

Magdalena Warszawska*

**EUROPEAN SOCIAL FUND AS AN INSTRUMENT OF ACTIVE POLICY
ON THE POLISH LABOUR MARKET**

Introduction

The European Social Fund offers Poland a great chance. First of all, apart from funds channelled into an active social policy – including a modern employment policy – it makes an instrument capable of contributing to a change in the model of the economic policy and the manner it is perceived¹.

The objective of the state's intervention by means of a fund comprises long-term and long-range activities consisting of investments in human resources, and linked with improvements in the competitiveness of the regions and an increase in entrepreneurship².

Acquisition of funds is connected with a need to have a theoretical background as to possibilities of action, areas of support and instruments of intervention, skills to apply procedures and draw up programmes, and absorptive capacities of financial institutions and entities³.

Poland has made a considerable step towards institution building, drawing up procedures and programme solutions as regards the possibilities to apply the European Social Fund⁴.

The paper presents the principal instrument of the market policy at the level of the European Union directed at the labour markets of the Member States, *i.e.* the European Social Fund.

Moreover, the paper presents the Sectoral Operating Plan – Development of Human Resources, whose main objective is to build an open and knowledgeable society through provision of conditions for the

* The author is preparing a doctoral thesis in the Institute of Macroeconomics and Research into the National Economy under supervision of Professor Waclaw Jarmolowicz.

¹ M. Grewiński, *Europejski Fundusz Społeczny jako instrument integracji socjalnej Unii Europejskiej*, Wyższa Szkoła Pedagogiczna Towarzystwa Wiedzy Powszechnej w Warszawie, Warsaw 2001, p. 268.

² Ibidem.

³ Ibidem, p. 272-273.

⁴ Ibidem, p. 270.

development of human resources through educating, training and work. The situation on the Polish market is also presented and evaluated.

Descriptive statistics has been used in the analysis.

1. The European Social Fund

The European Social Fund (ESF) is the oldest structural fund in the European Union (EU)⁵.

Under Regulation 1784/1999 dated 12 July 1999, The European Social Fund supports and supplements national measures related to the creation of long-term national employment plans⁶. The European Social Fund is one of the four⁷ financial instruments within the structural policy of the European Union which is used to finance activities aimed at lowering differences in the social and economic development of particular regions of the Community.

The general objective of the ESF is to support the Community's social policy, including prevention and counteracting unemployment, and development of the human resources potential and social integration on the labour market.

The Amsterdam Treaties for the first time had a chapter devoted to employment. It had four pillars of the Community policy of employment which stated⁸:

- improvement in employability understood as development of human resources,
- development of entrepreneurship,
- improvement in the adaptive skills of enterprises and their workers to environmental variables,
- strengthening of the policy of equal opportunities on the labour market.

⁵ M. Grewiński, *Europejski Fundusz Społeczny w Saksonii. Wnioski dla Polski*, Instytut Spraw Publicznych, Warsaw 2003, p. 9.

⁶ T. Kierzkowski, *Zarządzanie Funduszami Strukturalnymi w Anglii na przykładzie Europejskiego Funduszu Rozwoju Regionalnego oraz Europejskiego Funduszu Społecznego*, Polska Agencja Rozwoju Regionalnego, Warsaw 2001, p. 49.

⁷ Apart from the European Social Fund, the following can be enumerated: the European Regional Development Fund (ERDF), European Agriculture Guidance and Guarantee Funds (EAGGF), Financial Instrument of Fisheries Guidance (FIFG).

⁸ T. Kierzkowski, op. cit., p. 49.

Based on the four pillars of the employment policy every year employment guidelines are published, which make for the framework for national employment plans. Definite projects and activities funded by the European Social Fund have therefore to be coherent with both national and community employment policies and development of human resources⁹.

The European Social Fund supports the following areas under the European Employment Strategy¹⁰:

- an active labour market policy¹¹,
- counteracting social exclusion¹²,
- continuous education¹³,
- adaptability and development of entrepreneurship¹⁴
- equalising chances of women on the labour market¹⁵.

Within the framework of the ESF supported also are issues related to local development, equality of chances, development of IT society, and sustainable development – that is the so called horizontal objectives, common for the whole EU area with respect to the individual member states¹⁶.

Graph 1 shows a division of the Union contribution to Poland with the particular funds being split into the years 2004-2006. For Po-

⁹ Ibidem, p. 50.

¹⁰ European Employment Strategy is a document defining trends in the development of social policy.

¹¹ An active labour market policy aims at mobilisation of the unemployed and those who were running a risk of losing jobs, supporting vocational integration of the young and people returning after absence to the labour market.

¹² Counteracting social exclusion consists in limiting social marginalisation, and preparing those who are exposed to social marginalisation to enter a labour market, maintain employment or return to an active vocational life.

¹³ Continuous education aims at increasing access to vocational training, education and consulting services, increasing and maintaining employment capacities and promoting vocational mobility.

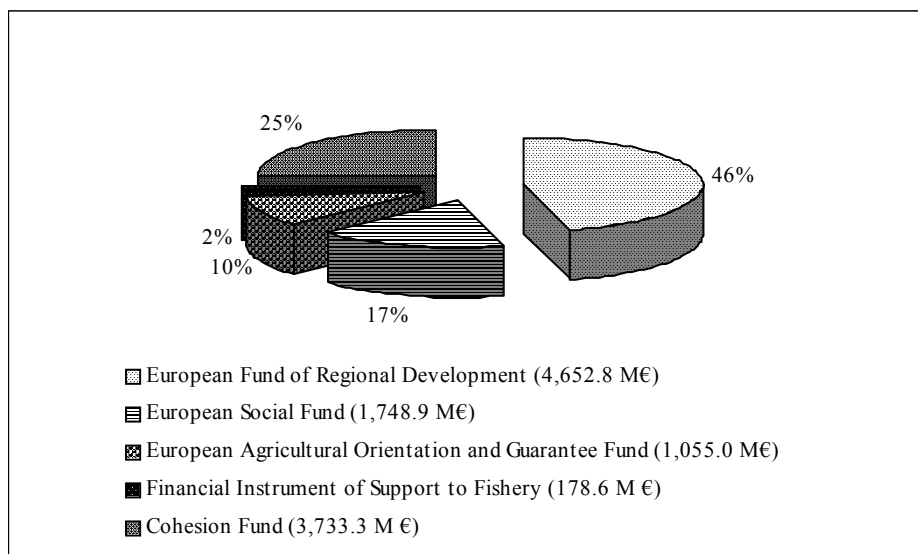
¹⁴ Adaptability and development of entrepreneurship aim at strengthening corporate competitiveness, promotion of qualified human resources, supporting innovativeness in labour organization, developing conditions favoring creation of new work places and improving vocational qualifications.

¹⁵ Equalling women's chances on the labour market aims at lowering disproportions in the employment of women, expanding access to new work places for women, assistance in launching new businesses by them.

¹⁶ *Europejski Fundusz Społeczny. Wsparcie dla sektora edukacji w Polsce*, Ministerstwo Edukacji Narodowej, Warsaw 2005, p. 5.

land, under the ESF, a sum of 1.748,9 million € was allocated. It makes a total of 22.9% of the structural funds allocated for our country.

Graph 1. Division of the Union contribution to Poland split into particular structural funds and the Cohesion Fund (years 2004-2006)



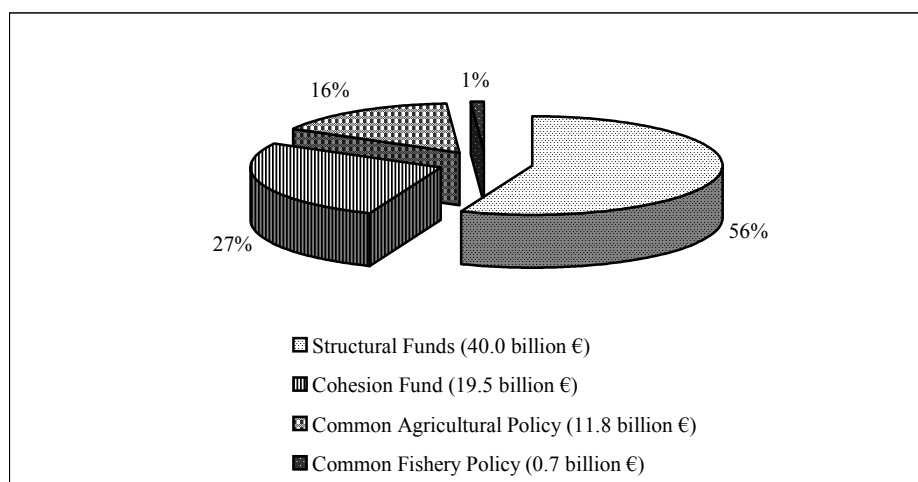
*Percentages rounded off to the nearest full figure

Source: own studies based on: *Polska. Narodowy Plan Rozwoju 2004-2006*, Warsaw 2003, p. 136.

On the other hand, Graph 2 shows a division of the Union's contribution to Poland with the particular funds being split into the years 2007-2013¹⁷. Poland, under the ESF, has been allocated a sum of 8.9 M € (Graph 3).

¹⁷ The European Commission suggested that in the years 2007 and 2013 under the new cohesion policy only two structural funds be initiated: the European Regional Development Fund, and the European Social Fund, and a third instrument: the Cohesion Fund. All measures focused on the development of agriculture and rural areas are to be shifted to the Common Agricultural Policy, and launched within the framework of the new European Agricultural Rural Areas Development Fund. *Projekt Narodowego Planu Rozwoju 2007-2013*, Warsaw September 2005, p. 104.

Graph 2. Funds allocated to the implementation of National Strategic Reference Frameworks 2007-2013



Source: own studied based on: *Strategia Rozwoju Kraju 2007-2015*. The project initially accepted by the Council of Ministers on 27 June 2006, Ministry of Regional Development, Warsaw 2006, p. 56.

The proportions among the financial flows might get adjusted upon presentation of financial ceiling limits for the individual candidate countries by the European Commission as the member states are working out their common stance on this, and as works on operating programmes progress and pre-accession programmes are being evaluated. The final amount of funds allocated to structural activities will also depend on the extent to which these funds have been employed under the 2004-2006 National Development Programme¹⁸.

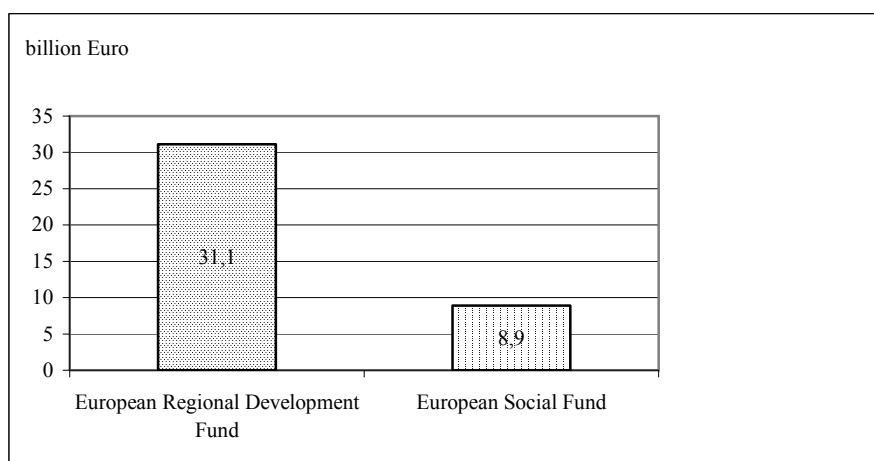
Another Community Programme, that is EQUAL¹⁹ Initiative, operates within the framework of the European Social Fund, which despite being subject to procedures slightly different from those of support under

¹⁸ *Projekt Narodowego Planu Rozwoju 2007-2013*, op. cit., p.76.

¹⁹ More on community initiatives, their roles and the ways they exert impact, see: W. Jarmołowicz, M. Knapińska, *Polityka rynku pracy w krajach Unii Europejskiej w: Polityka państwa na rynku pracy w warunkach transformacji i integracji gospodarczej*, red. W. Jarmołowicz, M. Knapińska, Wydawnictwo Akademii Ekonomicznej w Poznaniu, Poznań 2005, p. 232-235.

strategic objectives of the structural policies, is financed totally out of the ESF²⁰.

Graph 3. Division of Union contribution to Poland into EFRD and ESF for the years 2007-2013 (in billions of Euro)²¹



Source: own studies based on: *Strategia Rozwoju Kraju 2007-2015*, op. cit., p. 56.

EQUAL Initiative is a laboratory, which through crossborder co-operation, tests and promotes new methods of fighting against all sorts of discrimination and inequality on the labour market²².

The amount of funds for EQUAL allocated for the years 2004-2006 is 178.5 million Euro, of which 75 % (133.9 M€) comes from the ESF. The balance 25% – that is 44.6 M€ – comes from national public purse²³.

According to estimates by the Ministry of Regional Development the 2006 EQUAL expenditure outlay indicator will equal 29 M€, which

²⁰ M. Grewiński, *Europejski Fundusz Społeczny jako instrument integracji...*, op. cit., p. 247.

²¹ The conceptual framework for the limitation of the number of funds in the years 2007 and 2013 to three, that is the European Social Fund, The European Regional Development Fund, the Cohesion Fund has been dictated by the desire to simplify the system and make it more transparent.

²² <http://www.fundusze-strukturalne.gov.pl>.

²³ <http://www.mpips.gov.pl>.

along with the outlays so far, means spending 31.8 M€ by the end of 2006, that is 23.7% of the funds allocated for the years 2004-2006.

By the end of 2006 the support from the EU structural funds to the development of human resources will come chiefly from the Sectoral Operational Programme – Development of Human Resources.

2. Sectoral Operational Programme – Development of Human Resources

The Sectoral Operational Programme Development of Human Resources (SOP DHR) is one of the six²⁴ „substantive” sectoral operational programmes, that is programme documents drawn up by Poland as a member state – to be used in the implementation of the National Development Plan (2004-2006).

The objectives specified in the National Development Plan (NDP) for SOP DHR are compatible with the priorities set out by the European Employment Strategy. The SPO’s general objective, which is Development of Human Resources, will be implemented through detailed objectives, which are presented in Diagram 1.

Under the operating programme Development of Human Resources three priorities are being implemented²⁵:

- active labour market policy and vocational and social integration²⁶,

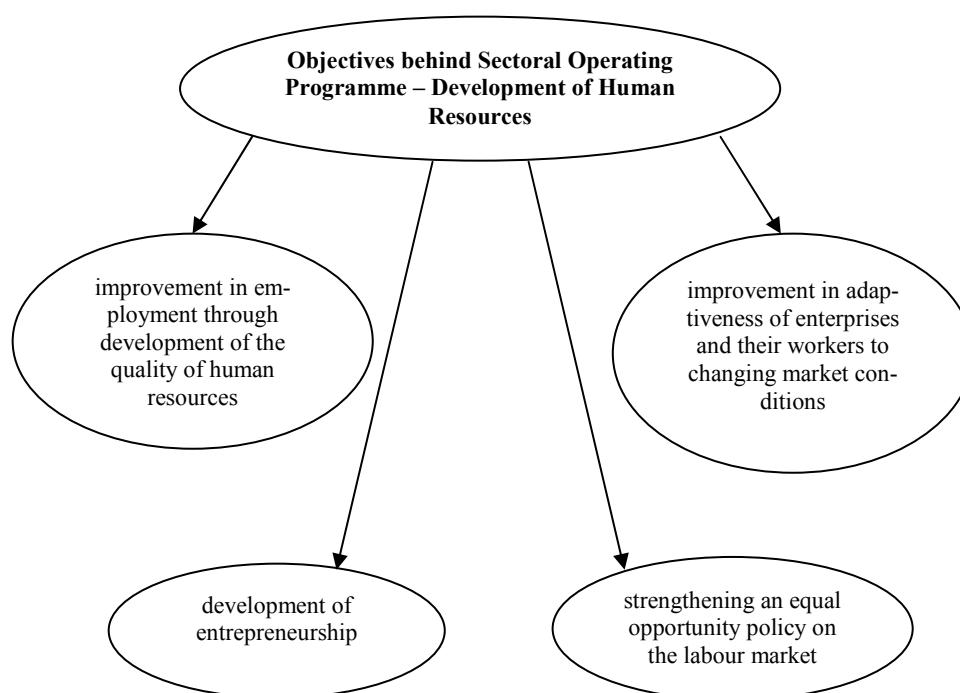
²⁴ Apart from the Sectoral Operating Programme – Development of Human Resources, among the „essential” programmes the following can be distinguished: Sectoral Operating Programme – Increase in Competitiveness, Sectoral Operating Programme – Restructuring and Modernisation of Foodstuffs Sector and Development of Rural Areas, Sectoral Operating Programme – Fisheries and Fish Processing, Sectoral Operating Programme – Transport – Maritime Economy, Integrated Operating Regional Development Programme. There is also a program supporting procedural services – Technical Assistance.

²⁵ *Polska. Narodowy Plan Rozwoju 2004-2006*, op. cit., p. 98.

²⁶ Active market and vocational social and policy – the objective behind this policy is to increase opportunities for people to acquire and maintain employment, reduce the number of the jobless and the level of long standing unemployment and to curb down effects of long standing unemployment through improvement in the quality of services offered by employment agencies and providing vocational consultancy and information services. Through facilitation of the start of vocational careers for school leavers, vocational activation of the unemployed, increasing and updating vocational qualifications of those already employed in the national economy, improving the position of women

- development of society based on knowledge²⁷,
- technical assistance.

Diagram 1. Objectives behind Sectoral Operating Programme – Development of Human Resources



Source: own study based on: *Polska. Narodowy Plan Rozwoju 2004-2006*, op. cit., p. 97.

on the labour market, improvements in vocational readiness and vocational mobility of groups of specific risks through increased commitment of employers and social partners and improvement in the performance of institutions and organisations taking care of groups of specific risks.

²⁷ Its objective is to prepare society to function in a system of global market economy through rising its level of education; it is connected with increased participation of employees in continuous education, equalling opportunity for education for various social strata and adjusting the educational offer presented by educating institutions and increasing the quality of continuous vocational training as well as optimisation of systemic solutions in this area and development of social dialogue. The implementation of this priority will make possible for the development of entrepreneurship and adaptive potential of the existing enterprises, especially in those sectors which use advanced technologies, including IT, and increasing its competitive edge.

Settlements between Poland and the European Commission (EC) are made – with respect to individual annual allocations – in accordance with the principle of $n+2$ ²⁸. At the end of the third year (the allocation year plus two following years) Poland has to present the EC certified requests for payment for a total sum equal at least to the amount of the allocated funds in the preceding year n .

The SOP DHR is financed out of the European Social Fund in an amount of 75%, while the remaining portion has to be funded from the national purse. A total of 1,470 M€²⁹ is planned to be outlaid by the end 2006 for the whole of the SOP DHR.

From the onset of the Sectoral Operating Programme Development of Human Resources till the end of June 2006 a total of 1.2 billion PLN was spent, which makes 20.5% of the allocated funds for the years 2004-2006. The speeding up of the dynamics in the spending of funds under the SOP DHR – observed over the last months – is to a large extent a result of changes introduced under a restructuring programme for the SOP DHR, and a wide interest of its beneficiaries in the programme measures³⁰.

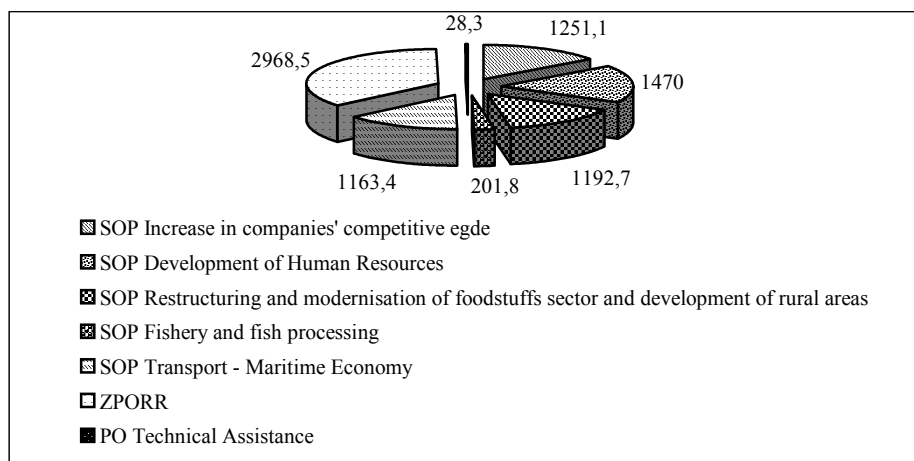
The division of the Community contribution towards Poland for the years 2004-2006 split into the individual operating programmes which are implementing Community Support Framework is shown in Graph 4.

²⁸ The rule $n+2$ is one of the most effective instruments of growth of the efficiency of European programmes.

²⁹ <http://www.mrr.gov.pl>.

³⁰ A restructuring programme, increasing the absorptiveness of structural funds within the framework of the National Development Plan for the years 2004-2006 was accepted by the Council of Ministers on 6 December 2005. It was formed on account of the need to improve the process of implementation of funds derived from the Union in Poland. It provided for the introduction of decisive simplifications allowing to speed up the utilisation of Union funds. The measurable effects of the works carried out by the restructuring team became visible as considerably increased payments from the programme account of the Managing Authority of the Sectoral Operating Programme Development of Human Resources. By the end of December 2005, under the whole programme, almost 302.5 M PLN was refunded, which makes 5.3% of the commitments implemented by the SOP DHR throughout the whole period of programming. At the end of June this sum was as much as 1.2 billion PLN, that is almost four times as much as previously. <http://www.mrr.gov.pl>, *Rezultaty programu naprawczego dla Sektorowego Programu Operacyjnego Rozwój Zasobów Ludzkich (SPO RZL) 2004-2006*, Ministerstwo Rozwoju Regionalnego. Stanowisko ds. Informacji i Promocji, Warsaw 2006, p. 1.

Graph 4. Division of the community contribution towards Poland split into the individual operating programmes which are implementing Community Support Framework in the years 2004-2006 in M€



*ZPORR- Integrated Operating Regional Development Programme

Source: own studies based on: <http://www.mrr.gov.pl>.

The estimate by the Ministry of Regional Development as to the targeted level of expenditure assumes that the outlays spent under the programme previously referred to will be 435.5 M€ by the end of 2006, which – along with the payments up to that date – means an expenditure of 513 M€ by end 2006, that is 34.9% of the allocation for the years 2004-2006.

In the years 2007-2013 the SOP DHR will be replaced by the Operating Programme Human Resources (OP HR). In keeping with the National Coherence Strategy (NCS) a total sum of the financial outlays committed to the implementation of the Operating Programme Human Resources (OP HR) in the years 2007-2013 will amount to 13.7% of all the funds allocated to the implementation of the Operating Programmes, that is 9,559.9 billion €. Within that sum the allocation from the European Social Fund will be around 8,125.9 billion €, while the national con-

tribution will round off at about 1,433.9 billion €. The level of the national co-funding has been estimated at a minimal level of 15%³¹.

3. Labour market in Poland

The situation of the Polish labour market is different from that in the other member states. In 2004 the unemployment rate (19% according to BAEL³²) was twice the community average figure³³.

A high unemployment leads to a growth in social exclusion and passivity, affected are certain social groups (those remaining unemployed for a long period, having a poor education background, and the disabled)³⁴.

The unemployment rate in Poland in 2005 was 16.7% according to BAEL. As it becomes evident from the data presented in Table 1, the unemployment rate was on the increase till 2003, then it took a downward slope. In 2003 the unemployment rate went up as high as 19.6%

The unemployment rate in Poland between 2003 and 2004 is the highest as compared to the other EU countries. This fact is illustrated in more detail in Table 2.

A drop in the unemployment rate can be attributed to an increase in the number of work places available in the enterprise sector³⁵, and to positive effects brought about by the programme „Entrepreneurship-Development-Work” seen as newly created work places in small and medium sized companies. Moreover, reserves kept in the increase in work performance have to a large extent been taken advantage of, and are playing a smaller and smaller part. Therefore, an expected economic boom resulted in a more vivid labour market and an increased employability over the economic boom period.

³¹ *Program Operacyjny Kapitał Ludzki. Narodowa Strategia Spójności 2007-2013*. The project passed by the Council of Ministers on 31.05.2006 r., Ministry of Regional Development, Warsaw 2006, p. 128.

³² Research into Economic Activity of People.

³³ *Krajowy Program Reform na lata 2005-2008*. The project initially approved of by the Council of Ministers on 5 October 2005, Rzeczpospolita Polska, Warsaw 2005 r., p. 35.

³⁴ *Ibidem*, p. 35.

³⁵ The number of the employed in the enterprises sector in quarter 3 2006 was 5,071 thousand, whereas in quarter 3 2005 that number was 4,935 thousand. It is obvious that the number of work places increased by 136 thousand. *Statistical Bulletin*, Chief Statistical Office, Warsaw 2006, table 8, p. 52.

Table 1. Unemployment rate in Poland according to BEAL in the years 2000-2005

| Years | Total | | Males | | Females | |
|-------------------|----------|------|----------|------|----------|------|
| | thousand | % | thousand | % | thousand | % |
| 2000 ^a | 2 760 | 16.0 | 1 331 | 14.2 | 1 429 | 18.1 |
| 2001 ^a | 3 186 | 18.5 | 1 612 | 17.3 | 1 574 | 20.0 |
| 2002 ^a | 3 375 | 19.7 | 1 766 | 19.0 | 1 609 | 20.6 |
| 2003 ^b | 3 329 | 19.6 | 1 741 | 19.0 | 1 588 | 20.4 |
| 2004 ^b | 3 230 | 19.0 | 1 680 | 18.2 | 1 550 | 19.9 |
| 2005 ^a | 2 893 | 16.7 | 1 448 | 15.4 | 1 445 | 18.3 |

a – Data for quarter 4

b – Averaged data in a given year

Source: own studies based on: *Rocznik Statystyczny Rzeczypospolitej Polskiej*, Główny Urząd Statystyczny, Warsaw 2003; *Rocznik Statystyczny Rzeczypospolitej Polskiej*, Główny Urząd Statystyczny, Warsaw 2005; *Biuletyn Statystyczny*, Główny Urząd Statystyczny, Warsaw 2006.

The most numerous and most affected are those who have the lowest qualifications. According to the data released by the Chief Statistical Office the number of the registered unemployed who were under specific conditions on the labour market, at the end of the third quarter 2006 was 2,822.0 thousand, out of whom 774.6 thousand were people without necessary vocational qualifications. When compared to quarter 3 of 2005, the number of the unemployed went up by 221 thousand³⁶. This means a gap growing between their education and the requirements from the labour market.

Counteracting unemployment should focus not only on reducing the overall number of the unemployed but on reducing such phenomena as long term unemployment³⁷ and unemployment among the young and women. According to the data released by the Chief Statistical Office at the end of the third quarter 2006 the number of the registered unemployed it was as many as 1,831 thousand³⁸ unemployed who were jobless

³⁶ More on the unemployed suffering from specific market situation see: *Statistical Bulletin*, op.cit., table 12, p. 59.

³⁷ Long term unemployment has been variously defined, a majority of the member states will consider a long term unemployed person to have been for at least one year continuously unemployed. M. Knapińska, *Sytuacja na rynkach pracy w krajach członkowskich i kandydujących do Unii Europejskiej przed rokiem 2004*, w: *Polityka państwa na rynku pracy...*, op. cit., p. 195.

³⁸ *Statistical Bulletin*, op. cit., p. 59.

for more than a year, which makes 65% of the total registered unemployed.

A significant factor differentiating the situation on the labour market is sex. It is women who end their professional career earlier than men; it is women who begin their careers late, while at any age their employment is lower and so is their active profile. The widest gap between the employed women and men becomes visible in the period between their 25th and 30th year. Although women find themselves in a worse condition on the labour market, the difference between employed males and females is comparable across the whole Union³⁹.

The unemployment rate among women in Poland is very high; in 2005 it was 18.3%, while that among men was 15.4%. In the year concerned 1,445 thousand women were jobless (see Table 1). The cause of the higher unemployment rate among women as compared to men is not their lower qualifications, because on the average they show better education than men, yet their lower availability (longer period of vocational inactivity due to maternity leaves, child care days off, sick notes because of child care), which hinders effective organisation and performance of a company. To some extent this may limit the readiness to learn⁴⁰.

It has to be noticed that unemployment among women grew till 2002, and since 2003 it has been going down.

The toughest problem that needs solving is long term unemployment and the unemployed young.

The fact that so many young people remain jobless is not caused by the economic situation, it is aggravated by the inflexible educational policy, especially in the sphere of vocational training. Maladjustment of the educational system to the changing environment on local labour markets, and an underdeveloped system of job consultancy make a considerable number of school churn out school leavers whose vocational career begins at the job agency door⁴¹.

³⁹ *Polska. Narodowe Strategiczne Ramy Odniesienia 2007-2013 wspierające wzrost gospodarczy i zatrudnienie*. National Cohesion Strategy. The document passed by the Council of Ministers on 1 August 2006, Ministry of Regional Development, Warsaw 2006, p. 114.

⁴⁰ S. Borkowska, *Zatrudnienie i bezrobocie w okresie przedakcesyjnym*, in: *Polski rynek pracy wobec integracji europejskiej*, ed. S. Borkowska, Instytut Pracy i Spraw Socjalnych, Warsaw 2003, p. 57.

⁴¹ K. Głębicka, *Wybrane elementy rynku pracy*, Wyższa Szkoła Pedagogiczna Towarzystwa Wiedzy Powszechnej w Warszawie, Warsaw 2001, p. 100-101.

The share of twenty-five year olds in the total of the unemployed by the end of the third quarter 2006 was 22%, that is 619.1 thousand. Due to a long average time devoted to job seeking (in the fourth quarter 2005 – 18.4 months) chances that the young have to be offered a job are very slim, which – in turn – means these people and their relatives would be undergoing a deepening poverty⁴².

Table 2. Unemployment in the EU countries between 1995-2004 (%)

| Countries | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------------------|-------------|-------------------|-------------------|-------------|-------------------|-------------------|------|
| Australia* | 6.9 | 8.4 | 6.4 | 6.7 | 4.0 | 6.0 | 4.5 |
| Belgium* | 9.6 | 9.3 | 7.0 | 10.7 | 7.5 | 8.2 | 7.9 |
| Cyprus** | 1.8 | 2.6 ^c | 4.9 | - | 3.3 | 4.1 | - |
| Czech Republic** | 4.2 | 4.0 ^e | 8.8 | 8.1 | 7.3 | 7.3 ^b | - |
| Denmark* | 9.7 | 7.0 | 4.6 | 5.1 | 4.7 | 5.5 | 5.3 |
| Estonia** | 2.8 | 9.7 | 13.6 ^a | 12.6 | 10.3 | 10.0 | - |
| Finland* | 3.1 | 15.2 | 9.7 | 9.1 | 9.1 | 9.0 | 8.7 |
| France* | 9.0 | 11.6 | 10.0 | - | 8.7 | 9.7 | 9.5 |
| Germany* | 6.6 | 10.1 | 7.9 | - | 8.7 | 10.0 | 9.9 |
| Greece* | 7.0 | 10.0 | 11.1 ^a | - | 9.6 | 9.6 ^b | 9.3 |
| Hungary** | 9.8 | 10.2 | 6.4 | 5.7 | 5.8 | 5.3 ^a | - |
| Ireland* | 17.2 | 12.2 | 4.3 | 3.7 | 4.3 | 4.4 | 4.4 |
| Italy* | 9.8 | 11.4 | 10.5 | 9.6 | 9.2 | 8.7 | 8.5 |
| Latvia** | - | 20.6 ^d | 14.4 | - | 12.0 ^a | 10.6 ^a | - |
| Lithuania** | 17.1 | 17.1 | 16.4 ^a | - | 13.8 | 12.4 | - |
| Luxemburg* | 1.3 | 3.0 | 2.7 | - | 2.6 | 3.8 | 4.3 |
| Malta ^{c**} | 3.9 | 3.7 ^c | 6.7 | - | 6.8 | 7.6 | - |
| Netherlands* | 6.2 | 7.1 | 3.3 | - | 2.6 | 4.3 | 4.7 |
| Poland** | 13.3 | 13.3 | 16.1 | 18.3 | 19.9 | 19.6 | - |
| Portugal* | 4.1 | 7.1 | 3.9 ^a | 4.1 | 5.1 | 6.3 | 6.7 |
| Slovakia** | 13.1 | 13.1 | 18.6 | 19.2 | 18.5 | 17.5 | - |
| Slovenia** | 9.1 | 7.4 | 7.2 | 6.4 | 5.9 | 6.6 | - |
| Spain* | 16.3 | 22.9 | 13.9 | - | 11.4 | 11.3 | 10.5 |
| Sweden* | 8.2 | 7.7 | 4.7 | 4.0 | 5.0 | 4.9 | 6.3 |
| UK* | 6.8 | 8.6 | 5.5 | - | 5.1 | 4.8 | 4.5 |

* tabularised data refer to 15 countries – member states before 1 May 2004

** tabularised data refer to 10 countries – member states after 1 May 2004

a – data not fully comparable with data for the previous years

b – 2002 and unemployed in towns – official estimates

c – registered unemployed

d – 1996

e – without people on upbringing leave

Source: own studies based on: *Roczniki Statystyczne Rzeczypospolitej Polskiej 2002-2005*; M. Knapińska, *Sytuacja na rynkach pracy w krajach członkowskich i kandydujących do Unii Europejskiej przed rokiem 2004*, in: *Polityka państwa na rynku pracy...*, op. cit., p. 209.

⁴² *Polska. Narodowe Strategiczne Ramy Odniesienia 2007-2013...*, op. cit., p. 114.

A high level of unemployment in Poland makes the labour market policy become one of the more important components of the economic policy.

It has to be stressed that there is a certain correlation between public expenditure and trends in the unemployment rate⁴³. More specifically, it can be interpreted in this way: public spending increases the number of private projects to be implemented, which leads to an increase in employment. This situation stands in contradistinction to – at least to some extent – the prevalence of the phenomenon of the so called “crowding out effect” affecting private projects by public projects.

Therefore, decisions to increase public spending on infrastructural, educational and vocational training projects, and active measures undertaken to curb down unemployment are gaining importance⁴⁴.

A special role is to be played by the European Social Fund intended to improve the mobility of adults and accommodate the young to the requirements of the labour market and counteracting social exclusion. It also embraces rural areas, where the magnitude of needs is pretty wide. It is a fund almost totally allocated to investments in man and zeroed in on adjusting him to changes on the labour market through education⁴⁵.

According to G Gęsicka – Minister of Regional Development – recently ESF disbursement has increased markedly. So far, as at March 2006, 9% has been allocated out of the funds available for the years 2004 and 2006. Until now, ESF money has been enjoyed by about one million Poles. Out of the 2 billion Euro allocated to Poland in the period between 2004 and 2006 more than 800 M€ has been successfully spent⁴⁶.

According to L. Samuel – a representative of the European Commission, General Directorate for Employment, Social Affairs and Equal Chances – Poland is on a good road to utilise ESF money, but still there are always better ways to act more effectively. Efforts aiming at simplification of procedures and financial settlements have to be pursued and continued. Poland has to get ready to a new financial perspective in the near future. It is an important task as in the years 2007-2013 Poland will

⁴³ More on the correlation for the European Union countries see: *Employment Performance in the Member States*. Employment Rates Report 1998, Employment and Social Affairs, European Commission, Luksemburg 1998, p. 25.

⁴⁴ Ibidem, p. 24.

⁴⁵ S. Borkowska, *Polski rynek pracy a integracja*, op. cit., p. 99-100.

⁴⁶ Conference „Rozwój zasobów ludzkich – doświadczenia wdrażania EFS w Polsce”. Quoted 27 March 2006, <http://www.funduszeuropejskie.gov.pl>.

receive a fourfold assistance from the Union as compared to the present funds. The ESF will provide Poland with 8 billion Euro. The measures will be implemented through the Operating Programme Human Resources⁴⁷.

Due to a gap in the eligibility status and a vast social and economic distance dividing Poland and the other EU countries the need to invest in education for workers is larger in Poland than in the Union. It is necessary to invest in trainings intended for highly qualified workers and also for those whose qualifications are low, employed both full time and part time, for young and older ones. Generally speaking, not only in Poland are employers more likely to invest in the development of promising highly qualified workers. In this way the gap between the qualified and unqualified is growing wider and wider also as regards their chances to find and maintain work places⁴⁸.

Conclusion

Investing in human resources plays a strategic role under community polices channelled into economic and social cohesion. It is expressed in the allocation of 30% of the structural funds over the new planning period (2007-2013) towards those objectives, which equals the sum disbursed in the previous period⁴⁹.

Curbing down high unemployment requires that measures be considerably increased by up to 20% of the ESF expenditure in line with the European Union's needs, or even up to 40% of that fund according to the National Strategy of Employment and Development of Human Resources by the end of this year⁵⁰.

So far in Poland more than half of the expenditure spent on active employment programmes has been focused on the demand side of the labour market⁵¹. In order to adjust to the European Union standards the share of expenditure on instruments geared up towards the supply

⁴⁷ Conference „Rozwój zasobów ludzkich...”, op. cit. <http://www.funduszezstrukturalne.gov.pl>.

⁴⁸ S. Borkowska, *Polski rynek...*, op. cit., p. 153.

⁴⁹ K. Głębicka, *Rynek pracy w jednoczącej się Europie. Wybrane zagadnienia do studiowania*, Wydawnictwo Wyższej Szkoły Pedagogicznej TWP, Warsaw 2005, p. 127.

⁵⁰ S. Borkowska, *Polski rynek...*, op. cit., p. 158.

⁵¹ *Ibidem*, p. 158.

side should be increased up to a level of 60%-70% of all the outlays on active employment programmes⁵².

Emphasis should be laid on training and vocational requalification of the unemployed, which make for the core of the labour market policy and increase employment opportunities for the jobless⁵³.

Undoubtedly, the implementation of the European Social Fund in Poland succeeded in an increase of activities among the unemployed and those seeking employment, to whom that support was directed. These people are more and more often taking advantage of the available support like placements, training seminars, subsidised employment or funds allowing them to start their own businesses. A more effective flow of information and promotion of good training, stimulation of activities and cooperation between various institutions in solving problems with commitment to exchange of mutual experience can be seen across the structures of systems and organisations. Increasing competence and qualifications of the employees improves the competitive edge of Polish enterprises both on the domestic and foreign labour markets. Skills acquired in training seminars and applied can lead to an increase in the attractiveness of Polish goods and services in the eyes of EU customers, which can be translated into an increase in export volumes and an accelerated economic development of Poland. The assistance so far intended to develop human resources contributed to a growth of the number of small and medium sized companies as a result of the emergence of programmes directed to those entities. The level of education and awareness among employees rose too, and so did the level of education of company proprietors and managers, and the awareness of the importance of human resources in business operations⁵⁴.

Increasing the level of employment and a growth in the adaptive potential of human resources makes a key challenge to a labour market policy. In order to achieve that along with the implementation of active forms of support aimed directly at the unemployed and seeking employment, systemic measures have to be undertaken⁵⁵.

It has to be noticed that on entering the Union and absorbing funds from the structural funds the unemployment rate in Poland has

⁵² Ibidem, p. 158-159.

⁵³ Ibidem, p. 159.

⁵⁴ Ibidem, p. 71-72.

⁵⁵ Ibidem, p. 74.

been going down. However, it is still not as low as in the other member states, but it has to be borne in mind that counteracting unemployment is a long term process requiring considerable patience. The countries which managed to cope with the problem should be watched closely and proper conclusions have to be drawn up.

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