

The Impact of the Support Offered to Young People under the Operational Programme Knowledge Education Development The Second Thematic Study

Summary

This report presents the evaluation of the effectiveness and implementation of the Operational Programme Knowledge Education Development (OP KED), which is targeted at supporting young people aged 15-29 who are neither in employment, education nor in training (the so-called NEET category). This study considers app. 225 thousand people who concluded their participation in the OP KED projects between the beginning of 2016 and April 2018. Participants of projects finished in 2015 were covered by the first thematic report from December 2015.

The report is based on the analysis of data on Programme participants provided by the Ministry of Investment and Economic Development (MIED) and of information collected from the main project stakeholders. The study among Programme participants comprised of phone interviews (1490 CATI surveys) and group interviews (4 FGI interviews). The study among project coordinators comprised an online survey (517 CAWI interviews) and group interviews (4 FGI interviews). Moreover, the opinions of Regional Labour Offices (RLO) representatives were collected over 4 telephone interviews. Finally, 16 in-depth interviews (IDI) were conducted with employers. Preliminary conclusions and recommendations were discussed during expert workshop with representatives of institutions responsible for the coordination and implementation of the support, as well as with representatives of the employers.

Since 2015, the unemployment rate in the Polish labor market has significantly decreased - in particular among young people. By the first quarter of 2018, among people aged 15-24 it decreased by 12 pp. (to the level of 12%), and among those aged 25-29 it decreased by 6 pp. (to the level of 5%). In both cases, the level of unemployment in the first quarter of 2018 was lower than the average in the European Union, while in the first quarter of 2015 the youth unemployment



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rate in Poland was above the EU average. At the same time, the situation of people under 30 who are not in work, education or training (the so-called NEET category) changed much less - both in Poland and across EU. The share of people in the NEET category is higher among women and this inequality is particularly pronounced in Poland among people aged 25-29. Over the past two years, these differences have deepened further, also within the 15-24 age group. The higher share of NEETs among women than among men is mainly due to the higher inactivity rate of women. The overall improvement in the labour market situation has shifted the target group of the projects toward youth more difficult to help, i.e. the long-term unemployed and without work experience, people without professional qualifications and those with low motivation.

The OP KED support for young people is provided through three types of projects, with different characteristics: those coordinated by Local Labour Offices (LLOs – 86.7% of participants), those coordinated by Voluntary Labour Corps (VLCs – 2.6% of participants) and those coordinated by RLOs or the Ministry of Family, Labour and Social Policy (RLO/MFLSP – 10.7% of participants). The latter projects were conducted by various labour market institutions. The projects varied in terms of the target groups, but also in the way they were implemented. LLOs targeted their support to the unemployed people aged 18-29. The activities of LLOs are regulated by the Act on promotion of employment and labor market institutions, whereas OP KED projects constitute a source of funding for these activities alternative to the Unemployment Fund. Structure of project participants in the LLOs was in many dimensions similar to the structure of all young unemployed registered in employment offices. However, the participant population included a higher share of people with higher education and lower of people with lower secondary or primary education than the overall population of young unemployed. VLC projects are targeted primarily to youth aged 15-24 in a particularly difficult social situation. Large part of this group consisted of people with lower secondary education, with disabilities or from households with no working adults. Finally, the RLO and MFLSP projects are targeted at inactive or unemployed youth aged 15-29 and not registered in any LLO. The participants were mostly aged 18-24, with secondary education, relatively rarely from disadvantaged backgrounds, but relatively often with disabilities. VLC projects and most of the RLO/MFLSP projects are modular. Participants are recruited for a specific project and then carry out the specific modules included in the project.

The differences between the projects is also reflected in the complexity of the provided support. Projects implemented by VLCs, RLOs and MFLSP are more comprehensive than LLO projects, with most participants receiving support in the form of both training and internships, while the LLOs typically offer only one optional form of support. This stems from the evaluation criteria of the LLOs that reward high employability effectiveness calculated separately for each form of support.

Projects also differ in the range of available forms of support. Training and internships are available in all types of projects. LLOs also offer optional forms of support that are rarely or never available in VLC, RLO or MFLSP projects: subsidies for starting own business, relocation vouchers, training vouchers, and internship vouchers. On the other hand, non-LLO projects often offer psychological as well as educational and vocational counseling, unavailable through LLOs.

The range of forms of support available under the Act on promotion of employment and labor market institutions is often narrowed down by LLOs conducting projects under OP KED. OP KED funding is subject to additional restrictions

requirements compared to funds from the Unemployment Fund, which results in priority given to forms of support that are easier to settle. VLC projects are planned centrally by the VLC Headquarters with a detailed specification of the planned support forms. In the RLO projects, the project beneficiary decides on which forms they will apply.

The uneven distribution of support activities across a year in LLOs is problematic – the manner of support depends on the date of entering a project. In the later months of the year, participants receive shorter support or do not receive it at all and are waiting for the funds to be launched in the following year. The seasonality of the support is probably influenced by fund availability and the way projects have to be documented by the LLOs – the OP KED support is typically formally realized in yearly intervals, thus requiring the funds to be settled by the end of the calendar year.

The majority of participants who finished participation in years 2016-2017 or the first quarter of 2018 were employed or self-employed at the time of this study (79%). This indicator was slightly lower among people in a difficult social situation and amounted to 77%. In addition, every fifth participant studied at school or college (20%), and 13% of those surveyed combined their studies with work. 11% of project participants were self-employed. In total, 84% of all participants were learning or employed on the day of the study. Employment rates in this report are measured at the moment of conducting the CATI survey, i.e. from 3 months to 2.5 years after the participants finished the projects. The comparison of the outcomes for population analogous to that studied in the III Indicator Study shows that with the passage of time since the projects end, the share of employed participants increased, the share of students decreased, while the share of self-employed remained unchanged.

Employment rates differed across institutions and forms of support. Among the participants of LLO projects, subsidies for starting own business and relocation vouchers marked the highest shares of employed participants – over 90%. In VLC projects, the highest employment rates – around 90% – pertained to education and vocational counseling and to legal advice. At the same time, however, these were forms of support were rarely provided in these projects. In RLO/MFLSP projects, all forms of support evidenced similar employment rates of participants – in the range of 69-75%. Internships and apprenticeships were associated with higher shares of employed mainly among people with no previous work experience (as compared to those with experience of at least 6 months) and among those who found the internship offers themselves (as compared to people who received an internship offer from the institution providing support).

The employment rate after participation in the project is smaller among women. This may be related to the differences in support provided to women and men: women more often receive internships (76% vs. 51% among men), while men more often receive training (25% vs. 13% among women) and subsidies (19% vs. 10% among women). One of the reasons for the less frequent training uptake among women is a limited selection of training courses matched to their preferences. The offer of courses is limited due to an imposed requirement of certificates or other documents validating the qualifications acquired during the courses – a requirement often not met by the courses preferred by female participants as interpreted by the RLOs. This translates into lower participation of women in training, but also into lower assessment of its impact on skills and motivation by women than by men (even though other forms of support are assessed better by women than by men).

The survey participants declared a very high overall level of satisfaction with participation in the project, regardless of the entity offering support. The vast majority of participants (84%) received or found an offer of work, internship, vocational training or further education over the course of the project and 88% of the offers were accepted. Among those who did not receive such an offer, every third received a subsidy for setting up a business. At the same time, the percentage of people rejecting the received offers of work, internship, vocational training or education was small. Those who have taken up a specific form of support rarely decided to drop out before finishing.

Despite the positive assessment of the match of the support to individual needs among the CATI survey participants, the qualitative research has identified major challenges in this respect. They concern three issues. The first is the mechanism of allocating funds to specific forms of support before conducting an individual diagnosis of the participants' needs and preparing the Individual Action Plan (IAP) – which concerns all types of projects. This limits the scope for matching the support forms to individual needs diagnosed under the IAP. The second issue concerns available training courses – especially in the case of RLO and MFLSP projects. Their participants pointed out that the training topics were pre-determined at the time of recruitment to the project, and they did not have the opportunity of flexible choice of training that suited their individual needs most. The third issue concerned LLO projects, in which the participants did not have the opportunity to take advantage of more complex support, e.g. in the form of vocational training combined with a short internship in the same field.

Participants of LLO projects gave the highest ratings to the forms of support that gave them large influence on the final allocation of funds: training vouchers, relocation vouchers and subsidies for setting up a business. Participants were also very satisfied with the most popular forms of in-depth support: internships and training / courses. However, the participants also pointed at the aspects that needed improvement, including: the low level of internship scholarship, lack of possibility to undertake an odd job over the course of an internship, lack of possibility to use the subsidies for financing some of the important business-related expenses, and the long time period between the application submission and the signing of the subsidy agreement.

Participants of VLC projects gave the highest ratings to vocational training and internships as well as advisory support. Participants also rated very highly the VLC-specific form of support of image consultation and stylist services workshops, aimed at changing the image of the participants to a more professional one – e.g. through the purchase of a formal outfit, visiting a hairdresser or a beautician. The biggest drawbacks of the received support according to people activated by VLCs were: too long time period from recruitment to the start of the project, too small compression of scheduled activities in time, lack of National Health Fund insurance during the project and no scholarship in the first phase of the project.

Participants of the RLO and MFLSP projects gave the highest ratings to training and internship – i.e. the two forms of in-depth support present in almost all projects. In qualitative interviews, however, the lack of high quality psychological or coaching-mentoring support was indicated.

According to the coordinators, some of the biggest problems that prevented the efficient implementation of the projects were the difficulties in recruiting and retaining participants. There are three types of causes for this problem. First of all, financial issues are important – low internship scholarships (about PLN 1000 gross), no possibility to

undertake odd jobs during the internship and – in the case of VLC, RLO and MFLSP projects – lack of scholarships in the initial period of projects and lack of National Health Fund insurance or insufficient insurance coverage. The lack of public health insurance was especially problematic for people with disabilities, which made it even more difficult to recruit them. Secondly, organizational problems – long waiting times from the moment of recruitment to project launch and long procedures for awarding public contracts for the implementation of particular forms of support. Thirdly, low motivation of project participants and, ironically, the good situation in the labor market.

The opinions of the participants and coordinators were supplemented with the views of employers who offered internship and subsidized employment as part of the OP KED support. The most common type of cooperation with labor market institutions was the organization of internships, which is the least expensive and the most flexible form of realizing the demand for workers. Other forms of support were rarely used.

Employers positively assessed the cooperation with the LLOs, VLCs and the beneficiaries of RLO and MFLSP projects. However, it seems that this cooperation consisted mainly of providing services to employers in the scope of implementing particular forms of support. The cooperation lacked actual, comprehensive and long-term partnership that would give the employers the opportunity to influence the preparation of the participants (e.g. in the form of additional training) before their internship or work. Employers also pointed at the burdensome procedures related to applying for particular forms of support. They also signaled the problem of a low internship scholarship, which reduces the interest in this form of support among young people.

The employers were generally satisfied with their interns – which might result from the fact that the employers could influence which participants got the internship. On the other hand, employers have little influence on the start date of the internship, which is related to the previously described seasonality of support provided under the OP KED – recruitment is often announced only once a year, so the employers have to adapt to these dates. Despite these difficulties, most of the interviewed employers intend to continue cooperation with entities implementing OP KED projects and to continue to use the forms of support offered.

Full report is available in Polish on IBS website: Hardy, W., Kalinowski, H., Magda, I., Palczyńska, M., Smoter, M. (red.) (2015). Badanie efektów wsparcia zrealizowanego na rzecz osób młodych w ramach Programu Operacyjnego Wiedza Edukacja Rozwój. II Raport Tematyczny. <https://ibs.org.pl/app/uploads/2021/05/II-Raport-Tematyczny.pdf>