

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

III Report of outcome indicators measurement

Main findings

- ✓ **63%** of the participants **were in employment** 6 months after finishing the Programme (including self-employment).
- ✓ **27%** of the participants **returned to education** 6 months after finishing the Programme.
- ✓ **13%** of the participants **were in self-employment**.
- ✓ **23%** of the participants achieved **neither** the employment **nor** educational outcome.
- ✓ **51%** of those who returned to education, enrolled into **tertiary education**.
- ✓ **89%** of the **own businesses** were started after the participant received **a subsidy** through the Programme. Male participants started own businesses twice as often as female participants did.
- ✓ The average **grade** of the Programme equalled **7.4 points** (on a scale from 1 to 10). The support was higher graded by women than men.
- ✓ **72%** of the employed participants had **employment contracts**, 9% contracts of mandate, and 20% were self-employed.
- ✓ The **average wage** among those with employment contracts equalled **1975 PLN**. The gender wage gap equalled 9%.
- ✓ **45%** of the employed participants started work in the same location they lived in before participating in the Programme.
- ✓ **22%** of the non-employed after the Programme did not search job.
- ✓ **31%** of women and 11% of men were **taking care** of a child or a dependent adult. Caretaking reduced the probability of starting employment only in the case of women.
- ✓ The **highest difference between any two voivodships**, in terms of the percent of participants in employment, **equalled 8.6 pp**. Programme's outcomes largely depend on the characteristics of local labour markets.



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Summary

This report presents the evaluation of the effectiveness of the Operational Programme Knowledge Education Development (OP KED), which is targeted at supporting young people in the NEET category, i.e. those aged 15-29 who are neither in employment, education nor in training. This is the third edition of the indicator study. All of the reported indicators refer to the financial intervention from the Youth Employment Initiative (YEI). This report does not consider the interventions from the European Social Fund (ESF), which were covered by the first indicator study. Importantly, the previous studies showed that the effectiveness of support from ESF was not very different to that from the Youth Employment Initiative. The rare cases of different outcomes indicated slightly better outcomes for ESF.

This indicator study is based on three sources of data: (1) information on the characteristics of the participants and the forms of provided support; (2) survey among a representative group of 1300 Programme participants; (3) data from the Social Insurance Institution (SII). This is the first of the indicator studies to use the SII data.

The outcomes of approximately 75 thousand people, who took part in the Programme between July 2016 and June 2017, were analysed in this edition. This number is slightly lower than that for the previous edition which covered 78 thousand participants. The majority of the sample – app. 83% – consisted of participants who received support from the Local Labour Offices (LLO). The number of people who received support as part of the Regional Labour Offices (RLO) projects grew significantly. It exceeded 10 thousand, totalling app. 14% of all the participants. At the same time, the share of people who received support from the Voluntary Labour Corps (VLC) fell again, this time from 3 610 in the previous study period to 1 987.

More than half of the participants (56%) were female, and more than half were aged 18-24 (59%). Moreover 54% lived in rural areas. The characteristics of the support beneficiaries largely differed depending on the supporting entities. This can be partially explained by different target groups of VLC and LLO projects.

The LLO projects are aimed at people registered as unemployment, with 39% among them being in long-term unemployment. The share of people with tertiary education was almost twice higher among the LLO projects participants than among all of the unemployed aged below 30 in Poland (31%), while the share of people with education lower than upper secondary was smaller (8%).

The VLC projects are aimed at disadvantaged people. 32% of the beneficiaries of VLC support came from households with no working members, and 19% were raised in single-parent families. VLC projects were the only ones also directed to underage people neglecting the compulsory schooling, who accounted for 25% of all the beneficiaries of VLC projects. Finally, the VLC support pertained primarily to people inactive in the labour market.

The RLO projects, which were conducted among others by NGOs, were also targeted mostly to people inactive in the labour market. They were often directed to people with disabilities, who accounted for 12% of all the beneficiaries of RLO projects (against 4.1% among all support beneficiaries and less than 3% among all people aged 15-29 in Poland – according to Polish LFS data for 2016).

The Programme participants received on average 2.7 different forms of support. The LLO projects comprised obligatory forms (career guidance and job search assistance), but most of the participants also received at least one other more “hard” form of support. The most common forms of support comprised internship and practice –

received by 2/3 of the participants. The VLC projects were, on the other hand, more comprehensive – their beneficiaries received on average 6.7 different forms of support. Almost all of their participants above the age of 18 took part in a special course or training and acquired experience through internships or practice, as well as received career guidance and psychological counselling. The beneficiaries of RLO projects received on average 4.2 different forms of support. Along with the obligatory forms of support, most of the RLO projects participants received two additional forms: knowledge through training and courses and skills through internships or practice.

The indicator study reports the values of four long-term outcome indicators, aimed at monitoring of the effects of Program participations. The indicators reflect:

- 1) the number of people participating in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship,
- 2) the number of people in employment, including self-employment,
- 3) the number of people in self-employment,
- 4) the number of disadvantaged people in employment, including self-employment.

All of the indicators refer to the situation of the Programme participants 6 months after their participation.

The share of participants in education 6 months after finishing the Programme equalled 27.4%. This value is at a similar level to that from the previous study. The participants of VLC projects were most likely to return to education (41%), while the participants of LLO projects evidence much lower propensity to return to education (26%). 33% of the RLO projects participants also returned to education. The shares were higher among the youngest participants and those with lower education levels. Moreover, women were more likely to return to education than men. Most of those returning to education picked up tertiary education.

The share of participants in education 6 months after finishing the Programme equalled 63%. This constitutes a small increase relatively to the previous indicator study (by 3 pp.). The chances of finding employment was positively related to the age of the participants and their education level – it equalled 69% for those aged 25-29 and 76% for those with tertiary education. Participants of LLO projects were most likely to become employed (67%). This share was by 20 pp. larger than the share among participants of REO projects and twice as large as the share among participants of VLC projects. Those in long term unemployment or inactive were less likely to pick up employment. Moreover, people with disabilities had much lower chances of starting employment (45%), while the share among all disadvantaged participants was similar to that among all participants.

The share of participants who were self-employed 6 months after finishing the Programme equalled 12.9%. This value is close to that observed in the previous edition of the study. Also similarly to the previous studies, starting own business was most often related to having received a subsidy for the start – this was the case for 89% of the participants who became self-employed. Most of the new businesses were started by men (62%). Older and better educated participants were in general more likely to become self-employed. On the other hand, those with disabilities were less likely to start own businesses.

The share of participants in any employment 6 months after finishing the Programme, among the disadvantaged participants, equalled 61.1%. Thus, this indicator was only slightly below the outcome for all participants (by 1.6 pp.). Among different types of disadvantageous situations, participants with disabilities had the lowest chances of starting employment (45%).

As many as 23% of the participants neither became employed nor returned to education. On the other hand, 15% of the participants achieved both outcomes – they started employment and decided to continue education. Econometric analysis shows that participants of the LLO projects had higher chances of becoming employed than the participants of RLO or VLC projects. These differences remain significant even when other factors are taken into account, including: education, region, degree of urbanization or disabilities.

Among those who were in employment 6 months after finishing the Programme, most worked having one contract at a time. Moreover, 72% of those employed had an employment contract and 20% were self-employed. 28% of those with employment contracts earned the minimum wage, while many earned below this – probably due to working part time. Women with employment contracts earned on average 9% less than men. Women were also twice as likely as men to work part time.

The participants claimed that taking part in the projects contributed to their employment outcomes. The average grade of this impact equalled 7.4 (on a scale from 1 to 10). Female participants tended to rate the support higher than men did. Interestingly, older and better educated participants also gave higher ratings, despite the fact that the analysis in the previous indicator study showed that the net effect of support is lower in their case. The average rating of the level of actual use of the knowledge and skills acquired over the course of the project was slightly lower and equalled 6.9. It is additionally worrying that the lower educated participants gave even lower ratings, though it seems they should be able to benefit most from learning new skills and acquiring knowledge.

Almost every third of the female participants said that they were taking care of a child or a dependent adult. However, those women had lower chances of being employed 6 months after the Programme than other women (58% against 65%). Only every ninth man reported caretaking responsibilities, and the relationship with chances of employment was the opposite (they had higher chances of being employed than other men).

Finding employment became easier since the previous edition of the indicator study – unemployment decreased and some sectors evidenced shortages of workers. However, this had no direct translation into better employment outcomes 6 months after finishing the Programme. The support beneficiaries instead used the better labour market situation to search for better matched job offers. This was reflected in the survey answers – more participants than in the previous edition, indicated the lack of job offers fulfilling their expectations as the reason for not starting work, rather than indicating not being able to find any job at all.

Indicator (six months after participation in OP KED)	III indicator study	II indicator study	I indicator study
Participants in education or training	27.4%	27.5%	17.0%
Participants in any employment	62.7%	59.5%	76.4%
Participants in self-employment	12.9%	14.1%	42.5%
Participants in any employment among those disadvantaged	61.1%	54.5%	73.0%

Full report is available in Polish on IBS website:

Baran, J., Hardy, W., Kalinowski, Magda, I. (red.) (2018). *Badanie efektów wsparcia zrealizowanego na rzecz osób młodych w ramach Programu Operacyjnego Wiedza Edukacja Rozwój. III Raport Wskaźnikowy.*

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