

# The Impact of the Support Offered to Young People under the Operational Programme Knowledge Education Development

## Main results

- ✓ 60% of programme participants worked 6 months after leaving the intervention, including 14% of those who ran their own businesses. 28% of people were in education or training.
- ✓ 25% of programme participants stayed in NEET category after leaving the intervention, i.e. they did not find a job or start education.
- ✓ 88% of the participants who found a job worked on employment contracts. They were fixed-term contracts usually. The rest of individuals worked on civil-law contracts. Almost no one worked without a formal contract.
- ✓ The average wage of employed individuals was slightly higher than the minimum wage - on average 1500 PLN net per month. Women earned less than men - on average by 480 PLN.
- ✓ Intervention outcomes were long-lasting. 87% of individuals maintained their jobs, 82% continued their own businesses, and 70% continued education 18 months after leaving the intervention, compared to 6 months after intervention. The share of people who stayed in the NEET category 18 months after intervention was 14%.
- ✓ Programme participants were more likely to leave unemployment registers than other individuals registered in the Local Labour Offices. The difference was on average 7.7 pp. This is a sign of success compared to standard LLO intervention measures.
- ✓ The individuals who were the most beneficial from the intervention were mainly people of less favourable labour market situation: the long-term unemployed, people with low education levels and people living in rural areas.

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## Summary

Labour market policies financed with European funds under the Operational Programme Knowledge Education Development help young people to find a job. This intervention helps to find a job faster than the standard support from Local Labour Offices. This finding is a result of the evaluation of intervention dedicated to young people in the NEET category, i.e. those who do not work and are not in education. The evaluation was conducted for the Ministry of Economic Development.

### Characteristics of support

Support for young people under the Programme was mainly offered by Local Labour Offices (LLOs) and to a lesser extent by Voluntary Labour Corps (VLCs). 95% of people who took part in the Programme between mid-2015 and mid-2016 participated in the interventions measures provided by the LLOs, while the rest was provided by the VLCs. The distinction between LLOs and the VLCs is important because of different types of support provided, different target groups and differences in results of intervention.

A person in the LLO intervention received on average 2-3 forms of support and the duration of intervention was 4 months. The LLOs gave more "hard" forms of support which strongly supported employability, especially in the short term. Individuals were given, among others, grants for starting a business, trainings and courses. The intervention measures provided by the LLOs were dedicated to people aged 18-29. The individuals who took part in the LLO intervention were older and better educated than individuals who participated in the VLC intervention.

Support provided by the VLCs was more complex and lasted longer than support from the LLOs. At the VLCs, a person was given on average 8 support measures, and the intervention lasted over one year. In the VLCs individuals participated, among others, in job and psychological counselling, vocational courses and internships. The VLC intervention targeted people aged 15-24. The people in the VLC intervention were more often of social groups in more difficult labour market situation compared to those in the LLO intervention: more often living in rural areas, living in households with no working individuals, having disabilities.

### Post-activation outcomes of programme participants

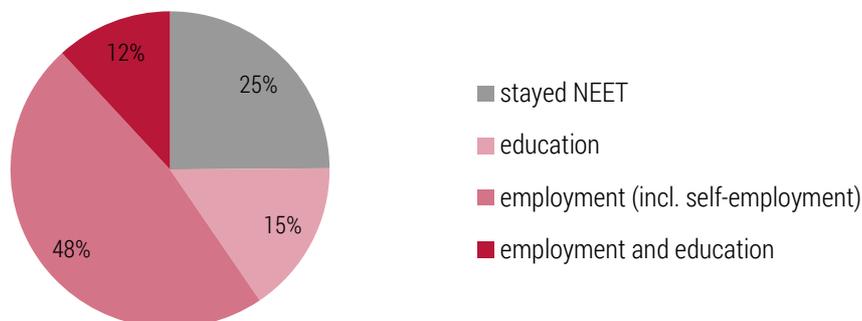
The gross effectiveness of support was measured using four indicators required by the European Commission for the reporting purposes. The indicators were as it follows: 1) the share of people who were in education or in training, 2) the share of people who worked, 3) the share of self-employed persons, and 4) the share of people working among the socially disadvantaged. All four indicators referred to the situation of people 6 months after leaving the intervention.

75% of people achieved some kind of post-intervention success – they either found a job or started education or training. Few people undertook both education and employment simultaneously (12% of intervention participants).

Almost 30% of people started training or education after the intervention. Women were more likely to return to education than men. The share of women in education was 30% compared to 25% for men.

Over the half of intervention participants ended up working. Starting employment, unlike starting education or training, was more frequently reported by men (66%) than women (54%).

### Situation 6 months after leaving intervention



Source: Own elaboration based on the results of CATI interviews.

Intervention by VLCs was associated with lower employment rates than intervention by LLOs (55% and 61%, respectively). The differences between the two types of institutions providing intervention can be linked to different toolboxes of support measures and the orientation of VLCs to more difficult target groups.

Self-employed after the intervention was reported by 14% of individuals. Running own business is tightly connected with grants to start a business which were given by the LLOs - 94% of individuals who ran their own business 6 months after completing intervention had received a grant for starting a business as a support measure under the Programme. The decreased number of grants for starting a business in the recent survey compared to evaluation conducted last year (mid-2014 and mid-2015) resulted in a significant reduction in a share of self-employed individuals.

More than half of individuals from the socially disadvantaged groups found work after the program. It is worth to note that people with disabilities achieved very high post-intervention employment rate which equalled to 57%. This result was lower only by 2 pp. than the post-intervention employment rate for people without disabilities.

### Quality of employment

Post-intervention employment was generally low-paid. The average declared wage of employed persons was little above the minimum wage and it is 1500 PLN. Being self-employed was associated with higher declared earnings - the average earnings are 2 340 PLN per month. Women earned significantly less than men, both as contract workers and as self-employed. In the case of contract workers, the earnings of women were on average 25% lower than men's earnings. For the self-employed that gap was even bigger - 37%.

Most of the people who worked as contract workers were employed on employment contracts (88%), however most of employment contracts were fixed-term. A moderate share of people worked on civil-law contracts: 14% on a contract of mandate and 2% on a contract to perform specified task. A negligible share of people worked without a formal contract, i.e. in the so-called shadow economy (0.5%).

### Persistence of outcomes

The post-intervention outcomes are long-lasting. This was revealed by the second survey conducted with the persons who participated in the first edition of the study. The situation of these people was examined one year after the first study, which was

18 months after leaving the intervention. Outcomes revealed in the first study, 6 months after the intervention, were largely maintained in the subsequent year. About 90% of the reported employment was retained. Retention was a particularly important indicator for support forms such as grants for starting a business that required individuals to operate a business for at least 12 months. 82% of the individuals who had been self-employed during the first study continued to be self-employed.

The retention of being in education was also relatively high. After one year, about 2/3 of the people who had been in education at the time of the first study continued after one year. Among those who left school or training, half of them took up work. This was also a positive achievement after receiving support.

The share of NEETs 18 months after the intervention was 14%. It was very close to the respective share 6 months after the intervention.

### Net effectiveness of intervention

Participants of support financed with European funds were more likely to leave the unemployment registers than other individuals. Moreover, they were more likely to declare that they left the register due to taking up a job. The net effect of intervention was 7.7 pp, i.e. the difference between the percentage of people who left the unemployed register for at least 6 months after the end of intervention and the share of corresponding outflows from unemployment of persons with similar characteristics but who did not take part in the Programme (the control group).

The intervention was particularly effective in the case of people in less favourable labour market situation: High net effect was observed among the long-term unemployed. Net effects were also significantly higher among, inter alia, the people with primary education, people living in rural areas and people with previous unemployment experience.

The net and gross effectiveness of the Programme did not overlap. The groups that most benefited from the support under the Program were relatively less likely to succeed after the end of intervention.

### Implications

The program should continue due to higher effectiveness of intervention measures than the standard support from the LLOs. Even if European funding ends, it should be considered to continue intervention in the current or similar form with national funding.

The focus of intervention should be on individuals in the more difficult labour market situation since the net effect of intervention is higher for the long-term unemployed, primary educated and living in rural areas. Consideration should be given to introducing quotas for individuals in these categories to ensure that they are given priority in the intervention.

The fact that the net and gross effects of support are negatively correlated is also an argument in favour of introduction of quotas. There is a risk that LLOs, which tend to maximize gross effect, might give intervention to people in more privileged labour market situation and thus reduce the net effect of the intervention.

More attention should be paid to monitoring the quality of post-intervention results. The aim of intervention dedicated to young people and financed with European funds is to provide high quality employment, however low average wage received after the intervention as well as large wage gap between men and women, suggest that the intervention does not meet this objective.