures focusing on young people**

In Poland, measures have been taken to increase the security of employees on the labour market, which involved counteracting the abuse of civil law contracts by employers, temporary work, and low wages. These changes relate significantly to the situation of young people in the labour market, as they are the most affected by these practices. Other activities increasing the safety of young employees on the labor market are: zero PIT for young people and programs supporting work-life balance.

**Counteracting the abuse of civil law contracts and introducing a minimum hourly rate**

In order to prevent the abuse of civil law contracts in employment and to protect the lowest paid workers, the Act of 22 July 2016 amending the Minimum Wage Act and certain other acts (Journal of Laws (Dz.U.), No. 1265, as amended) introduced into the legal framework a guaranteed minimum wage for specific civil law contracts (previously, it applied to only contracts of employment). From 1
January 2017, a minimum hourly rate of PLN 13 is applicable to each hour of commissioned work or services provided (including via self-employment). In subsequent years, the rate will be adjusted to a level corresponding to the increase in the minimum wage for employees. From 2020, the minimum wage will increase to PLN 2,600 gross, while the minimum hourly rate to PLN 17 gross.

The Act also introduces amendments to the Act of 13 April 2007 on the State Labour Inspectorate (Państwowa Inspekcja Pracy - PIP). The tasks of PIP have been extended to include inspection of whether salaries are paid in amounts consistent with the minimum hourly rate. As a result of the findings of such inspections, PIP inspectors will be able to send a letter (including post-inspection conclusions and legal basis) or give oral instructions to pay a salary in the amount consistent with the minimum hourly rate.

**Changes in the employment of temporary workers**

In 2017, the Act on Temporary Workers and various other laws were amended. The changes are to enter into force on 1 January 2018.

The maximum duration of temporary work has been reduced. A temporary employment agency will be able to delegate a temporary worker to work for a single employer for a period not exceeding 18 months in total in any period of 36 consecutive months. At the same time, the employer will be able to avail of the work of the same temporary worker for a period not exceeding 18 months in total in any period of 36 consecutive months. The law also envisages strengthening the court measures available to temporary workers. They will be able, like other employees, to bring action before a labour court of their choice.


**ZERO PIT - tax exemption for young people up to 26 (2019)**

From August 1, 2019, there is a tax exemption for salaries of persons up to 26. The relief (or more precisely, tax exemption) will cover revenues from the service relationship, employment relationship, outwork, cooperative employment relationship and contracts, received by the taxpayer up to the amount PLN 85,528 in a tax year.

**Reconciliation of private and working life for young people**

Projects concerning the reconciliation of working and private life are carried out within the framework of competitions announced by the Ministry of Family, Labour and Social Policy.

In 2017, a practical web-based platform which provides comprehensive information on the mechanisms for reconciling working and private life was developed. It shows employers step by step how to introduce optimal solutions in this respect in their workplace. This platform was developed under the project “Family and Work – It Pays Off!” co-financed by the European Commission.

2017 (Q4) will see the announcement of the competition entitled “Implementation of Tools to Support the Fight Against Discrimination in the Workplace and Access to Employment in Small Enterprises” under Measure 2.1 Equal opportunities for men and women in all areas, including access to employment, career development, and the reconciliation of working and private life (Knowledge Education Development Operational Programme).
The Ministry of Family, Labour and Social Policy is working on amendments to the Under-3s Childcare Act [10].

A scheme supporting the development of childcare institutions for children under the age of 3 has been carried out by the Ministry of Family, Labour and Social Policy since 2011 (Maluch Plus [11]). It envisages co-financing from the state budget – through an open tender – of initiatives for creating new or keeping the existing available places by various entities (public and non-public) in various forms of childcare institutions (crèche, children’s club and daycare provider).

**Funding of existing schemes/initiatives**

The youth employment promotion policy implemented by Public employment services is financed, among other sources, from the Labour Fund (a state-owned special purpose fund created from employer contributions) and from European funds, and in the case of people with disabilities, also from PFRON funds.

Public employment services may outsource some of their services to private and non-governmental organisations.

Implementation of the Youth Guarantee Initiative is financed from public funds and European funds, e.g. in the years 2017-2018 the effect on the public finance sector will total approximately PLN 2.7 billion annually (including about PLN 1.1 billion of European funds; estimated data).

Projects related to the reconciliation of working and private life carried out through competitions are financed from the state budget and European funds.

**Quality assurance**

Statistics on youth participation in active labour market policies (ALMP), including the cost-effectiveness and employment effectiveness of the different forms of activation, are collected by the Ministry of Family, Labour and Social Policy and are publicly available.

The results of empirical research indicate, however, that young people are dissatisfied with the quality of services offered; especially young people who have difficulty entering and remaining in the labour market, such as the disabled.

Employment support projects funded by European funds in previous financial perspectives often did not have long-term goals, and those funds were not used effectively.

The diagnosed barriers in the use of EU funds in Poland include (Strategy for Responsible Development until 2020 (with a forecast up to 2030)):

- Insufficient developmental effect of the projects selected for co-financing
- Low effectiveness of the applied forms of support
- Poor effects of support in the area of innovation
- Insufficient potential of the implementing institutions and the beneficiaries to plan and implement strategic development projects affecting socio-economic growth and employment
- Ineffective mechanisms for co-ordination of the various European funding measures
The main task in the current financial perspective for 2014-2020 is to use EU funds to achieve permanent developmental effects in the country.