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# VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN POLAND

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## EXECUTIVE SUMMARY

The country monograph on vocational education and training and employment services provides baseline information and analysis aiming to assess the progress made in implementing the priorities identified in the Joint Assessment Paper on Employment Policy (JAP) agreed between the Government of the Republic of Poland and the European Commission. Current EU policies based on the Lisbon conclusions, such as the lifelong learning initiative, and the European Employment Strategy set the framework for the analysis<sup>1</sup>.

### 1. THE CONTEXT

#### a) Economic development

■ Poland experienced high GDP growth rates between 1994 and 1998 (ranging from 7.0 to 4.8%). Since then economic

growth has slowed down to 4.0% in 2000, with a steep decrease in 2001 (1.1%) to its lowest level since 1991<sup>2</sup>. The forecast for 2002 (1%) is not optimistic; however, according to government projections, higher rates are expected for 2003 (3%) and 2004 (5%)<sup>3</sup>.

- The government expects for the future an additional GDP growth of 0.7 to 1.4% through the effective use of European Union structural funds<sup>4</sup>.
- GDP per capita increased from 6,000 (in PPS euro) in 1995 (34% of EU average) to 9,400 (41%) in 2001, compared to the EU average of 23,200.
- The shares of different sectors in GDP changed between 1996 and 2001 in favour of services at the expense of industry and agriculture. At the same time, the percentage of the population working in agriculture is still high (19% in 2001) compared to the EU (4%)<sup>5</sup>.

**Table 1: Structure of Poland's GDP in 1996 and 2001**

| Structure of GDP in 1996 (%) |      | Structure of GDP in 2001 (%) <sup>6</sup> |      |
|------------------------------|------|---|------|
| Services                     | 56.1 | Services                                  | 63.7 |
| Industry                     | 30.1 | Industry                                  | 25.5 |
| Construction                 | 7.4  | Construction                              | 7.4  |
| Agriculture and forestry     | 6.4  | Agriculture and forestry                  | 3.4  |

<sup>1</sup> As part of the methodology three field visits took place in Poland (Warsaw, Lublin and Gdansk) in July and September 2001 and March 2002. The analysis is based on information available in mid 2002.

<sup>2</sup> Central Statistical Office Poland (CSO), *Concise statistical yearbook of Poland*, Warsaw, 2001; Eurostat: average GDP growth 1995–99 was 5.7% (EU 2.4%).

<sup>3</sup> *Polish Industry Insider*, monthly newsletter of the Industrial Development Agency, Warsaw, February 2002. Government projections for 2003–06 are based on an optimistic scenario. Expected growth rate for 2005: 5.5%; 2006: 6% (*The Warsaw Voice*, February 2002).

<sup>4</sup> Polish and Central Europe review, *The Warsaw Voice*, January 2002.

<sup>5</sup> Ministry of Economy, Preliminary National Development Plan Poland 2002–03; Eurostat, *Statistics in focus*, 2002.

<sup>6</sup> Measured as share in Gross Value Added. Tadeusz Kozek and Rafal Piwowarski, *Analysis of scenarios and strategies for VET in Poland*, Warsaw, August 2001; Eurostat, *Statistics in focus*, Theme 2, 41/2002.

- Low domestic demand and the recent international recession, resulting in lower Polish export rates, are mainly responsible for the current difficult economic situation. In addition, the Polish economy is still facing further restructuring.
  - The new government's economic programme, Entrepreneurship – Development – Work, sets high economic growth as the top priority.
  - According to calculations made for the Polish economy, a threshold rate of 5.35% of growth must be attained in order to increase employment<sup>7</sup>.
- b) Key employment and labour market developments**
- The unemployment rate rose sharply in the first transition period from approximately 6% in 1990 to a peak of 16% in 1993, recovering in the following phase to a minimum of 10% in 1998. However, since 1998 **unemployment has been rising steeply** again, reaching 16% in 2000 and 18% at the beginning of 2002, with female unemployment still higher (19%) than male unemployment (16%)<sup>8</sup>. Women seek employment longer than men and are more threatened with long-term unemployment.
  - In absolute terms **unemployment increased enormously** between 1998 and 2001, by 1.3 million (from 1.8 to 3.1 million people), and is still increasing, reaching 3.3 million in February 2002.
  - There are **large regional disparities in unemployment**, ranging from 12.9% in Mazowieckie region to 28.7% in Warminsko-Mazurskie region (2001). At the local level variations are even more pronounced, ranging from 5.1% in Warsaw to 37.7% in Swidwinski county. More than 30 counties showed unemployment rates above 30% at the end of 2001<sup>9</sup>.
  - The **low educational level of the unemployed** is a very unfavourable feature in Poland. The largest group of these consists of those with only basic vocational education (37% of the unemployed, ISCED 3C level), and as many as 33% of unemployed people show only primary and incomplete primary education<sup>10</sup>. In 2001, the duration of unemployment was higher among those with only primary and incomplete primary education (17.9 months), compared to the average of 14.6 months<sup>11</sup>.
  - The **situation of youth in the labour market is still difficult and is deteriorating**, since from 2000 onward the age group corresponding to the demographic explosion is increasingly entering a labour market in which unemployment continues to grow. The youth unemployment rate was almost 42% in 2001. According to the OECD, Polish young people already had in 1998 a higher relative labour market disadvantage rate (3.6) than the average for OECD countries (3.1)<sup>12</sup>.
  - In particular, **unemployment among recent graduates is of serious concern**. Almost half of recent graduates (45%) do not find a job<sup>13</sup>. Unemployed graduates of vocational schools accounted for over 80% of all unemployed graduates in 1996, and

<sup>7</sup> Jerzy Hausner (minister of labour in Poland since October 2001), *Factors generating unemployment in Poland*, Academy of Economics in Cracow, May 2001. Calculations assume that other factors (e.g. labour market flexibility) remain unchanged.

<sup>8</sup> European Training Foundation, *Employment and labour market in Poland. Background study*, ETF, 1999; LFS Poland 2001, 3rd quarter publication; data from MoLSP, January–March 2002.

<sup>9</sup> Registered unemployment in 2001. CSO, 2002. With the territorial administration reform 16 'voivodships' (regions, provinces at NUTS 2 level) were created in 1998 out of a previous 49, and divided into 373 'powiats' (counties, districts at NUTS 4 level).

<sup>10</sup> Data on registered unemployed, provided by MoLSP, Labour Market Policy Department, April 2002. LFS data (3rd quarter 2001) show 42% for basic vocational, 19% for primary and incomplete primary education.

<sup>11</sup> LFS Poland 2001, 3rd quarter, unemployed persons at working age by level of education.

<sup>12</sup> OECD, *From initial education to working life. Making transitions work*, Paris, 2000.

<sup>13</sup> Ministry of Labour and Social Policy (MoLSP), 'First Job' – A Program of Vocational Activation For Recent Graduates, 2002. About 900,000 students will graduate from schools and universities in 2002. It is expected that about 520,000 of these will need some help when entering the labour market. The government is currently addressing this problem with a specific programme.

were still over 72% of unemployed graduates in 2001<sup>14</sup>.

- The overall **employment rate has been decreasing** since 1998 (58.8%), falling as low as 55.1% in 2000 and 53.8% in 2001, with a disparity between men (61.2%) and women (49.3%)<sup>15</sup>.

### c) Demographic development

- Poland is facing a **demographic depression** and decline in birth rates. The relatively smaller numbers of school-age children makes the ongoing education reform process much easier. At the same time, the age groups belonging to the demographic high ('second postwar demographic boom')

are now entering the labour market and posing an additional challenge to employment policy and continuing training.

- The overall population increased slightly from 38.18 million (1990) to 38.64 million in 2000. However, the **population growth rate has been slowing down steadily** in the same period, reaching complete stagnation in 2000.
- The share of people aged 0 to 14 fell substantially from 25% to 19% in the years 1990 to 2000, whereas those aged 15 to 24 increased from 14% to 17%. The age group 19 to 24 is forecast to peak in 2004, after which the number

**Table 2: Polish labour market and employment performance indicators, benchmarks and targets<sup>16</sup> (%)**

| Indicators                                     | Poland |      | Strategic goal | EU-15 | EU benchmark |  |
|--|--------|------|----------------|-------|--------------|--|
|  | 1997   | 2001 | 2006           | 2001  |              |  |
| Employment rate (of population 15–64)          | 58.8   | 53.8 | 62–64          | 64.1  | 70           | Goal – 2010 (Lisbon)                                 |
| Employment rate (55–64 years old)              | 35.5   | 30.5 |                | 38.8  | 50           | Goal – 2010 (Stockholm summit)                       |
| Employment rate – women                        | 51.6   | 48.4 |                | 55.0  | 60           | Goal – 2010 (Lisbon)                                 |
| GDP (annual real growth)                       | 6.8    | 1.0  |                | 1.6   | 3.0          | (Lisbon)   |
| Unemployment rate (% labour force 15+)         | 10.9   | 18.4 |                | 7.4   | 3.0          | Average 3 best performance countries (LU, NL, AT)    |
| Long-term unemployment rate                    | 5.1    | 9.2  |                | 3.1   | 0.8          | Average 3 best performance countries (LU, NL, AT/DK) |
| Youth unemployment rate (% labour force 15–24) | 22.8   | 41.5 |                | 14.9  | 5.6          | Average 3 best performance countries (IE, NL, AT)    |
| Youth unemployment ratio (% population 15–24)  | 8.2    | 15.2 |                | 7.1   | 2.9          | Average 3 best performance countries (LU, IE, AT)    |
| Unemployment rate – women                      | 13.0   | 20.2 |                | 8.6   | 3.8          | Average 3 best performance countries (LU, NL, IE)    |

<sup>14</sup> Ministry of National Education (MoNE), Head of Department of Education for the Labour Market, July 2001; data based on registered unemployed. Data for 2001 provided by MoLSP (structure of registered unemployed graduates as of end of 2001 by type of schools completed in 2001).

<sup>15</sup> European Commission, *Employment in Europe 2001 and 2002*. According to Polish LFS data (3rd quarter 2001), the employment rate (based on population aged 15 and over) decreased from 51.3% in 1998 to 46.5% in 2001, 3rd quarter, with a gender difference between men (53.5%) and women (40.1%).

<sup>16</sup> Data based on *Employment in Europe 2001 and 2002*.

will gradually begin to drop<sup>17</sup>.

- Although Poland had in 1998 a higher share (15%) of the ‘**school-age population**’ (5–14) than the OECD average (13%), it is expecting a considerable **decline until 2010** (-22%, OECD -9%). On the other hand the population of 20 to 29-year-olds is expected to increase by 4% (OECD -7%), putting pressure on tertiary education<sup>18</sup>.
- Demographic projections till 2020 show a **trend of ageing population**. The population in the post-retirement age group (60/65+) will grow steadily by over 40%. Between 2000 and 2005 there will be a noticeable increase in the number of people of productive age (18–60/65) by 1.07 million, but from 2006 to 2020 the numbers will steadily decrease<sup>19</sup>.

## 2. FOUNDATIONS FOR LIFELONG LEARNING

**The idea of lifelong learning is not yet firmly embedded** in the mentality of Polish society. Furthermore, the consultation process on the European Commission’s Memorandum on lifelong learning in year 2001 was very limited in Poland. Although the National Strategy for Education and other sector policies refer to lifelong learning and the ‘knowledge-based society’, there remains the impression of a fragmented and uncoordinated approach. However, many aspects of the **current ongoing reform** of the Polish education system, such as improved access to education, equal opportunities, the extension of compulsory schooling, and the quality of education, counselling and guidance, **are inspired by the concept of lifelong learning** and therefore could be considered as a solid concept on which a

future coherent lifelong learning strategy could build.

One major challenge will be the area of continuing training, where the legal, policy and support framework is not sufficiently developed yet. This is due to a lack of national consensus and insufficient cooperation among key stakeholders in the field, including social partners, as well as difficulties arising from shared responsibilities between the two main ministries involved, the Ministry of National Education and Sports (MoNES) and the Ministry of Labour and Social Policy (MoLSP).

### a) Participation in education and educational attainment

- A range of indicators suggests that Poland still has a **serious education gap** compared to many EU and OECD countries. The **educational attainment level** of the adult population is lower than the EU and OECD average. In 2001 only about 46% of the age group 25 to 64 attained at least upper secondary education (OECD average 63%). A relatively small proportion of Polish adults (12%) has attained tertiary education compared with EU member states (22%)<sup>20</sup>.
- On the other hand a dynamic growth in education can be observed over recent years. **Accessibility to education**, measured by gross enrolment ratios, improved at almost all levels (except basic vocational schools) between 1990 and 2000, from 19% to 34% in general secondary education, from 27% to 36% in secondary vocational education, and in particular from 13% to 41% in higher education<sup>21</sup>.

<sup>17</sup> Elzbieta Krynska, Socioeconomic background. Introduction to the labour market; modernisation of IVET, in *National VET Report 2001*, Polish National Observatory, March 2002.

<sup>18</sup> OECD, *Education at a glance*, 2001.

<sup>19</sup> Krynska, Socioeconomic background, in *National VET Report 2001*.

<sup>20</sup> OECD *Education at a glance*, 2001 and 2002; Eurostat *Key Data on education in Europe 2002*. The OECD does not regard attainment of ISCED 3C level (without maturity exam) as ‘completion’ of upper-secondary education, which made up around 35% of the age group 25–64 (2001) in Poland. Amongst EU member states, France and the UK both also have a substantial number qualified to this level only – 28% and 27% respectively in 2001, according to the OECD.

<sup>21</sup> MoNE, *National strategy for education 2001–06*; National Observatory Poland, *VET report 2001*. Gross enrolment ratio is the ratio of all individuals studying at a given level to the population of the official age for that level.

- After the end of compulsory schooling, the rate of **participation in education** compares well to the EU average (17-year-olds: PL 89.9%/EU 84.2%; 18-year-olds: PL 77.5%/EU 74.6%; 19-year-olds: PL 62.1%/EU 59.3%) and diminishes less rapidly than for example in Portugal and Spain<sup>22</sup>. Education is compulsory until completion of 18 years of age. The schooling obligation starts in the calendar year of a child's seventh birthday and is fulfilled by attending a primary school and a gymnasium (lower secondary school), making nine years in total. Compulsory education is fulfilled by attending upper secondary schools or by out-of-school forms of education.
- **Postsecondary schools are steadily increasing**, in particular private schools, which increased between 1996 and 2000 from 1,400 to 2,600 schools with an enrolment of about 205,000 students in 2000/01 and graduation rates of 12.4 (OECD 8.5) in 1999.
- **Tertiary enrolment is developing very fast**, rising from 794,000 (1996) to 1.58 million students (2000)<sup>23</sup>, with entry rates of 59% (OECD 45%), compared to Czech Republic with 23% in tertiary type A education. Poland had the second highest index of change (223) in tertiary enrolment between 1990 and 1997, and the highest among all OECD countries between 1995 and 1999 (184, OECD 120)<sup>24</sup>.
- **Vocational education at secondary level is very dominant**, but the education reform is expected to provoke an inversion in favour of general education. Currently, on completion of basic education most pupils go on to vocational and technical schools (66% enrolment in 1999; OECD 47%) at secondary level, with a very slightly declining trend (62% in 2000/01)<sup>25</sup>.
- **The rural/urban dichotomy in education is a serious concern** in Poland. Fewer educational options at higher level are available in many rural areas and the results achieved by students in rural areas are generally thought inferior to those in urban areas. Less than half of students in urban areas completed secondary education, and the rate of higher education among the adult population in rural areas is even below 2%<sup>26</sup>. Out of 1.3 million participants in continuing training (in the out-of-school system) in 1999/2000, only 18,500 (1.4%) came from rural areas (which make up 38% of the Polish population).
- According to the recent OECD **PISA (Programme for International Student Assessment) study**, Polish pupils at the age of 15 performed below the OECD average (500 scores) in all three areas examined, although not worse than those in Portugal or Greece. Polish pupils obtained only 479 (males 461) scores in reading, 470 in mathematics, and 483 in science – results which were in all fields lower than those for Hungary and Czech Republic, but slightly better than Latvia.
- The **dropout rate** from vocational education (4.2% ISCED 3C, 1.9% ISCED 3A) **remained stable at a rather low level** between 1996 and 1999 compared to other future EU member states. The 'early school leavers' rate (percentage of 18 to 24-year-olds with at most lower secondary attainment levels who are not in education and training) was fairly low, at less than 8% in 2001 compared with 19% in the EU average or 13% for the future member states (FMS)<sup>27</sup>.
- According to the OECD Poland has a **low participation rate in continuing training** among the population in the age group 25 to 64. In 1998/99 this

<sup>22</sup> *Employment in Europe 2002*.

<sup>23</sup> Central Statistical Office, Poland.

<sup>24</sup> In Poland the data refer to gross entry rates, the OECD figures to net entry rates. The Polish data include some double counting of students who gain more than one qualification/graduation in 1999. Data refer to tertiary type A education; OECD, *Education at a glance*, 2001.

<sup>25</sup> OECD, *Education at a glance*, 2001; National Observatory, *Key indicators*, 2001; CSO, *Concise statistical yearbook of Poland*, 2001.

<sup>26</sup> Bogaj, Kafel, Kwiatkowski, Piwowarski, *Education for all: the year 2000 assessment*, Institute for Educational Research, Warsaw, 2000.

<sup>27</sup> National Observatory, *Key indicators*, 2001; Eurostat, Structural Indicators Webpage.

was 13% compared to other countries (UK 45%, Sweden 54%, Czech Republic 27%). The expected hours of training outside formal education over the life cycle (1,024) is also lower than in most other countries (OECD mean: 1,730 in 1994–98), but is at the same low level as in Belgium and higher than in Italy (861 hours)<sup>28</sup>.

- In 1999/2000 the total **number of participants** in continuing training was 1.65 million (1.32 million in the out-of-school system and 0.33 million in the school system), compared to an economically active population of 17.2 million (9.6%)<sup>29</sup>.
- The overall **participation of adults** in the **formal education and training system** as part of continuing training is still increasing and is demonstrating the strongly school-based approach of the Polish education system (260,000 in 1996; 340,000 in 2000). Most adults are still opting for secondary vocational schools (57%), but this trend has been stagnating since 1998. The most dynamic increase in recent years can be seen in participation in secondary general schools.
- **Continuing training in enterprises** still plays a **rather modest role** compared to other countries. According to the Eurostat CVTS2 survey Poland ranked only sixth among nine future member states as regards the share of enterprises providing some kind of continuing training in 1999 (39%) – lagging far behind Czech Republic (69%) and Slovenia (48%). EU member states except Spain (36%) and Portugal (22%) reported 70% or more enterprises offering CVT<sup>30</sup>. The participation rate in enterprises providing courses<sup>31</sup> was 33% (for both males and females) and above the

future member states' average (30%), but still behind all EU member states.

- The new system of **Public Employment Services** has not stabilised yet and is about to be changed again, and the number of **participants in Active Labour Market Measures** is decreasing in recent years, **reaching an extremely low level**, although the number of unemployed participants increased markedly. In particular, participation in labour market training measures has been suffering extensively from financial bottlenecks (136,000 participants in 1999; 101,000 in 2000; and only 48,000 participants – 1.5% of the unemployed – in 2001), a decrease of over 50% compared to year 2000<sup>32</sup>.

#### b) Financial resources

- Although public investment figures in education might suggest a favourable situation, since 5.4% of GDP (OECD mean: 5.3%) went into education in 1998 and 5.2% in 1999 (compared to 5.2% in the OECD and 5.0% in the EU)<sup>33</sup>, **resources for education and training are rather limited** as regards meeting the ambitious goals of the education reform.
- A **new and uniform system of financing** the education system was introduced in 1999 as a result of the state administration reform and decentralisation of the school system, resulting in decreasing state budget expenditure in education<sup>34</sup> (from 11.2% in 1994 to 5% in 1998 and 1.3% in 2000) and increasing local government expenditure. Local authorities receive general subsidies from the state budget and distribute funds autonomously to

<sup>28</sup> OECD, *Education at a glance*, 2001; according to the IALS (International Adult Literacy Survey).

<sup>29</sup> The total number of participants is higher (2.72 million) if students in higher education – at evening courses, extramural courses and postgraduate courses – are included.

<sup>30</sup> CVTS2 is based on a sample survey and included for the first time nine FMS. Poland was represented by only one region (Pomorskie) and not by a representative sample across the whole country.

<sup>31</sup> The participation rate refers to only one type of continuing training, namely 'courses'. The data do not refer to the total number of enterprises, but only to those which are providing continuing training.

<sup>32</sup> Mieczysław Kabaj, Institute of Labour and Social Studies, Warsaw, October 2001. Calculations on basis of National Labour Office data.

<sup>33</sup> OECD, *Education at a glance*, 2000 and 2001. Only public, but not total, expenditure as a percentage of GDP is available for Poland in the OECD 2001 report.

<sup>34</sup> As a result of the introduction of territorial reform, data are not comparable with data from previous years.

schools according to the principle 'money follows the pupil'.

- The change in the financing system resulted in **financial bottlenecks** during the first phase of the reform and major discrepancies between the estimates of the Ministry of National Education (MoNE) and the Ministry of Finance (MoFinance) concerning the costs of the education reform, including the reform of teachers' remuneration.
- **No targets have been set** regarding overall investment in human resources either at national or local level, apart from a rough forecast in the National Strategy for Education of estimated expenditure for the performance of selected tasks of the education reform for the period 2002 to 2005.
- **Expenditure per student** was low in 1999, amounting to 1,500 PPS euro in upper secondary education compared to the OECD (5,400), Czech Republic (3,700) and Portugal (5,000) and also in tertiary education (Poland 3,600 PPS euro; OECD 8,500; Czech Republic 5,200; Spain 5,200). The steadily increasing number of students is putting high pressure on the financing of tertiary education.
- According to Eurostat **Polish enterprises invest only 0.8%** on average of their labour costs in **continuing training courses**, which is much lower than in most other future member states (Czech Republic 1.9%, Hungary 1.2%, FMS mean 1.15%), as well as in all EU countries (ranging from 1.2% in Portugal to 3.0% in Denmark)<sup>35</sup>. Poland ranked at the bottom of the scale (together with Lithuania and Romania) regarding the total expenditure per employee on CVT courses in 1999, which amounted only to 197 PPS, compared to Hungary (305 PPS), Germany (577 PPS) or Denmark (1,169 PPS)<sup>36</sup>.
- It is of concern that the nominal revenues of the Labour Fund (the instrument financing labour market policy) decreased by almost 14% between 1997 and 2000 and the share of **total Labour Fund expenditure** as a percentage of GDP **declined** from 1.5% in 1997 to 0.9% in 2000, under conditions of a sizeable increase of unemployment by about 1 million persons. In 2000 the Labour Fund deficit reached PLN 1,300 million (€325 million), which was covered by bank loans, state transfers and reallocation of funds from active labour market programmes (ALMP). As a result, funds for ALMP were very limited in 2001<sup>37</sup>.
- The **share of expenditure on ALMP** out of total Labour Fund expenditure halved from 32% (1998) to 16% (2000), as did that for training measures, from 2 to 1%<sup>38</sup>. In 2001 the share of active measures out of total labour market measures declined dramatically to 7.1% (training 0.6%). National data for 2000 and 2001 show only 0.15% (2000) and 0.14% (2001) of GDP spent on active labour market measures<sup>39</sup>.
- **Training measures** for the unemployed (0.02% of GDP) remained at the same low level between 1997 and 1999 and even decreased to 0.01% in 2000 (Germany 0.34% in 2000)<sup>40</sup>.
- **Expenditure on PES administration** was 0.01% of GDP in 1995 and 0.02% of GDP in 1996. Since then no more comparable OECD data are available for Poland<sup>41</sup>.

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<sup>35</sup> The costs in the CVTS2 survey refer only to 'courses' as one type of continuing training, and only to enterprises providing some kind of training (39% of total in Poland).

<sup>36</sup> Eurostat, *Statistics in focus* 8/2002. Costs and funding of continuing vocational training in enterprises in Europe.

<sup>37</sup> Mieczyslaw Kabaj, Institute of Labour and Social Studies, Warsaw, October 2001. Calculations on basis of National Labour Office and CSO data.

<sup>38</sup> Mieczyslaw Kabaj, based on data from National Labour Office.

<sup>39</sup> OECD data on total ALMM expenditure as a share of GDP were not available for 2000. National data provided by the MoLSP in April 2002. If not including the refund of wages and salaries of juvenile employees, the share of expenditure for ALMM in GDP amounts only to 0.11% in 2000 and 0.08% in 2001.

<sup>40</sup> OECD, *Employment outlook*, 2000 and 2001.

<sup>41</sup> National data of the MoLSP show as expenditure for the administration of regional and local labour offices the amount of PLN 371,7 million (€103 million) for year 2001 (average exchange rate 3.6 in 2001). This makes up 0.05% of GDP (author's own calculation).

### 3. INITIAL VOCATIONAL EDUCATION AND TRAINING (IVET)

After the downfall of the socialist regime in Poland, the **structure of the school system remained remarkably stable** between 1989 and 1997, as system transformations took place primarily in the political and economic spheres. Attempts at changing the education system can be defined as non-strategic policy measures that advocated separate innovative initiatives but not the implementation of an integrated model.

Therefore **Poland made less progress in many respects** than other Central European countries in restructuring and updating its secondary education system to meet the needs of a transition economy. However, in the field of higher education a dynamic development started in the early 1990s. Since 1998 Poland has been involved in a dynamic and ambitious process of implementing a comprehensive education reform, implementing at the same time major reforms in the sectors of administration, social security and health.

Consequently **several serious issues need to be addressed further**, such as adaptation to labour market needs, qualifications framework, standards, quality issues, rural/urban inequalities, assessment, and supervision<sup>42</sup>. 'Poland still needs to do quite a lot', states the National Strategy for Education in its diagnosis of the current state of affairs<sup>43</sup>.

#### a) Policy and legal framework

■ A **comprehensive reform of the education system**, including initial vocational education, started in 1998, based on the main policy document *Education reform – basic concept*. Acknowledging educational gaps, the Polish educational strategy has been focusing since that time mainly on increasing access and participation to education and training (with a strong focus on general and higher education),

improving the quality of teaching, equal opportunities, increasing the autonomy of schools, and adaptation of education and training to labour market needs.

- The **legal framework was created** to address complex changes in 1998, linked with state administration reform, which took place at the same time. **Educational institutions** at secondary and postsecondary level were **completely decentralised** in 1999, the school structure changed significantly (both at primary and secondary level), and changes occurred in the financing system, teachers' employment and remuneration, curricula and teaching methodology, as well as in school management and supervision, where pedagogical supervision was separated from the running of schools.
- As a result of this **dynamic reform process**, more than 200 legislation amendments and regulations have been introduced over the last four years, about 40 of which directly apply to VET. This legislative process is still ongoing and will last until completion of the educational reform in 2007.
- Although **no explicit VET strategy has been developed**, the VET system was strongly affected by the **concept of abolishing** almost all types of **VET schools and qualifications** at secondary level (policy target of the previous government to shift from about 60% VET participation to 20% in 2004 (EU average 58%).
- At the end of 2001, close to implementation of the planned reform, the new government **reintroduced the most important type of vocational school** (the *technikum*, leading to the *matura* or maturity examination) as well as the possibility of obtaining vocational qualifications at that level, as it became evident that the previous concept was based more on surveys of students' expectations than on thorough labour market analysis. In the meantime, the MoNE has abandoned the approach of setting strategic quantitative targets concerning different schooling levels.

<sup>42</sup> ETF, *Annual review of progress in VET reform*, 2001; David Fretwell and Anthony Wheeler, *Secondary education in transition economies: rethinking the framework*, World Bank, August 2000.

<sup>43</sup> MoNE Poland, *National strategy for education 2001–06*.

- In addition, numerous other national strategy papers (e.g. on agriculture, regional/economic development) refer to initial and continuing education and training. In particular the National Development Plan for 2002 emphasises the need to create a 'lifelong learning model'. However, the elaboration of detailed action plans and quantitative targets for implementation is mostly lacking.

## b) Resources

### Teachers

- Although the **average gross wage** in education is on an increasing trend (87% of the average wage in Poland in 1994, 95% in 2000), it **remains low** in general, and in particular for the public sector of education (81/89%)<sup>44</sup>.
  - The minimum **monthly salaries** (€250) of **upper secondary teachers** in 1997/98 relative to per capita GDP (92%), as well as the maximum salaries (€320, 117%), show Poland behind Cyprus, Slovenia and Hungary, but in a better position than most other future member states<sup>45</sup>. The average monthly salary of a teacher in 2000 was about PLN 1,880 (= €470)<sup>46</sup> but is expected to increase as a result of the latest reform on teacher promotion and career development, although this reform was facing financial and bureaucratic bottlenecks at its initial stage.
  - **Qualified Polish teachers** are considered to be an important driving force of the reform, when properly remunerated and encouraged to raise their qualifications<sup>47</sup>. Some 85% of 550,000 full-time teachers have a higher education degree, and the ratio rises to 93% for VET full-time teachers;
- however, one-third of VET teachers are part-time.
- The **Teachers' Union** is playing a strong role. In 2001 its pressure contributed to preventing implementation of the school structure envisaged by the previous government.
  - Further training for teachers is implemented by five central establishments as well as many universities and institutions (including non-public institutions) at regional and local level. However, **continuing training is not obligatory for teachers** and the Teachers' Charter requires only two periods of in-service training during their career. Although training of Teacher Educators started in 2000 in order to prepare teachers to implement the reform, the impression remained that many teachers were not prepared sufficiently for the reformed system.
  - The **student/teacher ratio** in 2000/01 was 14.8 in preprimary and basic education (ISCED 0-2), 20.3 in general secondary, and 17.0 in vocational education in Poland<sup>48</sup>.

### Equipment

Currently 79% (1999/2000) of all secondary schools are VET schools, and the technical equipment of school workshops is often outdated, with the exception of Practical Training Centres<sup>49</sup>. Access to computers is improving, the number of pupils per computer having fallen from 103 (1997) to 40 (2000) and the number of pupils per teacher of computer science from 1,214 to 437.

## c) Structure and organisation

- The structure of the Polish education and VET system is **still in transition**

<sup>44</sup> National Observatory, *Key indicators*, 2001.

<sup>45</sup> Eurydice/Eurostat, *Teachers in Europe 1997/98*. GDP data for Poland are from 1997. The gross annual salary (minimum PLN 11,232; maximum PLN 14,268) has been divided by the per capita GDP at current prices in the national currency. Average exchange rate for 1997 to euro: 3.7 (author's own calculation).

<sup>46</sup> Michal Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*, Working document, Warsaw, October 2001.

<sup>47</sup> Elzbieta Gozlińska, Vocational education and training of teachers, in *National VET Report 2001*, National Observatory Poland, March 2002.

<sup>48</sup> National Observatory, *Key indicators*, 2001; VET schools including postsecondary education.

<sup>49</sup> In 1996 the concept of Practical Training Centres was introduced. These are practical education and training facilities with modern equipment, offering high-quality VET to young people and adults and specialised training for teachers.

and has a **strongly school-based** approach. Currently the old and new school systems coexist, and Poland is facing many complications in implementing the reform. The old system could be described in outline as an overemphasis on vocational education at secondary level (rather diversified, with four different types of VET schools), suffering from an image of providing education that was too narrowly profiled, outdated and overlong, and even considered as producing the unemployed. The tradition of maintaining certain types of VET schools prevailed and a clear vision of VET was lacking.

- **Attempts to reform the system** in the early 1990s were limited to three major areas: modernisation of curricula, upgrading of school facilities, and dissemination of active learning methods. Whereas Poland has found it difficult to integrate successive Phare VET programmes into an overall national policy concept, in terms of curricula several components (broad profiles, modular approach) have been included in the reform<sup>50</sup>.
- In 1999 almost all **schools and educational institutions were decentralised** to regional and local self-government authorities. These are now responsible for running and establishing the network of secondary and postsecondary schools, and the regional level for medical and social workers' schools and teacher training institutions.
- The **first phase of the comprehensive reform** (1999–2002) covers basic education, and has replaced the former eight-year primary school with a two-tier comprehensive school system (six-year primary, three-year gymnasium), aiming to introduce pupils earlier to the academic approach and to help them better to choose the best path to further education. Great expectations have been placed on the gymnasium, and first indications suggest that this part of the reform will probably be successful. However, real monitoring results will be available only when the first pupils graduate in June 2002.
- The **second phase of the reform**, covering secondary (2002–05) and postsecondary (2005–07) education, will lead to a substantial decrease in VET provision (two instead of four types of VET school, shorter cycles) and to a shift towards general education, including the introduction of a 'Profiled lyceum' offering 14 broad vocational profiles. The main challenge will be the crucial decision on the appropriate school network at local level. In May 2002 the MoNE still had no overview of the expected number of classes and students in different types of new school due to start in September 2002 under the new system.
- The **vertical pathways** from each secondary school, including basic vocational schools, have been made open for taking the maturity (*matura*) exam and for obtaining qualifications (supplementary schools) and are providing access to postsecondary level and higher education. Horizontal mobility is still limited, as transfers between different types of schools are only possible at the initial stage of the educational cycle.
- Nevertheless, the reform has started to create better conditions to tackle the **previous low flexibility** of education. Although the MoNE continues to define core curricula, head teachers from VET schools are allowed to make proposals (in agreement with local governments) on the **occupations and educational profiles** to be offered and on launching educational curricula in new occupations.
- The **duration of the tuition period** in certain vocational schools (basic VET, post-lyceum) has been made more flexible (lasting one to three years) and shortened (from five to four years in technical schools). Graduation from a VET school has been separated from acquisition of vocational qualifications, thus leaving the decision to take a vocational examination to the discretion of graduates. The system now allows graduates to continue education at a higher level, irrespective of whether they have taken a vocational examination or not.

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<sup>50</sup> Peter Grootings, David Parkes, Soren Nielsen, Detlef Gronwald, *A cross-country analysis of curricular reform in VET in Central and Eastern Europe*, ETF, 1999.

- As the existing **system of evaluation and examination** does not ensure comparability of pupils' performance or provide control mechanisms over the work of teachers and schools, it will be replaced by a system of external examinations for different schooling levels, starting in May 2002 for the first graduates from the new gymnasium, and being implemented in 2004/05 for secondary schools. A system of accreditation of examination centres (which could be schools, enterprises or other institutions) will be an important quality assurance element of the scheme. The implementation of the 'New matura' system has been postponed until 2005 because of difficulties arising from the reform process. Responsibility for **evaluation, certification** and the issuing of the maturity exam and vocational title diplomas (previously managed by head teachers) will move at the same time to regional examination commissions appointed by the minister of national education.
- The **role of the Kuratorium** (school superintendence office) at regional level has changed since secondary schools were transferred to the county level, mainly retaining the role of quality audit/assurance, pedagogical supervision, and regional networking. Quality audits have been introduced for all types of school and the Warsaw Kuratorium expects that all schools in their region will be covered by the audit in a five-year cycle.
- Poland needs an institution responsible for the development and quality assurance of **vocational qualification standards**, in order to create a national system of standards comparable with EU countries and other future EU member states. Although a methodology for developing vocational qualification standards was developed and tested in 2000, a national system is still not yet fully developed.
- In particular rural areas suffer from educational disadvantages and few opportunities for access to upper secondary and higher education. The

**school network** is considered not to be **appropriate** to the needs of rural development<sup>51</sup>. A recent World Bank project is addressing educational needs of rural areas<sup>52</sup>.

#### d) Delivery

- The **involvement of social partners** in education and training is still weak and limited, mainly because of the lack of interest among employers and efficient cooperation models. This issue also has not been sufficiently addressed by the education reform. Viable solutions (such as institutionalising apprenticeships and placements for pupils and graduates) cannot be implemented without financial contributions from the state. The MoNE did not involve social partners in the consultation process on the EC's Memorandum on lifelong learning in 2001. Further development of social dialogue requires institutional support.
- Since transition the Polish **VET provision has become far more scholastic** than it used to be. The legal basis provides for practical training in school workshops, multifunctional practical education centres, and enterprises, but a consistent concept of practical training is lacking. It is mainly applied by the 'apprenticeship system' which functions in the crafts sector. However, a new regulation in preparation by the MoNE intends to reduce the share of practical training in enterprises in favour of schooling. There are signs that employers will boycott this regulation in 2002.
- New forms of **cooperation between schools and enterprises** and alternative forms of practical learning still have to be developed.

#### e) Responsiveness of IVET to the needs of the labour market and the individual

- **Progress in adapting IVET to labour market needs was slow** in the 1990s, and the educational choice resulted more from the existence of particular schools than from clear links to the labour market. The **decision on the**

<sup>51</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

<sup>52</sup> MoLSP, Labour Market Policy Department, 2001.

**new school network** for the first year under the new system (2002/03) and the proportional balance between general and vocational education provision, as well as between vocational profiles, will mainly depend on the local self-government level no longer involving the MoNE.

- **Information on skill needs** in the context of a changing labour market is being collected, but not in a systematic way, and it appears that it informs educational planning and programming only to a limited extent. Currently no special methodology of forecasting is being used. The **research resources** for VET and CVT are very limited in the national Institute for Educational Research, affiliated to the MoNE.
- An interministerial committee was established by the Government Centre for Strategic Studies in 2000 to discuss **future labour market demand** and also involve social partners. Although its consultation role concerning the shape of the new school and VET system was very limited, it might play a more prominent role in the future.
- The **development of new methods** of labour market monitoring has started and has been piloted successfully since 1995 in selected regions, in particular the monitoring of shortage and surplus occupations (MSSO), which is now being reviewed by the MoLSP. Labour market monitoring allows VET schools to adjust their offer gradually to the local labour market by regularly receiving information on shortage and surplus occupations from labour offices.
- Since 2001 in some regions a **ranked list of secondary schools** has been published, containing information about the share of unemployed graduates by school. In other regions (Warsaw) cooperation agreements have been signed between the Kuratorium and the regional labour office.
- The administration reform has also affected to a considerable degree the operation of the **guidance services**, which have been devolved to local self-governments, in order to be more responsive to local needs. Since 1999 efforts have been undertaken at national level to create an **integrated**

**approach** between the educational and labour market counselling and guidance services. It is envisaged that every school at the postprimary level will be obliged to establish an internal system of vocational counselling.

- The MoNE introduced **key skills** (e.g. entrepreneurship, self-employment) into the curricula for vocational schools in 2000 and into the curricula of other types of school in September 2001. In addition, Phare 2000 support is aiming to promote entrepreneurship among teachers and pupils through the introduction of special classes in selected regions, starting in 2002.
- In 2000/01, out of total enrolment in education and training, 50.3% were male and 49.7% female. However, **women undertake higher education more often than men**. In higher education 65% of those enrolled are women (only 35% are men) and in upper secondary general 61% are women (men 39%), whereas in vocational education men are still predominant with 59% of enrolment (women 41%).
- The process of education reform will undoubtedly **increase the population's overall qualification levels**. However, despite fragmented efforts to improve the responsiveness of VET, the key challenge remains to adapt qualifications better to the requirements of the labour market and to promote the idea of lifelong learning, the overall development of which is still at a rather early stage in Poland.

#### 4. CONTINUING VOCATIONAL EDUCATION AND TRAINING (CVT)

Although continuing education and training was the first segment of education in which principles of the market economy were applied with the emergence of a private training market, overall **progress in CVT development and participation has been slow** over recent years, resulting in a clear gap compared to EU countries. The range of measures already in place to encourage participation in CVT has not proved to be sufficient.

As there is **no coherent CVT system in place**, continuing training remains scattered and leads to a lack of clarity with respect to curricula, levels of training, validity of courses and certification<sup>53</sup>. Initiatives from the MoNE and the MoLSP to expand CVT (including improved incentives) address major problems but have so far delivered few positive outputs and have partly remained declarative.

#### a) Policy and legal framework

- The current **legal provisions** fostering CVT and facilitating access to training are insufficient and the framework for a clear state education policy in this field including the involvement of social partners still needs to be created.
- There are several single **initiatives under preparation**, such as the accreditation system for CVT institutions, or a system of vocational examinations in the 'out-of-school system'. The creation of a new department for VET and CVT and an increase in the administrative capacity within the MoNE at the end of 2001 have demonstrated new attention to CVT.
- A **major input to CVT reform** is expected from a Phare 2000 project under the lead of the MoLSP, focusing on legal framework, incentives for employers, and social partners' involvement. This project started after much delay in April 2002<sup>54</sup>.

#### b) Structure and organisation

- Continuing education and training in Poland has a **strong school-based segment**, in which the formal education system offers education free of charge for adults in all types of secondary schools, in order to supplement and upgrade their level of education. The provision of short-term courses for adults by schools is not extensive.
- In addition, a system of 102 (year 2000) multifunctional public **Centres for**

**Continuing Education (CKU)** and branch training centres (in education, medicine, agriculture, etc.) has been set up, substantially financed by public funds, and is going to be further developed.

- One of the major players in CVT and VET is the Association of Vocational Training Institutions (**ZZDZ**), an NGO with an annual participation in CVT of about 300,000 participants, almost 50% of whom are sent by their employers (the great majority on compulsory health and safety courses); one-third of participants attend on their own initiative, and less than 10% attend labour market training paid by labour offices. ZZDZ launched an initiative by drafting a bill on CVT promotion in 2000; however, this never obtained sufficient support from the government.
- A competitive **private training market** and its provision emerged rapidly in the 1990s, but the quality and standard of services remain a considerable challenge, due to the lack of both an accreditation scheme for institutions and vocational qualification standards.
- Compared to most other EU member states and future member states, **CVT provided by companies** is at a rather low level in Poland. Employers usually finance health and safety courses with large numbers of participants, and only a few employers have a long-term training strategy. Other forms of CVT (instruction at work, job rotation, etc.) are more prevalent in Polish enterprises than courses. According to the CVTS2 survey Polish enterprises mentioned as main reasons for not providing CVT that the existing skills of persons employed already met the needs of the enterprise (82%), that CVT costs are too high (37%), and that initial training is sufficient (36%)<sup>55</sup>.
- It is of great concern that **labour market training for the unemployed** is extremely limited and has decreased considerably over the last few years in a period of growing unemployment.

<sup>53</sup> Bednarczyk, Jeruska, Symela, Swiderska, Viertel, *Assessment of readiness for accession with regard to vocational education and training*, ETF, 1997.

<sup>54</sup> A working group composed of high-level representatives from the social partners is already operational. The objective of this group is to agree on the distribution of responsibilities regarding CVT and to draft respective regulations.

<sup>55</sup> Eurostat, *Statistics in focus*, 3–2/2002, First survey of continuing vocational training in enterprises in candidate countries (CVTS2).

In 2000 less than 4% and in 2001 only 1.5% of the registered unemployed participated in training because of financial bottlenecks in the Labour Fund. However, there are first signs that the new government has addressed this problem more seriously in 2002.

**c) Responsiveness of CVT to the needs of the labour market and the individual**

- The CVT provision for adults by schools is largely a **copy of the formal education system**, with traditional pathways leading to the same recognised certificates and qualifications, and therefore less responsive to the needs of the individual and the labour market. Research shows that a number of curricula cannot keep up with technological change and will have to be updated.
- School certificates may also be obtained within a system of fee-based **examinations taken without attending a course**. Under certain conditions a fee reduction or even an exemption may be granted to an individual.
- Employees can have **qualification acquired in the course of work certified** in front of state examination boards appointed by school superintendents, thus obtaining the title of skilled worker or master craftsman in a given profession. There are also examination boards appointed by employers (e.g. the chamber of crafts) which certify equivalent qualifications providing for the title of journeyman or master craftsman in a profession<sup>56</sup>.
- It is assumed that, with the introduction of the education reform, by 2007 a substantial shift will take place from school-based forms of CVT to courses, along with a system of **external examinations certifying vocational skills**. This should provide for wider accessibility and upgrading the level of education and qualifications.
- The **availability of continuing training** is diversified and determined by place of

residence, place of work and financial means. In particular the population of rural areas is hardly able to participate in continuing training (accounting for only 1.4% of all participants in Poland). It is mainly people with a relatively high level of education who take advantage of training programmes. Men have better access to training than women<sup>57</sup>.

- A policy of addressing the **needs of vulnerable and disadvantaged groups** has not yet been developed, apart from the very limited labour market training for registered unemployed. **Many school leavers are not covered by the education reform** and will be entering the labour market with relatively poor skills, as the old school system is continuing to exist until full implementation of the new system. They form a group of 4.4 million people whose need to increase their employability through continuing training will be a great challenge<sup>58</sup>.
- **Foreign assistance programmes** remain important drivers of change in this respect. A World Bank project is being implemented aiming at activation of the rural areas, including components such as training, vocational counselling and support for entrepreneurship. Projects under Phare **Economic and Social Cohesion** and ESF preparation are targeting regional human resources development in disadvantaged regions, counselling and training for employees of small and medium-sized enterprises (SMEs), retraining in restructuring sectors, local employment partnerships, and prevention of social exclusion.
- The World Bank and ILO support has familiarised Poland with **modular curriculum development** in adult education and the MoLSP is continuing to promote the modular approach. The official list of school curricula in 2000/01 contains also modular curricula for 24 vocations, which may be used also by schools for adults. These relatively new curricula are highly responsive to labour market needs.

<sup>56</sup> Ryszard Szubanski, *Permanent education of adults*, Warsaw, May 2001.

<sup>57</sup> Elzbieta Drogosz-Zablocka, Halina Lycka and Włodzimierz Trzeciak, *Continuing vocational training in Poland*, Warsaw, 1998; *National VET Report*, 2001.

<sup>58</sup> National Observatory Report 1999, 2001.

- Further **progress in CVT requires considerable financing and further** development of education and training institutions<sup>59</sup>, such as centres for continuing education and practical training, distance learning centres, counselling centres for youth and adults, particularly in rural areas and regions under restructuring, and a system of training for adult trainers.

## 5. PUBLIC AND PRIVATE EMPLOYMENT SERVICES

The latest reform of the public employment services, begun in 2000, is still in its initial stage of implementation, facing many challenges, and it is not fully clear yet whether the new 'horizontal' system has proved more effective than the previous 'vertical' one. However, the conditions under which the reform is taking place are very difficult (decline in economic growth, considerable increase in unemployment, decline in resources for ALMP) and do not promise to increase PES capacity soon. There are already political indications that the model of PES will change again in 2003.

### a) Legal and policy framework

- Mainly as a result of the decentralisation reform, the **legal and policy framework** governing the PES system has undergone substantial changes, beginning in 2000. The old 'vertical'<sup>60</sup> PES system, established according to EU standards in the 1990s, has ceased to exist as a separate administrative body, and has been incorporated into regional and local self-government structures ('horizontal system').
  - The model of labour market policy and counteracting unemployment has been changed towards **integration with regional and local economic policy**, with the aim of linking services better to
- local labour market needs and combining Labour Fund resources with regional and local ones.
- Although comprehensive monitoring of this change is lacking, it appears that, in its first phase, the **process of decentralising employment policy and services** has created more difficulties than solutions. The expected advantages have not yet properly materialised, and **weaknesses in local labour market policy** and problems with the coordination of national and regional policy have emerged.
  - There are indications that the new government is considering reconstructing the PES system again in 2003, **shifting more responsibilities from the local to the regional level** and partly to the ministerial level. As a first step, the National Labour Office was abolished and integrated into the MoLSP in April 2002.
  - Implementation of the ambitious goals set out in the National Strategy for Employment and Human Resource Development 2000–06 and the JAP related to **active programmes** (increasing training and preventive approaches, enhancing monitoring) has not yet started. The first National Employment Action Plan (2000–01), containing very detailed measures and actions, has not proved to be a success, due to the difficult conditions mentioned before.

### b) Structure and organisation

- After the reform the level of **local (county) labour offices became most important**<sup>61</sup>, and all other levels (National Labour Office and regional labour offices as well as the MoLSP) have lost certain functions and partly changed their roles. Previously local offices were subordinated to the National Labour Office; now they are directly subordinated to the local

<sup>59</sup> Tadeusz Kozek and Rafal Piwowarski, *Analysis of scenarios and strategies for VET in Poland*, Warsaw, August 2001.

<sup>60</sup> The vertical and hierarchical chain MoLSP — national labour office — regional labour office — local labour office has been replaced by a horizontal chain: regional self-government — regional labour office; local self-government — local labour office.

<sup>61</sup> The contracting system also changed in 2000. Previously the regional labour offices made contracts with the local ones; under the new system the local offices are contracted directly by the national level, which sometimes leads to negotiation problems.

self-government administration, the head of which can nominate and dismiss the director of the local labour office, in consultation with the Local Employment Council.

- In 2001 the **network** of labour offices comprised 16 regional (*voivodship*) and 448 local (*powiat*) labour offices in 373 counties, with a total staff of about 15,300 at local and 1,100 at regional level. There is a **great need to strengthen capacity and effectiveness** in the operation of local PES offices and staff, and to improve cooperation and coordination between local, regional and national employment policies.
- Because of the steep increase in unemployment and financial bottlenecks of the Labour Fund, **PES activities were considerably reduced** in 2000 and 2001; in particular placement and counselling are very limited. The **range of tasks** of local labour offices consists mainly of the administration of unemployment benefits and other allowances, and does not allow sufficiently for other statutory activities such as active job broking, development of labour market information systems, and administration of active labour market programmes.
- The main tasks of regional labour offices, which are equipped with more highly qualified staff, are currently labour market analysis and regional policy development to counteract unemployment.
- **Private employment services** (about 2,700 authorisations granted by the National Labour Office between 1990 and 2001)<sup>62</sup> are playing a vital role in active job broking and counteracting unemployment. During 2001 more than 100,000 persons became employed through the services of private agencies, constituting an estimated

share of 5 to 8% in the domestic and foreign labour market.

### c) Resources

- The reorganisation of the PES structure combined with other factors (low wages, growing difficulties in implementing PES tasks due to financial shortages of the Labour Fund, political issues at local level) led to an **extraordinarily high staff turnover** in the first year of the reform (58%), greatly challenging the effectiveness of activities. The contracts of about 10,000 people were terminated, and 9,200 have been newly hired<sup>63</sup>. This negative trend continued in 2001 with a staff fluctuation of over 40%.
- Gradually the **number of PES staff** increased from 11,500 (1993) to 16,500 (2001). The average number of unemployed per PES staff member in local offices also decreased in the same period from 302 to 202.
- However, the **structure of employment** in local offices is not appropriate to the need to increase the quality of active broking, placement services and counselling. It is estimated that only 12 to 20% of staff are dealing actively with broking and counselling<sup>64</sup>, in 2001 as few as 8.8% of local PES staff were placement officers, and 2.9% were employment counsellors (together making up a ratio of 1,700 unemployed per staff member)<sup>65</sup>. The average time for counselling is estimated as 15 minutes per unemployed person<sup>66</sup>.
- The **educational structure** of employment in PES has improved over the years but is more favourable at regional offices than local ones. In 2001 about 34% of PES staff were university graduates (in regional offices as many as 70%) and 61% had secondary general or vocational secondary education.

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<sup>62</sup> National Labour Office, 2002.

<sup>63</sup> Mieczyslaw Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*, Draft working document, Institute of Labour and Social Studies, Warsaw, October 2001. Estimations based on a mini-survey by the author suggest that almost half of staff turnover happened involuntarily.

<sup>64</sup> MoLSP 2002, Information provided by the Director of the Labour Market Policy Department during the field visit.

<sup>65</sup> Data from MoLSP on employment in voivodship (regional) and powiat (local) labour offices, April 2002. Author's own calculation.

<sup>66</sup> Information gained at ETF field visits to local labour offices in 2001.

- **Training provision for PES staff** is considered to be insufficient, although there are obligatory CVT courses for certain categories of staff (lawyers, psychologists) and a range of new training cycles has started with the reform process.
  - Progress has been made in the field of improving **infrastructure for PES operation**. Office space was expanded and the number of computers was increased up to 12,500 (0.73 computers per staff member). An integrated computer-based system, PULS, has been widely introduced.
  - **Employers' organisations** and part of academic society are **rather critical of the functioning of PES** as not being adjusted to the flexible development of labour markets and lacking sufficient consultation with employers. They consider that the PES system is costly and ineffective and should be streamlined or debureaucratized via commercialisation<sup>67</sup>. The level of bureaucracy in local offices is due to tasks which are not connected with employment promotion but are required by legal and administrative provisions<sup>68</sup>.
  - There are two main **financing sources for labour market policy** in Poland: contribution from employers (2.45% of payroll) and subsidies from the state budget. Together these constitute the Labour Fund. The structure of the Labour Fund has changed markedly: in 1997 about 48% of revenues was provided by the state budget (50% by employers), and in 2000 only 14% by the state budget (84% by employers).
  - There is an **urgent need to strengthen active labour market policy** and to implement the necessary shift from passive measures (85% of labour market policy expenditure in 2001) towards active measures (only 7%)<sup>69</sup>.
  - The number of **participants in active labour market measures** has decreased in recent years (468,000 in 1997, constituting 23% of unemployed; and only 253,000 in 2000, amounting to 10% of unemployed).
  - Within the active programmes for the unemployed, the proposed **shift in favour of training** and other measures designed to improve employability remained largely declarative, while in fact the situation has **deteriorated drastically**.
  - The **very limited** scope of active labour market measures is due to financial bottlenecks in the Labour Fund and to higher spending on passive labour market programmes in a period of rising unemployment. This has crowded out **spending on active programmes** and created an imbalance<sup>70</sup>. The World Bank is proposing to change and separate sources of funding: while passive programmes should continue to be funded by the payroll tax, active ones would receive funding from general revenues.
- d) **Specific issues**
- **Social partners are involved** in regional and local employment councils, which have largely advisory functions, e.g. initiating actions aimed at employment, providing opinions on the use of Labour Fund resources at local level, and directing vocational education and training. The councils consist of 12 to 16 members drawn equally from trade unions, employers' organisations, local administration and local self-government. The role of the councils needs to be strengthened.
  - Under the supervision of the National Labour Office the **effectiveness** of active programmes has been measured against two main indicators: the percentage of participants finding a job after completing the programme (three months), and the unit cost of the programme per participant.
  - Results of **evaluations of labour market programmes** indicate that intervention programmes, loans for

<sup>67</sup> Hausner, *Factors generating unemployment in Poland*.

<sup>68</sup> MoLSP, 'First Job'.

<sup>69</sup> Data from MoLSP, April 2002. Refund of young employees' wages and salaries (4,7%) not included in active measures.

<sup>70</sup> World Bank, *Poland – labour market study. The challenge of job creation*, World Bank Country Study, Draft for government review, March 2001.

self-employment, and retraining measures are the most effective in raising chances of getting a job. Employment services have little impact, and public works even show a negative impact<sup>71</sup>. In 2000, 46% of participants in training measures found a job afterwards. The effectiveness was almost 85% for tripartite training agreements, which, however, are applied only on a small scale.

- **Negative side effects** of PES decentralisation were observed, such as lack of coordination and cooperation between labour offices, exaggerated expectations of attracting funds, wrong incentives, and greater interest in public works at local level. These will need to be addressed by policymakers.

## 6. CONCLUSIONS

Poland still has an **educational gap** compared to EU and OECD countries, although in the field of higher education it is on a fast track to catch up. The ongoing education reform, which has set ambitious targets and is taking place at the same time as other major reforms in society, will substantially change the delivery system of education, including VET. The overall reform is aiming to decrease Poland's educational gap compared to EU and OECD countries and to raise the level of qualifications.

While the **legal basis** for initial education is well developed, it clearly needs improvement as regards CVT. At **policy level**, for both initial and continuing vocational training, a lifelong learning strategy meeting the requirements of a knowledge-based society has not yet been developed.

According to the JAP, the proposed **education reform is appropriate to Poland's needs**. Although the new government later changed the outline of the reform, in 2001, it would probably meet labour market demands even better than the model envisaged before, as vocational schools (in particular the type which leads to the maturity examination) and

qualifications will remain at secondary level.

Although improvement in the **responsiveness of education and training to the labour market** is expected from the education reform as such, much will still depend on the successful implementation of pending issues and building blocks, such as the development of national qualification standards, the external examination system, accreditation of educational institutions and quality assurance measures. In addition, strengthening the involvement of social partners and establishing new forms of cooperation with employers (including labour offices) will be crucial elements to improve responsiveness.

**Ambitious goals have been set** in the National Strategy for Employment and Human Resources Development 2000–06, prepared by the MoLSP:

- to raise the rate of education participation of the age group 13 to 16 from 98.1% (1999) to 98.5–99.5% in 2006;
- to raise the rate of education participation of the age group 17 to 19 from 82% (1999) to 84–86% in 2006;
- to increase the percentage of people of 21 years of age with secondary education from 46% (1999) to 65–70% in 2006;
- to increase the percentage of people of 29 years of age with university education from 10% (1999) to 18–23% in 2006;
- to increase the share of employees who undergo training each year from 10% (1999) to 18–20% in 2006 (including health and safety training);
- to increase the effectiveness of certain active measures (intervention work and training) from 58% (1998) to 63–65% in 2006.

Although it will be difficult to reduce the educational gap fully in a short time, some of the targets set are less challenging, and first monitoring results are indicating progress in different fields.

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<sup>71</sup> World Bank, *Poland – labour market study. The challenge of job creation*, World Bank Country Study, Draft for government review, March 2001.

The main **challenge** remains full implementation of the reform within the planned schedule (2002–07) and provision of **sufficient financial and human resources** to meet the new educational, management and financial responsibilities arising from the reform and the decentralisation process.

Concerning **continuing education and training**, a comprehensive CVT policy is still lacking and only little progress was made in the last years. **Access to CVT and labour market training is still not sufficiently developed** and different plans to improve the situation remained declarative or delayed. Substantial change could be expected in 2004 at the earliest, after implementation of the important Phare programme.

The main challenges of a nationally coherent employment policy will be sustainable **job creation** (the new government is addressing this problem with an integrated policy mix) and a considerable increase in financial resources for **active labour market measures** (no clear targets have been set

by the MoLSP so far), including labour market training, combined with **effective reorganisation of the PES**.

**A number of priorities** set out in the National Strategy for Employment and the JAP related to labour market policy and PES (preventive strategy, wider use of individual action plans, comprehensive monitoring, assessment and review of the impact of new PES structures) **have not achieved substantial progress**, mainly because of the difficult conditions under which the reform is taking place. Some effects could be wrongly considered a result of the decentralisation of the PES system.

Concerning the **Lisbon targets and conclusions**, Poland is lagging behind most EU averages and future targets. However, some issues are already being addressed by national policies (increase in employment rate, participation in education, internet access) and success will also depend on the development and implementation of a comprehensive lifelong learning strategy, which is still lacking.



# 1. INTRODUCTION

# 1

One of the main characteristics of the Polish labour market after 1989 has been **massive and structural unemployment**. For several years now, there have been many attempts at curbing this problem. Two stages can be distinguished in the Polish labour market policy in the 1990s<sup>72</sup>.

- The first stage (during 1990–93) was dominated by the construction of **institutional solutions** for the functioning of the labour market (legal framework, defining and redefining institutions), while actions aimed at influencing the situation in the labour market were rather fragmented and not systematic.
- In the second stage (1994–2000) attention continued to be paid to the institutional conditions and their further development; however, the centre of gravity in labour market policy shifted towards **solutions aimed at reducing unemployment**, which – at least at the declarative level – began to be more systemic.

Four national programmes were formulated and implemented within the labour market policy in the last decade.

- **Programme of Counteracting Unemployment and Mitigating Its Negative Consequences:** approved in 1993, this was built in a modular way and as an integral part of the national long-term economic policy, aiming at creating genuine jobs, improving protective schemes, and the integration of all establishments active in the labour market.
- **Programme of Promoting Productive Employment and Reducing Unemployment:** this was prepared in 1995, on the basis of a 'pro-employment' policy aiming to address the basic problematic areas of the labour market (youth and long-term unemployment, low mobility, inappropriate qualifications).
- **Programme of Promoting Professional Activity of Young People:** also prepared in 1995, this programme proposed various solutions

<sup>72</sup> Krynska, Socioeconomic background, in *National VET Report 2001*.

aimed at reducing unemployment among youth through creating a support system for school leavers.

- **National Strategy for Employment and Human Resources Development 2000–06:** prepared in 1999 and approved in January 2000, the strategy takes into account the pillars of the European Employment Strategy and consists of a set of activity directions towards increasing productive employment and thus reducing unemployment and its consequences. Educational, legal and economic/financial activity proposals have been included and a two-tier system of monitoring results (2000–02 and 2003–06) has been envisaged.

In line with the **National Strategy the first National Action Plan for Employment (2000–01)** was prepared in June 2000, putting the highest priority on the lowering of labour costs. Additional priorities were assigned to active labour market measures, to decrease the number of preretirement benefits and to prioritise HRD projects in EU funding.

The **Joint Assessment of Employment Priorities in Poland** was signed in January 2001 between the Polish government and the European Commission's Directorate General for Employment and Social Affairs, focusing on short-term employment and labour market policy priorities which will be monitored jointly on an annual basis.

According to a World Bank country study of March 2001 on the challenge of job creation, the Polish labour market exhibited in the 1990s a large degree of dynamism, with relatively high rates of job creation and job destruction by OECD standards.

However, the rate of job destruction exceeded the rate of job creation<sup>73</sup>.

Apart from unemployment due to deficient demand in the economy, acceleration of job destruction, and barriers in the transition from old to new jobs, unemployment of a structural type also exists in Poland. One of the reasons for the imbalance of labour supply and demand is the **insufficient adjustment of qualifications** in parts of the labour supply<sup>74</sup> and the low spatial and vocational mobility.

Given the increasing and severe difficulties school graduates are facing in entering the labour market (around 45% of recent graduates are unemployed and this share is even expected to increase), the new Polish government<sup>75</sup> has introduced, as of January 2002, **First Job – A Programme of Vocational Activation for Recent Graduates**. This builds an annex to the government's socioeconomic strategy and is an essential supplement to the Entrepreneurship First programme.

- The First Job initiative covers five areas (SMEs; self-employment; education and training; voluntary work; and information, vocational guidance and job placement) and will provide the opportunity for about 120,000 young people to gain their first occupational experience in a subsidised apprenticeship, a subsidised job or volunteering, or to start up their own business<sup>76</sup>.
- The programme, assisted by a promotion campaign to help the participants to cast away feelings of alienation and isolation, was expected to be fully ready by June 2002 to handle the increasing influx of graduates into the labour market.

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<sup>73</sup> World Bank, *Poland – labour market study*.

<sup>74</sup> Danuta Mozdzenska-Mrozek, Introduction, in *National VET Report 1999*, National Observatory, Warsaw 2000.

<sup>75</sup> Consisting of the Social Democratic Alliance (SLD), Union of Labour (UP) and Polish Peasant Party (PSL) since October 2001.

<sup>76</sup> MoLSP, January 2002. Also about 20,000 young people may be given a similar occupational experience through participation in vocational training. The allocated resources are about PLN 330 million (approximately €90 million), including international assistance (EU Phare, World Bank). It is estimated that in 2002 about 900,000 people will finish schooling and it is expected that about 520,000 of them will need some help when entering the labour market. This programme is specifically addressed to help them in this respect; about 360,000 of these graduates will probably be registered as unemployed and 160,000, although not registered for various reasons, are in fact seeking employment.

- In the field of education, the First Job programme recalls the urgent need to adjust education to labour market needs (research on labour demand, changes in educational curricula, new model of internships and practical training, accreditation of modular training programmes, compensation system for continuing training and lifelong learning).

**Unemployment in Poland increased sharply by 1.3 million** between 1998 and 2001 (from 1.8 to 3.1 million people), reaching 3.3 million in February 2002. The unemployment rate reached 16% in 2000 and was more than 18% at the beginning of 2002, with female unemployment being even higher (19%) than male unemployment (16%)<sup>77</sup>.

There are large **regional disparities** in unemployment, ranging from 12.9% in Mazowieckie region to 28.7% in Warminsko-Mazurskie region (2001).

More than 30 counties showed unemployment rates above 30% at the end of 2001<sup>78</sup>.

Of great concern is the situation of youth entering the labour market. OECD indicators show that Polish young people have a higher relative **labour market disadvantage** rate (3.6 of 15 to 29-year-olds, 2.3 of 20 to 24-year-olds) than the average for OECD countries (3.1 and 1.9 respectively) in 1998<sup>79</sup>. The ratio of unemployed non-students (15 to 29 years of age) to the total population of the age group was almost twice as high in Poland (10.6%) as the OECD country mean (5.6%) in 1999, showing the difficult situation regarding young entrants into the labour market<sup>80</sup>.

In the period between 1999 and 2001 the **situation of youth on the labour market has deteriorated further**, as increasingly the age group belonging to the demographic high is entering the labour market, in a situation of continued economic difficulties and unemployment growth.

**Table 3: Registered unemployed graduates ('leavers') of postprimary schools in 1996–2000 (December)**

| Specification  | 1996  |       | 1998  |       | 1999  |       |
|--|-------|-------|-------|-------|-------|-------|
|  | '000  | %     | '000  | %     | '000  | %     |
| Total graduates*                                     | 675.5 | 100.0 | 624.2 | 100.0 | 636.8 | 100.0 |
| Total unemployed graduates                           | 85.2  | 12.7  | 109.6 | 17.6  | 148.3 | 23.3  |
| Total unemployed graduates including graduates from: | 85.2  | 100.0 | 109.6 | 100.0 | 148.3 | 100.0 |
| • higher schools                                     | 3.7   | 4.4   | 7.3   | 6.7   | 12.5  | 8.4   |
| • general type lyceums                               | 12.7  | 14.9  | 13.2  | 12.0  | 17.8  | 12.0  |
| • post-lyceum schools and secondary schools          | 39.6  | 46.5  | 40.4  | 36.9  | 57.0  | 38.5  |
| • basic vocational schools                           | 29.2  | 34.3  | 48.7  | 44.4  | 61.0  | 41.1  |

\* Total number of graduates: higher schools, general type lyceums, post-lyceum schools and secondary schools, and basic vocational schools.

Sources: Estimates based on: *Information on the status and structure of unemployment in June 2001*, National Labour Office, Warsaw, July 2001; *Concise Statistical Yearbook of Poland. Education in school year 1999/2000 and 2000/01*, CSO, Warsaw, 2001, in Butkiewicz, October 2001.

<sup>77</sup> ETF, *Employment and labour market in Poland*; LFS Poland 2001, 3rd quarter publication. Data from MoLSP, January-March 2002.

<sup>78</sup> Registered unemployment in 2001, CSO, 2002. With the territorial administration reform 16 voivodships (regions, provinces at NUTS 2 level) were created in 1998 out of a previous 49, divided into 373 powiaty (counties, districts at NUTS 4 level).

<sup>79</sup> OECD, *From initial education to working life*. The relative labour market disadvantage is measured by the ratio of the age group's share of total unemployment divided by its share of total employment.

<sup>80</sup> OECD, *Education at a glance*, 2001.

## VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN POLAND

The youth unemployment rate reached 40.2% (female 42.1%) in the third quarter of 2001<sup>81</sup>, and in particular **unemployment among graduates** is a major problem: the number of registered unemployed graduates almost doubled between 1996 and 2000. There are still many new labour market entrants with only basic vocational education or less, especially in rural areas.

At present the situation is most difficult for graduates of **vocational schools** (both basic vocational and secondary/postsecondary VET), who accounted for over 80% of all registered unemployed graduates in 1996 and were still over 72% of graduates in 2001<sup>82</sup>.

An additional unfavourable feature is the **low educational level of the unemployed**. Almost 70% of the registered unemployed in year 2001 had only basic vocational school or less. The

largest group of these are those with only basic vocational education (37% of unemployed, ISCED 3C level), while 33% of the unemployed show only primary and incomplete primary education)<sup>83</sup>.

The duration of unemployment was higher among those with only primary and incomplete primary education (17.9 months), compared to the average of 14.6 months. Increasingly also people without occupational preparation are threatened with unemployment<sup>84</sup>.

Although the **accessibility of education**, measured by the gross enrolment ratios, improved at almost all levels except basic vocational schools between 1990 and 2000 (from 18.9 to 34.1% in general secondary education, from 26.7 to 36% in secondary vocational and from 12.9 to 40.7% in higher education)<sup>85</sup>, the **educational attainment level of the adult population**

**Table 4: Registered unemployed by education level, 1999-2001 (end of 4th quarter)**

| Education level                          | Registered unemployment |       |         |       |         |       |
|--|-------------------------|-------|---------|-------|---------|-------|
|  | 1999                    |       | 2000    |       | 2001    |       |
|  | '000                    | %     | '000    | %     | '000    | %     |
| Total Including from:                    | 2,349.8                 | 100.0 | 2,702.6 | 100.0 | 3,115.1 | 100.0 |
| • Higher schools                         | 47.7                    | 2.0   | 69.4    | 2.6   | 100.5   | 3.2   |
| • Postsecondary and vocational secondary | 483.0                   | 20.6  | 561.9   | 20.8  | 666.0   | 21.4  |
| • General secondary                      | 142.0                   | 6.0   | 168.7   | 6.2   | 192.1   | 6.2   |
| • Basic vocational                       | 898.2                   | 38.2  | 998.8   | 37.0  | 1,142.5 | 36.7  |
| • Primary and incomplete primary         | 778.9                   | 33.1  | 903.8   | 33.4  | 1,014.0 | 32.5  |

Sources: MoNE, *Strategy of Development of National Education for the years 2001–2006*, Warsaw, October 2001. MoLSP, Labour Market Policy Department, information provided for year 2001.

<sup>81</sup> LFS Poland 2001, 3rd quarter.

<sup>82</sup> MoNE, head of Department of Education for the Labour Market, July 2001; data based on registered unemployed. Data for 2001 provided by MoLSP (structure of registered unemployed graduates as of end of 2001 by type of schools completed in 2001).

<sup>83</sup> Data on registered unemployed provided by MoLSP, Labour Market Policy Department, April 2002. LFS data (3rd quarter 2001) show 42% for basic vocational, 19% for primary and incomplete primary education.

<sup>84</sup> LFS Poland 2001, 3rd quarter, unemployed persons at working age by level of education.

<sup>85</sup> Gross enrolment ratio is the ratio of all individuals studying at a given level to the population of the official age for that level. Joanna Dlugokecka, Modernisation of initial VET, in *National VET Report 2001*, National Observatory Poland, Draft Working Document, March 2002.

is still lower than the OECD and EU average<sup>86</sup>. In 2001 only about 46% of the 25 to 64 age group attained at least upper secondary education (OECD average 63%). A relatively small proportion of Polish adults (12%) attained tertiary education compared with EU member states (22%)<sup>87</sup>.

A substantial proportion (two thirds) of the population still has **literacy skills** that are considered to be below the level necessary for coping with everyday life in a complex and advanced society, whereas in most OECD countries this applies to only about 40% of the population<sup>88</sup>. Only 24% of the Polish population (16 to 64 years) scored level 3 or higher in prose literacy skills (OECD 53%).

Polish pupils at the age of 15, who will enter the labour market in a few years, performed below the OECD average in the **OECD PISA study** (2000), which examined knowledge and skills in three areas (reading, mathematics and science).

The Polish results were in all fields lower compared, for example, to Hungary and Czech Republic.

The level of participation in **continuing training** is considered to be rather low (about 10% of the employed), and in particular training provision for the unemployed is insufficient (less than 2% of the unemployed received training in year 2001).

Polish **education policy and labour market policy** are aware that the education system needs to be better adapted to current and future labour market needs, and that a system of continuing training needs to be shaped and developed accordingly in order to increase the vocational mobility of human resources.

Both the ongoing education reform process and other promising initiatives are reflecting upon many issues and addressing them with ambitious targets. However, it will take time until the first effects emerge.

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<sup>86</sup> OECD, *Education at a glance*, 2001. The figures concern the total population aged 25–64. Krynska, Socioeconomic background, in *National VET Report 2001*. The educational level of the employed has increased in the last decade: the number of employed people with higher education grew by 3.9% and the number of the employed with primary or incomplete primary education fell by 11.9%.

<sup>87</sup> OECD, *Education at a glance*, 2001 and 2002; Eurostat 2002. The OECD does not regard attainment of ISCED 3C level (without maturity exam) as 'completion' of upper secondary education, which made up around 35% of the age group 25–64 (2001) in Poland. Among EU member states, France and UK both also have a substantial number qualified to this level only – 28 and 27% respectively in 2001 according to OECD.

<sup>88</sup> OECD, *Society at a glance. Social Indicators 2001 Edition*.



## 2. VOCATIONAL EDUCATION AND TRAINING (VET) AND LIFELONG LEARNING IN THE CONTEXT OF THE NATIONAL EMPLOYMENT POLICY

# 2

### 2.1 OVERVIEW OF THE EDUCATION AND TRAINING SYSTEM

#### 2.1.1 LEGAL FRAMEWORK AND INSTITUTIONAL SETTING

##### **Legislation governing the management, organisation and financing of vocational education and training (VET) and lifelong learning**

The Constitution of the Republic of Poland safeguards the **right to education** and freedom of teaching and obliges public authorities to ensure that citizens have a general and equal access to education<sup>89</sup>.

All issues concerning VET are regulated within the parameters of general

regulations concerning education. The basic law regulating the functioning of the education system for youth and adults as a whole is the 'Education System Act' of 7 September 1991, as amended in 1995, 1998 and 2001. The most important laws governing the higher education sector are the 'Act on Higher Education' of 12 September 1990 and the 'Act on Higher Institutions of Vocational Instruction' of 26 June 1997<sup>90</sup>, both amended in July 2001.

The **Education System Act** of 1991 replaced the 1961 'Act on the Development of the Educational System', but without changing the principal structures and types of school. It focused mainly on **reorganising responsibilities** for the management, the **administration and financing** of the system, the establishment

<sup>89</sup> Elzbieta Krynska, Socioeconomic background, in *National VET Report 2001*.

<sup>90</sup> National Observatory Poland, *National VET Reports 1997–2001*, BKKK – Task Force for Training and Human Resources. Most of the information on the legal framework and institutional setting stems from these reports.

of private schools, the first **decentralisation** issues (kindergarten, primary schools), **school autonomy**, and the regulation of **pedagogical supervision**. The Act restored the overall responsibility for education to the Ministry of National Education (MoNE), but at the same time ensured continued participation by other ministries and central organisations in decision-making concerning curricula and teaching materials.

### Initial vocational education

For VET schools the Act provided for practical vocational education to take place in enterprises and other workplaces (more detailed regulations are contained in the Council of ministers' ordinance of 2 December 1994) and provided a first definition of the procedure for creating a classification system of occupations for vocational schools.

Amendments to the Act were introduced on 21 July 1995, aiming to **strengthen the decentralisation** of the education system while monitoring education quality by means of government supervision bodies, and introducing the concepts of **core curricula** and **profiles of vocational education**, understood as widely applicable to training in a particular economic field. **Social partners** have the right to petition appropriate ministries about the establishment of new vocations and specialisms in vocational schools.

The acquisition of vocational skills by 'juvenile workers' (**apprenticeship system**) after completion of basic education is based in addition to the Education System Act on general rules provided by the Labour Code, the 'Law on Crafts' (1937, 1988) and the Council of ministers' decree of 11 December 1992 on the 'Organisation and financing of practical vocational training, the rights and responsibilities of employers and students'<sup>91</sup>.

Significant changes in the school system were introduced by an amendment to the Act of 25 July 1998. The period of compulsory schooling at primary level, set at eight years before 1998, was extended to nine years, and the **school leaving age** was raised from 17 to 18. A **new structure of the education system** was created – with a view to changes in the economy – establishing new types of primary, secondary and postsecondary school while planning to abolish in 2002 previous types of VET school at secondary level, and modifying the duration of education at particular levels. The amendment provided also for **changes in pedagogical supervision** and for establishing an external examination system by setting up central and regional examination commissions.

Linked to the overall territorial administration reform in Poland, which began on 1 January 1999, by the adoption of the 'Systemic Acts of State Reform' on 5 June 1998, the 'Law on Introduction of the Three-Tier Territorial Division of the State', 24 July 1998, and the Act of 13 October 1998 entitled 'Regulations introducing the reforming acts of public administration', **local self-government authorities** at the county (powiat) level have become responsible for running and establishing 'post-gymnasium' schools<sup>92</sup>, including VET schools, since 1 January 1999.

An amendment in December 2000 enabled Poland to align its legislation with the requirements of the EU Directive concerning education of **children of migrant workers**. The law entered into force in January 2001, with a few exceptions (right of learning in post-gymnasium schools for migrant workers and their families from EU member states), which will enter into force upon accession<sup>93</sup>.

The **term of schooling** in vocational schools and postsecondary schools was changed by an amendment to the Education System Act on 23 August 2001.

<sup>91</sup> Polish Craft Association, *Apprenticeship – legal conditions and evaluation*, Warsaw, 2001.

<sup>92</sup> Gymnasiums are three-year lower secondary schools (for the 13–16 age group) and were introduced newly into the Polish education system in 1999.

<sup>93</sup> European Commission, *Regular report on Poland's progress towards accession*, November 2001.

## 2. VOCATIONAL EDUCATION AND TRAINING (VET) AND LIFELONG LEARNING IN THE CONTEXT OF THE NATIONAL EMPLOYMENT POLICY

When the new Polish government took office another set of amendments to the basic Act were adopted on 21 November 2001, leading again to a **significant change in the structure of the education system** and types of school at secondary level as well as the terms/duration of schooling. Some of the previous types of vocational school were reinstated and more attention was paid to vocational qualifications at secondary level.

### Higher vocational education

Separate regulations regarding higher vocational education are contained in the Higher Vocational Schools Act of 26 June 1997. This Act sanctions a **dual system of higher education**, differentiating between academic and non-academic (vocational) higher education institutions, and refers to vocational institutions that provide licentiate or engineer programmes. The Act aimed also to extend the range of entities entitled to set up state-run higher vocational institutions and to strengthen some elements of control through the establishment of the **Accreditation Commission of Higher Vocational Education**. The Act also foresaw the introduction of a congress of employers' representatives, local administration and economic organisations.

The concept of the licentiate had already been introduced on 9 April 1992 in an ordinance of the minister of national education, on the basis of the Act on Higher Education of 12 September 1990, and then updated by the 'Ordinance on types of diplomas and model diplomas awarded by higher vocational education institutions' of 15 January 1998.

### Continuing vocational training (CVT)

Legislation concerning continuing vocational training (CVT) remains fragmented, although the Education System Act of 1991 and its amendments define the tasks, structure and forms of continuing training. The overall responsibility for coordination and **implementation of the state's CVT policy** is assigned to the Ministry of National Education.

Adult education activities can be carried out under the Education System Act or the Economic Activity Act. The former provides that both individuals and corporate bodies may establish schools or non-public educational institutions upon registration at the regional Kuratorium. However, as the Economic Activity Act does not set any requirements or conditions concerning either the qualifications of a person setting up an educational activity or its location, the **issue of quality** remains critical.

Detailed rules on vocational **qualification upgrading** are set out in a joint ordinance of the Ministry of Education and the Ministry of Labour, of 12 October 1993, the 'Regulation of the minister of national education and minister of labour and social policy on the rules and procedures of upgrading of vocational skills and general education of adults'. This provides the legal basis for recognition of qualifications acquired outside the school system through the examination procedure. Such titles as 'apprentice' and 'master in craft' can be obtained through examinations organised by craft chambers. Details in the ordinance pertain to the principles and processes involved in being granted the **professional titles** of 'qualified manual worker' and 'master in a vocation'.

A specific regulation of the MoNE of 21 February 2000 paved the way for providing vocational training in gymnasiums (lower secondary schools) for adults who have signed a contract of employment in order to become an apprentice. According to this regulation the worker delegated to training is eligible for training leave and the employer is only supposed to cover allowances due in relation to education.

### Labour market training

The 'Act on Employment and Counteracting Unemployment' of 14 December 1994 defines the **tasks of the state** aimed at diminishing the effects of unemployment and promoting employment and vocational activation of the unemployed and other job seekers. The Act was amended several times (1997, 1998, 1999, 2000, 2001), but without significant changes regarding the implementation of labour market

programmes. The ordinance of the MoLSP of 20 April 1995 on the 'Classification of vocations and specialities for labour market purposes and the scope of its application' contains the names and descriptions of 2,392 vocations and specialisms, which allow labour offices to get information on unemployment by vocation and is also useful to gather data in forming education and vocational training policies.

The MoLSP ordinance of 16 June 1998, 'Detailed principles for carrying out labour intermediation and vocational guidance, for organising training of the unemployed, creating a methodological base for vocational information and guidance as well as for organising and financing job clubs', defines amongst other things the **procedures** for organising training of the unemployed and analysing the effectiveness of training. It also establishes the tasks of the Methodological Centre for Vocational Information and Guidance based at the National Labour Office.

It is worth mentioning that the Act of 24 July 1998, 'Changes in some Acts defining the competencies of public administration bodies, in connection with the system reform of the state', has introduced some meaningful **changes in the employment service organisation**, which came into effect on 1 January 2000. Local labour offices at the county (powiat) level were incorporated in local self-government administration and became responsible for directly servicing the unemployed and for execution of local labour market policy, including training measures, vocational information and guidance.

### Financing

The Constitution of Poland provides for the right to **free access to education** (public primary, gymnasium, and post-gymnasium schools) up to the age of 18 years.

The Education System Act also provides adults with free education in primary and secondary public schools of all types.

The new 'Act on the Income of Territorial Self-Government' of 14 December 1998 and separate decrees of the minister of education for setting allocation principles and apportioning state subventions have **changed the financing system** of education and are regulating the financing of educational tasks. Also, the amended Education System Act of 23 August 2001 allows state-budget-financed schools, arts education establishments, and teacher training centres to run a special funds account with revenue coming from service, publishing and training operations.

Concerning the financing of CVT the 'Act on Income Tax from Natural Persons' provides for **tax relief** for individuals to supplement their education and upgrade their qualifications. The 'Tax Acts' provide tax relief for employers who employ apprentices.

To broaden the access to higher education, the Student Loans Act of 17 July 1998 introduced a scheme of **student loans**. Students at all types of school of higher education may apply.

#### Overall assessment

As a result of the latest education reform process, more than 200 legislative amendments and implementing regulations have been introduced over the last four years, about 40 of which directly apply to VET<sup>94</sup>. This very dynamic process in legislation is still ongoing and will last until completion of the educational reform in 2007.

While the legal basis for initial education is well developed (if not overregulated), it clearly needs improvement as regards CVT. Lifelong learning is not being addressed in a very specific and systematic way in legislation. As regards PPES, legal amendments will be necessary to correct and fine-tune the latest reform and to introduce a new balance of responsibilities between regional and local labour offices.

<sup>94</sup> MoNE, information provided by the head of education for labour market department, August 2001.

## 2. VOCATIONAL EDUCATION AND TRAINING (VET) AND LIFELONG LEARNING IN THE CONTEXT OF THE NATIONAL EMPLOYMENT POLICY

### **Institutional setting of VET and lifelong learning**

#### *Ministry of Education*

The overall **responsibility for education policy** (from primary to higher education) is assigned to the Ministry of National Education (MoNE)<sup>95</sup>, including in particular the coordination and execution of state educational policy with other involved bodies. The MoNE decides on framework teaching plans (core curricula for general education and for VET in particular vocations or vocational profiles) and defines the conditions and procedures for admission to schools and educational institutions (including the admission of foreigners), approving curricula, textbooks and teaching materials, establishing the rules of evaluation, classification and promotion of pupils, tests and examinations, and innovative activities by educational institutions.

Concerning **CVT**, the main **competencies are divided** between the MoNE and the Ministry of Labour and Social Policy (MoLSP). In addition, **other ministries** are co-responsible for supporting education and training in different sectors (including the definition of qualification requirements in regulated professions), and **local self-government administration** is responsible for the development of CVT at local and regional level.

In principle the MoNE is responsible for the education system and implementation of educational reform as a whole (including the legal framework for adult education, requirements for training institutions, curricula, teachers, examinations and certification, and financing).

In 2001 the MoNE took on responsibility for all schools run until then by sectoral ministries, except for few schools under the Ministry of National Defence, the Ministry of Internal Affairs and Administration, the Ministry of Justice and the Ministry of Culture and National Heritage.

In March 2001 a national **lifelong learning coordinator** was appointed by the minister of education, in the framework of the European-wide consultation process on the lifelong learning Memorandum of the European Commission. However, this position has remained vacant since the change of government in October 2001.

After the change of government in October 2001 the special department for VET and CVT, which had been abolished in 1997, was reintroduced. However, further **strengthening of staff resources** within the Ministry of Education is still required if longer-term strategic needs are to be met in addition to the day-to-day implementation of policy<sup>96</sup>.

Principles underlying **cooperation between the MoNE and other ministries** representing certain vocations are outlined in a specific ordinance of the Council of ministers of 5 August 1997.

#### *Ministry of Labour and Social Policy*

The MoLSP is responsible for the 'adjustment of qualifications to the labour market requirements of employees, unemployed and job seekers' (including the legal framework regulating the relations between employer and employees involved in training and the legal framework for the organisation and financing of training for the unemployed and jobseekers). In addition, the MoLSP is responsible for the implementation of Phare HRD programmes and future ESF activities.

#### *Other ministries*

The Ministry of Finance is responsible for the financing of the school system, adult schools included<sup>97</sup>. Ministers of internal affairs, justice and national defence have the right to found and run public schools (at present there are only a few such schools). Public arts schools are under the supervision of the Ministry of Culture and National Heritage.

<sup>95</sup> The Ministry of National Education (MoNE) was renamed Ministry of National Education and Sports (MoNES), as from October 2001 and its responsibility has been extended to physical culture and sports.

<sup>96</sup> European Commission, *Regular report on Poland's progress towards accession*, 2001.

<sup>97</sup> Eurydice/Cedefop, *Structures of education, initial training and adult education systems in Europe. Poland 1999*, March 2000.

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*Kurator (Superintendent)*

At the regional level (NUTS 2) a *Kurator* (superintendent, educational supervisor) represents the Ministry of Education on educational matters. The Kurator's main tasks are the execution of national education policy at regional level, cooperation with bodies running educational institutions in order to implement a consistent regional and local education policy, and pedagogical supervision.

*Regional and local authorities*

Since 1 January 1999 almost all schools and educational institutions have been

taken over by regional and local authorities. Different self-government levels became responsible for founding and running public schools, and making decisions on the appropriate school network at a given level: municipalities (*gminas*) are running kindergartens, primary schools already since 1996 and lower secondary schools (gymnasiums) since January 1999, counties (powiats) are responsible for secondary and postsecondary schools (including VET schools) since January 1999. The regional level (voivodship) is responsible for institutions of regional importance, like medical and social workers schools, as well as teacher training institutions.

**Table 5: Division of competencies between local and central authorities in the field of establishing and running schools and educational institutions**

| GMINA<br>(municipality)<br>2,489 | POWIAT<br>(county/district)<br>373 <sup>98</sup>  | VOIVODSHIP<br>(region/province)<br>16  | BRANCH<br>MINISTRIES<br>(national level)   |
|----------------------------------|---|--|--|
| Public and special kindergartens |   |  |  |
| Primary schools<br>Gymnasiums    | Public special primary schools<br>Special gymnasiums  | Experimental schools   |  |
|                                  | Post-gymnasium schools (vocational schools, secondary and postsecondary schools)<br>Sports schools<br>Artistic schools (since January 2001) | Schools and institutions of regional importance, including medical and social worker schools | Schools for internal affairs, justice and national defence<br>Public arts schools founded and run by the Ministry of Culture and National Heritage |
|                                  | Practical education centres, continuing education centres, psychological, pedagogical and resocialising guidance institutions               | Public institutions of teacher education and further training, pedagogical libraries         | Universities and higher education institutions   |

Upon agreement with the Kurator, gminas and powiats are also authorised to open and run public centres of in-service teacher training, other teacher education institutions, and other institutions within the scope of their control<sup>99</sup>.

*Social partners*

Although a proper legal framework is in place it is not used for the purpose of developing social dialogue on VET<sup>100</sup>.

<sup>98</sup> The number of powiats has increased to 380 in 2002.

<sup>99</sup> Bogaj, Kafel, Kwiatkowski, Piwowarski, *Education for all: the year 2000 assessment*.

<sup>100</sup> Dariusz Zalewski, Social dialogue and involvement of social partners in VET, in *National VET Report 2001* (draft), National Observatory Poland, March 2002.

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The institutional framework for involvement of social partners in VET issues barely exists: the only one is found at regional and local level in the form of Employment Councils. The Tripartite Commission at national level has so far never dealt with educational matters on its agenda, because of other priorities<sup>101</sup>. The Polish Crafts Association plays a major role in the apprenticeship system.

### *Research institutes*

Educational Research in Poland is under the control of legal regulations of the State Committee for Scientific Research. There is a variety of establishments conducting research in education. Funding principles are based on competition and state budget-financed research projects need to be approved by the State Committee for Scientific Research<sup>102</sup>. The Institute for Educational Research (supervised by the MoNES) and the Institute of Labour and Social Studies (closely linked to the MoLSP) are showing only limited resources for VET research.

#### **Overall assessment**

Potential difficulties and risks might arise from the very fragmented decentralisation process of education and VET as well as from the new division of responsibilities. The role of the Kurator will be crucial in order to counteract fragmentation and achieve coherence and coordination between local, regional and national education policy. **Capacity building for key actors** in initial VET and CVT (the ministries involved, regional and local authorities, vocational training and teacher training institutions, labour market institutions, and NGOs) is needed in order to facilitate implementation of the ongoing education reform in the light of a lifelong learning perspective.

The institutional framework for the involvement of social partners needs to be strengthened as well as research on VET and CVT. There is still a clear **need for better coordination** and cooperation between the MoNES and the MoLSP on CVT.

### 2.1.2 POLICY FRAMEWORK

Education policy in Poland is framed by the Parliament (the Sejm, the Lower Chamber) and its Commission of Education (which approves the budget and influences the final content of legal regulations), the government and Council of ministers, regional and local authorities, and the Teachers' Union (whose opinion is sought on certain issues). In October 2001 the government changed from a minority government of the Solidarity Party to a coalition of the Democratic Left Alliance (SLD), the Polish Peasants' Party (PSL) and the Labour Union (UP), which is following a relatively liberal economic approach.

After the downfall of the communist regime in Poland in 1989, the structure of the education system between 1989 and 1997 was remarkably stable, as system transformations took place primarily in the political and economic area. Attempts at changing the education system can be defined as non-strategic policy measures advocating separate innovative initiatives but not the implementation of an integrated model<sup>103</sup>. Comprehensive reforms of the social sector (including education) started only after 1997<sup>104</sup>.

- Based on the main policy document '**Education reform – basic concept**' (1998), a **comprehensive education reform** was launched, and the Polish educational strategy has been focusing since that time mainly on **increasing access and participation** to education and training (with a strong attention on general secondary and higher education and less focus on vocational education), **improving teaching quality, equal opportunities** in access to education, increasing the **autonomy of schools**, and adaptation of education and training to labour market needs.

<sup>101</sup> Kazimierz W. Frieske, Jacek Mecina, Dariusz Zalewski, *The role of social partners in VET in Poland*, Institute of Labour and Social Affairs, Polish National Observatory, ETF, May 2000.

<sup>102</sup> Andrzej Bogaj, Stefan Kwiatkowski, and Mirosław Szymanski, *Education in Poland in the process of social changes*, Institute for Educational Research, Warsaw, 1999.

<sup>103</sup> Ibid.

<sup>104</sup> Bogaj et al., *Education for all: the year 2000 assessment*.

The legal framework was created to address complex changes, linked with state administration reform: **complete decentralisation** of educational institutions to self-government authorities, changing the school structure and introducing new types of school, changes in school management and supervision such as the separation of pedagogical supervision from the running of schools, changes in the financing system, teachers' employment and remuneration, curricula and teaching methodology. However, the framework of 1998 has not adequately addressed continuing training and lifelong learning.

- Although **no explicit VET strategy** has been developed, the VET system was strongly affected by the envisaged changes in types of school, which aimed to abolish almost all types of VET school at secondary level. Since 1999 the policy target of the Ministry of Education was to shift from 58% VET participation at secondary level in 1999 to 20% in 2004 (EU average 58% in 1998). Obtaining vocational qualifications was planned to be postponed mainly to postsecondary level, with an estimate that about 10 to 15% of pupils would follow this path.
- A **coherent framework and system for CVT**, including a clear definition of the roles of key actors, has still not been developed. However, policy on CVT is changing and great progress is expected from the input of a Phare 2000 project which aims to develop a national CVT system and regional CVT programmes, stimulating employers' investment and encouraging social dialogue in the field of CVT. The implementation of this project, including a twinning component, has been much delayed but started in April 2002.
- More **concrete targets** are formulated by the National Strategy for Employment and Human Resources Development 2000–06, prepared by the Ministry of Labour and Social Policy and approved on 4 January 2000 by the Council of ministers. This strategy aims at greater participation by the population in the labour process; a **set of indicators** and levels expected to be

reached by 2006 was adopted. The **employment rate** is expected to reach 62 to 64%, the **percentage of young people** aged 13 to 16 **currently at school** to rise to 98.5 to 99.5%, the percentage of young people aged 17 to 19 currently at school to 84 to 86%, the percentage of **secondary school graduates** (aged 21) to 65 to 70%, the percentage of **university graduates** (aged 29) to 18 to 23%, and the percentage of trained employees (including health and safety training) to 18 to 20%.

- In the framework of the Europe-wide **consultation process on the European Commission's lifelong learning Memorandum**, in July 2001 the MoNE submitted a **draft National Action Plan** on lifelong learning to the European Commission, providing a number of proposals focused on the need for more investment in human resources and innovation in teaching, learning and counselling. However, the promotion of lifelong learning is not yet firmly embedded in Polish society. The lifelong learning concept is seen as an integral part of the ongoing education system reform, but the Action Plan provides a **fragmented rather than a comprehensive and coherent vision** for the future. The Polish consultation process on lifelong learning did not involve the main stakeholders at national and local level and was based rather on limited interministerial discussions.
- The most recent policy document from the MoNE, the **National Strategy for Education 2001–06**, was adopted by the previous government in the last month of its term of office (August 2001). It had not been officially recognised by the new government by June 2002, so it is not yet conclusive to what extent it will be followed. In addition, the paper was developed without either the systematic involvement of teachers or an adequate public debate.

The document recalls important elements of the education concept paper of 1998, such as quality of education (including continuing

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training), participation, effectiveness, and equal opportunities, and in addition **proposes to extend compulsory education** by starting at the age of six (currently seven) and aims to adapt the education system to the needs of the information technology society and the knowledge-based economy by paying more attention to lifelong learning. The strategy does not contain specific quantitative targets but, based on demographic trends, provides a detailed forecast of numbers of pupils and adults in postprimary and post-gymnasium schools (including special education) for the period 1999 to 2010 and an estimation of costs for reform elements up to 2005. However, quantitative targets to be reached by 2006 have not been set.

- Additional references to education and training are made in the preliminary **National Development Plans 2000 and 2002** (first and second generation). The latter refers to the realisation of tasks connected with creating a lifelong learning system (working out the model of lifelong learning, the methodology of studies on lifelong learning, development of programmes, entrepreneurship, and strengthening equal opportunities). Also, the new government's socioeconomic strategy document, *Entrepreneurship – development – work (2001/02)* contains reference to lifelong learning, while the *Employment Action Plans*, the *National Strategy for Regional Development 2001–06*, the *Coherent Structural Policy for Rural Areas and Agriculture Development*, the *Strategy for Public Finance and Economic Development in Poland 2000–10*, and a number of other sectoral strategies and concepts stress the importance of human resources development, quality and mobility. The need for different interventions in the field of education as well as the integration of young people and the unemployed into the labour market is clearly expressed, with a view to the further restructuring of the Polish economy.

### Overall assessment

Poland has in many aspects made less progress than other Central European countries in the early 1990s in restructuring and updating its secondary education system to meet the needs of a transition economy. Consequently there remained several serious issues to be further addressed, such as decentralisation and a new school system, the involvement of social partners, rural/urban inequalities, and assessment and supervision.

However, **ambitious goals have been set** in the late 1990s, and the proposed direction of education reform will very likely increase the overall qualification levels of the population, if appropriate measures, sufficient capacities, and financial means are provided for efficient implementation.

Some **key challenges** remaining are to adapt qualifications better to the requirements of the labour market and to promote the idea of lifelong learning, where the overall development is more at an initial stage.

Continuing support from **Phare 2000–02** in the field of economic and social cohesion is expected to be an **important driver** for implementation of some goals in the field of CVT. In its diagnosis of the current state of affairs, the *National Strategy for Education* also states: **'Poland still needs to do quite a lot'**<sup>105</sup>.

### 2.1.3 RESOURCES

#### Overall investment in education and PES

Public investment figures in education might **suggest a rather favourable situation** since OECD data show that 5.8% of GDP (OECD mean 5.1) was spent on education in 1997 (OECD 5.1%) and 5.4% of GDP (OECD 5.3) in 1998. Most recent OECD data confirm a slightly decreasing trend for 1999 (5.2% of GDP, compared to 5.2% OECD and 5.0% in the EU), the year in which implementation of the ambitious education reform started. Out of public expenditure on education in 1999, 2.2% was spent on primary and lower secondary education, 1.2% on

<sup>105</sup> MoNE, *National strategy for education 2001–06*.

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upper secondary and postsecondary non tertiary and 1.0% for tertiary<sup>106</sup>.

The index of change in **public expenditure** (116) between 1995 and 1998 was above the OECD mean (111). The share of public expenditure on education on total public expenditure in 1998 shows Poland (11.5%) slightly below the OECD average of 11.9% (tertiary in Poland 2.7%, OECD 3.0%).

Expenditure per student in upper secondary education amounted to 1,500 PPS euro (OECD 5,400; Czech Republic 3,700; Portugal 5,000) and 3,600 for tertiary education in 1999 (OECD 8,500; Czech Republic 5,200; Spain 5,200)<sup>107</sup>.

From 1998/99 onwards – since the education reform started – only **national statistics** are available, and these have not yet been harmonised with EU and OECD methods and are therefore not comparable to previous OECD data. These national data are **showing lower rates** than the OECD but a fairly stable trend in expenditure relative to GDP since 1990 (ranging from 4.1 to 4.5% without higher education), with a slight increase in 2000<sup>108</sup>. Public expenditure on VET as a percentage of GDP decreased from 0.7% in 1997 to 0.6% in 1998.

In absolute terms the expenditure on education, both from the central and in particular from local budgets, increased between 1998 and 2000, and a gradual shift took place from central budget expenditure to local budget expenditure in the first phase of the education reform. Nevertheless, overall **resources for education and training are** considered to be **rather limited** as regards meeting the ambitious goals of the education reform.

At the same time it is of concern that the **costs of the education reform** have never been presented conclusively. This was confirmed during the expert team's field visit to the MoNE. There had been major discrepancies between the estimates of the MoNE and those of the Ministry of Finance, which even led to the resignation of the minister of education in 2000.

In the first years of reform implementation, financial bottlenecks became evident, which, together with the previous years of **underfinancing**, have put pressure on the current situation. Experts estimated that a share of **at least 6% of GDP would be required**, and furthermore that there is a consolidated negative structure of expenditure, with investment expenditure

**Table 6: Public expenditure on education and higher education, as percentage of GDP (1991–2000)**

|     | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|-----|------|------|------|------|------|------|
| EDU | 4.34 | 4.49 | 4.55 | 4.20 | 4.14 | 4.27 |
| HE  |      | 0.88 | 0.82 | 0.78 | 0.75 | 0.78 |

EDU = Education (expenditure decreased by property/investment expenses)

HE = Higher education (estimated data)

**Table 7: Expenditure on education from the state and local budgets (1998–2000)**

|  | 1998     | 1999     | 2000     |
|--|----------|----------|----------|
| Expenditure on education from central and local budgets (million PLN) <sup>109</sup> | 33,680.4 | 44,632.5 | 50,409.0 |
| central budget (%)   | 49       | 44       | 42       |
| local budget (%)   | 51       | 56       | 58       |

Source: Central Statistical Office: *Education in School Year 1999/2000 and 2000/2001 and Higher schools and their finances in 2000*, Warsaw, 2001.

<sup>106</sup> OECD, *Education at a glance* 2000 and 2001. Only public, but not total, expenditure as a percentage of GDP is available for Poland in the OECD 2001 report.

<sup>107</sup> OECD, *Education at a glance* 2000 and 2001.

<sup>108</sup> Central Statistical Office, 2001.

<sup>109</sup> Average exchange rates (1 euro = PLN) in 1997 = 3.7; 1998 = 3.9; 1999 = 4.2; 2000 = 4.0; 2001 = 3.7.

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going down drastically and personnel costs accounting for over 80% of current expenditure (in the context of relatively low pay for teachers)<sup>110</sup>.

**No targets have been set regarding investment in human resources** at either national or subnational level. However, the National Strategy for Education 2001–06, approved by the previous government, provides a rough **forecast of expenditure** for 17 elements of the reform (including changes in teaching programmes and handbooks, implementation of the external examination system, modernisation of infrastructure, promotion of teachers, etc.) and envisages financial aid for youth from rural areas and poor families as well as further development of the student credit and social benefit system. In total, the estimated expenditure for the performance of selected tasks of the educational reform in the period 2002–05 is forecast to amount to PLN 14,935.2 million (about €4,140 million).

Interlocutors during the field visit assumed the reform had a 'hidden goal', as the whole **school system would become cheaper** in the medium and long-term (if most VET schools had been abolished as foreseen), since vocational schools are usually more expensive than schools offering a general education. International experts and the MoNE have estimated that costs in vocational agricultural schools are double those of general secondary schools<sup>111</sup>.

### CVT

In general there is a **lack of comprehensive information on CVT expenditure** in Poland (amount of

individual expenditure, public expenditure at national, regional and local levels). In legal terms this issue has not been regulated and expenditure on CVT is not reflected in budget expenditure structure. Due to constraints in public budgets there is a trend towards increased financing by non governmental and private sources<sup>112</sup>.

According to the Eurostat CVTS2 sample survey conducted in 2000/01, which involved nine future member states, **employers' investment** in continuing training courses measured by the share of CVT costs in total labour costs of all enterprises is much **lower in Poland** (0.8%) **than in most other FMS** (average 1.2%, Czech Republic 1.9%, Hungary 1.2%) and EU member states (2.0)<sup>113</sup>. On total expenditure per employee on CVT courses in 1999, Poland (197 PPS) ranked at the bottom of the scale together with Lithuania and Romania, well below Hungary (305 PPS), Germany (577 PPS) or Denmark (1,169 PPS). The same clear difference is shown with regard to staff time costs, with the highest **staff time costs per employee** being recorded in Denmark (522 PPS) and (Belgium 498 PPS), and the lowest in Romania (51 PPS), Lithuania (56 PPS) and Poland (70 PPS)<sup>114</sup>.

According to **national surveys**, employers' investment in CVT was even lower in 1996 (total 0.6% of labour costs; 0.6% in the public sector and 0.5% in the private sector). It was highest in financial institutions (1.9%) and lowest in agriculture, fishing and education (0.3–0.2%)<sup>115</sup>. In 2000, the investment was higher (0.8% total; 0.5% public sector, 1.0% private sector) compared to 1996, in particular in the sectors of trade and repair (0.5–1.0%) and in real estate, renting and

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<sup>110</sup> Dlugokecka, Modernisation of initial VET, in *National VET Report 2001*.

<sup>111</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

<sup>112</sup> Ewa Tytz-Lemieszek, Financing of VET and continuing education, in *National VET Report 2001*, Polish National Observatory, March 2002.

<sup>113</sup> Eurostat, first survey on CVT in FMS and second in EU member states and Norway, 2002. Poland participated only with one region (Pomorskie) and therefore the results of this survey might not be fully representative.

<sup>114</sup> Eurostat, *Statistics in focus* 8/2002. Costs and funding of continuing vocational training in enterprises in Europe.

<sup>115</sup> Butkiewicz, *Capacity of initial VET and CVT system to support national employment policy*.

business (0.6–0.9%) but remained lowest in the education sector (0.2%)<sup>116</sup>. It is estimated that almost 40% of participants finance continuing training themselves, and even 18% among unemployed participants<sup>117</sup>.

### Labour market measures

The main source of financing **active and passive labour market programmes is the Labour Fund**, established by the Act on Employment in 1989. Employment services administration is financed from general administration budgets<sup>118</sup>.

As a result of the difficult economic situation in the late 1990s, the share of total Labour Fund **expenditure as a percentage of GDP declined** from 1.5% to 0.9% in the period between 1998 and 2000. In total the revenues of the Labour Fund in **real terms** decreased almost by 60% in the same period<sup>119</sup>.

As a result, in 2000 the Labour Fund deficit reached PLN 1,300 million, which was covered by bank loans, state transfers and reallocation of funds from ALMP. In particular, **in 2001 ALMP disappeared** in many labour offices or **played a rather marginal role**.

The **share of expenditure on ALMPs** out of the total expenditure of the Labour Fund decreased from 31.5% in 1998 to 16.4% in 2000 (training measures from 2.2 to 1.1%). In 2001 the share of active measures declined dramatically to 7.1% and training to 0.6%. National data for 2000 and 2001 show only 0.15% (2000) and 0.14% (2001) of GDP spent on active labour market measures<sup>120</sup>.

### Allocation of funds

**A new and uniform system of financing** the education system was introduced in 1999 and promoted in its complete form in 2000, as a result of the state administration reform. A general subsidy from the state budget is allocated from the Ministry of Finance to all three levels of local self-administration running particular schools (region, county, municipality), which have autonomy in spending of their budgets and subsidies and are responsible for the designing of a budget programme for all schools in its area.

The funds are further distributed by local self-government bodies to the school network according to the principle **'Money follows the pupil'**. This principle has levelled out the differences in the financing of primary and postprimary schools, regardless of its running authority. Non-public schools which have obtained the status of a public school (including VET schools) receive a per student subsidy from the powiat budget, equalling 50% of current expenditure per student in the same type of institutions. Educational investments belong to local governments' own tasks, although they can be cofinanced from the state budget.

In addition, the Ministry of Education is financing computers for the newly created gymnasiums (lower secondary school) and school buses for pupils commuting to gymnasiums<sup>121</sup>.

The amount allocated by the central level to the education component of the overall subvention for local self-governments has been set at no less than 12.8% of the planned state income. One per cent is deducted and set aside as an educational

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<sup>116</sup> MoLSP, Labour Market Policy Department, Opinion on the draft country monograph on VET and Employment Services in Poland, September 2002.

<sup>117</sup> According to the Personal Income Tax Law individuals may use a tax incentive regarding continuing education and training. In year 2001 this tax break was 19%, deductible from income tax but with a ceiling of about 103 euro (Butkiewicz, Capacity of initial VET and CVT system to support national employment policy).

<sup>118</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*.

<sup>119</sup> Ibid.

<sup>120</sup> OECD data on total ALMM expenditure as a share of GDP not available for 2000. National data provided by the MoLSP in April 2002. Not including the refund of wages and salaries of juvenile employees, the share of expenditure for ALMM in GDP amounts even only to 0.11% in 2000 and 0.08% in 2001.

<sup>121</sup> Eurydice, *Financial flows in compulsory education in Europe*, October 2001.

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reserve, remaining at the disposal of the minister of finance.

The **allocation** is calculated according to an algorithm formula based on the real number of pupils, adjusted by a system of 21 weightings (e.g. for vocational schools, rural areas, specific tasks). The subvention cannot be higher than 110% or lower than 95% of the budgetary expenses as calculated for 1999<sup>122</sup>.

In 1998, the **structure of subsidies** at the level of municipalities (covering primary schools and gymnasiums) was 87% for remuneration and 13% to cover school functioning and maintenance.

Figures from the school year 1999/2001 suggest a **trend of increasing private educational expenditure**, as an average household with one or more children was spending PLN 256 on textbooks, PLN 194 on school tuition fees and PLN 112 on travel costs to schools<sup>123</sup>. Tuition fees for education in non public schools for adults are paid by students.

The MoNES is providing substantial funding for CVT and higher education. However, **expenditure on continuing training** is not reflected in the budget expenditure structure. Adult schools are mainly financed by the central budget, and purpose-specific subsidies are granted to bodies running continuing education institutions and practical education centres. Due to limited public funds there is an increasing trend towards financing by non governmental and private sources.

**Employers** are supposed to cover allowances in relation to education and

training and paid training leave. Employers who invest in continuing training and organise practical vocational training can partially refund the expenses incurred in training employees at risk of layoff, compensation for tutors of student placements in enterprises, and remuneration costs for juvenile workers employed under the apprenticeship scheme<sup>124</sup>.

There are two main financing sources for labour market policy: the contribution of employers (2.45% of payroll) and subsidies from the state budget. Together these constitute the Labour Fund. Resources are allocated to regional (voivodship) and county (powiat) self-government authorities by the MoLSP, based on the law providing the algorithm formula as well as the rules and timing for the provision of resources.

The structure of the Labour Fund has changed significantly: 48% of its revenues was provided by the state budget in 1997 (and 50% by employers), but in 2000 only 14% was provided by state budget (84% by employers).

### Teachers

Teacher education occurs mainly within five-year master's studies, four-year professional studies or three-year licentiate studies. The two-year teacher training colleges were phased out in 1994. As from September 2000, **fundamental changes to the 'Teachers' Charter Act'** of 1982 (amended 1996) have been introduced, aiming at a new definition of teacher status (establishing four categories of teachers)<sup>125</sup>, **promotion paths**, and **substantial pay increases**. First

<sup>122</sup> Tytz-Lemieszek, Financing of VET and continuing education. The amount of subsidy for one 'calculated' pupil, being a financial standard of the distribution of subvention, is a kind of educational voucher per pupil for a given local government. The value of the base subvention financial standard is the same for the whole education system, and amounted to PLN 1,932 (€522) per student in 2000, adjusted by the system of weightings (eg +0.15% for VET schools). The resulting average subvention per pupil in schools managed by counties (powiats) was PLN 2,378 in 2000.

<sup>123</sup> Butkiewicz, *Capacity of IVET and CVT to support employment policy*; Source: Social Diagnosis of 2000, Warsaw 2001.

<sup>124</sup> Butkiewicz, *Capacity of IVET and CVT to support employment policy*. There are no data available on the scale of these incentives, but the impression is that they are applied only on a small scale. On individual contractual terms employees may also receive other benefits, including payment or refund of the costs of education incurred and the costs of textbooks.

<sup>125</sup> The following four categories of teaching posts have been established in the new Teachers' Charter, adopted on 18 February, 2000: trainee teacher, contracted teacher, appointed teacher, and chartered teacher. Contracted teachers with an outstanding record may also be awarded the title of honorary school education professor.

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experience with the reform showed financial bottlenecks as well as the risk that the implementation could become bureaucratic<sup>126</sup>.

**The remuneration of teachers** depends mainly on their qualifications and the professional grade held. The average salaries for teachers in different categories are calculated on the basis of the average salary of the apprenticeship teacher, fixed at a level of 82% of the base amount used to calculate salaries for civil servants. The target percentages to be achieved gradually range from 125% for a contracted teacher to 175% for an appointed teacher and 225% for a chartered teacher. There is a fixed mechanism for the annual revaluation and rise of teachers' salaries. The average monthly salary (PLN 1,880 = €470) of a teacher in year 2000 was slightly below the average salary in Poland. About three-quarters of teachers (74%) are 'appointed teachers' and expect to earn PLN 2,117 on average in school year 2001/02. Average gross wages in the education sector are in general on an increasing trend (95.4% of total average wages in 2000) since 1994 (87.2%), but are still low in general.

In 2000/01 there were **721,600 teachers employed** in education, including 549,900 full-time teachers (85% with higher education, constituting 96% of general secondary teachers and 88% of VET secondary teachers with higher education) and 171,700 part-time teachers. Some 126,400 teachers (17.5%) were employed in VET schools. A decline in the number of teachers is expected as a result of the education reform; modest estimations suggested a loss of about 8,000 teachers if the reform had been implemented as originally intended<sup>127</sup>. The number of ICT

teachers has risen from 6,000 (1997) to 15,800 in 2000.

The **student/teacher ratio** in 2000/01 was 14.8 in preprimary and primary education (ISCED 0-2), 20.3 in general secondary and 17.0 in vocational education (including postsecondary) and higher than in other candidate countries<sup>128</sup>.

During the school year 1999/2000 **vocational education** (including postsecondary) took place in 10,848 schools, offering 21,778 school laboratories adapted to teach one subject, with a slight but constantly decreasing share of students in VET schools<sup>129</sup>. The average size of VET schools has decreased from 220 pupils per school (1990/91) to 184 pupils in 2000/01. VET schools are quite evenly spread all over Poland and the decisions on the new school network under the new education system had been taken by spring 2002 by local self-governments.

### Overall assessment

The simultaneous introduction of **four major reforms** in Poland in 1999 (administration–decentralisation, education, health and pension reform), each demanding substantial support from the state budget, has created financial bottlenecks for the education system. The full implementation of the education reform and its ambitious goals would require substantial additional funding and administrative capacities. Much attention will have to be paid to teachers as a main driver of the reform.

In addition, there is a need to **improve monitoring** of the (cost-)effectiveness of the education (in particular VET) system with a view to potential reallocations within the system. In the past, due to a lack of adequate mechanisms, resources could have been considered as partly 'wasted'.

<sup>126</sup> The minister of education fixes the minimum rates of basic pay, whereas determination of the rates and rules for bonuses and allowances has been transferred to the local self-government level. In addition, initial implementation has on occasion proved problematic as regards financing. While nearly all teachers received the amounts due for their 2000 pay rise, only 11% of local governments declared that they would be able to pay out the full amount in June as foreseen for year 2001, while the rest could pay only part (44%) or did not have sufficient budgetary resources (45%). Since January 2001 provisions have been in force laying down standard examination procedures for teachers, thus opening up equal opportunities for all graduates regardless of their location.

<sup>127</sup> Butkiewicz, *Capacity of IVET and CVT to support employment policy*.

<sup>128</sup> Own calculations based on data from National Observatory, *Key Indicators*.

<sup>129</sup> MoNE, Education in school year 1999/2000.

### 2.1.4 STRUCTURE AND ORGANISATION OF VET AND LIFELONG LEARNING

The Polish education and VET system is still in transition and being reconstructed as a result of changes in the labour market, high unemployment, political changes and general modernisation policies.

The education system in Poland is strongly school-based, and the previous school system could be described as an overbalance of VET at secondary level, suffering from an image of providing education that was too narrowly profiled, outdated and overlong, even considered as producing unemployed people. The VET system in the last decade was still partly inherited from serving a centrally planned economy and was not clearly orientated towards transformation and operation in the context of a modern market economy<sup>130</sup>. The extreme narrowness of vocational profiles, coupled with the bad image of VET and problems with defining future skills needs, led in the second half of the 1990s to a radical policy reorientation in favour of general education, aiming almost to abolish vocational education through the monolithic model of a 'profiled lyceum'. The new government partly changed this approach at the end of 2001 and gave more attention to VET and its modernisation.

**Schooling obligation and compulsory education**<sup>131</sup>: education is compulsory until 18 years of age<sup>132</sup>. The schooling obligation starts in the calendar year of a child's seventh birthday and is fulfilled by attending a primary school and a gymnasium (this takes nine years, up to the age of 16). After graduation from a gymnasium, compulsory education is fulfilled by attendance at a post-gymnasium school or by out-of-school forms of education. Registration and control are assigned to municipalities (gmina). The school year begins on 1 September, the academic year on 1 October, and both normally end at the end of June. **School life expectancy** (16.3 years, OECD 16.8 in 2000) is low compared with Spain (17.5) or Portugal (17.0). According to the MoNES information on the rate of early school leavers (share of 18 to 24-year-olds having achieved lower secondary or less and not attending further education) is not available<sup>133</sup>.

The National Strategy is **proposing to bring forward the start of schooling** to the age of six (this is already achieved in effect by the 'zero-class'), as the entry age to school (seven years) is later in Poland than in most developed countries<sup>134</sup>.

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<sup>130</sup> Peter Grootings, *Report on the VET system in Poland*, BBI Berlin, 1996.

<sup>131</sup> The number of pupils enrolled in primary education has been constantly decreasing since 1991, from 5.32 million pupils in that year to 4.75 million in 1998 and 3.22 million in 2000/01 (however, on the plus side, 1.18 million have enrolled in lower secondary schools, which were introduced in 1999). The average number of pupils per class in primary school classes has improved slightly and constantly since 1997 from 22 to 21.1 in year 2000. Primary school pupils were taught by approximately 340,000 teachers in 1999 (329,000 in 1990).

<sup>132</sup> The Labour Code forbids the employment of persons under the age of 15. Those between the ages of 15 and 18 may be employed only if they have completed primary school and if the proposed employment constitutes vocational training and is not harmful to their health. Education International, *EI Barometer 2001 on human and trade union rights in the education sector*.

<sup>133</sup> Information provided by the VET Department of the MoNES, May 2002.

<sup>134</sup> Preprimary schooling is available from age 3 onwards. The large majority of children attend some form of preprimary education (called 'zero-class') at age 6. Their number has been slightly decreasing over the years since municipalities took over responsibility for kindergartens/nursery schools, partly due to lack of funds and the consequent closing of establishments. Furthermore, fees have been introduced, representing a financial obstacle to some families. Nonetheless, preschool programmes do not ensure a proper level of development for all children. Particularly in rural areas, the pace of growth in preschool education is still far too slow. The indicators showing general access to preschool education are significantly lower than in other OECD countries. Gross enrolment for the age group 3–5 did not even exceed 29% in the late 1990s; whereas for the age group 3–6 the gross enrolment ratio (GER) in early childhood development programmes improved from 43.4% (1992/93) constantly to 51.1% (2000/01), with a clear dichotomy between urban (63.0) and rural (35.8) areas (1998/99). Including the zero-class, the net participation of children reached 95.4% in 2000/01, but this was a slight decrease since 1998/99 (97.5%). The average number of children per class in nursery school classes remained fairly stable between 1997 (21.3) and 2000 (20.9).

### Implementation of the latest education reform

The main challenge at the moment is to implement fully and coherently the first comprehensive reform of the educational system, which has a systemic nature, as it covers all fundamental areas, including the structure of education, management, administration, curricula, examinations and teachers. The process started in 1997 with the prolongation of compulsory education up to the age of 18 years and the respective change in the Polish Constitution. The following reform process has been split into two phases: the first, targeting primary and lower secondary education, was completed between 1999 and 2001/02, while the crucial second phase, planned for 2002–07, will cover secondary and postsecondary education.

The reform will very probably be implemented within the planned schedule (which was not fully certain until October 2001, due to intense discussions on the reform outline at national level); however, it will be implemented in a substantially modified way.

- The **first phase**, taking place between September 1999 and June 2002 and covering primary education, started with the introduction of a two-level comprehensive school system. The former eight-year primary school has been replaced with a six-year primary (integrated teaching in grades 1–3 and block (subject) teaching from grades 4–6) and a three-year gymnasium/lower

secondary level, and the cycle of compulsory general education has been extended to nine years<sup>135</sup>. The first students will graduate from the gymnasium in June 2002.

The aim was to focus in primary school on integrated education for learning basic skills, and to introduce pupils in gymnasium to the academic approach, learning their abilities and preferences and helping to choose the best further educational path. At the end of each schooling level, pupils will be assessed by means of external standardised tests or examinations.

There has been broad national consensus on this phase of the reform, but monitoring results will be available only after the first pupils graduate in June 2002. However, first indications are showing that this part of the reform will prove to be a success<sup>136</sup>.

- The **second**, and crucial, **phase** of the reform will cover secondary (September 2002–05) and postsecondary (2005–07) education (including vocational), and the new system will be fully introduced in its final shape by 2007. The basic assumption of this phase was to decrease vocational education radically in favour of general education through reconstruction of the school system. Currently the old and new school systems are coexisting, as pupils of the last grades of the pre-reform schools have continued their education under the old system. The successive final grades of post-gymnasium schools will be phased out by 2006.

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<sup>135</sup> Before the reform of 1999, there was no distinction in the Polish education system between lower and upper secondary schools. The lower secondary level was included in the eight-year single-structure school.

<sup>136</sup> Discussions with MoNE representatives during the field visit in September 2001.

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**Table 8: Implementation timetable of the education system reform (1999–2007)**

| Date               | Major changes   |
|--------------------|---|
| 1 January 1999     | Responsibility for the administration and management of postprimary schools transferred to local governments (powiats)  |
| January–March 1999 | Establishment of the Central Examination Board and eight Regional Examination Commissions   |
| 1 September 1999   | <b>Launch of the first phase of the education reform</b> : eight-year primary schools transformed into six-year schools; gymnasiums established as a new type of school; new core curricula introduced in all types of school |
| April 2000         | A new system for teachers' promotion established  |
| 1 September 2001   | No new enrolment in postprimary schools operating within the old school system  |
| April–June 2002    | First tests (new primary school) and examinations (gymnasium) in the new school system  |
| September 2002     | <b>Launch of the second phase of the reform</b> : new type of school (profiled lyceum), modified technicum and basic vocational schools; continuation of curricular reform  |
| June 2004          | First external vocational examinations for graduates of basic vocational schools  |
| 1 September 2004   | Launch of supplementary lyceum for graduates of vocational schools  |
| May 2005           | First external maturity examination for graduates of profiled lyceum  |
| 1 September 2005   | Launch of post-lyceum schools for graduates of profiled lyceum  |
| May 2006           | First external maturity examination for graduates of technicum  |
| May 2007           | First vocational examination for graduates of post-lyceum schools   |

Source: MoNE, *The Polish System of National Education in the Period of Reforms*, Warsaw, 2000; National Observatory Poland, *National VET Report 2001, Working Document*, March 2003.

### The old education system<sup>137</sup>

The previous education system at secondary level was characterised by a strong dominance of vocational education at secondary level, offering rather narrowly profiled and partly outdated education. On completion of primary education only about a third of the student population attended general secondary schools in preparation for college or university entrance. **Most pupils attended vocational schools**, however, on a declining trend. Given this profile, the categories 'skilled worker' and 'technician' were not fully comparable with their counterparts in other countries<sup>138</sup>. The organisation of VET corresponded to the sectors and branches of the economy, with a dominance of 'mono-sector' schools. This situation was mainly true for basic vocational education, but to a certain extent also for the other three existing

types of vocational school (technicum, technical lyceum, vocational lyceum).

- **Basic vocational schools** (ISCED 3C, lasting three years) prepared skilled workers or workers with equivalent qualifications for the needs of the main branches of the economy. Practical training took place either in school workshops, practical training centres or enterprises. A basic vocational graduation certificate entitled the graduate to apply for admission to a secondary VET school whose curriculum was an extension of the basic VET school programme. A specific form of basic VET education is the **apprenticeship system**, whereby juvenile workers<sup>139</sup> sign an agreement with an employer on vocational education oriented employment, and a qualification examination is taken for the

<sup>137</sup> Information mainly based on the annual VET reports provided by the Polish National Observatory between 1997 and 2001.

<sup>138</sup> BKKK, *The Polish education and training system*, Leonardo da Vinci leaflet, 1999.

<sup>139</sup> According to the Labour Code a 'juvenile person' is a person between 15 and 18 years of age. The Labour Code also lays down rules for combining vocational education with juvenile employment.

title of apprentice or a skilled worker. This is primarily offered in the crafts sector.

**Participation in basic VET** schools decreased in the decade between 1990/91 and 2000/01. The number of participants fell from 814,000 (56% of VET secondary, 43% of total secondary pupils) to 542,000 (35 and 22% respectively). This trend was coupled with a decrease in the number of basic VET schools in the same period (2,995 to 2,372). The number of juvenile workers across the entire VET system fell slightly from 318,000 in 1998/99 to 283,000 in 2000/01, partly due also to demographic reasons. According to data of the Polish Crafts Association practical training was provided to about 165,000 pupils in year 2000/01.

Three different types of secondary VET school led to the maturity exam (ISCED 3A level).

- **Technical schools** (lasting five years, in a few cases four years) prepared technicians for different economic branches. Practical internships (four to six weeks) in enterprises were obligatory, and graduates received a certificate of completion of secondary school and the title of technician or other title listed in the classification of occupations of the vocational education system. Graduates could take the maturity examination (about 75% do so), allowing them to apply for admission to higher education.
- **Vocational lyceums** (lasting four years, but reaching only a maximum of 6% of postprimary pupils), were designed to develop highly skilled workers, providing general education at secondary level and the title of skilled worker, with the option of taking the maturity examination.
- **Technical lyceums** (lasting four years) were introduced in 1998 (previously they were experimental schools, founded within the Phare IMPROVE programme) with the purpose of providing a broad profile of general

vocational education in 12 profiles (environmental management, communications and transport, business and services, etc.), enabling students to take the maturity exam and preparing them to gain vocational qualifications in post secondary schools.

**Participation in these three types of upper secondary vocational** school increased in the decade between 1990/91 and 2000/01. The number of pupils grew from 636,000 (44% of VET secondary, 33% of total secondary enrolment) to 986,000 (65 and 40% respectively).

**Overall VET enrolment** (including basic VET schools) still shows a strong dominance of VET at secondary level (77% of all pupils in 1990/91, 62% in 2000/01), although VET is on a decreasing trend in favour of secondary general education<sup>140</sup>. The dropout rate from VET (4.3%) remained stable and was lower than in most future EU member states between 1996 and 1999<sup>141</sup>.

The number of secondary VET schools also increased in the same period (3,607 to 5,909). Currently 79% (1999/2000) of all secondary schools are VET schools<sup>142</sup>. In school year 1999/2000, 58% of basic school graduates were entering the VET stream, and 69% of graduates at secondary level came from VET schools in 1999 (OECD 45%)<sup>143</sup>.

- **General secondary schools** (lasting four years) are the most popular type of secondary school (lyceum), enabling students to take the maturity exam and to follow post-secondary and higher education, obtaining vocational qualifications. Before the reform some general secondary schools already offered occupation-like profiles (management, journalism, languages, etc.).

**Participation** in general secondary schools increased in the last decade. The number of pupils doubled from 445,000 in 1990/91 (making up 23% of total secondary enrolment) to 924,400 in 2000/01 (38% of total secondary

<sup>140</sup> CSO, *Concise statistical yearbook of Poland 2001*

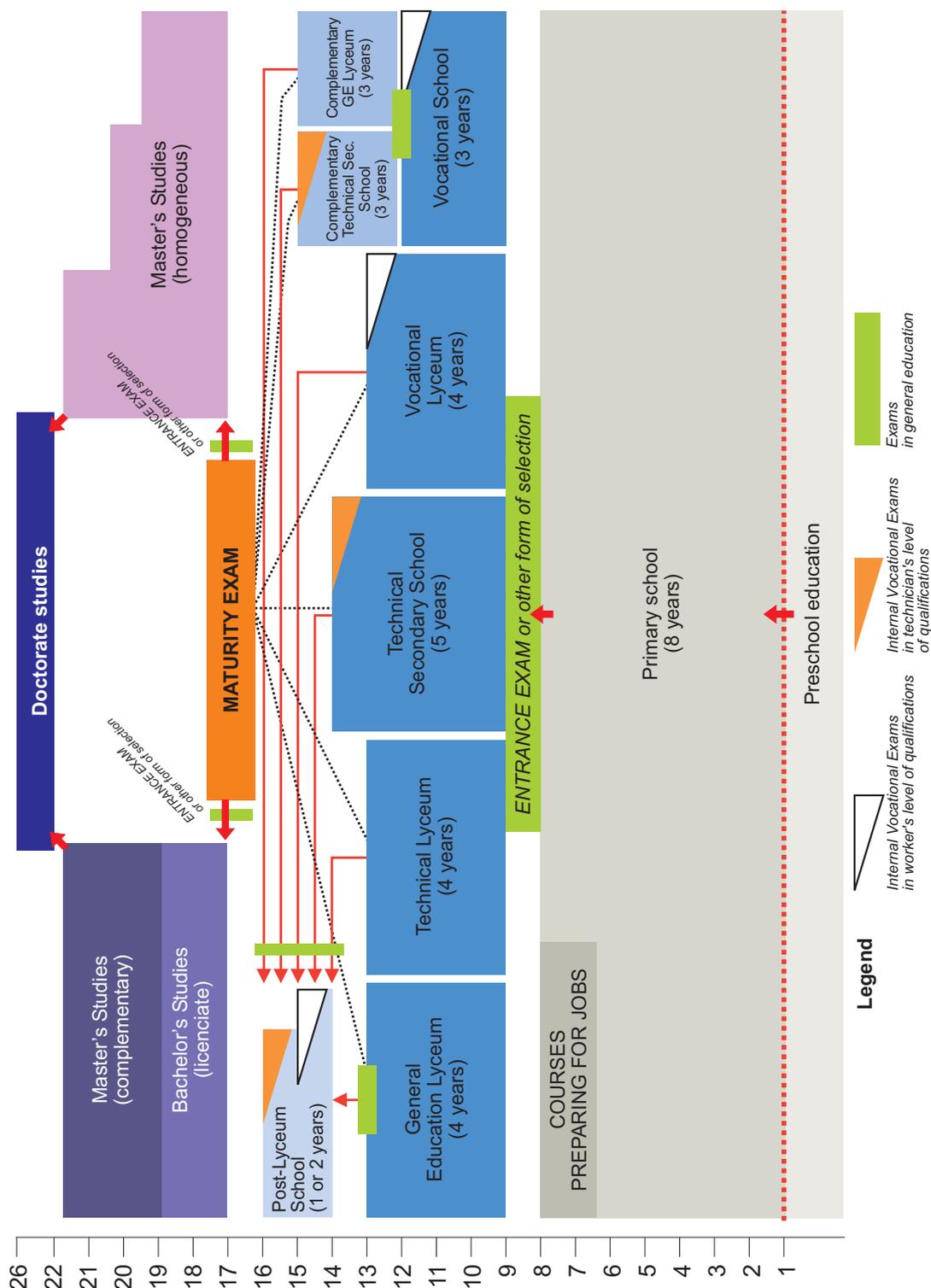
<sup>141</sup> National Observatory Poland, *Key indicators 2001*.

<sup>142</sup> CSO, 2001.

<sup>143</sup> *Education at a glance*, OECD, 2001.

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Graph 1: School system – The old structure



enrolment). In 2000/01 about 22% of all secondary schools (2,292 schools) were general secondary schools.

- **Post-secondary schools** (lasting 1 to 2.5 years) offer vocational qualifications at the level of skilled worker or technician. One type of school accepts only

students who have passed the maturity exam; another type (post-lyceum school) accepts secondary education graduates.

**Participation** in post-secondary schools increased dynamically between 1990/91 and 2000/01. In 1990/91 there

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were 893 schools, with 108,300 enrolled; in 1995/96, 1,432 schools with 161,000 enrolled; and in 2000/01, 2,567 schools and 200,100 students, of whom 65% were female. About 30% of students followed commercial and business education profiles, and 23% trade, craft and industrial programmes.

- **Higher education schools** generally offer two kinds of occupational education, bachelor's degree courses (3 to 4-year duration) and master's degree courses (4.5 to 6-year duration). The maturity certificate is the requirement for application for admission to higher education. University Senates decide whether enrolment may be free or based on either an entrance examination or a qualifying interview. Poland has a long history of higher education.

**Tertiary enrolment** has risen steadily since 1990/91 (112 institutions, 403,800 students) but grew fastest in the period between 1995/96 (179 institutions, 794,600 students) and 2000/01 (310 institutions, 1.584 million enrolled students), with net entry rates of 59 (OECD 44.6) in tertiary type A education (1999)<sup>144</sup>. Poland had the second highest index of change (223) in tertiary enrolment between 1990 and 1997 (OECD mean 149) and the highest between 1995 and 1999 (PL 184, OECD 120) of all OECD countries<sup>145</sup>.

Of the 310 higher education institutions, 15 are universities, 23 are technical universities, 19 are teacher education schools, and most of the remainder are specialised vocational colleges, many of which offer business-related courses (94 academies of economics and 61 higher vocational schools).

Universities play an important role in the development of distance learning programmes.

The Polish Constitution calls for free-of-charge higher education in

public institutions, with full-time day courses. In order to circumvent the spirit of this provision, higher education institutions choose not to apply this rule to 'extramural' students. The quality of education offered to extramural students is not on a par with the programmes offered to regular day-students, especially with respect to the frequency of direct contact and tutoring with qualified instructors. In the past, 'extramural' students attended only weekend and evening programmes, whereas they are now being permitted to attend regular day-classes along with day-students who do not pay tuition charges<sup>146</sup>.

The system of financial support to students was limited to maintenance grants, accommodation in student hostels and partial refunding of meal costs. In 1998/99 a system of state-subsidised loans and credits was introduced. In 2000/01, 214,600 students received scholarships, accounting for 31.2% of students attending classes in the day-study system<sup>147</sup>.

The **previous government** aimed to shift participation at secondary level radically from vocational education to general education, with 80% of young people following the general education stream (profiled lyceum) and 20% the vocational stream; within the vocational stream it aimed for a shift to more broad profiled education.

This **model, established in 1999** (see graph 2), was expected to replace the old school system as of September 2002. Although considerable preparations were made, the model was never finally implemented because of substantial changes in the outline introduced by the new government in October 2001. The previous government had envisaged keeping only the **basic vocational**

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<sup>144</sup> Entry rates for tertiary A+B are calculated as gross entry rates. The OECD report admits that graduation rates for Poland may include some double counting.

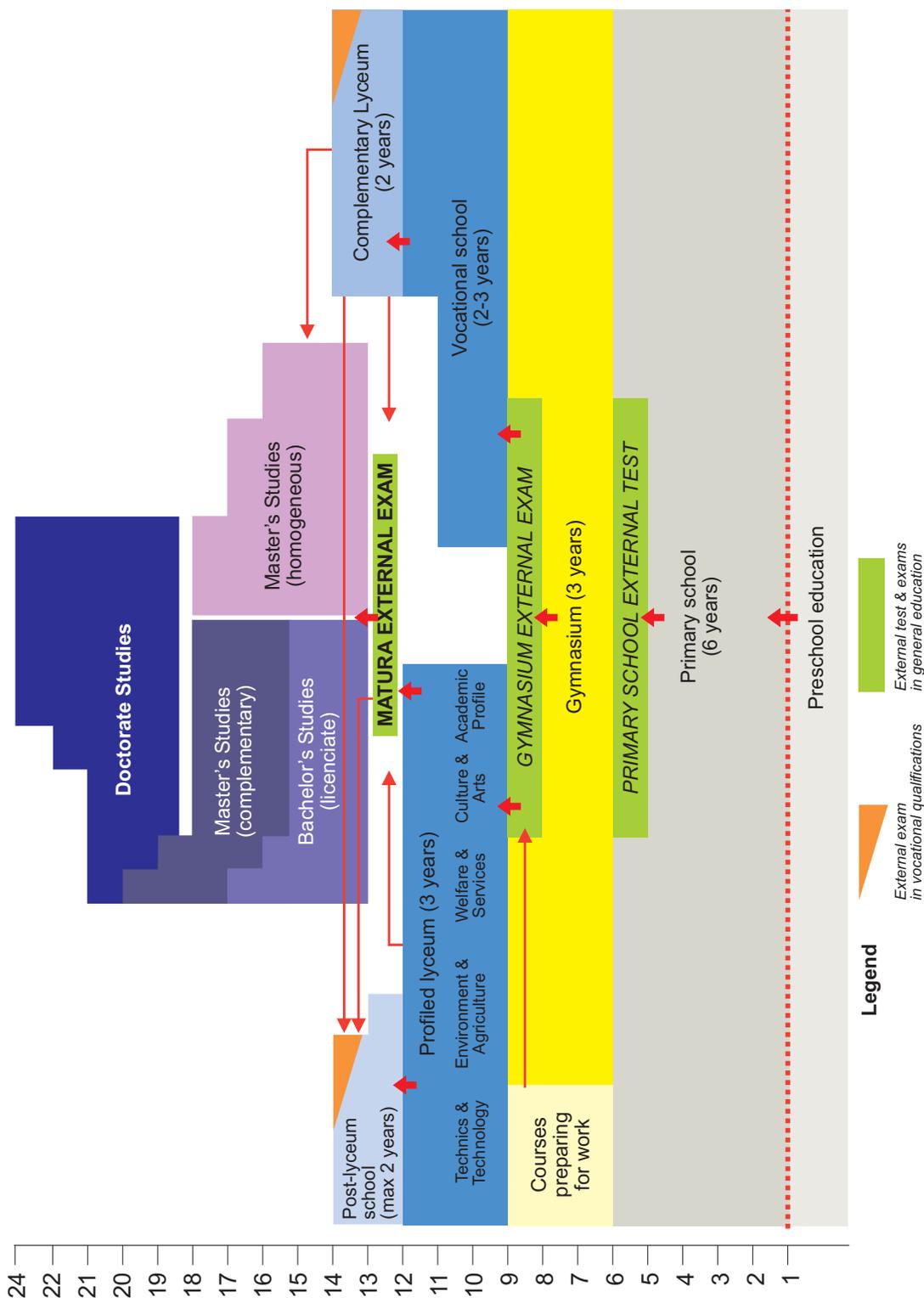
<sup>145</sup> This dynamic growth stems mainly from the development of tuition-fee-based educational programmes, offered by both state and non-state higher education institutions, which opened further access to higher education.

<sup>146</sup> World Bank, *Hidden challenges to education systems in transition economies*, Washington, September 2000.

<sup>147</sup> CSO, *Concise statistical yearbook of Poland 2001*.

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Graph 2: Previously envisaged – New structure



**schools** (which were reduced to two years' duration); it planned to abolish the three main types of former VET schools providing qualifications — **technical schools, technical lyceums, vocational lyceums** – and the **general secondary**

**schools** as a distinct type of school, and replace them by a new type of school which was considered to represent the core of the reform, namely the **profilled lyceum**. This school, lasting only three years, would offer five profiles: one

academic profile, replacing general secondary, and four vocational profiles, with rather pre-vocational education, including only 15% of vocational education within the curricula envisaged.

**Postsecondary schools** would have continued in a modified and strengthened form (lasting 1 to 2½ years), enabling students to gain higher vocational qualifications, with no clear curricula yet. It was envisaged that about 10 to 15% of graduates would follow postsecondary VET).

#### Overall assessment

Although the JAP on Employment Policy Priorities has welcomed the proposed process of education reform, launched by the previous government, as '**appropriate to Poland's needs**', the Monograph field visits made it evident that national consensus on this model was lacking and a new skills gap might have been created by this reform.

Furthermore, for the **second phase of the reform** there had obviously **not** been **sufficient consultation with the labour market** side, and the reform was based more on students' expectations and the approach of the Ministry of Education than on thorough labour market analysis.

Therefore the **new government** made significant changes to the final shape of the **new education system** in October 2001, by reintroducing the former most important VET school (technicum) at secondary level, extending the profiled lyceum to 14 profiles, changing the duration of schooling, and re-establishing the general secondary school as a distinct institution – all to be implemented as of September 2002.

The **final structure of the new school system** is expected to meet labour market demands better, and a common core curriculum has been established for all types of secondary school in Poland. The new VET system aims to guarantee diverse educational opportunities (no more dead-end routes) and to facilitate the acquisition of high-quality vocational qualifications.

■ **Basic vocational schools** will continue as before (lasting 2 to 3 years), offering vocational qualifications. However, the new core curriculum provides broader general education and is expected to prepare graduates better for the labour market, where the importance of general education is growing. Moreover, graduates will be able to continue education in supplementary schools (2-year supplementary lyceum or 3-year supplementary technical school) in order to obtain the maturity certificate, whereas the previous concept did not provide for such an opportunity.

The **apprenticeship system** is expected to continue mainly in the crafts sector; however, a new draft regulation envisages decreasing the number of days of practical training and work in enterprises and strengthening the school-based part of the system. There were already first signs in March 2002 that the employers might boycott this change.

■ **Profiled lyceums** will be introduced as a new type of school (lasting 3 years, focusing on general education but providing general vocational education without qualifications), but with modifications of the previous government's concept. The number of profiles has been extended from 5 to 14 as follows: 1) environmental preservation (creation), 2) economic-administrative, 3) agricultural-food processing, 4) service-economic, 5) fashion design, 6) chemical testing of environment, 7) social work, 8) forestry and wood processing technology, 9) transport-forwarding, 10) electronics, 11) electrotechnics, 12) mechatronics, 13) mechanical manufacturing technics, 14) IT management. Graduates can obtain vocational qualifications in short educational cycles, ranging from 6 to 12 months at a post-secondary school or at out-of-school forms of training.

■ **General secondary schools**, in which the schooling cycle has been shortened from four to three years, will continue as a distinct type of school as under the old school system, and not, as envisaged, as only one profile of the profiled lyceum. This school enables students to

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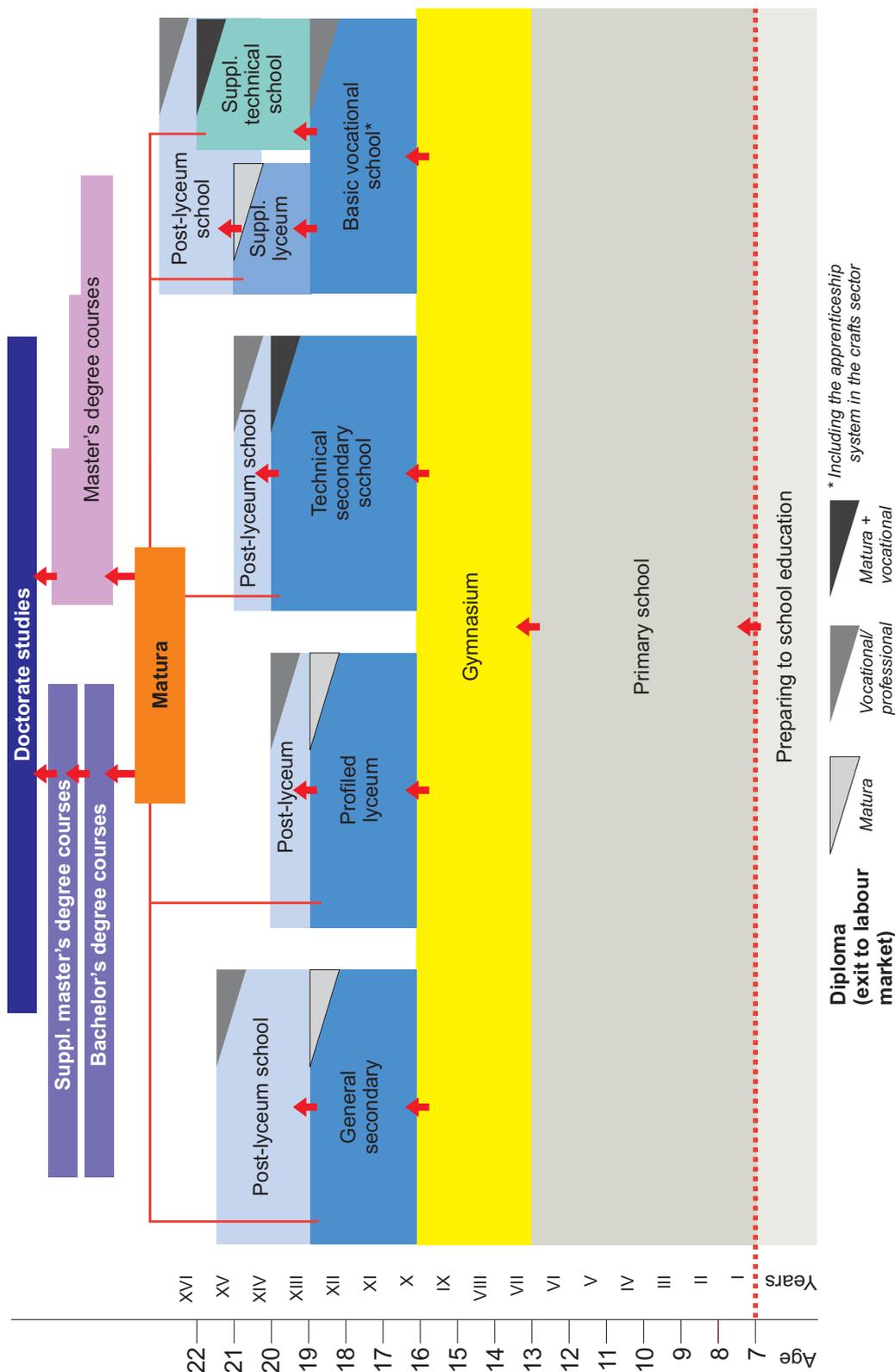
take the maturity exam and to follow post-secondary and higher education.

### ■ Technical VET schools (technicums)

have been reintroduced with a view to meeting the estimated labour market

demand and the need for qualifications at secondary level. The cycle has been shortened from five to four years, leading to both vocational qualifications and maturity examination.

**Graph 3: Final structure of the new education system**



Source: Ministry of National Education and Sports, March 2002.

- **Supplementary technical schools** (three-year schooling cycle) are designed for graduates of basic vocational schools who would like to pass the maturity examination and to get vocational qualifications at the level of a technician.
- **Supplementary lyceums** (lasting two years), are designed for graduates of vocational schools who wish to obtain a complete secondary education, leading to the maturity exam.
- **Post-lyceum schools** (2 to 2.5 years for graduates of general secondary schools, 6 to 12 months for graduates of profiled lyceum) are designed for graduates of secondary schools who wish to obtain vocational qualifications.
- **Vocational higher education** and higher education will continue as three-year vocational programmes, leading to a bachelor's degree, four-year courses granting a degree of engineer, two-year supplementary master's courses and five-year master's programmes.

#### CVT structure and provision

Continuing vocational education and training in Poland is rather **scattered** and has a **strongly school-based** component. This school-centred view becomes evident when national authorities and statistics refer to the main division and categories of **'school forms'** and **'out-of-school forms'** of CVT. Continuing training can take different forms (day-courses, evening courses, extramural, distance education or combinations of these).

- The 'school form' of CVT refers mainly to adult education in the regular school system, allowing adults to continue their school education after it has been interrupted or when they are already in employment<sup>148</sup>. This kind of CVT provision is largely a copy of the formal vocational education system, with traditional pathways leading to the

**same recognised certificates and qualifications**, therefore being less responsive to the needs of the individual and the labour market under the old education system.

- The 'out-of-school' form refers to courses, seminars, workshops, guided self-study, on-the-job training, apprenticeships – and is provided by enterprises, NGOs, and different training and education centres, but also schools.

**Qualifications** attained in the out-of-school system (including qualifications acquired in the process of work) may be **validated** by taking examinations organised by state examination commissions. There are also examination boards appointed by employers (e.g. chamber of crafts), which certify equivalent qualifications providing for the title of journeyman or master craftsman in a profession<sup>149</sup>.

An important element of the CVT system are **Centres for Continuing Education** (CKU, 102 in year 2000, established and run by local governments), which are multifunctional public educational facilities offering education, further education and training to adults, in both in-school and out-of-school forms (including awarding qualification titles and the organisation of extramural examinations). The CKUs also provide training courses, commissioned by labour offices, and advisory services for teachers and trainers involved in adult education. They play an important role in preparing and implementing modern curricula and methods in adult education.

Also important are **Centres for Continuing Training in Agriculture** (RCKU, 44 in 2000), which provide training to people in farming occupations and try to satisfy the educational aspirations of individuals and respond to local labour market needs. The majority of RCKUs operate at agricultural school complexes in small towns and rural areas.

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<sup>148</sup> Schools for adult enrolment may be sought by persons who are at least 17 years of age in the school year in which they start education. Adult education is usually provided in the same buildings as education for youth and the teachers are mostly the same. Regulation of the minister of education, 27 August 2001, on the conditions and procedures of enrolment, in Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

<sup>149</sup> Szubanski, *Permanent Education of Adults*.

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A major player in CVT is the **Union of Vocational Education Centres (ZZDZ)**, which is a nongovernmental, non profit institution running a network of 25 facilities, including also a large number of vocational education schools (about 400). The **Polish Association for Adult Education (TWP)** mainly provides courses and has the second largest number of participants.

So-called **Folk Universities** operate in particular in villages and small towns<sup>150</sup>.

The overall statistical base on CVT is not fully developed, as national statistics mainly cover CVT in schools and 10 categories of providers of out-of-school forms of CVT<sup>151</sup>. In particular private training provision needs to be more closely analysed. At the same time, the market in private training service providers is rapidly developing and with no sufficient financial support system in place there is a risk that the burden of costs for CVT is increasingly placed on individuals, with the further risk of social exclusion.

### Participation in CVT

OECD data show that Poland has a **low rate of participation in continuing training** (13% in 1998/99) compared to other countries (UK 45%, Sweden 54%, Czech Republic 27%, OECD average 31%) among the population in age group 25 to 64. The expected number of hours of training outside formal education over the life cycle (1,024) is also lower than in most other countries (OECD mean 1,730 in

1994–98), but at the same low level as in Belgium and higher than in Italy (861 hours)<sup>152</sup>.

According to national data<sup>153</sup> the average number of people in continuing training in the past few years varied between 1.2 and 1.6 million, i.e. 8 to 10% of the overall economically active population, compared to approximately 20% in EU countries<sup>154</sup>. In school year 2000/01 the **total number of participants** in continuing training amounted to 1.64 million (about 340,000 in the school system, and 1.3 million in the out-of-school system, including about 100,000 unemployed in 2000). The total number of participants is higher (2.72 million) if students in higher education – at evening courses, extramural courses and postgraduate courses – are included<sup>155</sup>. Preliminary information from the MoLSP for 2001/02 indicates a slight increase (0.2 million) in participants, mainly due to adults learning at school, while the number of adults in the out-of-school system decreased to some extent in 2002.

According to the MoNES about 60,000 adults annually are obtaining vocational qualifications<sup>156</sup>.

■ The participation of **adults in formal education** as a part of CVT is substantial and still increasing (260,000 in 1996, 340,000 in 2000/01, see annex, table 4; preliminary data give 360,000 in 2001/02), demonstrating the strong school-based approach of the Polish education and CVT system. Most adults

<sup>150</sup> Eurydice/Cedefop, *Structures of education, initial training and adult education systems in Europe*.

<sup>151</sup> Regular national statistics include data from training providers registered by local and regional self-government authorities respectively, supervised by the Kuratorium. Additionally, training can be provided by institutions or organisations for which this activity is not a primary one (for example NGOs, associations, foundations operational across various sectors). MoLSP, Labour Market Policy Department, September 2002, Opinion on the draft country monograph on VET and Employment Services in Poland.

<sup>152</sup> OECD, *Education at a glance 2001*; according to the IALS (International Adult Literacy Survey).

<sup>153</sup> It should be noted that international and national sources are not necessarily comparable to each other. This is not an exceptional case, since there are uncertainties typical of the national and European statistics on adult training/continuing training. The notion of 'adult person' as such can be understood in different ways depending on the survey.

<sup>154</sup> MoLSP, *National Strategy for Employment and Human Resources Development 2000–06*, Approved by Councils of ministers, Warsaw, 4 January 2000.

<sup>155</sup> MoLSP, Labour Market Policy Department, September 2002, Opinion on the draft country monograph on VET and employment services in Poland. In school year 2000/01 there were 79,000 students at evening courses in higher education, 802,000 students in extramural courses, 10,000 external students in higher education, 170,000 participants in postgraduate courses, and over 6,000 participants in extramural doctorate studies.

<sup>156</sup> Information provided by the VET Department of the MoNES, May 2002. The total number of adults obtaining vocational qualifications was 61,195 in 1999 and increased to 63,432 in 2000.

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are still opting for secondary vocational schools (57%), but on a stagnating trend since 1998. Most dynamically increasing in recent years is participation in secondary general schools and higher education schools (students in evening and extramural programmes).

- In the **out-of-school** system, **training provision** (measured by number of courses and participants) by private providers, enterprises, social associations and NGOs, is important (see table 9, showing the main categories of training provider included in official statistics), whereas provision by public authorities remains at a rather modest level (but this does not reflect the fact that public entities might order training from other providers)<sup>157</sup>.

According to the registers of local governments and Kuratoriums there were 2,294 training providers in 2000 (an increase of 28% compared to 1998). The database of labour offices listed about 11,700 establishments (including 4,700 schools) offering training courses. The network of training providers is unevenly distributed<sup>158</sup>. In 2000 only 4% of training providers were located in rural areas<sup>159</sup>.

However, the largest share of participants in out-of-school forms of CVT still stems from obligatory health and safety courses (26%; 350,000 participants), followed by language courses (20%; about 264,000 participants) and in-service training in enterprises (19%; 249,000 participants).

**Table 9: Training providers in the out-of-school system (school year 2000/01)**

| No | Training provider  | Number of courses | Number of trainees |
|----|--|-------------------|--------------------|
| 1  | Powiat local government                                  | 398               | 11,632             |
| 2  | Voivodship self-government                               | 60                | 1,326              |
| 3  | Association of Polish Crafts                             | 564               | 12,739             |
| 4  | National Cooperative Council                             | 1,305             | 21,711             |
| 5  | Social associations and organisations                    | 21,291            | 389,006            |
| 6  | Trade unions   | 914               | 22,921             |
| 7  | Religious organisations                                  | 514               | 7,797              |
| 8  | Enterprises of individuals, civil law cooperatives, etc. | 29,197            | 439,705            |
| 9  | Commercial law companies                                 | 20,815            | 389,289            |
| 10 | Foundations  | 1,311             | 22,870             |
|    | <b>Total</b>   | <b>76,369</b>     | <b>1,318,996</b>   |

Source: MoNES, *Education in school year 2001/02*.

<sup>157</sup> According to the opinion of the MoLSP the provision of out-of-school training in Poland is seen as quite significantly developed, except in rural areas. The offers of commercial training institutions showed some trends in 2001, such as consolidation of the market, quality assurance, and promotion of training needs among potential clients. An increase in the training institutions offering training based on ICT or combining conventional training with modern technologies (e.g. internet) has been noticed, as well as a new and interesting trend in the provision of services on training effectiveness by some training institutions. MoLSP, Labour Market Policy Department, *Opinion on the draft country monograph on VET and employment services*.

<sup>158</sup> The total number of entities and institutions providing various types of training for adults (including consultancy firms, foundations, enterprises and associations) is based on estimated figures. Thus, in 2001/02 adults might have benefited from education and training provided by around 14,000 to 18,000 entities. As mentioned before, entities and institutions are legally allowed to provide training after business registration without obtaining any accreditation from the regional educational authorities.

<sup>159</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

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- In 2001, the NGO ZZZD provided training to about 285,000 participants (including a large share of health and safety courses), of whom 48% were directed to training by their employer, 44% attended on their own initiative and 8% were sent for training by the labour offices<sup>160</sup>. Since 1997 the number of ZZZD participants has fallen by 20%, mainly because of the difficult economic situation, resulting in less courses being financed by employers and labour offices.

According to Labour Force Survey (LFS) data (4th quarter 2002), the share of those who financed CVT on their own initiative increased in the past years (47% financed their own training partially or fully in 2001, compared with 54% in 2002).

- According to the Eurostat CVTS2 survey<sup>161</sup>, Poland ranked only sixth among nine future EU member states regarding the **share of enterprises** (39% in Poland) providing some kind of CVT in 1999 (compared with 69% in Czech Republic, 63% in Estonia, 48% in Slovenia). The highest percentage of enterprises providing training was observed in the financial–intermediation branch (61%), the lowest in wholesale and retail trade (33%). Those Polish enterprises which do not provide any CVT mentioned as main reasons that the existing skills of their employees already meet the needs of the enterprise (82%), that CVT costs are too high (37%), and that initial training is sufficient (36%).

The **participation rate** (participants as a proportion of total number of employees) **in enterprises** providing ‘courses’ (as one type of CVT only) was 33% (for both women and men) and above those of Latvia (25%) and Hungary (26%) in 1999, but still lower than in Czech Republic (49%), Slovenia (46%) and EU Member States. Among ‘other forms of in-service training’, the job-rotation principle and training using

normal tools of work were more popular in Poland than in other future member states<sup>162</sup>.

Former OECD data show that the average **number of hours spent on job-related training** was 20 per employee in 1995 (Netherlands 57, Belgium 27), and only 3% of those courses were supported by government (Belgium 11%, UK 4%). The Eurostat CVTS2 survey showed an increase to 28 hours in CVT courses per participant in 1999, with Poland ranking only in seventh position among nine FMS.

- CVT currently **addresses the unemployed to a very limited extent**. The number of participants in **labour market training** programmes steadily decreased between 1997 and 2000 from 143,000 (7% of the unemployed) to 98,700 (4%) in 2000. In 2001 the situation deteriorated further, as only 47,600 (less than 2%) of the unemployed participated in training. However, there are first signs that the new government will address this problem more seriously in 2002/03.

Because of the lack of an accreditation system for training institutions, as well as the lack of vocational qualification standards, the issue of quality and standards of training provision in CVT poses a serious challenge. Information about teaching staff involved in CVT is insufficient and is surveyed only incidentally.

A **monitoring mechanism** covering the CVT system and its links with the labour market has not been strongly developed yet. The method of tripartite training agreements and monitoring of shortage and surplus occupations has been piloted in some counties; however, for financial and other reasons it is not yet being considered for application across the whole country. At the regional level, in the context of regional development and educational planning, regional authorities have initiated

<sup>160</sup> Statistics provided by the National Observatory, June 2002.

<sup>161</sup> Nine candidate countries participated in the Eurostat survey. It must be stressed that the sample size applied for Poland (only one selected region – Pomorskie voivodship – participated) might not be representative for the whole country. However, Poland has shown commitment to participating fully in the next Eurostat survey in 2004.

<sup>162</sup> Eurostat, *Statistics in focus*, Theme 3–2/2002, First survey of continuing vocational training in enterprises in candidate countries (CVTS2).

attempts towards market monitoring and prognostic research. Recently, the Governmental Centre for Strategic Studies issued a study on the emergence of new occupations and labour demand forecasting, prepared by an interministerial working group. The study is expected to provide an input for education and training planning and programming (for more information see section 2.2).

### CVT reform

The ongoing education reform mainly focuses on initial education and training, and CVT is being addressed by specific policies only in a fragmented way. Although both the National Strategy for Employment 2000–06 and the JAP lay down fundamental objectives (fostering the involvement of social partners, new system of incentives, widening access to training for the unemployed) and **ambitious targets** have been set, e.g. to increase the share of employees undergoing training from 10% in 2000 to 18 to 20% in 2006, coherent conditions and mechanisms promoting the participation and enhancement of qualifications have not yet been developed. Key outputs cannot be expected until 2004 at the earliest.

In 2000, in cooperation with other training providers, the NGO ZZDZ launched an initiative by **drafting a bill on CVT promotion**, but this initiative was not supported or taken up by the previous government.

The **major input to CVT reform** is expected from a delayed Phare 2000 project (to be implemented from 2002 to 2004) managed by the Ministry of Labour, focusing on an improved legal framework for CVT, social partner involvement and incentives for employers. This project also proposes to develop a methodology and to conduct various statistical surveys (e.g. on the educational activity of adults, on services delivered by training institutions, on employers' involvement in staff training). It envisages developing the legal and organisational framework for the introduction of modular training and elaborating about 80 modular curricula

based on the ILO's methodology. Finally it aims to contribute to the development of about 40 new national vocational qualification standards (NVQs), also creating and implementing a computer data base on NVQs and modular curricula<sup>163</sup>.

In addition, the National Strategy for Education foresees additional expenditure until 2005 for certain aspects such as the accreditation system for CVT and the further development of distance learning. It is assumed that with the introduction of the education reform by 2007 a substantial shift will take place from school-based forms of CVT to courses along with a system of external examinations certifying vocational skills. This should provide for wider accessibility and an upgrading of the level of education and qualifications.

#### Overall assessment

**Progress in CVT reform and widening access to continuing training is slow** and the existing instruments are too weak to meet the demand for training effectively. The main challenge remains the integration of CVT into an overall national lifelong learning strategy (including better matching between initial and continuing training), involving all stakeholders concerned. The framework for a clear state education policy in this field is being prepared but a breakthrough can be expected the earliest in 2004. Whereas much attention is being paid to 'school forms' of CVT, **the 'out-of-school form' provision is lacking attention** and there is a need to find the appropriate balance (including resources) between those two systems.

Currently the **unemployed are addressed to a very limited extent by CVT** and there is a great need to strengthen training measures for the unemployed and disadvantaged. Although this issue is recognised at a declarative level in policy documents, it has received scant attention in recent years in reality, mainly because of a lack of funding.

#### Counselling and guidance

Two ministries (MoNES, MoLSP) are responsible for vocational guidance (legal framework, strategy and policy development), and efforts are being

<sup>163</sup> European Commission, EuropeAid, Phare PL0003.11.02 Poland, Service Contract Forecast, April 2002.

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undertaken to create a more integrated approach. As important milestones, the Methodological Centre for Information and Vocational Guidance was founded at the National Labour Office in 1997, and a **National Vocational Guidance Forum** was created in 2000 by a joint initiative of the Task Force for Training and Human Resources (BKKK), guidance practitioners, the MoLSP and the MoNE. In addition, the administration reform has had a considerable impact on the operation of the guidance services, which have been integrated since 1999 into two different departments of local self-government administration; this should also encourage the integrated approach.

There has been a dynamic growth of vocational guidance in the system of labour offices, whereas the guidance system in the education sector lacked capacity and did not grow rapidly, partly due to the preparation and introduction of the education reform<sup>164</sup>.

Traditionally, the MoNE has been in charge as regards youth enrolled in schools, with a network of **psychological-pedagogical centres** (587 offices with 7,000 full-time employees in 2000/01), specialising in the field of psychology and pedagogy<sup>165</sup>, as well as other centres providing guidance, now supervised by local self-government. The MoLSP has been in charge of counselling and guidance for adults, unemployed people and job seekers, carried out through 373 local labour offices, which have also been integrated into the local self-government administration. There are also 52 vocational information and **career planning centres** and 240 information and group counselling bodies<sup>166</sup> run by the labour administration. In the system of local labour offices and

career planning centres there were about 254,000 clients in 2000 (59% women), of whom 90% (230,000) were unemployed and 10% other clients. As a result of vocational guidance activities about 18% of the unemployed clients became employed in 2000<sup>167</sup>.

In addition, guidance activities are also organised by larger companies (eg Polish Railways)<sup>168</sup>.

Vocational guidance has a long tradition in Poland with its roots in the 1920s. ILO Convention 142 on development of human resources and vocational guidance was adopted in 1979. In the last decade Poland received substantial support to the further development and upgrading of vocational guidance by a World Bank project implemented between 1993 and 1998. In addition, **European experience in guidance** methods, professional tools and education of counsellors (modular-based curricula) has been introduced into the Polish system, in particular from France, UK and Denmark. In the classification of occupations and specialisation issued by the MoLSP, the vocational advisor and employment counsellor are listed among the specialists in personnel and professional development<sup>169</sup>.

In addition, standards for the profession are being prepared for the MoNES by a team of experts of the Vocational Guidance Forum. New postgraduate studies in the field of vocational counselling have been introduced recently, e.g. at the Higher Pedagogical School of Lower Silesia and other non public higher education institutions. Further projects are focusing on the standardisation of some forms of counsellors' education and the elaboration

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<sup>164</sup> Elzbieta Drogosz-Zablocka, Vocational guidance and career planning, in *National VET Report 2001*, National Observatory Poland, March 2002.

<sup>165</sup> National Observatory, June 2002. These centres provided psychological and pedagogical assistance to children and youth up to 19 years of age as well as parents, teachers and mentors. In the reported period they provided assistance to 1.26 million children and young people and 353,000 adults. In 1998 there were about the same number of psychological-pedagogical offices. Drogosz-Zablocka, Trzeciak and Lycka, *Continuing vocational training*.

<sup>166</sup> So-called 'Rooms for Vocational Information and Group Counselling'.

<sup>167</sup> Information provided by the National Observatory, April 2002.

<sup>168</sup> Butkiewicz, *Capacity of initial VET and CVT system to support national employment policy*.

<sup>169</sup> Barbara Kuta, *Vocational guidance for adults – case of Poland*, Workshop on Guidance in Adult Education at the Careers Guidance Conference, Bled, Slovenia, May 1999.

of a postgraduate programme for 'euro-counsellors'.

There is a need to widen access to job information and vocational guidance services and for better equipment and infrastructure in the psychological-pedagogical centres, particularly in view of the growing role of ICT techniques and internet-based information used by vocational counsellors ('Multimedia Knowledge System'<sup>170</sup>). There are plans to introduce an internal system of vocational counselling into every school at postprimary level. At the same time, following decentralisation, cooperation at the national level needs to be strengthened.

#### **Assessment and certification mechanisms**

In the existing system, responsibility for certification, evaluation and the issuing of maturity and vocational title diplomas lies with the head teachers of the relevant types of secondary school. In the reformed system these tasks will move to the newly introduced eight **Regional Examination Commissions** (coordinated by the Central Examination Board) appointed by the minister of national education. The existing system neither ensured national comparability of pupils' performance nor provided control mechanisms for the work of teachers and schools. The new system will combine both internal and external assessment.

In June 2002 an **external standardised competence test** on completion of primary school and an external examination at the end of the third year of the new lower secondary/gymnasium, both conducted by regional examination commissions, were introduced for the first time. Although the results of both these tests do not determine a pupil's progress, the results obtained by pupils are recorded in a school certificate.

The new maturity examination will be composed of a part taken internally at the

school (oral examination) and an external part (written examination). It was thought that the new maturity exam should eventually replace entrance examinations to schools of higher education; however, the new government has suspended this action and postponed the introduction until 2004/05 <sup>171</sup>.

The **first external vocational examinations** will take place in 2004. Examinations will be held based on the requirement standards defined for given occupations by authorised institutions (e.g. schools, enterprises). The occupational titles of apprentice and foreman may be acquired also by an examination committee operating with a chamber of crafts. At the end of 2001, standards for examination requirements had been developed for 73 occupations.

Since 1999, vocational school graduation has been separated from the acquisition of the occupational title. The system now allows graduates to continue their education at a higher level, whether or not they have taken a vocational examination.

The title of **qualified worker** or worker with equivalent qualifications in a given occupation has been granted to graduates of basic VET schools, vocational lyceums and one-year post-lyceum schools who have successfully passed the relevant vocational examinations. The title of **technician** or equivalent in a given occupation is granted to graduates of technical secondary schools (technicum), post-lyceum and postsecondary schools who have successfully passed the initial VET examination. Both titles, certified with diplomas, can be obtained irrespective of the form in which education took place (daytime, evening, weekend, extramural, or based on out-of-school examinations).

The same rules apply for adult education in the school system ('school-based CVT'). Upon graduating from a secondary VET school the adult student may be awarded a diploma certifying completion of school but

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<sup>170</sup> Wojciech Kreft, Malgorzata Jezewska-Maicka, and Helena Legutko, *The Multimedia Knowledge System – new form of educational vocational information*, Presentation at the World Conference of the International Association for Educational and Vocational Guidance, Warsaw, May 2002.

<sup>171</sup> Dlugokecka, Modernisation of Initial VET, in *National VET Report 2001*.

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is not obliged to take the exam testing vocational skills with a qualifications title.

Regarding the **validation of proven work experience**, Poland introduced legal provisions and procedures by a joint ministerial decree (MoNE and MoLSP) in 1993 providing for the award of formal qualification titles through state examination commissions. This applies to persons wishing to confirm the level of qualifications they have acquired not in the course of school studies but resulting from their professional experience.

In addition, in certain occupations and crafts (e.g. protection workers, engineers and technical staff in the electric power sector, most categories of craftspeople, occupational safety and health officials) related professional associations can issue and deliver **state-recognised certificates** following training and examinations organised within the respective occupation or craft. The National Employment Action Plan 2002 envisages among other priorities the implementation of a unified system for the validation of qualifications obtained through either the formal (school) or the non-formal (non-school) training system<sup>172</sup>.

In the field of higher education, some of the MoNE's responsibilities had been delegated by the early 1990s to the elected **Council of Higher Education**, which defined relevant standards and reviewed applications for the new higher education institutions. The Act on Higher Vocational Schools of 1997 required the creation of an Accreditation Committee for newly created public and private higher VET schools (including evaluation of curricula and assessment of education quality). In the late 1990s, bottom-up initiatives started as Polish universities set up independent university accreditation systems.

As a result of legal changes in July 2001, a **State Accreditation Commission** began its activity in January 2002; its main task was to provide for the delivery of minimum quality standards in all tertiary education.

The new legal provisions concentrate on academic standards and do not differentiate the specific higher vocational education sector<sup>173</sup>.

### Overall assessment

The work on setting up a **new external examination system** that also certifies vocational qualifications has continued, while the introduction of the new maturity exam has been postponed to 2005. The new examination system is **expected to generate more reliable information** on the overall standard of education and potential needs to align the work of schools. A system of **accreditation of examination institutions** will be an important quality assurance element.

Regarding the validation of **non-formal and informal learning** there are some provisions in place. However, these will have to be extended and further developed to form a coherent system in the context of a lifelong learning perspective.

Efforts are being undertaken in the field of vocational guidance and counselling towards the creation of a **more integrated approach** between education and labour and widening access to services. A clear timetable needs to be established for the introduction of career counsellors in schools.

## 2.2 RESPONSIVENESS OF THE EDUCATION AND TRAINING SYSTEM TO THE NEEDS OF THE LABOUR MARKET AND THE INDIVIDUAL

### 2.2.1 PLANNING/ PROGRAMMING AND RESPONSIVENESS TO THE LABOUR MARKET

In the 1990s the Polish VET system had to cope with the process of transformation from a centrally planned economy, geared to heavy industry and mass production, where educational planning was a component of economic planning and administration and where management of

<sup>172</sup> Haralabos Fragoulis, *Validation of non-formal and informal learning. An analysis of the first responses by the candidate countries*, Conference paper, Oslo, May 2002.

<sup>173</sup> Information provided by the National Observatory Poland, June 2002.

the **VET system had become extremely centralised**. The structure and contents of VET closely followed the structure and main characteristics of the economy. VET schools were usually attached to enterprises and functioned in a way as the producers of guaranteed new manpower for these enterprises.

As Poland was one of the pioneers in the process of economic transition among the future member states, it might be expected that the adaptation of the education system to the needs of a market economy would be more advanced than in other countries. However, Poland has not progressed as fast in education reform as countries such as Hungary or Czech Republic, and in some respects still lags behind them<sup>174</sup>.

Although, the Polish Ministry of National Education has long recognised that the existing VET system would be incompatible with the development of a modern labour market and market economy<sup>175</sup>, **progress in reform has been slow** in this respect, as the existing structure of education was outdated and the choice of educational courses resulted more from the existence of particular schools than from clear links to the labour market.

As a result **unemployment among graduates**, in particular graduates of vocational schools, is of grave concern (see section 1) and is currently being addressed by a specific government programme. Almost half of recent graduates (45%) do not find a job<sup>176</sup>. Unemployed graduates of vocational schools accounted for over 80% of all unemployed recent graduates in 1996 and over 72% of graduates in 2001<sup>177</sup>.

In recent years a **number of elements have been developed** (both by educational and labour market stakeholders) in order to link and respond better to labour market needs. However, these elements do not yet constitute a coherent and comprehensive system and are sometimes applied only on a small scale. In addition, new initiatives promising to improve the situation are underway.

**Labour market information** and information on **skill needs** in the context of a changing labour market are being collected, but not systematically, and so far the impression is that this material informs educational planning and programming only to a limited extent. At the same time, there is a high degree of scepticism about the reliability and relevance of such forecasts of future skill needs, as experience from EU member states shows fundamental problems with predicting medium and long-term needs for occupations and deducing concrete educational policies from such data.

■ Until recently the information system on **labour market demand** and **unemployment** has been based on two main sources: regular monthly reports on registered unemployed (prepared by the PES network) and the Labour Force Survey (LFS), covering about 22,000 households and conducted and published quarterly by the Central Statistical Office (CSO). In addition, a specific survey on labour demand is conducted and published biannually by the CSO, covering 60,000 enterprises in 2000. The available **labour market statistics** are too aggregated and broad in relation to the needs of the education system, and finally in most cases do not facilitate educational decision making

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<sup>174</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

<sup>175</sup> The MoNE has started a gradual process of reform, focusing on modernising and improving curricula, developing secondary VET schools and broadening the scope of vocational education. The current approach aims for vocational education to ensure flexibility by means of short educational stages, based on good general education and wide-profiled general vocational preparation. In addition, it aims to ensure a high quality of education and comparability of obtained qualifications, as well as preparing students for the right choice of profession.

<sup>176</sup> MoLSP, 'First Job'. About 900,000 students will graduate from schools and universities in 2002. It is expected that about 520,000 of these will need some help when entering the labour market.

<sup>177</sup> Ministry of National Education (MoNE), head of Department of Education for the Labour Market, July 2001; data based on registered unemployed. Data for 2001 provided by MoLSP (structure of registered unemployed graduates as of end of 2001 by type of schools completed in 2001).

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on training structures by occupations and contents.

- A promising initiative was implemented by the Government Centre for Strategic Studies (RCSS) and the **Interministerial Working Group for Labour Demand Forecasting**, which is an auxiliary body to the Council of ministers, aiming to elaborate methods and procedures for forecasting demand for labour by categories of qualifications, and to work out ways to create and verify such projections<sup>178</sup>. It is expected to provide information for planning changes in the structure of secondary and higher education, to avoid training students in professions that will not be in demand on the labour market, and to allocate public spending on education more effectively. In addition, it should facilitate planning and anticipation of the training and requalifying of individuals in occupations for which demand will increase<sup>179</sup>.
- The development of new methods of labour market monitoring, focusing on a comprehensive diagnosis, has started and has been piloted in selected counties since 1994, but so far has never been implemented in a systematic and comprehensive way.
- In particular the **monitoring of shortages and surplus occupations** (MSSO) method was successfully implemented in some counties, but has not yet been used on a wider scale. Although the MoLSP has already recommended the dissemination of this method to other PES offices, it does not support its obligatory introduction because of other priorities and because it considers this method too costly and time-consuming. The MSSO is under review and verification, and a simplified version which has been developed by the former National Labour Office is more likely to be applied by many PES offices<sup>180</sup>.
- The MoLSP is continuing to **upgrade methodologies for analysis and forecasting** in the area of VET. In cooperation with Eurostat, the CVTS2 survey on continuing training in enterprises was carried out in one Polish region (Pomorskie) in 2000<sup>181</sup>. Also, a module related to CVT has been included in the research on economic activity of the population (BAEL) implemented by the Central Statistical Office as of 2001, collecting information on the kinds of out-of-school education, the forms, objectives and duration of training, and participation in financing. In the framework of a Phare 2000 programme the MoLSP will conduct **statistical surveys on CVT** in enterprises in 2002–03.
- Since decentralisation started some local labour offices have started to publish regularly a **list of workplaces by vocations** sensitive to unemployment and those in demand.
- In some regions, the regional labour office has published a **ranked list of secondary schools** (vocational and general) containing information about the percentage of employed and unemployed graduates by school.

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<sup>178</sup> The RCSS was established in 1997 as a state organisation subordinated to the prime minister, with the task of preparing forecasts and long-term strategic programmes for economic and social development. Under an instruction of the prime minister in January 2002, the RCSS renders its services to the Interministerial Working Group for Labour Demand Forecasting.

<sup>179</sup> At the end of 2001 a study was published and distributed for discussion to national and local authorities on 'Emergence of new occupations and labour demand forecasting'. Resulting from the development of new technologies, nine areas have been identified in which the biggest changes are taking place and where there will be high demand for new qualifications, among them: information technology, biotechnology and its applications, environmental protection, modern financial operations and e-banking/e-commerce, servicing the regional integration process, health care/promotion/home assistance and education. For each proposed new occupation an estimated scale of labour demand has been defined, e.g. environment bio-technologist: 1,000–5,000 persons by 2010, information broker: 2,600–10,000 people.

<sup>180</sup> The MSSO method was developed by Prof. M. Kabaj and aims to enable vocational schools to adjust their offer to the local labour market gradually by regularly receiving information on shortage and surplus occupations from labour offices. The analysis between 1994 and 1997 has shown two main conclusions: firstly, that vocational schools are producing not enough graduates for shortage occupations but too many in surplus occupations; secondly, that under conditions of high unemployment there is still a shortage in certain occupations.

<sup>181</sup> The survey covered a sample of 2,100 enterprises. Poland is planning to participate fully in the next Eurostat survey in 2004, as other FMS did in 2000.

- In order to increase **cooperation between educational and employment stakeholders** the Kuratorium in Warsaw has signed a memorandum of understanding and cooperation agreement with the regional labour office of Warsaw voivodship, aiming at counteracting unemployment among school graduates (measures include development of analysis concerning the distribution of post-gymnasium schooling, preparation of pupils for the labour market, joint collection, updating and dissemination of vocational information, and planning of training for the unemployed).

The **involvement of social partners** in planning and programming is still weak and the cooperation with employers is not at a satisfactory level, mainly because of their lack of interest in vocational education and training.

- **Employment councils** at national, regional and local levels are assigned advisory functions related to education and training. The impact of the social partners' participation in these bodies varies greatly, depending on the local situation, working relationships and other factors. In general the social partners have not been very active concerning VET issues, which are not among the priorities of their agendas.
- **Regional education councils**, led by the Kurator, comprise teachers, parents, students, social partners, and regional administration and labour offices. However, they are operational in only a few regions and do not always fulfil their basic aim of identification of educational needs in the region.
- The method of **bilateral training agreements (BTA)** is used to a small extent by vocational training centres. It covers consultations and agreements between enterprises and training centres concerning the structure, contents and patterns of training in line with expected skill needs.

- **Tripartite training agreements** have been introduced on a small scale to improve the efficiency of labour market training (see section 3 on the PES).

#### **Classification systems for occupations**

The work of improving and 'unifying' the two different official classification systems for occupations in Poland started in 1997 and was completed at the end of 2001. The two classifications are:

- the Classification of Occupations and Specialisms, worked out by the MoLSP and the Central Statistical Office (with more than 2,400 occupations), used mainly for statistical and reporting issues;
- the Classification of Vocational Education Occupations, prepared by the MoNES (comprising 195 broad profiled occupations), which is used as a basis for vocational education and training in a given profession<sup>182</sup>.

Currently vocational education is provided in about 400 occupations (including unique occupations and vocations being phased out). Only in occupations covered by the vocational training classification is the validation of qualifications possible with the awarding of state-recognised titles of qualified worker, technician or equivalent.

#### **Qualification standards**

A national system of vocational qualification standards is not in place yet, although elements of it do exist. A methodology for developing vocational qualifications standards was developed with EU support in 1999 and tested and disseminated in 2000 in some occupations (mechanical technician, financial accounting worker, social worker, vocational counsellor, etc.). Originally it was planned to prepare national vocational qualification standards (NVQs) for most professions by 2004 at the latest, but further development of standards remained

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<sup>182</sup> The vocational classification for the VET system comprised 293 white-collar vocations and specialisms and 263 blue-collar ones, making in total 556 vocations and specialisms in 1986. The system did not adapt in the period of structural changes in the economy, and this became one of the reasons for huge unemployment among vocational school graduates.

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delayed. In the framework of a Phare 2000 project (National Vocational Training System), the preparation of standards of vocational qualifications for a further 40 professions and the development of the legal and organisational framework for NVQ implementation are envisaged. The MoLSP is seeking to obtain the financial means necessary for the continuation of these activities after 2004<sup>183</sup>.

Currently Poland lacks an institution responsible for the development and quality assurance of vocational qualification standards in order to create a national system of standards comparable with EU and other future member states<sup>184</sup>.

### 2.2.2 CURRICULUM DESIGN/DEVELOPMENT

In the transition period the modernisation of curricula was quickly identified as a priority issue<sup>185</sup>. All curricula related to economic issues had to be revised and, in addition, there was the task of developing curricula for subjects that had been neglected hitherto, such as modern languages, or had not been needed, such as financial management, banking and principles of market economics.

The legal basis for further curriculum reform was only created in 1995. It introduced new principles of programming education, whereby the old system of centrally developed full curricula was abandoned and replaced by a concept of centrally decided core curricula that regulate 80% of the total curricula. School teachers could fill up the remaining space according to the needs of the local situation upon final approval by the Kurator<sup>186</sup>. Curricula were developed by 'author groups' of teachers, and individual schools, directors and teachers were left very much on their own to find the appropriate adaptation. In 1997 most schools in Poland were still working on the basis of the old qualifications and curricula.

Substantial international assistance and EU support were provided for curricular reform<sup>187</sup>. Whereas Poland has found it difficult to integrate successive Phare VET programmes into an overall national policy concept for VET, in terms of curricula the reformed Polish education system now evidently includes several components stressed in the Phare programmes<sup>188</sup>.

The educational reform now underway in Poland is necessarily leading to a **redefinition of curricula** for VET, secondary general schools and subsequent forms of vocational

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<sup>183</sup> Information provided by the MoLSP, Labour Market Policy Department, in the context of the consultation process on the *Annual Review of Progress in VET Reform 2002*, May 2002.

<sup>184</sup> Zofia Sepkowska, Stefan Kwiatkowski, *Development of a methodology of vocational qualification standards. A guide*, Warsaw, 2000.

<sup>185</sup> As the previously existing supporting infrastructure for curriculum development had closed down (including the Institute for Vocational Research), many of the curriculum innovation projects were financed from foreign assistance, either bilaterally or through Phare support and other EU programmes.

<sup>186</sup> Grootings, Parkes, Nielsen, Gronwald, *A cross-country analysis of curricular reform in VET in Central and Eastern Europe*.

<sup>187</sup> EU Phare assistance (UPET, IMPROVE, MOVE programmes) to vocational education between 1990 and 1998 targeted the development and review of curricula for 29 occupations. Their underlying principle was to design more broadly profiled occupations and use a modular approach at different attainment levels in vocational areas such as construction, chemistry, textiles, electronics, telecommunications, metal trades, and economics. A large number of teachers were trained on the subject matter, as well as on active types of learning to deliver the new curricula. In addition, a handbook on the introduction of core skills into the curricula of elementary and general secondary schools was prepared, course-specific teaching and learning materials were developed and modern learning equipment was supplied to 35 selected schools. In the field of higher education the EU Tempus programme has supported the development of modern curricula at universities (to a small extent also for secondary and postsecondary schools).

<sup>188</sup> Grootings, Parkes, Nielsen, Gronwald, *A cross-country analysis of curricular reform in VET in Central and Eastern Europe*, ETF, 1999.

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education<sup>189</sup>. The curriculum reform is aiming to increase the scope of competence, freedom and responsibility of teachers and head teachers. Each school has to establish a school set of curricula and an educational programme for the school. Individual schools may either implement curricula, which are developed independently by teachers themselves or those which have been approved by the MoNES. The long-term objective is to ensure that teachers may rely on their own professional skills to translate the tasks defined in the core curriculum into daily school practice. Head teachers of vocational schools are entitled to introduce new vocations or profiles in VET schools, upon consultation with the local authorities (employment council, county council) and the Kurator and with their agreement.

Teachers can also choose the forms and methods of teaching and are free to choose textbooks from a set approved by the MoNES. Schools are gradually introducing new textbooks<sup>190</sup>.

Core curricula for VET have been under development and have been gradually introduced since 1997 for occupations featuring in the classification of Vocational Education Occupations. At the end of 2001, 163 core curricula were approved by

the MoNE and other ministries responsible for certain occupations. At the same time, 251 curricula for public VET schools were registered in the list of curricula admitted for school use. Necessary adjustments in teaching plans were made to ensure a uniform code of general education in the context of the future external maturity examination. At the end of January each year, a list of approved curricula for public VET schools will be published for the forthcoming year<sup>191</sup>.

The new curricula are expected to enable graduates to be better prepared for the requirements of the labour market (to perform a greater variety of jobs, to work with new technologies, to cope with constant changes, to acquire social and communication skills, etc.). The need to expand the school curricula by a set of so-called basic skills has been recognised, based on the results of research, together with awareness of the general shortcomings of the quality of education. Basic skills are understood – apart from the ability to read, write and make calculations – as including the ability to use information, knowledge of foreign languages (at least two from the EU working languages), higher cognitive skills and the ability to understand oneself and develop one's personality<sup>192</sup>.

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<sup>189</sup> National Observatory, July 2002. New core curricula for general education in all types of postprimary schools (under the new system) were established in February 2002; Eurydice/Cedefop, *Structures of education, initial training and adult education systems in Europe*. Core curricula have been developed and introduced for all types of schools (operating under the existing school system) by the MoNE, on the basis of the Regulation of 15 February 1999 on the Core Curriculum for General Education. Core curricula also cover about 80% of the activities included in the timetable, while the remaining 20% are flexible as regards timetabling and are left to the school's own discretion. This Regulation applies to primary education, lower secondary education, and general education in all types of upper secondary schools. The core curricula are divided by subjects (structured around aims, tasks of schools, content and expected achievements), and within each subject variations exist depending on whether a given subject is taught in general secondary, in vocational schools leading to the matura examination, or in basic vocational schools. Respective outline timetables are attached in a separate Regulation. The approved number of teaching hours contains 45% vocational subjects in the technicum (upper secondary VET leading to the matura examination) and 54% in basic vocational schools (own calculation).

<sup>190</sup> MoNES, *Curriculum Reform*, March 2002.

<sup>191</sup> Dlugokecka, Modernisation of Initial VET, in *National VET Report 2001*.

<sup>192</sup> Bogaj et al., *Education for All: the year 2000 assessment*, Warsaw 2000.

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### Overall assessment

The education reform (new types of schools, new curricula) and several initiatives (e.g. forecasting labour demand and skills) are expected to **increase the responsiveness** of education to labour market needs, though it will still take time for the impact to be discernible and immediate measures for those who carried on under the old system need to be continued. At the same time the proper coordination between VET and the changing labour market demand still remains the key challenge and needs to be addressed in a more systematic way. It is of concern that the development and implementation of a **national system of vocational qualification standards** is still delayed. The curriculum reform puts Poland on the right track, but the increased autonomy of schools to decide on part of the curriculum is a great **challenge to teachers and school management** which needs to be addressed systematically by continuing training and improved support structures. Time constraints in the preparation and implementation of new curricula carry the risk of reduced quality in implementation.

formerly provided practical vocational education, also deteriorated.

As a consequence, in 1996 the **concept of Practical Training Centres (CKPs)** was launched. These centres provide practical education and training facilities with modern equipment, offering high-quality VET to young people and adults, as well as specialised training for teachers. The core activities of CKPs are financed by the state budget and they are authorised to conduct vocational examinations. At the beginning of 2002 there were about 125 CKPs and the MoNES is planning to develop this network further. The MoNES has prepared tools for monitoring the conditions of practical training in school workshops, Centres of Continuing Education and Practical Education Centres, in order to improve and modernise the base for practical training.

Although the education reform has included the aim of strengthening cooperation between schools and enterprises, so far no specific proposals have been worked out and a consistent concept of practical training embracing all different forms is lacking<sup>194</sup>. Viable solutions (such as institutionalising apprenticeships and placements for pupils and graduates) cannot be implemented without financial support from the state.

Currently the Polish Craft Association is the most important provider of practical vocational training. In the apprenticeship system about 60,000 graduates annually gain their vocational qualification in 126 craft vocations and specialities. They take the journeyman and master examinations in front of 1,100 examination boards, a separate one for each craft. The 7,000 members of the boards are master craftsmen, technicians, engineers and vocational teachers. Craft organisations issue annually 55,000 journeymen certificates and 4,000 master diplomas. They run their own schools and cooperate with vocational schools and training centres.

### 2.2.3 DELIVERY

#### Practical education and training

Like most other future member states, by the late 1980s Poland had developed forms of 'quasi-apprenticeship', which were school-based forms of VET for basic types of mainly – but not only – industrial occupations with a share of practical work in enterprises or training workshops. The periods of practical work were intended more to prepare prospective workers for their future jobs than to provide practical training in the proper sense of the word<sup>193</sup>. This system of '**quasi-apprenticeship**' almost completely collapsed in the course of economic and enterprise restructuring, although it did survive for different reasons in the crafts sector. As a result, enterprises practically withdrew from any cooperation with schools, and vocational education and training became far more scholastic. The conditions of school workshops, which had

<sup>193</sup> Peter Grootings, *Integration of work and learning: a challenge for education and employment systems in transition countries*. Proceedings of the 2nd workshop on curriculum innovation, ETF, September 1997.

<sup>194</sup> Dlugokecka, Modernisation of Initial VET, in *National VET Report 2001*.

An important amendment to the Law on Crafts was made on 6 September 2001, guaranteeing craft organisations the right to institutional supervision of vocational training in crafts as well as the level of education. A further duty has been imposed on the MoNE to consult the Polish Craft Association before issuing a decree defining the rules for the appointment and activities of the examination boards of craft chambers, the standards for certifications and diplomas, and the rules and procedures for supervision of the examination boards.

### **Social dialogue in VET**

The overall social dialogue itself has been dominated by ongoing conflicts in recent years, resulting in the discontinuation of the work of the Tripartite Commission in 2000, following the withdrawal of a major trade union confederation (OPZZ). In July 2001 a new law on the **Tripartite Commission** was enacted, facilitating the continuation of social dialogue at the national level. However, so far the broad scope of the Tripartite Commission's responsibilities (as well as those of the National Employment Council) has not ensured any reference to vocational education and training in its work, although trade unions and employers' organisations see the importance of vocational education in the economy and labour market. At the regional and local levels the VET situation is slightly better, but vocational education and training has been a rather incidental topic of debates in employment councils<sup>195</sup>. Social partners also were not involved in the consultation process on the EC's Memorandum on Lifelong Learning in 2001.

### **Teachers**

The MoNES is realising that the success of the reform will depend on teachers' commitment and competencies.

New teaching methodologies (activating methods, project method, leading text, guiding questions) are gradually being introduced, in particular since the creation of the new technical lyceum in the mid 1990s. Pedagogical preparation and team working are still considered weak areas in the current system. In addition, continuing training is not obligatory for teachers<sup>196</sup>. However, it is planned that by 2004 almost all teachers of postprimary schools will receive substantial support in the form of participation in different forms of continuing training. Therefore, many proposals for upgrading, improving and changing qualifications have been prepared since 2000. A special programme, New Vocational School, is aiming to prepare educators to train teachers; another, called Enterprise, is to prepare teachers to the subject of entrepreneurship; there are also programmes aiming at qualifications in the field of foreign languages<sup>197</sup>.

Regarding vocational teachers there is a need to elaborate a training concept for practical vocational teachers and to prepare teachers for implementation (e.g., at the bachelor level at present this group of teachers does not receive practical training). The current weak integration of practical training with theoretical needs to be tackled (e.g. through a modular approach). Furthermore, the authors of VET curricula (many of whom are themselves teachers) need to be better prepared, since teachers are entitled to prepare such materials, but encounter difficulties. This includes preparation of teaching materials based on the new core curricula. Improvement of ICT skills for all teachers is still a need in Poland<sup>198</sup>.

### **Other resources**

The number of pupils per computer has improved from 103:1 in 1997 to 40:1 in 2000 and the number of pupils per teacher

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<sup>195</sup> Dariusz Zalewski, Social dialogue and involvement of social partners in vocational education and training, in *National VET Report 2001*.

<sup>196</sup> Education regulations do not specify how many days per year teachers must attend in-service training. The Teachers' Charter of 1982 states only that teachers should complete at least two refresher courses during their whole professional career. Eurydice/Cedefop, *Structures of education, initial training and adult education systems in Europe*.

<sup>197</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

<sup>198</sup> Information provided by the National Observatory Poland, April 2002.

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of computer science from 1,214:1 to 437:1<sup>199</sup>. The number of personal computers in Poland per 100 inhabitants (6.9) is one of the lowest in the future member states and is far below the EU average (28.6). The number of internet hosts per 100 inhabitants (1.4 in 2001) was higher than the FMS average (0.7) but much lower than the EU mean (3.3). However, Poland had by far the highest growth rate of internet hosts in 2000/01 in all FMS and the EU (133.9%, EU average 32.5%)<sup>200</sup>.

### Overall assessment

New forms of cooperation between schools and enterprises and alternative forms of practical learning still have to be developed and supported. Despite legal provisions, there is still **no consistent concept of practical education** and training embracing the role of employers, practical and continuing education centres.

The **involvement of social partners** in education and training is **still weak** and has not been addressed sufficiently by the education reform. Further development of the social dialogue **requires institutional support and the development of cooperation mechanisms**.

### 2.2.4 INDIVIDUAL NEEDS

In general a shift in education policy took place in the last decade from the previous collective approach towards a more individual-centred approach. This has been reflected in different fields, such as curriculum development, the opening of pathways in initial education, the introduction of specific allowances (e.g. for learning performance) and the application of modular curricula in certain areas. The latest education reform has based many assumptions on **students' and parents' expectations**, almost leading to the impression that more thorough analysis was carried out on individual needs rather than on labour market needs (although

official declarations put an emphasis on the latter).

Despite this general tendency, still certain limitations remain, such as difficulties regarding the transfer of pupils between different types of school, sufficient pathways from work back to education, further promotion of distance learning, and the diagnosis of individual needs in education and training.

In CVT flexible modular training is still offered only with a limited scope in the market, although the MoLSP is promoting and disseminating modular curricula developed by a World Bank project.

The number of persons paying for training from their own resources seems to be growing; however, the demand for training has reached a financial barrier halting its further growth<sup>201</sup>.

### 2.3 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING SOCIAL AND LABOUR MARKET INCLUSION

In spite of the absence of any formal barriers to equal educational opportunities in Poland, difficulties can be observed in access to education, relating to social hierarchy and geographic location. In addition, internal obstacles (family context) and external ones (social and economic environment) as well as the system of values, the level of aspirations and abilities all influence access to education<sup>202</sup>.

Schools often lack the means to organise extra lessons for children with learning problems, which hamper their chances of progress. Low income is a growing barrier to education. Groups considered at risk of social exclusion are: a) young people living in villages (in families with low incomes, low aspirations) having reduced access to education; b) young people from agricultural families (formally not yet

<sup>199</sup> Ministry of National Education, 2001.

<sup>200</sup> Eurostat, *Information society statistics*, 37/2001.

<sup>201</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*. According to a national survey ('Demand 2000') about 40% of the employed are financing training from their own resources.

<sup>202</sup> Bogaj et al., *Education for All: the year 2000 assessment*.

excluded from education but from the labour market, mostly attending basic vocational schools and obtaining skills that are not in demand); c) school graduates (reduced access to the labour market); d) disabled persons (less educated and more difficult access to education and the labour market); e) the long-term unemployed (older people and less educated with a high need for requalification courses)<sup>203</sup>.

Some obstacles are being addressed by various forms of financial support for students, such as social allowances linked to the financial situation of the family, release from the accommodation fee in student hostels, refunds of fees for meals in schools (PLN 76 million in 2000 for the latter). In addition, school allowances and national stipends for highly talented students are granted, as well as donations by private institutions and persons<sup>204</sup>.

The number of pupils obtaining **scholarships** increased from 73,100 (1.0% of pupils) in 1997 to 263,100 (3.8% of pupils) in 2000. In the same period, the number of students obtaining scholarships also increased, from 177,200 to 214,600, but the share decreased from 16.3 to 13.6% of students. **Student credits** were introduced for the first time in 1998 for 99,600 beneficiaries; the number reached 152,100 in 2000.

The means provided by state and local budgets for **counteracting malnutrition** among pupils have been constantly increased, from PLN 71 million (1997) to PLN 156 million (2000)<sup>205</sup>.

In addition, the National Strategy for Education 2001–06 provides for special financial aid for youth from rural areas and poor families (earmarked reserve, grant of

PLN 475 million for 2002–05) and budgetary expenditure for equal opportunities for young 'dropouts' of the educational system, children representing national and ethnic minorities, immigrants, children from rural areas and poor families (budget from the MoNES, grants and earmarked reserves of PLN 12 million for 2002–05).

The final level of expenditure for the implementation of these tasks will depend mainly on the availability of funds earmarked in the state budget acts of the successive years.

### Ethnic groups

Poland exhibits a high degree of **ethnic and religious homogeneity**, with only small minorities (0.8% Germans; 0.6% Ukrainians; 0.5% Belarusians), compared to other future member states. Therefore it does not suffer from the ethnic inequities in educational access which adversely affect several other future member states<sup>206</sup>. The law on education provides for the educational rights of ethnic minorities, and national minorities have access to education in their mother tongue and study their mother tongue in primary and secondary schools<sup>207</sup>. In addition, Poland's bilateral treaties with Germany and Belarus contain certain provisions relating to the rights of those national minorities<sup>208</sup>. The ethnic minority which may be considered excluded is the Roma population<sup>209</sup>. In some schools an experimental approach has been taken as regards the Roma community, with separate classes for Roma children<sup>210</sup>. A governmental pilot project for the **community of Roma** will be implemented in Malopolskie voivodship until 2003 in order to integrate young Roma into primary and secondary education<sup>211</sup>.

<sup>203</sup> Grazyna Magnuszewska-Otulak, Jacek Mecina and Cezary Zoledowski, *Training against social exclusion. The case of Poland*. Institute of Social Policy, Warsaw University, June 2000.

<sup>204</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

<sup>205</sup> MoNE, *National strategy for education 2001–06*, August 2001.

<sup>206</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

<sup>207</sup> National Observatory Report, 1999.

<sup>208</sup> Education International Barometer, 2001.

<sup>209</sup> Magnuszewska-Otulak et al., *Training against social exclusion*. Because of the lack of data the authors quote official data from the 1980s which indicate that out of 21,300 Roma there were 10,700 of productive age with only 27% in stable employment.

<sup>210</sup> Education International Barometer, 2001.

<sup>211</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

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### Special needs

#### *Disabled pupils*

In primary and lower secondary schools disabled pupils study in integrational, therapeutic, compensating or mainstream classes as well as individually<sup>212</sup>. However, of the 119,000 children classified as having special educational needs at the basic level, most (80,000) were still taught in separate schools (1.6% of all pupils in compulsory education), and only 5,800 in mainstream classes in 1996<sup>213</sup>. The number of pupils receiving integration teaching has increased slightly but steadily from 3,600 (1997) to 6,900 (2000)<sup>214</sup>. Integration is subject to a favourable recommendation given by the competent authority and/or the parents<sup>215</sup>.

**Special education** is an integral and well-developed part of the Polish education system, which has been attempting to integrate disabled children into schools at all levels. At the same time it is a very costly form of education and still not entirely effective, as graduates from special basic schools encounter problems with entering open forms of education, though the situation has much improved. Only 15% of disabled youth (aged 15 to 19) graduated from secondary schools (including basic vocational) in 1996/97. About 27% of disabled youth did not attend any school<sup>216</sup>. Official documents state that the **reform of the special education system** is a priority issue, but that current problems result from lack of funds and insufficiently trained staff<sup>217</sup>.

Vocational schools as well as lyceums may **prolong the period of education** according to the kind of disability<sup>218</sup>. Although the system of external examinations takes account of the needs of disabled pupils (different standards, organisation) and integration classes are increasing in schools, **disabled pupils still encounter obstacles**.<sup>219</sup> Targeted programmes were introduced in the late 1990s involving activating disabled people in small towns and villages (e.g. 'Medium', local leadership training) and training for those who start up an own business ('Wazon' programme)<sup>220</sup>.

In the school year 2000/01 there were 338 **special basic vocational schools** (30,747 pupils), 36 special secondary vocational schools (1,646 pupils) and three special post-secondary vocational schools (220 pupils) offering education for the disabled<sup>221</sup>.

#### *Early school leavers*

According to the MoNES information on the rate of early school leavers (share of 18 to 24-year-olds having achieved lower secondary or less and not attending further education) is not available<sup>222</sup>.

A special programme (**Voluntary Labour Corps**, OHP) to address school dropout was initiated as early as the 1960s, though unemployment was not yet a social problem. The basic idea was to unite work with education/training and social readaptation. In the 1990s this programme was included in the system of labour offices and the task of the structures of the

<sup>212</sup> CSO, *Concise statistical yearbook of Poland*, 2001.

<sup>213</sup> Council of Europe Development Bank. *Poland country sheet*, 2000.

<sup>214</sup> MoNES, *National strategy for education 2001–06*, August 2001.

<sup>215</sup> Eurydice June 2001, Summary sheet on education systems in Europe.

<sup>216</sup> Magnuszewska-Otulak et al., *Training against social exclusion*.

<sup>217</sup> Council of Europe Development Bank. *Poland country sheet*, 2000.

<sup>218</sup> Ryszard Szubanski (former head of the Department of Education for the Labour Market in the MoNE), Information on the present situation and changes in the educational system, Warsaw, June 2001.

<sup>219</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

<sup>220</sup> Magnuszewska-Otulak et al., *Training against social exclusion*.

<sup>221</sup> CSO, *Concise statistical yearbook of Poland*, 2001.

<sup>222</sup> Information provided by the VET Department of the MoNES, May 2002. However, at a later stage Eurostat data (Structural Indicator webpage) showed that the early school leavers rate (% of 18–24 year olds with at most lower secondary attainment levels who are not in education and training) was fairly low at less than 8% in 2001 compared with 19% in the EU average or 13% for the future member states.

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labour corps is to organise the process of work and education for specific target groups, with particular focus on vocational training, provision of social rehabilitation and supervision. The programmes last two to three years and include young people over 15 years of age<sup>223</sup>.

Voluntary labour corps are financed from the state budget and the Kurators (educational superintendents) are responsible for setting out the conditions for the organisation and activities of OHP<sup>224</sup>. A system of about 400 units (labour corps, education and training centres, youth work offices), with an annual participation of about 30,000 young people, is operational all over Poland, focusing on children from families with a difficult environment (including poor families), youth threatened by unemployment, and secondary school pupils who want to work during holidays. The two-year stay is sometimes the only chance to complete general education and to obtain professional qualifications. Other forms of OHP units (school corps) can be found in the majority of secondary schools all over Poland. Their duty is to help the poorest group of pupils to have a cheap holiday and to prepare job opportunities for them, and also to work with young disabled people<sup>225</sup>.

The education reform provides for work preparing courses in gymnasiums (lower secondary) for those who do not fit into the regular school system for social, personal or intellectual reasons. This is partly aimed at those who have dropped out before the age of 18<sup>226</sup>.

The dropout rate from VET in 1998/99 (4.2% basic vocational schools – ISCED 3C; 1.9% in upper secondary VET – ISCED 3A) remained fairly stable and was lower than in most future member states between 1996 and 1999<sup>227</sup>. Dropout rates have been traditionally lower in general

secondary (1.1%) and in primary and lower secondary education (0.7%), but were higher in postsecondary education (9.2%) in 1998/99.

### *School graduates and those not covered by the education reform*

According to a change in legislation (amendment to the law on employment and counteracting unemployment in 1995), school graduates are no longer entitled to unemployment benefit, but are offered other **activating instruments** such as stipends, subsidised trial periods in enterprises and training. In 1998 a new project (**Absolwent**) was initiated, aiming to make school graduates more active in job-seeking, to change their attitudes and to increase their chances on the labour market (including training, provisions for employers, territorial mobility of graduates).

Quite a **large number** (4.38 million) of **young people will not be covered** by the education reform because they have graduated under the old system and will be entering the labour market with relatively poor skills. It is intended to organise transition measures aimed at improving their employability. The first concrete actions were developed at the end of 2001 by the MoLSP in conjunction with a **special government programme, First Job – A Programme of Vocational Activation for Recent Graduates**, addressed to graduates of post-gymnasium (upper secondary, postsecondary) schools and higher education institutions, aiming to offer job opportunities no later than within six months from registration at the labour office.

This programme started implementation in 2002 and is providing various incentive tools to make graduates more employable (lowering costs of employment in SMEs, support for self-employment initiatives, developing voluntary service).

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<sup>223</sup> Magnuszewska-Otulak et al., *Training against social exclusion*.

<sup>224</sup> Eurydice/Cedefop, *Structures of education, initial training and adult education systems in Europe*. According to the law, the MoLSP supervises OHP through defining their specific tasks and principles of functioning.

<sup>225</sup> Information provided by Komenda Glowna OHP, Warsaw, April 2002.

<sup>226</sup> Szubanski, Information on the present situation and changes in the educational system.

<sup>227</sup> ETF, *Key indicators*; Polish National Observatory.

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Special incentives are planned for schools and higher education institutions related to the creation of 'career services' to support graduates in their job search.

### *Other groups at risk*

Continuing training for people at risk of labour market and social exclusion is in particular organised by different NGOs, except for retraining of the unemployed provided by employment services. Special courses are offered for **ex-prisoners, women returning to work** after childbirth, unemployed youth and women aged over 45). Such actions are frequently coupled with social welfare assistance.

### **The rural/urban dichotomy**

Poland differs from other transition countries in continuing to have a significant rural population (38.2%). Rural areas and small towns, which are inhabited by a higher share of poor families, are **educationally disadvantaged** and the rural/urban dichotomy is a serious cause of inequity in Poland. Greater participation of children aged three to six years in early childhood programmes of preschool education is particularly needed in rural areas (gross enrolment ratio was only 36% in rural areas but 63% in urban areas in 1998/99). Only 15% of the adult population in rural areas have completed secondary education, while 35% in urban areas have done so. The rate of those in rural areas who completed higher education is even below 2%<sup>228</sup>.

The persistent large number of people employed in agriculture calls for various forms of continuing training so that they

can acquire new qualifications and switch from one occupation to another, opening up new employment opportunities (e.g. providing services to agriculture and rural communities). However, out of 1.3 million participants in continuing training in the school year 1999/2000, only 18,000 (1.4%) came from rural areas<sup>229</sup>.

**Fewer educational options** are available in many rural areas (in particular at higher levels), and the results achieved in rural schools are generally thought inferior to those in urban areas. Small primary schools with few pupils in a class are predominant, at secondary level basic vocational schools, so that rural pupils have few opportunities of access to higher education unless they move to an urban secondary school. Capacities in terms of resources, both personnel and finance, are more limited in small rural communities, and mobility to neighbouring urban facilities is sometimes hampered by inadequate rural road networks and public transportation<sup>230</sup>.

In addition, rural areas show a high level of **unemployment**<sup>231</sup>. It is estimated that, including dropouts, still about one-third of school leavers enter the labour force without marketable skills, the majority coming from rural areas. This educational inequity is at the same time a factor in rural poverty<sup>232</sup>.

The MoNE and the Ministry of Agriculture have made increasing efforts to raise the level of education in rural areas since 1998. Apart from the expected effect of the education reform, which should advocate increased participation at higher education levels, specific actions in the context of a

**Table 10: Continuing training in school year 2000/01 (out-of-school system)**

| Trainees ('000)      | Total   | Female | Unemployed |
|----------------------|---------|--------|------------|
| Total                | 1,318.9 | 598.6  | 102.9      |
| of which rural areas | 18.5    | 7.2    | 0.475      |

<sup>228</sup> Bogaj et al., *Education for All: the year 2000 assessment*.

<sup>229</sup> *Education in the school year 2000/01*.

<sup>230</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

<sup>231</sup> Bogaj et al., *Education for All: the year 2000 assessment*.

<sup>232</sup> Fretwell and Wheeler, *Secondary education in transition economies*.

complex policy on rural areas are being elaborated. Among those, particular attention is given to an expanded assistance in the form of scholarships for rural pupils, increased access to student credits and loans, and the improvement of teacher education and training<sup>233</sup>.

With EU Phare support a National Contact Point for **Distance Education** (reporting to the MoNE) and several open distance learning study centres were established in Poland (three hosted by centres for continuing training, five by universities) between 1995 and 2000 in order to promote the concept of distance learning (awareness raising, development of course packages). In February 2000, the Ministry of Agriculture has created a second National Contact Point – Open and Distance Learning Centre, in order to pay more attention to rural areas.

**Foreign assistance programmes** remain important drivers of change as regards disadvantaged regions. A World Bank project is being implemented aiming at activation of rural areas, including components such as training, vocational counselling and support for entrepreneurship. Projects under Phare 2000 **Economic and Social Cohesion** and ESF preparation are targeting regional HRD development in disadvantaged and less developed regions, counselling and training for employees of SMEs, retraining in restructuring sectors, local employment partnerships, and prevention of social exclusion.

#### Overall assessment

Although there is a growing interest in getting access and better quality of education, success in meeting these needs is unevenly distributed among groups and regions. The **effectiveness** of the VET system and various financial instruments in promoting inclusion in the labour market for young disadvantaged groups (early school leavers, students from poor families and rural areas, disabled people) still **needs to be reviewed and improved**.

## 2.4 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING ENTREPRENEURSHIP

The **Junior Achievement Foundation**, aiming to prepare youth for the market economy, has operated in Poland since 1992, organising different competitions promoting entrepreneurial skills, for instance the Polish National Competition for the Best Student Company and the Young Talented Businessman Competition. Some schools run the 'Managing a Company' competition (management and economic simulation exercise) preparing upper secondary school graduates for work in small businesses<sup>234</sup>.

At present the subject '**Knowledge of the economy**', designed to activate participation in the market economy, is organised in vocational schools. Moreover, in the context of the education reform a special programme ('**Entrepreneurship fundamentals**') has been introduced (based on the Regulation of the MoNES of 21 May 2001) at the level of secondary and postsecondary education in order to prepare young people better for self-employment and more effective participation in the labour market. The contents of the programme include basics on macroeconomics and market competition, economic decisions, business planning, management and strategy, employment and self-employment, and ethical and ecological aspects of economic activity.

In the new school system this separate educational subject comprises one hour in a teaching cycle in vocational schools, two hours in the profiled lyceum and one hour in postsecondary schools. Skills acquired in the course of this programme will be validated by vocational examinations. At postsecondary level some schools cooperate with employers regarding the design and delivery of entrepreneurial skills in order to improve the quality of curricula<sup>235</sup>.

<sup>233</sup> Bogaj et al., *Education for All: the year 2000 assessment*.

<sup>234</sup> European Commission, DG Enterprise, *BEST report on candidate countries, education for an entrepreneurial society*, updated January 2002.

<sup>235</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

## 2. VOCATIONAL EDUCATION AND TRAINING (VET) AND LIFELONG LEARNING IN THE CONTEXT OF THE NATIONAL EMPLOYMENT POLICY

In order to **prepare teachers** properly for this new task, postgraduate courses were launched by public universities; in the academic year 2000/01 it was planned that 19 universities would provide training for about 800 teachers. Teachers who already run classes associated with economics and entrepreneurship are undergoing training in **'simulation companies'**. These courses include knowledge of the market economy, career planning, active labour market participation, and setting up and running a small company<sup>236</sup>. In addition, human resources development projects under Phare 2000 (implementation remained delayed) are aiming to support the promotion of entrepreneurship among youth and teachers in selected regions (e.g. Podlaskie voivodship) in 2002/03<sup>237</sup>.

The increased demand for education in the **subjects of economics and management** has resulted in a substantial increase in the number of colleges, universities and educational institutions offering courses in these subjects (which are being launched also in polytechnics, pedagogical and agricultural schools and newly created institutions). In the years 1990 to 2000 the number of students on business courses increased eight-fold (from 53,500 to 435,400 students), the most dynamic growth being in evening courses and extra-mural courses (accounting for more than two thirds of all students in these fields)<sup>238</sup>.

In the field of CVT, the MoNES, MoLSP and Ministry of Economy in cooperation with employers' organisations provide training in areas such as business environment in the EU, financial management and quality management<sup>239</sup>. There is an **Agency for Entrepreneurship Promotion and Development** in place as

well as a **Centre for the Development of Economic Education**.

The most recent document defining the social and economic strategy of the new government (*Entrepreneurship – development – work*) emphasises that school curricula should stimulate creativity and innovative ideas among pupils as a pre-condition of developing knowledge and skills related to entrepreneurship<sup>240</sup>.

Ongoing initiatives are promising to increase the entrepreneurial spirit in society and particularly among future graduates entering the labour market. Successful implementation will depend on appropriate teacher training programmes as well as sufficient involvement of employers/practitioners in the delivery of entrepreneurship education and training.

### 2.5 CONTRIBUTION OF THE EDUCATION AND TRAINING SYSTEM TO PROMOTING EQUAL OPPORTUNITIES BETWEEN MEN AND WOMEN

According to Polish law, men and women have equal opportunities in education. In 2000/01, out of total enrolment in education and training, 50.3% were male and 49.7% female. However, **women receive higher education more often than men**. In higher education 65% of those enrolled are women (men only 35%), in upper secondary general 61% are women (men 39%), whereas in vocational education men are still predominant with 59% (women 41%)<sup>241</sup>.

Statistics on primary school teachers who have academic qualifications (80.6%) and who are certified to teach (97.7%) show for

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<sup>236</sup> European Commission, DG Enterprise, BEST Report 2002.

<sup>237</sup> European Commission, Europeaid, Service Contract Forecast, April 2002.

<sup>238</sup> Barbara Minkiewicz, Management Education, in *National VET Report 2001*, Polish National Observatory, March 2002.

<sup>239</sup> Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

<sup>240</sup> MoLSP, Labour Market Policy Department, Comments on draft review of progress in VET reform, May 2002.

<sup>241</sup> Traditionally there are more males than females participating in secondary vocational education (e.g. 56% males, 44% females in 1996/97), whereas the feature is reversed in general secondary education (males only 34%, females 66%). In higher education, females are more highly represented in almost all age groups. Thomas Fohgrub, *Analysis of the Polish VET system in comparison with the German system*, Final master's thesis at the Technical University of Wildau, Germany, January 2002.

## VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN POLAND

1998/99 a high over representation of women, with a gender parity index of 81.06 (rural areas 78.82) for female teachers and 18.94 (rural areas 21.18) for male teachers<sup>242</sup>.

Regarding continuing training, women are disadvantaged in particular in rural areas, constituting 45.3% of participants in 1999/2000 (598,600 women in total), but only 38.9% in rural areas (7,200 women)<sup>243</sup>.

Although women normally reach higher levels of education, their labour market prospects are slightly lower than those of men<sup>244</sup>.

The National Strategy for Education emphasises the need to undertake actions aimed at developing the educational ambitions of young men to a level comparable to that of women. However, so far no concrete actions to address this issue have been worked out.

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<sup>242</sup> Bogaj et al., *Education for All: the year 2000 assessment*.

<sup>243</sup> *Education in the school year 2000/01*.

<sup>244</sup> ETF, *Annual review of progress in VET Reform*, Paper submitted to European Commission, DG Enlargement 2000.

### **3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY**

# 3

#### **3.1 THE ORGANISATIONAL STRUCTURE**

##### **Legal framework**

The **Ministry of Labour and Social Policy** (MoLSP) is responsible for the legal framework concerning employment services (including temporary placement agencies, personal counselling institutions and non governmental job placement) and the implementation of the national labour market policy. This includes both the setting of uniform standards for employment services and tasks resulting from the disposition of the Labour Fund.

In the first year of transition towards a market economy the 'Employment Act' of 29 December 1989 created the legal basis for public (PES) and private (PRES) employment services and for establishing a 'vertical system' and a new network of public labour offices and tripartite

employment councils. The foundation was also created for an unemployment compensation system, the Labour Fund and active labour market measures for counteracting unemployment.

The rules concerning the unemployment benefit system were revised by the new Act on Employment and Unemployment of 16 October 1991, and finally a new flat-rate system of unemployment benefit was introduced by the 'Act on Employment and Counteracting Unemployment' of 14 December 1994. This is the system currently applied in Poland (see annex, tables 8 to 10 and graph 7).

In parallel to the territorial administration reform and decentralisation process in Poland, amendments of the Act on Employment and Counteracting Unemployment (1 January 2000) led to a **full decentralisation of the PES system**

and replacement of the 'vertical system' by a 'horizontal system'<sup>245</sup>.

### Organisation and responsibilities of PES

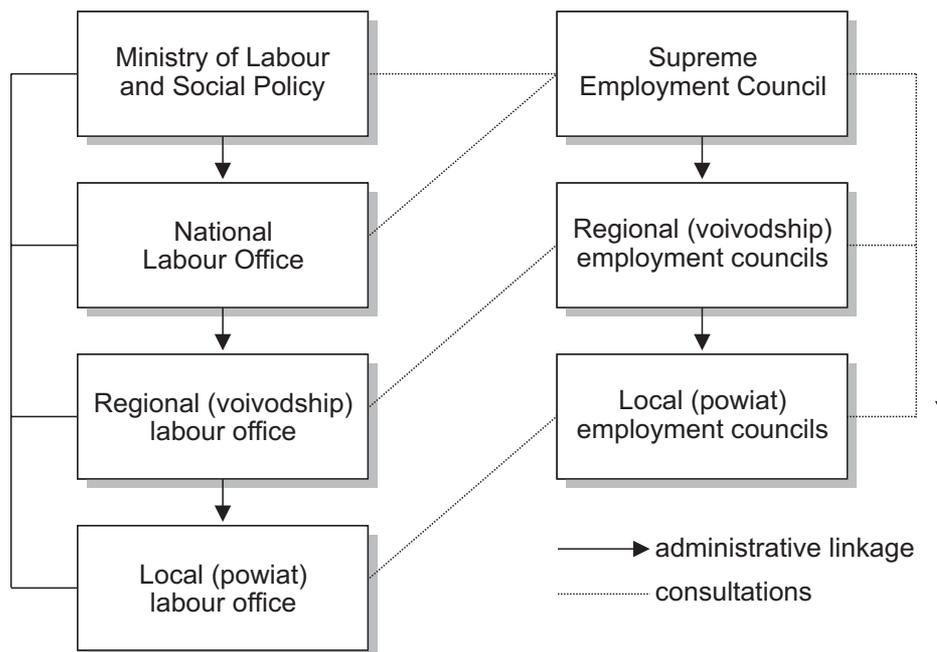
In the last decade **three phases and models** can be distinguished regarding the development of the structure, organisation and management of PES.

- The first model (the so-called '**vertical system**' of PES) functioned between 1989 and the end of 1999. A National Labour Office (NLO) was established as a state administrative body, subordinate to the minister of labour and social policy and responsible for labour market policy and the management of the 'vertical chain' of regional and local labour offices. Public employment services had been responsible for developing labour market policy, including active and passive measures<sup>246</sup>. This system of labour offices, functioning as a separate administration, had been created on the basis of broad EU experience<sup>247</sup> and in

terms of structure there were no major differences in the system compared to other developed countries.

- In the second phase of PES development a new '**horizontal system**' was introduced in 1999 and has been operational since 1 January 2000. The main reason for decentralisation of the PES system was the **change in the model of labour market policy** and counteracting unemployment towards integration with regional and local economic policy and administration<sup>248</sup>. Labour market policy has been decentralised to a great extent and the MoLSP has lost importance in this field, leaving the challenge of developing new coordination between national and local employment policy. In addition, it was expected that national Labour Fund resources would be combined with regional and local funds. The new Polish model had no predecessors in other countries and therefore created serious challenges. Regional and local labour offices no

**Graph 4: 'Vertical system' of public employment services (1990–99)**



<sup>245</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*. Before transition to a market economy the function of job broking was assigned to the employment departments of regional (voivodship) and local (powiat) administration.

<sup>246</sup> Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

<sup>247</sup> MoLSP, *National strategy for employment and human resources development 2000–06*.

<sup>248</sup> Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

### 3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY

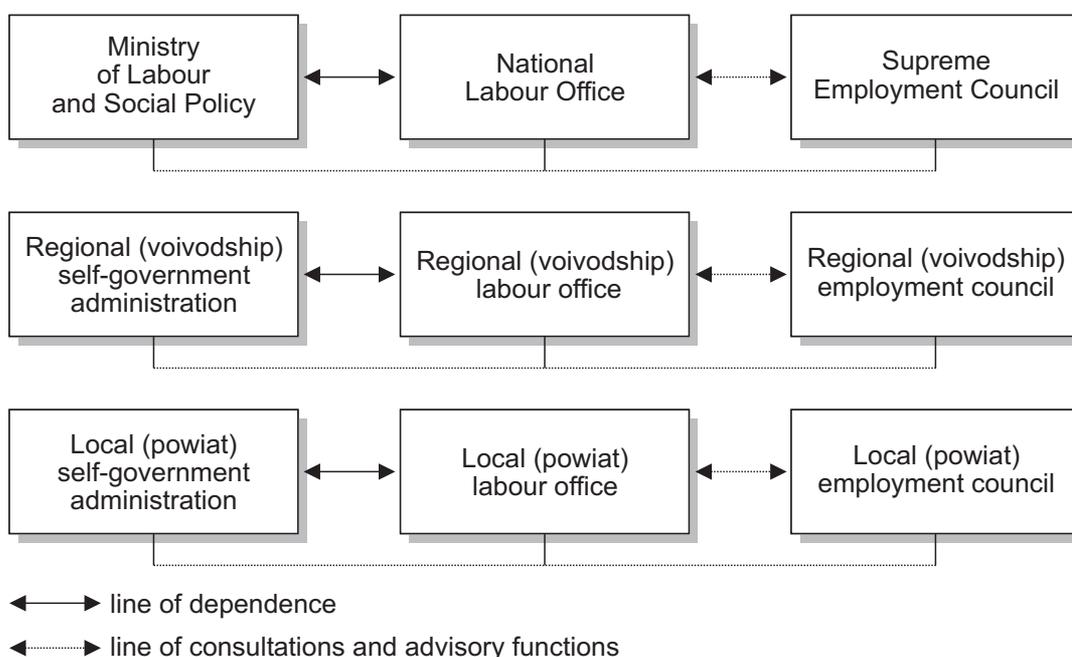
longer function as a separate special administration and have been **incorporated into regional and local self-government administrations** as an integral part of the overall public administration reform implemented in 1999. The head of a local self-government administration (Starosta) can now nominate and dismiss the director of the local labour office, in consultation with the local employment council.

**Functions and tasks have changed** at all PES levels as a result of the reform. Local (powiat) labour offices and their field offices became most important, whereas both the regional (voivodship) and the national (National Labour Office) levels have lost functions and have had to adjust to new identities and roles. The **system of contracting** has also changed. Before the reform the regional offices were entitled to contract local offices. Since the reform the NLO, which was allowed to keep and manage 50% of the funds available for ALMPs, has been signing individual contracts with all local offices, covering the range of services and defining performance measures for delivery, which sometimes leads to complications and negotiation problems. In reality, this contracting

model hardly functioned in 2001 due to the lack of funds for ALMPs and financing contracts. Many contracts already signed were cancelled and local authorities were forced to meet commitments from their own funds.

- **Local offices** have responsibility for initiating and managing ALMPs (receiving resources from the Labour Fund according to a set formula), while the responsibility for monitoring and evaluation of these programmes is left with regional offices and (until 1 April 2002) the NLO. The unemployed are registered and paid the unemployment benefit and other allowances in local offices, which have to assist the unemployed and job seekers in finding work (including through vocational counselling and guidance). Employment policy (job creation, counteracting unemployment) is expected to function to a great extent at local level.
- **Regional offices** do not deal directly with the unemployed but focus mainly on analytical tasks and labour market information, and on the promotion of regional employment policy by means of initiating, coordinating and cofinancing

**Graph 5: New 'horizontal system' of public employment services in the framework of public self-government administration (2000–present, except National Labour Office)**



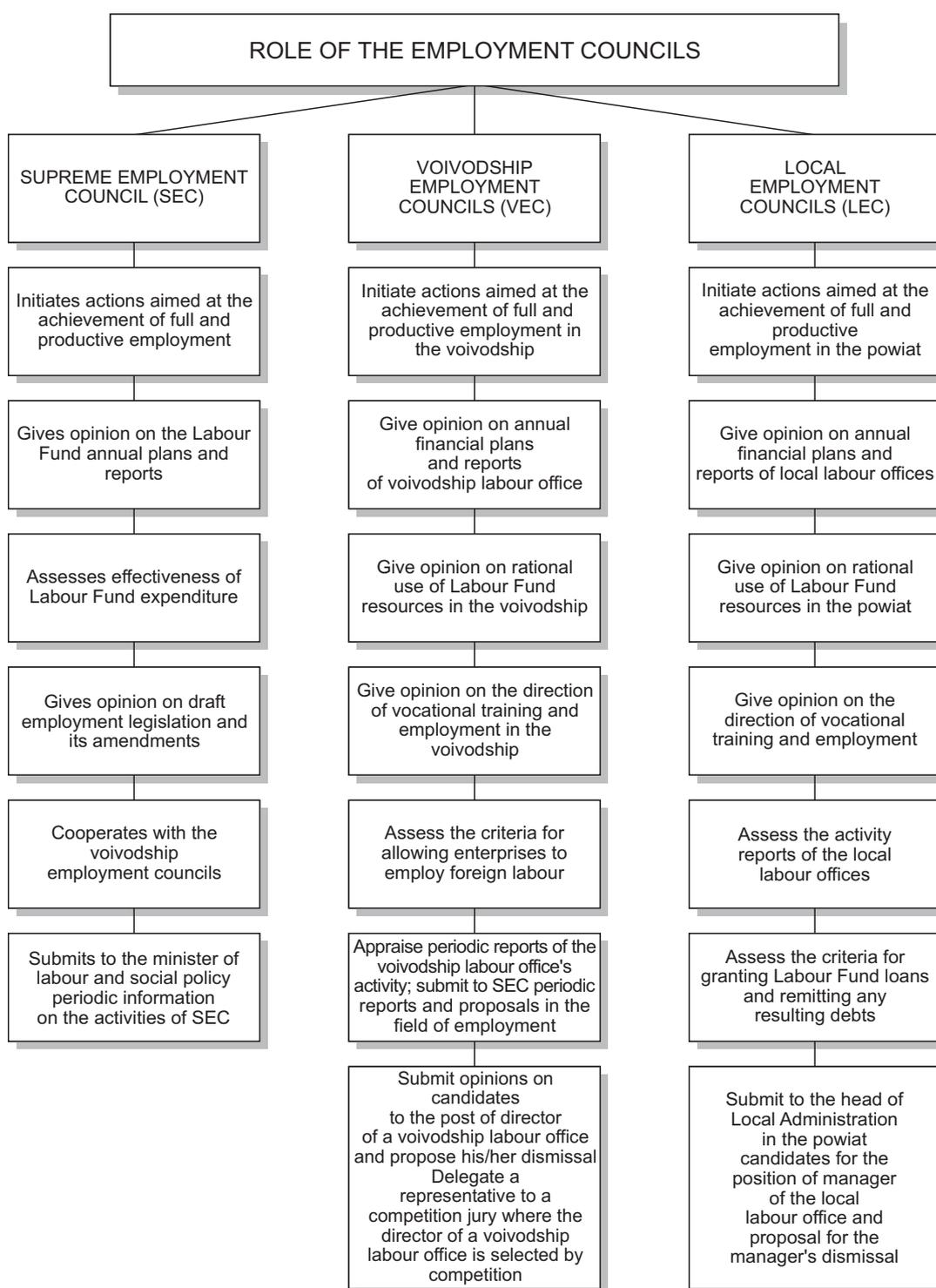
## VOCATIONAL EDUCATION AND TRAINING AND EMPLOYMENT SERVICES IN POLAND

regional and local programmes. Cooperation with the Kurator (school superintendent at regional level) on the organisation of VET and labour market training builds an important link to the education system. The main **functions and tasks** of local

and regional labour offices are further illustrated in the annex (tables 11 and 12, graphs 8 and 9).

- There are indications that the **PES system might change again** and a third PES model is likely to be established in 2003, as ongoing

**Graph 6: Employment councils in the labour administration system**



Source: Kabaj, *Capacity of the public and private employment services to support national employment policy objectives.*

### 3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY

discussions on the effectiveness of the new horizontal system are leading to preliminary conclusions about **redistribution of responsibilities** from the local to the regional level. The initial phase of the latest reform has shown coordination problems, 'compartmentalisation' and, to some extent, **weak labour market policy capacity at local level**. Different options and models for a redesigned PES system are currently being discussed and preparations for introducing changes are underway<sup>249</sup>. The **National Labour Office** was abolished as of 1 April 2002 and its functions were fully incorporated into the Ministry of Labour and Social Policy.

The March 2001 World Bank review identified two strands of opponents to the current system: the one arguing that further segmentation of the labour market was risky, the other arguing that decentralisation did not allow for the smooth management of funds. The moment contracts were signed between the NLO and local governments, funds were locked and could not be reallocated for other needs.

#### *The role and involvement of the social partners*

Employment councils were established in 1990 with the purpose of involving the trade unions and employers' organisations in the planning and decision-making process. Currently the councils have a largely advisory function and are operational at three levels. Some functions are common to all levels (e.g. initiating actions to achieve full and productive

employment, giving opinions on the annual financial plans and activities financed by the Labour Fund or on the direction of vocational education and training; see graph 6) and are thought to contribute to improving the efficiency of labour market policy.

- At national level the **Supreme Employment Council** consists of 24 members, representing equally national union confederations, national trade unions, employers' organisations, state administrative bodies and regional self-government representatives.
- At regional level the **voivodship employment councils** each consist of 16 members, drawn equally from trade unions, employers' organisations, state administrative bodies and regional government. The regional governor ('marshal') is the president of the council.
- At local level the **powiat employment councils** each consist of 12 members drawn equally from trade unions, employers' organisations, local administration and self-government. The head of the local administration is the president of this council.

Although overall legislation provides for an integrated economic approach to counteracting unemployment, in reality the function of the employment councils at regional and local levels is limited and needs to be strengthened (including new assignments or supervisory powers)<sup>250</sup> and better focused (e.g. by elaborating regional programmes for job creation and counteracting unemployment, and improving the efficiency of regional and local labour market policy)<sup>251</sup>.

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<sup>249</sup> Information gained during field visits to the MoLSP and local/regional labour offices in September 2001 and March 2002.

<sup>250</sup> MoLSP, *National strategy for employment and human resources development 2000–06*.

<sup>251</sup> Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

#### Overall assessment

The **recent reform of the PES system** is still in its initial stage of implementation and it is not yet fully clear whether the new 'horizontal' PES system has proved more effective than the traditional 'vertical' one. However, first experience in 2000 and 2001/02 shows that there is still a **need to adjust the reform** and to address the negative effects observed, such as lack of coherent employment policy and sufficient capacities, coordination and cooperation between labour offices (regional and local), high expectations of attracting funds, and greater interest in public works at local level. Further PES capacity building is needed as well as redistribution of some responsibilities and to promote stronger involvement of social partners.

It has to be mentioned that the **conditions** under which the reform takes place are **very difficult** (decline in economic growth, substantially increasing unemployment, limited financial resources) and some effects (reduction of PES activities related to ALMPs, financial bottlenecks of the Labour Fund) might be wrongly considered as a result of the reforms as regards the PES and decentralisation.

resources; 2) human resources; and 3) infrastructure investment (including computerisation).

#### Financial resources

In Poland expenditure for the administration of regional and local labour offices are financed from general (regional and local) administration budgets, whereas labour market policy is financed through the central Labour Fund.

#### Expenditure for PES administration

amounted to €90.4 million (PLN 361.7 million) in 2000, increasing to €100.4 million in 2001 (PLN 371.7 million)<sup>252</sup>. Regarding administrative costs there are no **OECD data** available for Poland since 1997; however, previous data show that only 0.01% of GDP (1995) and 0.02% of GDP (1996) were spent on public employment services and administration, figures many times lower than those for Germany (0.23%) or France (0.16%) in 1996<sup>253</sup>.

### 3.2 RESOURCE ALLOCATION TO THE PES

For the implementation of objectives and tasks of PES three major types of resource are required: 1) financial

**Labour market policy** (passive and active programmes) is financed through the Labour Fund, established by the Act on Employment in 1989. The resources of the Labour Fund consist mainly of employers' contributions (2.45% of payroll) and state budget expenditure.

**Table 11: Structure of nominal revenues of Labour Fund (1997–2000)**<sup>254</sup>

|  | 1997           |              | 2000           |              | Change 1997–2000 |              |
|--|----------------|--------------|----------------|--------------|------------------|--------------|
|  | PLN million    | Structure %  | PLN million    | Structure %  | PLN million      | %            |
| <b>Revenues (total)</b>                        | <b>7,064.9</b> | <b>100.0</b> | <b>6,091.6</b> | <b>100.0</b> | <b>-973.3</b>    | <b>-13.8</b> |
| of which:                                      |                |              |                |              |                  |              |
| (1) Employers' contribution (2.45% of payroll) | 3,538.5        | 50.1         | 5,105.2        | 83.8         | +1,566.7         | +44.3        |
| (2) State budget contribution                  | 3,401.7        | 48.1         | 838.5          | 13.8         | -2,563.2         | -75.5        |
| (3) Other revenues                             | 124.7          | 1.8          | 147.9          | 2.4          | +23.2            | +18.6        |

Source: Calculated by M. Kabaj from CSO, *Statistical Yearbook, 1999* and National Labour Office Report on the Labour Fund for the year 2000.

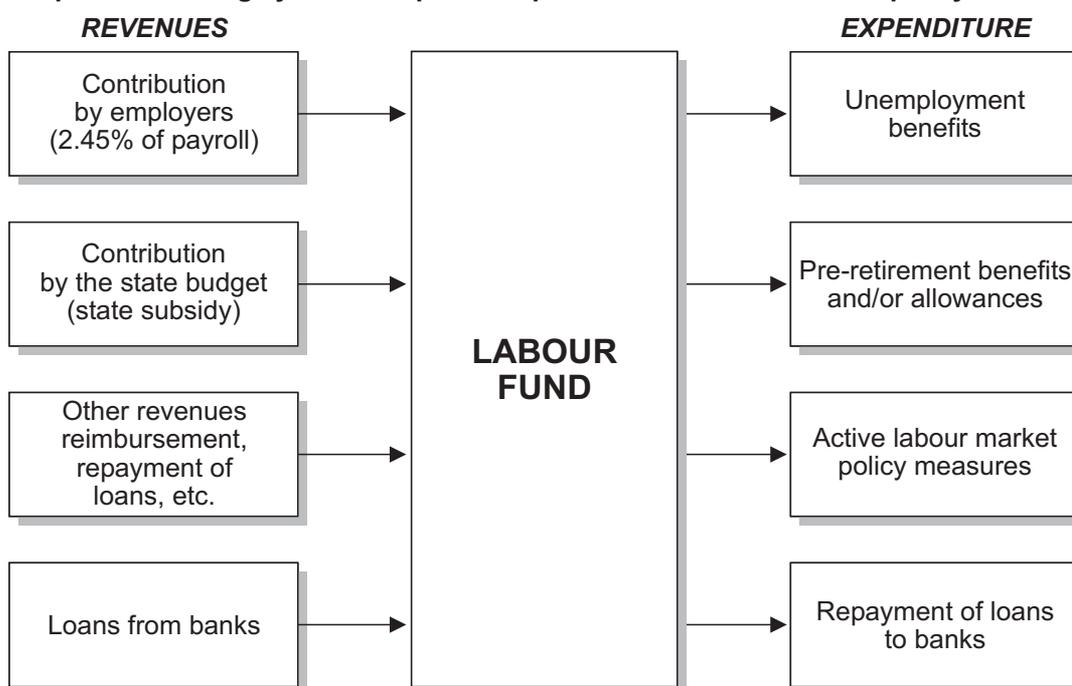
<sup>252</sup> Information provided by the MoLSP, Labour Market Policy Department, April 2002; average exchange rate used: 1 euro = PLN 4.0 in 2000, PLN 3.7 in 2001.

<sup>253</sup> *Perspectives de l'emploi de l'OCDE*, June 2001; *OECD Employment Outlook*, June 2000.

<sup>254</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*.

### 3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY

**Graph 7: Financing system and public expenditure for labour market policy**



In recent years the **structure of the Labour Fund** has changed markedly, as in 1997 about 48% of revenues was provided by the state budget (50% by employers) and in 2000 only 14% by the state (84% by employers)<sup>254</sup>. However, the allocation from the state budget increased again in 2001, making up 31% of the total revenues of the Labour Fund<sup>255</sup>.

The declared goals of labour market policy in Poland give priority to active measures. In reality the share of public expenditure on active programmes is much lower than in EU member states and other future member states.

According to OECD data the total public **expenditure for both active and passive labour market measures** as a percentage

of GDP (0.49 and 1.71% respectively) was extremely low in 1996, compared to Germany (1.43/2.49%) or France (1.34/1.79%). The situation deteriorated even further in the following years: in 2000 active measures made up only about 0.15% of GDP and passive measures 0.81% (compared to 1.23% for active measures, 1.89% for passive measures, in Germany). Training measures for the unemployed (0.02% of GDP) remained low at the same level between 1997 and 1999 and fell further to 0.01% in 2000 (e.g. Germany 0.34% in 2000)<sup>256</sup>.

National data for 2001 show only 0.14% of GDP expenditure for active labour market measures (0.08% if the refunding of wages and salaries for juvenile workers is not included).

<sup>254</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*.

<sup>255</sup> Information provided by the MoLSP, Labour Market Policy Department, April 2002.

<sup>256</sup> OECD, *Employment Outlook 2000 and 2001*.

**Table 12: Public expenditure on labour market programmes as a percentage of GDP (1997–2000)**

| Programme categories   | 1997        | 1998        | 1999        | 2000        |
|--|-------------|-------------|-------------|-------------|
| <b>Labour market training</b>  | <b>0.02</b> | <b>0.02</b> | <b>0.02</b> | <b>0.01</b> |
| a) Training for unemployed adults and those at risk                      | 0.02        | 0.02        | 0.02        | 0.01        |
| b) Training for employed adults  | —           | —           | —           | —           |
| <b>Youth measures</b>  | <b>0.09</b> | <b>0.10</b> | <b>0.09</b> | <b>0.07</b> |
| a) Measures for unemployed and disadvantaged youth                       | 0.04        | 0.04        | 0.04        | 0.03        |
| b) Support of apprenticeship and related forms of general youth training | 0.06        | 0.06        | 0.05        | 0.03        |
| <b>Subsidised employment</b>   | <b>0.19</b> | <b>0.16</b> | <b>0.10</b> | <b>0.06</b> |
| a) Subsidies to regular employment in the private sector                 | 0.08        | 0.07        | 0.05        | 0.03        |
| b) Support of unemployed persons starting enterprises                    | 0.02        | 0.02        | 0.02        | 0.01        |
| c) Direct job-creation (public or non profit)                            | 0.09        | 0.06        | 0.03        | 0.02        |
| <b>Measures for the disabled</b>   | <b>0.18</b> | <b>0.18</b> | <b>0.14</b> | <b>0.01</b> |
| a) Vocational rehabilitation   | —           | —           | 0.01        | 0.01        |
| b) Work for the disabled   | 0.18        | 0.18        | 0.13        | —           |
| <b>Unemployment compensation</b>   | <b>1.10</b> | <b>0.55</b> | <b>0.64</b> | <b>0.81</b> |

Source: OECD Employment Outlook 2001.

The Labour Fund faced **considerable financial difficulties** in the late 1990s, for different reasons: the decrease of state budget contribution to the Labour Fund, the higher than expected increase in unemployment (without a proportional increase in financial resources), and the increase in preretirement benefits and allowances. Since 1997 PES are obliged to pay pre-retirement benefits and other allowances previously managed by the Social Insurance Institute (ZUS), but adequate resources from ZUS or the state budget have not been transferred to PES<sup>257</sup>.

The total **nominal revenues of the Labour Fund** decreased by almost 14% (more than PLN 1,000 million) between 1997 and 2000, although unemployment increased in that period by 48% from 1.82 million to 2.70 million. The decrease in total revenues was even steeper if the increase in inflation is considered (46%

between 1998 and 2000). In total, the revenues of the Labour Fund decreased in real terms by almost 60%.

The situation started to improve in 2001 as the total revenues of the Labour Fund increased considerably (to PLN 8,470 million) and the structure of the Labour Fund changed again towards higher state contributions (65% contributed by employers, 31% by the state budget and 4% by other revenues)<sup>258</sup>.

The decline in total **Labour Fund expenditure** (in real terms) between 1997 and 2000 was lower (28%) because the deficit of the Labour Fund was covered by loans from banks in 2000. However, taking into account that unemployment increased in this period by 48%, the decline in the Labour Fund expenditure was much steeper (almost 50% of total expenditure and 67% of active programmes; see graph 8).

<sup>257</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*.

<sup>258</sup> Information provided by the MoLSP, Labour Market Policy Department, April 2002.

### 3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY

**Table 13: Change in Labour Fund expenditure in real terms\* (1997–2000)**

|  | 1997         | 1998         | 1999         | 2000         |
|--|--------------|--------------|--------------|--------------|
| <b>1. Total expenditure</b>                          | <b>100.0</b> | <b>63.9</b>  | <b>65.2</b>  | <b>71.8</b>  |
| Passive programmes                                   | 100.0        | 49.3         | 57.1         | 75.2         |
| Active programmes                                    | 100.0        | 92.7         | 76.3         | 54.3         |
| <b>2. Unemployment**</b>                             | <b>100.0</b> | <b>100.3</b> | <b>128.7</b> | <b>148.0</b> |
| <b>3. Total expenditure*** per unemployed person</b> | <b>100.0</b> | <b>63.7</b>  | <b>50.7</b>  | <b>48.5</b>  |
| Passive programmes                                   | 100.0        | 49.2         | 44.4         | 50.8         |
| Active programmes                                    | 100.0        | 92.3         | 59.3         | 36.7         |

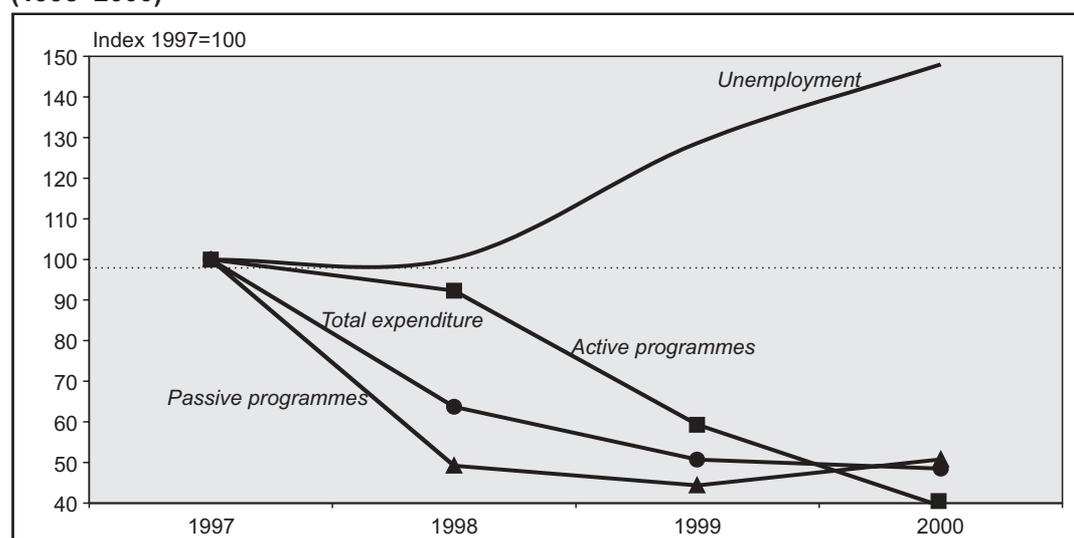
\* Nominal expenditure adjusted by price index of consumer goods and services

\*\* At the end of the year

\*\*\* Real expenditure per unemployed adjusted by index of unemployment growth

Source: Calculated by M. Kabaj.

**Graph 8: Change in real average Labour Fund expenditure per unemployed person (1998–2000)**



Source: Kabaj, Capacity of the public and private employment services to support national employment policy objectives.

The problems culminated in year 2000 (with consequences for 2001) when the deficit in the operation of the Labour Fund reached €325 million (PLN 1,300 million). This was covered by a €190 million (PLN 750 million) loan taken from the banks, a €25 million (PLN 100 million) transfer from the state budget and €110 million (PLN 450 million) reallocated within the Labour Fund from resources originally assigned for active labour market programmes <sup>259</sup>.

As a result of this development and the fact that payments for passive measures have statutory priority defined by law, almost no funds were available for **active programmes** in 2001, and these **practically disappeared in many labour offices**. Contracts already signed by the NLO covering €100 to 150 million were cancelled in the second half of 2000 after many powiats had already assumed commitments with prospective employers for several months.

<sup>259</sup> World Bank, Poland – labour market study.

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Powiats were obliged to meet these commitments from transfers in 2001, reducing resources for ALMPs<sup>260</sup>.

As higher spending on passive measures in the current funding system is tending to crowd out spending on active programmes, the World Bank is proposing to change the current model of funding by separating sources for passive programmes (which should continue to be funded by the payroll tax) from those for active programmes (which would receive funding from general revenues)<sup>261</sup>.

### Human resources

After the introduction of the PES system in 1989 the MoLSP and National Labour Office paid much attention to the development of human resources at all levels for the newly created labour offices. Ambitious training programmes for newly recruited staff were developed with international assistance and by national research staff.

Owing to the reorganisation of the PES system in 2000, new training cycles have started. However, current **training provision for PES staff** (also counteracted by high staff turnover) is considered to be insufficient, and it is also not obligatory for PES staff, although CVT courses are offered regularly for certain categories of staff (lawyers, psychologists).

More attention will have to be paid to capacity building of staff (in particular in local labour offices) with a view to strengthening regional and local labour market policy capacity as well as the extension of active labour market programmes.

Gradually the number of PES staff rose from 11,500 (1993) to 17,100 (2000) and 16,500 (2001). In relation to local labour offices which deal with the unemployed, the ratio of **unemployed per staff member** improved from 302:1 (1993) to 168:1 (2000), but slightly worsened to 202:1 in year 2001 (188 unemployed per staff member in 2001 if also regional labour office staff are taken into account).

The network of labour offices comprises 16 regional (voivodship) and 448 local labour offices in 373 counties (powiats).

However, the **structure of employment** in local offices is not appropriate to the needs for increasing the quality of active broking, placement services and counselling. It is estimated that only 12 to 20% of staff are dealing actively with broking and counselling<sup>262</sup>; in 2001 as few as 8.8% of local PES staff had the assigned function of placement officers, and 2.9% that of employment counsellors (which produced the very unfavourable servicing ratio of 1,700 unemployed per PES placement officer/employment counsellor)<sup>263</sup>.

**Table 14: Public employment service staff and unemployment (1993, 2000, 2001)**

| Voivodship | Regional and local labour offices staff | Local (powiat) labour offices staff (LLO) | Unemployment (thousand) | Number of unemployed per LLO staff member |
|------------|---|---|-------------------------|---|
| 1993       | 11,480                                  | 9,578                                     | 2,889.6                 | 302                                       |
| 2000       | 17,162                                  | 16,061                                    | 2,702.6                 | 168                                       |
| 2001       | 16,486                                  | 15,347                                    | 3,115.1                 | 202                                       |

Source: Ministry of Labour and Social Policy, 1994; National Labour Office, 2001.

<sup>260</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*.

<sup>261</sup> World Bank, *Poland – labour market study*.

<sup>262</sup> Based on data from the National Labour Office, March 2002.

<sup>263</sup> Data from MoLSP on employment in voivodship and powiat labour offices, April 2002. Own calculation.

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**Table 15: Turnover of PES staff in regional and local labour offices (2000)**

|                         | Hired in 2000 | Contracts terminated in 2000 | Employed at the end of 2000 | of which part-time employees |
|-------------------------|---------------|------------------------------|-----------------------------|------------------------------|
| <b>Total</b>            | <b>9,164</b>  | <b>10,005</b>                | <b>17,162</b>               | <b>806</b>                   |
| Regional labour offices | 344           | 648                          | 1,101                       | 84                           |
| Local labour offices    | 8,820         | 9,357                        | 16,061                      | 722                          |

This means that the average time devoted to individual assistance and counselling (estimated as only 15 minutes per unemployed person) is far too limited to provide an effective service<sup>264</sup>.

The level of **bureaucracy** in local offices is due to tasks which are not connected with occupational activation, but which are required by legal and administrative provisions<sup>265</sup>.

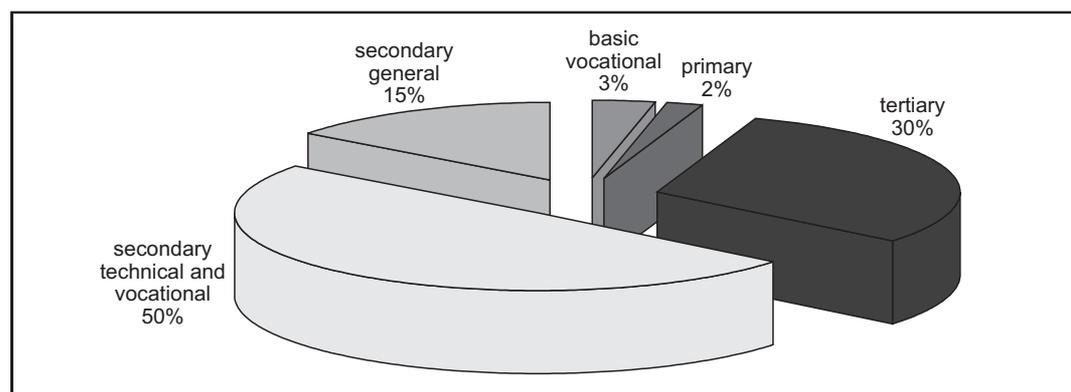
The **educational structure** of employment in PES has improved over the years, but is more favourable at regional offices than local ones. In 2000 about 30% of staff were university graduates (34% in 2001) and 5% had only primary or basic vocational education. In regional offices 70% had higher education (32% in local offices).

However, the employment structure by work duration shows only 28% of total

PES staff (14% of regional, 29% of local) with more than 10 years of work experience in labour offices.

The decentralisation and reorganisation of the PES structure, combined with other factors (low wages, political issues at local level, involuntary redundancies, growing difficulties in implementing PES tasks due to financial shortages of the Labour Fund), **caused an extraordinarily high staff turnover** (more than 50%) in the first year of the reform, greatly challenging the effectiveness and quality of activities. The contracts of about 10,000 people were terminated, and 9,200 were newly hired in 2000<sup>266</sup>. This negative trend continued in 2001 with a staff fluctuation of over 40%. In total 7,515 staff members (7,339 in local offices, 176 in regional ones) were laid off in 2001 and 7,000 newly hired (6,771 at local, 229 at regional level)<sup>267</sup>.

**Graph 9: Structure of PES staff by educational level (2000)**



Source: National Labour Office, 2001.

<sup>264</sup> Information gained at ETF field visits to local labour offices in 2001.

<sup>265</sup> MoLSP, 'First Job'.

<sup>266</sup> Kabaj, *Capacity of PPES to support national employment policy objectives*. Estimations based on a mini-survey of the author suggest that almost half of staff turnover happened involuntarily.

<sup>267</sup> Data provided by the National Labour Office and MoLSP, March 2002.

As regards **staff wages of PES** no official data are available<sup>268</sup>, but experts indicate that the current low wages have been one reason for high staff fluctuation in Polish PES and are recommending the introduction of a remuneration system which is competitive with other sectors of administration and evaluation procedures which are in line with the rules for civil servants, in order to ensure that no criteria other than competence, skills and performance are taken into account.

### Infrastructure and working conditions

Progress has been made in the field of improving the **infrastructure for PES operation**. In 2000 the space for office facilities was expanded (currently about 17 square metres per staff) and the number of computers increased up to 12,500 (0.73 computers per staff member). An integrated computer-based system, PULS, has been widely introduced and, as a uniform information system, is operating as a local network in all individual labour offices. The aim is to facilitate data collection and data exchange at national level.

#### Overall assessment

There is a **need to adjust the system for funding labour market policy** with a view to achieving a better balance between active and passive measures. In order to raise the dimension and quality of active job broking, placement services and employment counselling, it will be necessary to increase staffing levels and **to change the structure of employment in local labour offices** towards increasing the number of employees dealing with active labour market measures.

Thought might be given to relieving labour offices from tasks not connected with the promotion of economic activity of the unemployed.

Immediate measures need to be taken in order to address the **high PES staff turnover** as well as to improve the remuneration and evaluation system for PES staff. At the same time it will be necessary to introduce a system of standards for the services provided.

### 3.3 COVERAGE OF THE PES

One major weakness of the Polish labour market is the relatively small number of available jobs reported by employers to labour offices. Most offers (about three quarters since the mid 1990s) came from private sector employers<sup>269</sup>. It is of concern that the number of vacancies reported has been steadily decreasing since 1998, showing a particularly steep decrease of almost 25% in 2001.

Formally employers are obliged to inform local labour offices of job vacancies or vacant vocational preparation places, and the legal basis even envisages sanctions in case the employer does not do this. Employers are also obliged to inform the local labour office in writing within five days when they employ a person registered as unemployed<sup>270</sup>.

**Table 16: Job offers reported by employers to labour offices (1992–2001)**

| Year | Job offers |
|------|------------|
| 1992 | 483,800    |
| 1993 | 527,800    |
| 1994 | 801,000    |
| 1995 | 914,200    |
| 1996 | 878,900    |
| 1997 | 915,800    |
| 1998 | 761,100    |
| 1999 | 680,700    |
| 2000 | 607,700    |
| 2001 | 465,700    |

Source: MoLSP, Labour Market Department, July 2002.

According to the Labour Force Survey, out of 3.1 million unemployed persons in 2001 about 2.0 million (65% of the unemployed) indicated 'labour offices' as a method of job-seeking, 120,000 (4%) private employment offices. On the other hand, 1.2 million (40%) preferred 'direct contacts with employers' and the same number

<sup>268</sup> According to the MoLSP no current data are available.

<sup>269</sup> MoLSP, *National Strategy for Employment and Human Resources Development 2000–06*.

<sup>270</sup> Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

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'friends and relatives' as a method of job-seeking<sup>271</sup>.

Other national sources indicate that labour offices serve to fill only about 3% of open positions in the private sector<sup>272</sup>. The total share of PES in assisting the unemployed and jobseekers on the labour market is estimated by some authors to be about 30 to 40%, compared with 5 to 8% of private employment agencies<sup>273</sup>.

#### 3.4 RANGE AND QUALITY OF SERVICES

The Polish government has set **five basic objectives** for the PES system:

1. to **create new employment opportunities** for the unemployed and graduates by means of promotion of employment in the economy and subsidised employment, public works, support for the creation of new enterprises, and development of entrepreneurship;
2. to **improve employability** through intervention works, vocational education and labour market training of the unemployed;
3. to **reduce the hardship of unemployed** persons through unemployment benefits and pre-retirement benefit or allowance;
4. to **reduce welfare dependency** through gradually changing unemployment benefit into job-search assistance;
5. to **promote adaptability** and to strengthen **equal opportunities**<sup>274</sup>.

On this basis the **main functions** and tasks of local labour offices can be divided into four groups: a) administration of unemployment benefits and other allowance systems; b) administration of active labour market programmes; c) development of labour market information system; d) active job broking (for further details see annex, tables 11 and 12).

The **types of service** provided by Polish PES are similar to those of EU member states. The PES are responsible for implementation of three **passive labour market measures**:

- registration of unemployed people and jobseekers, and – in the absence of other opportunities – payment of unemployment benefit;
- payment of compensatory allowances to persons covered by special provisions related to the termination of an employment contract;
- payment of pre-retirement benefits and allowances to older unemployed people.

In addition, the PES in Poland carry out different forms of **active labour market measures**, including:

- assisting the unemployed and jobseekers, providing vocational guidance, helping enterprises to find workers;
- alleviation or prevention of adverse effects resulting from the termination of employment contracts, by offering jobs or training and retraining;
- creation of new jobs and assistance in the creation of small businesses;
- initiation and financing of training and retraining for the unemployed and payment of training allowances;
- initiation and financing of intervention works and public works;
- payment of subsidies (including social insurance contributions) to enterprises in order to employ young people and provide them with vocational training;
- reimbursement of travel costs to unemployed persons where employment is offered away from their place of residence;
- cooperation with the employment councils in mitigating the adverse effects of unemployment, in particular regarding the distribution of the Labour Fund<sup>275</sup>.

271 CSO, Labour Force Survey in Poland, 3rd quarter 2001.

272 Hausner, *Factors generating unemployment in Poland*.

273 Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

274 Ibid.

275 Ibid.

**Table 17: Seven basic forms of ALMP carried out by PES in Poland**

- (1) Employment services (PES).** The employment service is the central function of (powiat, county or local – LLO) labour offices. Local labour offices are one-stop shops for re-employment assistance. These offices act as a unified clearing-house for referral to a variety of active and passive support. The PES offer a full range of placement services including job interview referral, counselling, skills assessment, job search training, CV preparation, and job clubs.
- (2) Labour market training and retraining** of unemployed workers provide an additional short-term job skill training to make job seekers ready to fill job openings in the region. The cost of training may not exceed two average wages and the training should not last longer than six months. Retraining participants receive a stipend of 20% of the unemployment benefit.
- (3) Public works** are a short-term (up to 12 months) direct job creation programme with employment on projects organised by government agencies including municipal governments. The LLO refunds wages of unemployed persons hired, for up to six months, up to the level of 75% of the national average wage plus social insurance contribution. Alternatively the LLO may refund up to 100% of the average wage and social insurance contribution for a period of 12 months for every second month. The wage level makes clear the main aim of public works, which is an income transfer. The secondary aims of the program are to maintain job readiness skills of the unemployed and to contribute to the public health and infrastructure.
- (4) Intervention works** are much like the public works programme, except that either public agencies or private firms may operate the projects. The refund is set to be equal to the unemployment benefit (UB) and it is paid for six months. Another available option is that LLO refunds up to the level of minimum wage for 12 months, every second month. There are also incentives for employers to retain workers permanently. After the end of an intervention works project, which may last up to six months, employers can receive a one-off wage subsidy for retained workers amounting to up to 150% of the national average wage. The low project wages and the incentive for continued employment mean that intervention works operate essentially as a wage subsidy programme.
- (5) The graduate programme** is similar to intervention works, except that it targets only school graduates, i.e. those unemployed who graduated from school within the last 12 months. The Labour Fund refunds for up to 12 months the costs incurred by the employer, but the subsidy may not exceed the amount of unemployment benefit. The social security contribution is also covered by the Labour Fund. The objective of the graduate programme is to create opportunities for graduates to get experience and on-the-job training to improve their labour market situation in the future. An incentive is provided to employers for keeping the graduates employed after 12 months of the programme. The Labour Fund covers the social insurance contribution for an additional 12 months for each graduate employed.
- (6) Loans** are provided for employers who create jobs for the unemployed for at least two years, and for unemployed individuals who are interested in setting up their own businesses. The maximum loan is small, being limited to 20 times the national average wage. Loans are made at market rates of interest and must be repaid immediately in full if the planned enterprise is not initiated. A strong incentive for business survival is provided by a 50% loan principal reduction granted to businesses that survive for at least two years.
- (7) Special programmes** are aimed at risk groups and should not exceed 10% of the amount allocated for active labour market policies. These risk groups include the long-term unemployment, women, youth under 24 years of age, workers laid off from enterprises undergoing restructuring, and the unemployed in rural areas. These special programmes provide many of the services available in the programmes defined above (training, wage and payroll tax refunds, loans), although in many instances under more favourable conditions. For instance, interest rates on loans can be reduced to zero under certain conditions.

*Source: Act on Employment and Counteracting Unemployment of 14 December 1994 (revised text, Dziennik Ustaw 2001, No 6; World Bank Labour Market Study Poland, 2001).*

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Regarding the specific target group of **graduates** (see table 17), the following two basic measures of vocational activation have been put in place.

- **In-company practice period** (stage) for graduates: local self-government authorities can direct a graduate (from various levels of schools) to an in-company practice lasting from 3 to 12 months<sup>276</sup>.
- **Subsidy for a company** which employs on a full-time basis a graduate directed by a local self-government authority: the local self-government authority can reimburse from the Labour Fund the cost of employing the graduate for up to 12 months<sup>277</sup>.

It is of serious concern that the **total number of participants in ALMM is decreasing** in recent years (in a period of growing unemployment), reaching an extremely low level in 2001. Compared to 2000, all measures showed a further decrease in participants (see table 7 in annex). In particular, training measures have been suffering extensively from financial bottlenecks; from 136,000 participants in 1999, participation sank to around 100,000 in 2000 and only 48,000 (1.5% of the unemployed) in 2001 – a decrease of over 50% compared to 2000.

Under the supervision of the National Labour Office the **effectiveness** of active programmes has been measured against two main indicators: the percentage of participants finding a job after the programme (three months), and the unit cost of the programme per participant.

Results of **evaluations of labour market programmes** indicate that intervention programmes, loans for self-employment and retraining measures are the most effective in raising the chances of getting a job. **Employment services have little impact**, whereas public works show even a negative impact<sup>278</sup>, being the least effective and showing the highest costs<sup>279</sup>.

In 2000, 46% of participants in training measures found a job, but effectiveness of training is decreasing compared to previous years. Although training shows high effectiveness compared to other measures, the smallest amount of labour market policy resources is allocated to this measure.

In order to improve the coordination between VET and the changing labour market demand for skills and qualifications, **new methods** for linking these systems have been developed and implemented in selected regions.

**Table 18: Effectiveness of selected active programmes – percentage of participants finding a job (1996–2000)**

| Active measures    | 1996 | 1997 | 1998 | 1999 | 2000 |
|--------------------|------|------|------|------|------|
| Training           | 55.5 | 49.0 | 51.8 | 50.6 | 46.4 |
| Intervention works | 50.6 | 56.8 | 64.1 | 65.1 | 50.5 |
| Public works       | 8.2  | 7.1  | 11.8 | 13.2 | 12.3 |

Source: National Labour Office.

<sup>276</sup> The graduate and the company are entitled to accept or refuse the proposal. In case of acceptance, the local self-government authority signs an agreement with the company and the graduate obtains a grant equal to the basic amount of unemployment benefit (UB). The grant is paid by the local self-government authority from the Labour Fund. MoLSP, Labour Market Policy Department, Opinion on the draft country monograph on VET and employment services in Poland, September 2002.

<sup>277</sup> The costs include the wage, productivity bonus and social security contribution, in total not exceeding the basic amount of unemployment benefit. Similar costs, however, not exceeding the minimum wage and social security contribution resulting from the amount of the minimum wage, can be repaid to the company for up to 18 months if this reimbursement covers every second month of the graduate's employment. MoLSP, Labour Market Policy Department, Opinion on the draft country monograph.

<sup>278</sup> World Bank, *Poland – labour market study*.

<sup>279</sup> Krynska, *Socioeconomic background*. Public works as an active labour market programme was introduced in 1992.

**Table 19: Results of experimental application of tripartite training agreements (TTA) in 36 regions (1997)**

|                           | Number of unemployed trained | Employed after training | Efficiency % |
|---------------------------|------------------------------|-------------------------|--------------|
| Without TTA               | 129,263                      | 69,474                  | 53.7         |
| With TTA                  | 4,557                        | 3,860                   | 84.7         |
| Improvement of efficiency | x                            | x                       | +58          |

Source: Estimated from Labour Market No 2, 1999, in Kabaj, Capacity of PPES to support national employment policy objectives.

One of these methods is **tripartite training agreements** (see graph 10), which have been introduced on a small scale to improve the efficiency of labour market training. After the request for training from employers, unemployed persons are selected by PES and a training programme is elaborated by a training centre in consultation with the employer and PES office. The involvement of employers links training more closely to labour market demands, and this is reflected in the high average efficiency rate, which reached 85% in a pilot application in 36 Polish regions (out of 49 previously), and 93% in 20 of the 36 regions.

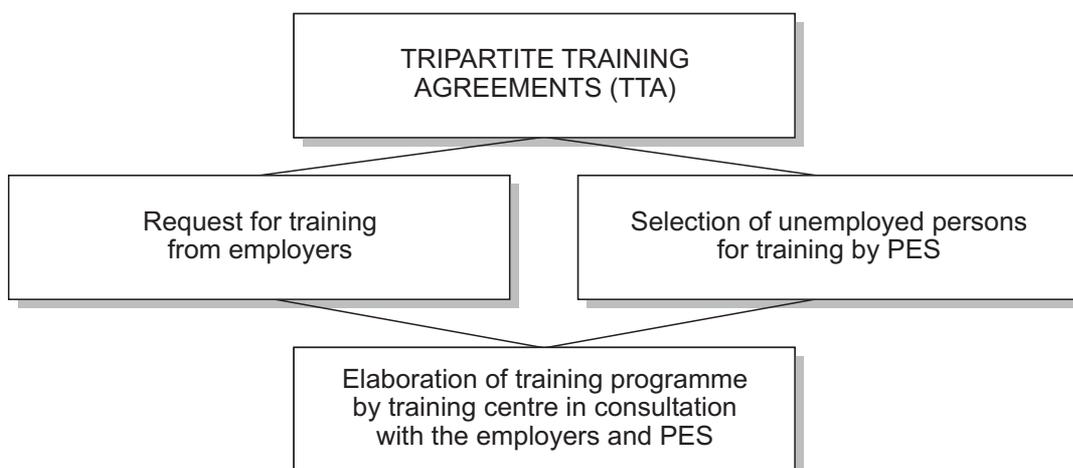
Mainly because of the **lack of interest and cooperation** of most employers, this effective method has been applied only on a small scale so far. The same applies also to other methods, such as research and monitoring of the employment and careers of graduates and monitoring of shortage and surplus occupations (see section 2.2 on responsiveness of VET).

National **quality standards for services** for labour offices were developed under the old PES system and the National Labour Office and the MoLSP have continued since 2000 to prepare new uniform quality standards for the new PES system. However, the financial means were lacking in 2001 to implement those standards already developed through a regulation. Discussions have been going on as to whether guidelines (not legally binding) instead of standards might be introduced.

At the same time, Phare support has been granted to the Enhancement of PES Capabilities to prepare service provision standards for PES.

The National Strategy for Employment and Human Resources 2000–06 envisages the establishment of a **new system to monitor** new phenomena emerging in the field of **labour offices' functioning**, in order to develop appropriate legislation. New uniform methods of data collection on the labour market should be ensured by

**Graph 10: Tripartite Training Agreements**



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the PULS software and new methods of monitoring the effectiveness of labour market programmes were announced. So far implementation is lagging behind, mainly because of other priorities arising from the difficulties caused by high unemployment.

**Employers' organisations** and some academics are rather critical of the functioning and quality of the services provided by the public employment services. They consider the PES system costly, ineffective and lacking sufficient consultation with employers and think it should be debureaucratised via commercialisation. The focus of labour offices should not be on giving alms to the unemployed but rather on providing them with job offers and the necessary qualifications, being active initiators of undertakings promoting employment. The institutions shaping the labour market are considered ill adjusted to the flexible development of labour markets, and are even held responsible for having contributed to making labour market development substantially more inflexible than it should be<sup>280</sup>.

The World Bank recommends **contracting out of the delivery of active labour market programmes** in order to achieve economies of scale, since one provider can meet the needs of more than one county (powiat). In the view of the World Bank private provision tends to be more familiar with labour market developments and would also reduce administrative costs. As an important precondition clearer service delivery standards and better designed performance indicators are needed, otherwise there is a risk of abusing the system and perpetuating the 'deadweight losses' associated with active programmes<sup>281</sup>.

#### Overall assessment

There remains a **high need to strengthen active labour market policy**, and to implement a necessary shift from passive towards active measures. Within the active programmes for the unemployed, the proposed shift in favour of training and other measures designed to improve employability, remained to some extent at a declarative level, while in fact the situation deteriorated extremely sharply in 2000 and 2001.

### 3.5 ROLE OF PRIVATE EMPLOYMENT SERVICES (PRES)

Until 1989 public employment services had a monopoly, because of the centralised economic system and as required by the ILO Free-Charging Employment Agencies Convention of 1933, revised in 1949. The Act on Employment of 29 December 1989 (Article 20) and the new Act on Employment and Unemployment of 16 October 1991 created **limited opportunities** for the development of private employment agencies<sup>282</sup>. The rules concerning PRES were modified by the Act on Employment and Counteracting Unemployment of 14 December 1994 (Article 37), extending placement services for employment abroad and delegating the right to make authorisations from the minister of labour to the president of the National Labour Office<sup>283</sup>.

The **conditions for the creation and operation of PRES** have become more favourable since adoption of ILO Convention 181 and Recommendation 188 (both 1997) concerning private employment services with regard to services for matching offers and

<sup>280</sup> Hausner, *Factors generating unemployment in Poland*.

<sup>281</sup> World Bank, *Poland – labour market study*.

<sup>282</sup> It stated as follows: 'The minister of labour and social policy may: ... authorise to carry out employment placement other organs, organisations or persons, determining principles, conditions, period of validity of the authorisation, scope of employment placement and connected responsibilities as well as amount of payments from establishments. Employment placement for profit is prohibited.', in Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

<sup>283</sup> Article 37 states that 'The President of the National Labour Office may authorise organs, organisations or institutions other than labour offices to carry out placement services or to refer to employment abroad with foreign employers ... Where terms and obligations determined in the authorisation ... are not observed, the President of the NLO may withdraw the authorisation ... Labour placement or referring to work abroad with foreign employers for profit shall be prohibited.', Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

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applications for employment, other services related to jobseekers, and provision of information.

During the decade 1990–2000 the **NLO granted** as many as 2,500 **authorisations** for the establishment and operation of PRES. Almost half were granted for placement services for employment abroad. Mainly due to the difficult economic situation the number of authorisations has been steadily decreasing since 1997. At the end of 2001, 310 entities possessed licences (including 196 to provide employment services in Poland and 114 to send Polish citizens to work abroad). The licence is issued by the MoLSP for two years.

The National Strategy for Employment and Human Resources Development emphasises the **need to enable to a greater extent** than before the **operation** of non public labour market service institutions (temporary placement agencies, personal counselling institutions and non governmental job placement).

This includes a more precise definition of the rules for granting licences to engage in such activities, enabling labour offices to subcontract specific tasks and to introduce a possibility and the procedure for contracting out by labour offices of tasks connected with labour market services to non public institutions<sup>284</sup>.

There is a strong network of non public service providers for SME promotion measures in place in Poland. A similar network in the case of employment promotion services still needs to be developed<sup>285</sup>.

In general, PRES are playing a **vital role in active broking** and counteracting unemployment in Poland. Annually about 100,000 job seekers (mostly with higher skills, 35% females in 2001) have been assisted in finding employment in recent years, about 20 to 30% of them (females only 0.8% in 2001) for employment abroad. This constitutes an estimated 5 to 8% share of the domestic and foreign labour market.

**Table 20: Authorisations granted by the MoLSP and the NLO for PRES (1990–2001)**

| Year                     | Authorisations granted by MoLSP and NLO |                              |  |
|--------------------------|---|------------------------------|--|
|                          | Total for employment                    | Placement services in Poland | Placement services for employment abroad |
| 1990                     | 142                                     | 31                           | 111                                      |
| 1991                     | 133                                     | 30                           | 103                                      |
| 1992                     | 322                                     | 90                           | 232                                      |
| 1993                     | 240                                     | 100                          | 140                                      |
| 1994                     | 185                                     | 101                          | 84                                       |
| 1995                     | 196                                     | 127                          | 69                                       |
| 1996                     | 238                                     | 180                          | 58                                       |
| 1997                     | 305                                     | 213                          | 92                                       |
| 1998                     | 281                                     | 205                          | 76                                       |
| 1999                     | 276                                     | 200                          | 76                                       |
| 2000                     | 216                                     | 131                          | 85                                       |
| 2001                     | 152                                     | 95                           | 57                                       |
| <b>Total (1990–2001)</b> | <b>2,686</b>                            | <b>1,503</b>                 | <b>1,183</b>                             |

Source: National Labour Office.

<sup>284</sup> MoLSP, *National strategy for employment and human resources development 2000–06*.

<sup>285</sup> MoLSP, Human Resource Development Pre-Accession Programme, Phare 2001 Programming.

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**Table 21: Persons employed through the services of private employment agencies (1990–2001)**

| Year                     | Total          | In Poland      | Abroad         |
|--------------------------|----------------|----------------|----------------|
| 1990                     | 13,500         |                | 13,500         |
| 1991                     | 10,500         |                | 10,500         |
| 1992                     | 12,395         | 2,145          | 10,250         |
| 1993                     | 35,143         | 27,393         | 7,750          |
| 1994                     | 49,699         | 40,741         | 8,958          |
| 1995                     | 66,682         | 58,269         | 8,413          |
| 1996                     | 69,503         | 58,514         | 10,989         |
| 1997                     | 93,526         | 78,138         | 15,388         |
| 1998                     | 122,746        | 99,772         | 22,974         |
| 1999                     | 113,581        | 87,785         | 25,796         |
| 2000                     | 108,054        | 77,321         | 30,733         |
| 2001                     | 108,114        | 79,130         | 28,984         |
| <b>Total (1990–2001)</b> | <b>803,443</b> | <b>609,208</b> | <b>194,235</b> |

Source: National Labour Office.

Limited information is available on forms and methods of **cooperation between public and private agencies**<sup>286</sup>.

A **mini-survey conducted** in 2001 among 43 managers and chief experts of local labour offices showed that most (49%) are informed about activities of PRES in the local labour market. However, only 14% reported any of the various forms of cooperation with PRES, such as exchange of information about selected job offers, organisation of joint job-broking actions, or training of staff members of PRES in local (regional) labour offices.

Only a small proportion of PES managers (28%) consider this activity as a complementary and useful function, but at the same time even fewer (19%) consider that PRES creates unnecessary competition with PES and deals mainly with attractive job offers ('creaming effect of PRES'), leaving to PES the more difficult job of placing the unemployed<sup>287</sup>.

#### Overall assessment

The objective of enabling the operation of non public labour market service institutions to a greater extent than before has remained mostly at a declarative level so far and has not been translated into concrete action. **Cooperation between public and private agencies needs to be enhanced**, and the possibility of which services could be contracted out needs to be explored more seriously.

### 3.6 REFORM OF THE PES

The main reform objectives for PES have been set out in the National Strategy for Employment and Human Resources Development 2000–06, the National Employment Action Plan 2000–01, the JAP on Employment Policy Priorities (January 2001) and the Socioeconomic Strategy 'Entrepreneurship – development – work' (January 2002) of the new Government of Poland.

<sup>286</sup> According to the principle of ILO Convention 181, public authorities retain final authority for formulating labour market policy and controlling the use of public funds earmarked for the implementation of that policy.

<sup>287</sup> Mini-survey conducted by Prof. M. Kabaj during a postgraduate study on labour market policy in Mazowsze voivodship.

All have in common the **aim of strengthening PES institutionally** and at the same time **improving the quality** of the services provided (including staff development, creating a system of standards, upgrading methods and tools of job placement, and monitoring the new system). There is a common understanding in policy papers that labour offices should be relieved of tasks not connected with occupational activation, the level of bureaucracy should be reduced, services should be contracted out, and the operation of private agencies should be fostered.

Furthermore, the PES must **reorient towards a preventive approach**, to make job information and vocational guidance services more accessible and to create a comprehensive system of monitoring of vocational education and training linked to a system of labour market needs forecasting. The role of employment councils also needs to be refined.

However, quite a number of priorities set out in the National Strategy for Employment and the JAP related to labour market policy and PES (preventive strategy, wider use of individual action plans, comprehensive monitoring, assessment and review of the impact of new PES structures) **have not achieved substantial progress**, mainly because of the difficult economic and political conditions under which the reform is taking place. Some effects could be wrongly considered as a result of the decentralisation of the PES system.

Policymakers are aware that decentralisation also requires the **construction of a new model** of governmental influence upon the labour market and on possible intervention mechanisms from the national level as well as a new cooperation model between the national, regional and local levels.

#### Overall assessment

The **future plans for the PES reorganisation** are not clear yet, as discussions were still going on in 2002. However, indications are that some responsibilities will shift from the local to the regional level and towards greater proactivity at the national level in order to achieve a more coherent employment policy and actions.

### 3.7 SUPPORT FOR IMPLEMENTING THE EUROPEAN EMPLOYMENT STRATEGY

The current PES system is struggling to provide sufficient support for counteracting unemployment. In fact, it may even be hindering the effective absorption of the European Social Fund (ESF) as the main instrument to achieve the objectives of the European Employment Strategy (EES)<sup>288</sup>.

Foreign assistance programmes remain major drivers for further reform. Apart from previous World Bank support in the 1990s (focusing on IT and a uniform information system for labour offices, and on measuring the effectiveness of labour market programmes), Poland is still relying heavily on relevant EU Phare programmes. The Special Preparatory Programme for Structural Funds (SPP), including its ESF component, contributed to awareness raising and building the first institutional capacities. The development of employment promotion services has been identified as a priority for efficient absorption of the ESF.

Phare 2001 and 2002 projects are aiming **to develop further the programming and management capacities for ESF implementation**. The ESF Unit within the MoLSP is being supported in setting up the structure, reflecting the specific

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<sup>288</sup> MoLSP, Pre-Accession Department, Phare project fiche on ESF-oriented cooperation and coordination between labour market institutions, May 2002.

### 3. CAPACITY OF PUBLIC AND PRIVATE EMPLOYMENT SERVICES TO SUPPORT THE AIMS OF THE NATIONAL EMPLOYMENT POLICY

competency requirements at central level and the development of regional and local capacities for participation in ESF programmes. The institutions identified (intermediary bodies and final beneficiaries)<sup>289</sup> will receive assistance, including the hardware necessary for data collection for ESF monitoring and evaluation. It is envisaged that all institutions participating in the ESF implementation will be identified in 2003.

The Ministry of Finance is developing with Phare assistance a uniform IT **monitoring and control system (SIMIC)** for all structural funds in Poland. It is expected that all managing authorities will be covered by this system.

In the context of Phare **Economic and Social Cohesion** programmes (although implementation has remained delayed), the MoLSP is responsible for coordinating ESF-type human resources development projects, which include components related to employment promotion, such as encouraging local employment partnerships, entrepreneurship promotion, information and job counselling, and training elements for SMEs.

A recent Phare project, approved by the European Commission, is aiming to prepare PES for **implementation of the European Employment Strategy** and to participate in the European Employment Services (EURES) system. It is expected that the competency of key institutions (PES) will be strengthened and the foundations for the operation of the EURES system (development of technical infrastructure, software and equipment) will be created<sup>290</sup>.

#### Overall assessment

EU support continues to be crucial for Poland in preparing for the European Employment Strategy and its appropriate implementing structures. Given the uncertain and not yet stable situation of the PES system, there is a **risk and challenge as regards the absorption capacity** for future ESF funding.

As an immediate task, the PES system has to be reorganised effectively and capacity building needs to be strengthened in the remaining period before accession to the EU.

<sup>289</sup> MoLSP, Pre-Accession Department, ESF priorities and measures, draft proposal, March 2002. According to this draft the paying authority will be the Ministry of Finance and the managing authority the MoLSP (Department for Pre-Accession). The Labour Market Policy Department of the MoLSP is envisaged as the 'intermediate body' for certain measures (e.g. development of instruments and institutions, programmes for young job seekers, counteracting long-term unemployment and social exclusion, development of job information and counselling). Regarding the widening and adjusting of education to labour market needs and enhancing the qualifications of adults, the function of intermediate body will be delegated to the MoNES. For some actions regional (voivodship) labour offices will be the final beneficiaries (vocational reorientation in rural areas, promotion of social inclusion, programme for young job seekers and long-term unemployed), whereas local (powiat) labour offices – as well as NGOs, employers and other institutions – will mainly fulfil the role of project promoters in the context of ESF implementation.

<sup>290</sup> Information provided by the MoLSP, Pre-Accession Department, March–July 2002.



## 4. CONCLUSIONS

# 4

The scale and character of current unemployment in Poland is of great concern, and no easy or fast solution can be expected. The main challenge will be to create a **nationally coherent employment policy** and sustainable job creation. The new government is aware that this problem can only be addressed with an integrated policy mix and a considerable increase in financial resources, in particular for **active labour market measures**. Without a substantial increase in financial resources for ALMP it would be difficult to achieve the objectives of the European Employment Strategy and the employment policy priorities established in the JAP. However, **no clear targets** in this respect have been set by the new minister of labour so far.

Considerable efforts are also needed towards the **effective reorganisation of PES in order to overcome fragmentation and problems which emerged during the initial phase of the latest PES reform**. Special attention needs to be paid to increasing PES capacity and quality of staff resources in order to improve the coverage and effectiveness of services for the unemployed.

At the same time, **lifelong learning policies** must be established with a view to ensuring the education and training of adults, in order to adapt the workforce better to industrial restructuring and the knowledge society.

In addition, the ongoing **education system reform** needs to be supported, and the most attention needs to be paid to the current gap in upper secondary education and postsecondary education. The overall quality of education and vocational education and training needs to be improved and the system's responsiveness to labour market needs increased.

Specifically, the country monograph has identified the following four priority areas and needs with a view to future ESF implementation.

1. **Strengthening active labour market measures, in particular training measures, in order to support the unemployed and disadvantaged.** ALMM should be considered a top priority, given the urgent needs and the current low level of achievement.

Although it has been recognised at a declarative level in policy documents, in reality little attention has been paid to ALMM over the past few years, mainly due to lack of funding. At the same time, the issue of absorption capacity has to be seriously tackled, as current features in the PES system such as changing structures, high staff turnover, understaffing and structure of human resources as well as the overall high unemployment rate are not easing reform efforts and implementation.

Within ALMM, most attention should be paid (in order of priority) to:

- retraining and training;
- counselling and guidance;
- loans for self-employment;
- special measures/programmes (e.g. continuation of the first Job Programme for recent graduates, people employed in agriculture).

**2. Support to the development of continuing training, in order to widen access, promote lifelong learning, and increase the qualification levels of adults.**

Continuing vocational training must be gradually developed in order to meet both the current demands of the knowledge society and EU standards/benchmarks. The current Phare programme (being implemented in 2002/03) can be regarded as a start and a basis on which the reform could build:

- creating an appropriate support framework for CVT/lifelong learning (e.g. enterprise support, motivation of individuals), in order to increase the participation of the adult population, in particular the employed, in training;
- transitional measures for those not covered by the education reform (about 4 million school leavers finishing under the old education system, until 2004);
- special measures for rural areas, people employed in agriculture, and groups at risk.

**3. Support to the ongoing education reform in order to make its implementation successful.**

As the education system has faced financial bottlenecks in the past, this is an urgent task in the current phase of reform (restructuring of secondary education), but at the same time it has a mid- and long-term perspective with a view towards sustainability of many measures. Most attention should be dedicated to the restructuring of the initial (secondary) and postsecondary VET system.

*Bringing VET closer to labour market demands:*

- development and implementation of a national system of qualification standards;
- strengthening cooperation with/involvement of social partners in VET;
- introduction of vocational counsellors in schools;
- VET teacher training;
- VET research, system of monitoring the reform, labour market analysis.

*Quality of education:*

- support to the education reform, in particular to initial VET (changes in curricula – including broad profiles, key competencies, handbooks, new examination system, modernisation of school infrastructure and ICT);
- preparation for the new postsecondary education system in 2004 and the new maturity exam in 2005;
- raising the level of teachers' remuneration (including higher education) and the promotion system.

*Equal opportunities:*

- occupational and social integration of risk groups (early school leavers, students from rural areas and poor families);
- financial aid for youth from rural areas and further development of the student credit system.

**4. Capacity building, in the field of both educational and labour market institutions, must be addressed first, as an immediate task, as well as in parallel with the implementation of the other priority areas.**

Capacity building in the following areas is crucial and a precondition to increasing the quality of human resources and the absorption capacity of all the measures mentioned above:

- training measures for PES staff and hiring of additional capacities;
- capacity building and training of administrators in regional and local self-governments who deal with educational and labour market issues;
- capacity building and further development of training institutions (including Practical Training Centres and Centres for Continuing Training);
- support to VET teacher training programmes related to the new education system and capacity building for a modern VET school management.



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Table 1: Children and youth by age group

| Age | 1990          | 2000    | 2000/1990 variation |
|-----|---------------|---------|---------------------|
|     | No of persons |         | 1990 = 100%         |
| 3   | 593,493       | 408,412 | 68.8                |
| 4   | 621,240       | 422,823 | 68.1                |
| 5   | 661,688       | 426,757 | 64.5                |
| 6   | 683,798       | 473,211 | 69.2                |
| 7   | 701,253       | 485,413 | 69.2                |
| 8   | 684,802       | 505,127 | 73.8                |
| 9   | 653,791       | 536,283 | 82.0                |
| 10  | 668,345       | 535,150 | 80.1                |
| 11  | 659,155       | 551,426 | 83.7                |
| 12  | 647,521       | 574,649 | 88.7                |
| 13  | 634,633       | 589,914 | 92.9                |
| 14  | 643,312       | 617,267 | 95.9                |
| 15  | 623,163       | 657,260 | 105.5               |
| 16  | 599,560       | 678,807 | 113.2               |
| 17  | 573,256       | 695,683 | 121.4               |
| 18  | 562,600       | 678,458 | 120.6               |
| 19  | 539,245       | 646,552 | 119.9               |
| 20  | 521,479       | 660,426 | 126.6               |
| 21  | 493,723       | 650,631 | 131.8               |
| 22  | 492,809       | 639,041 | 129.7               |
| 23  | 482,285       | 625,839 | 129.8               |
| 24  | 487,256       | 634,123 | 130.1               |

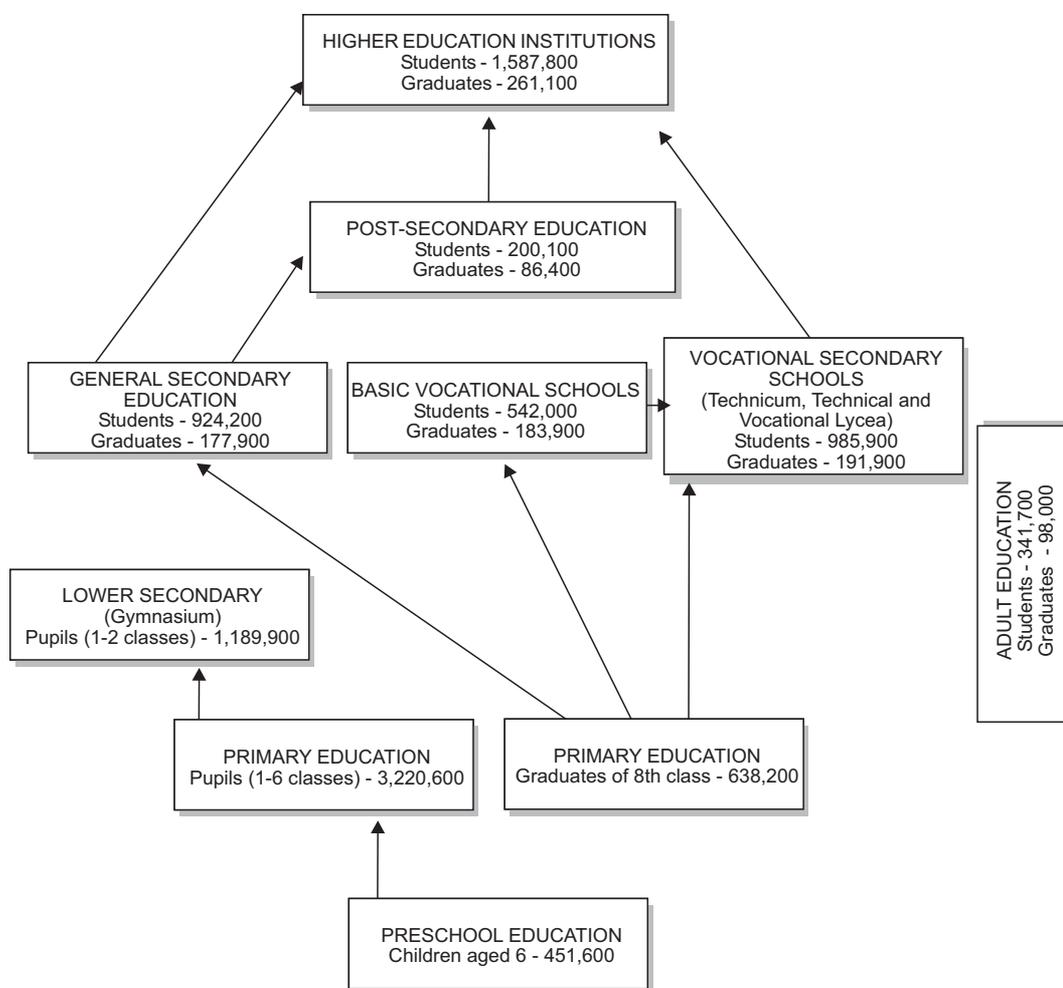
Source: Central Statistical Office, *Education in school year 2000/01, Warsaw, 2001*, in Michal Butkiewicz, *Capacity of IVET and CVT system to support national employment policy, Working document, Warsaw, October 2001*.

Table 2: Registered unemployment 1990–2002, total at the end of each month

| Specification                          | Year | Month   |         |         |         |         |         |         |         |         |         |         |         |
|--|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  |      | I       | II      | III     | IV      | V       | VI      | VII     | VIII    | IX      | X       | XI      | XII     |
| Registered unemployment ('000 persons) | 1990 | 55.8    | 152.2   | 266.2   | 351.1   | 443.2   | 568.2   | 699.3   | 820.3   | 926.4   | 1,008.4 | 1,089.1 | 1,126.1 |
|  | 1991 | 1,195.7 | 1,258.9 | 1,322.1 | 1,370.1 | 1,434.5 | 1,574.1 | 1,749.9 | 1,854.0 | 1,970.9 | 2,040.4 | 2,108.3 | 2,155.6 |
|  | 1992 | 2,211.8 | 2,245.6 | 2,216.4 | 2,218.4 | 2,228.6 | 2,296.7 | 2,409.1 | 2,457.1 | 2,498.5 | 2,477.3 | 2,490.1 | 2,509.3 |
|  | 1993 | 2,584.0 | 2,626.0 | 2,648.7 | 2,642.5 | 2,624.0 | 2,701.8 | 2,811.8 | 2,829.6 | 2,830.0 | 2,809.0 | 2,846.2 | 2,889.6 |
|  | 1994 | 2,954.7 | 2,968.9 | 2,950.1 | 2,888.5 | 2,842.5 | 2,933.0 | 2,982.0 | 2,965.4 | 2,915.7 | 2,845.5 | 2,830.6 | 2,838.0 |
|  | 1995 | 2,875.1 | 2,832.2 | 2,753.8 | 2,689.7 | 2,599.4 | 2,694.0 | 2,720.8 | 2,690.0 | 2,657.2 | 2,596.4 | 2,597.3 | 2,628.8 |
|  | 1996 | 2,718.1 | 2,734.0 | 2,726.0 | 2,670.5 | 2,567.9 | 2,508.3 | 2,466.0 | 2,401.3 | 2,341.0 | 2,286.0 | 2,306.7 | 2,359.5 |
|  | 1997 | 2,336.3 | 2,312.5 | 2,235.7 | 2,131.7 | 2,043.8 | 2,039.9 | 1,989.0 | 1,928.9 | 1,853.7 | 1,791.7 | 1,845.0 | 1,826.4 |
|  | 1998 | 1,893.3 | 1,891.9 | 1,845.7 | 1,765.5 | 1,695.4 | 1,687.6 | 1,683.1 | 1,671.0 | 1,676.7 | 1,692.6 | 1,743.4 | 1,831.4 |
|  | 1999 | 2,046.8 | 2,146.6 | 2,170.4 | 2,122.2 | 2,073.1 | 2,074.0 | 2,116.4 | 2,143.6 | 2,177.8 | 2,186.8 | 2,257.3 | 2,349.8 |
|  | 2000 | 2,476.1 | 2,522.6 | 2,531.7 | 2,487.9 | 2,431.8 | 2,437.4 | 2,477.6 | 2,496.2 | 2,528.8 | 2,547.7 | 2,613.1 | 2,702.6 |
|  | 2001 | 2,835.6 | 2,876.9 | 2,898.7 | 2,878.0 | 2,841.1 | 2,849.2 | 2,871.5 | 2,892.6 | 2,920.4 | 2,944.3 | 3,022.4 | 3,115.1 |
|  | 2002 | 3,253.3 | 3,277.9 | 3,259.9 |         |         |         |         |         |         |         |         |         |
| Unemployment rate (%)                  | 1990 | 0.3     | 0.8     | 1.5     | 1.9     | 2.4     | 3.1     | 3.8     | 4.5     | 5.0     | 5.5     | 5.9     | 6.3     |
|  | 1991 | 6.5     | 6.8     | 7.1     | 7.5     | 7.9     | 8.6     | 9.6     | 10.1    | 10.7    | 11.1    | 11.4    | 11.8    |
|  | 1992 | 12.1    | 12.4    | 12.1    | 12.2    | 12.3    | 12.6    | 13.1    | 13.4    | 13.6    | 13.5    | 13.5    | 13.6    |
|  | 1993 | 14.2    | 14.4    | 14.4    | 14.4    | 14.3    | 14.8    | 15.4    | 15.4    | 15.4    | 15.3    | 15.5    | 16.4    |
|  | 1994 | 16.7    | 16.8    | 16.7    | 16.4    | 16.2    | 16.6    | 16.9    | 16.8    | 16.5    | 16.2    | 16.1    | 16.0    |
|  | 1995 | 16.1    | 15.9    | 15.5    | 15.2    | 14.8    | 15.2    | 15.3    | 15.2    | 15.0    | 14.7    | 14.7    | 14.9    |
|  | 1996 | 15.4    | 15.4    | 15.4    | 15.1    | 14.7    | 14.3    | 14.1    | 13.8    | 13.5    | 13.2    | 13.3    | 13.2    |
|  | 1997 | 13.1    | 13.0    | 12.6    | 12.1    | 11.7    | 11.6    | 11.3    | 11.0    | 10.6    | 10.3    | 10.3    | 10.5    |
|  | 1998 | 10.7    | 10.6    | 10.4    | 10.0    | 9.7     | 9.6     | 9.6     | 9.5     | 9.6     | 9.7     | 9.9     | 10.4    |
|  | 1999 | 11.4    | 11.9    | 12.1    | 11.8    | 11.6    | 11.6    | 11.8    | 11.9    | 12.1    | 12.2    | 12.5    | 13.1    |
|  | 2000 | 13.7    | 14.0    | 14.0    | 13.8    | 13.6    | 13.6    | 13.8    | 13.9    | 14.0    | 14.1    | 14.5    | 15.0    |
|  | 2001 | 15.6    | 15.8    | 15.9    | 15.8    | 15.7    | 15.8    | 15.9    | 16.2    | 16.3    | 16.4    | 16.8    | 17.4    |
|  | 2002 | 18.0    | 18.1    | 18.1    |         |         |         |         |         |         |         |         |         |

Sources: CSO, Statistical Bulletin, 1990–2001, in Mieczysław Kabaj, Capacity of the public and private employment services to support national employment policy objectives, Draft working document, Institute of Labour and Social Studies, Warsaw, October 2001; MoLSP, April 2002.

**Graph 1: Education in school year 2000/01 (graduates from 1999/2000 school year, in higher education institutions from 2000)**



Source: Central Statistical Office, Concise statistical yearbook of Poland, Warsaw, June 2001.

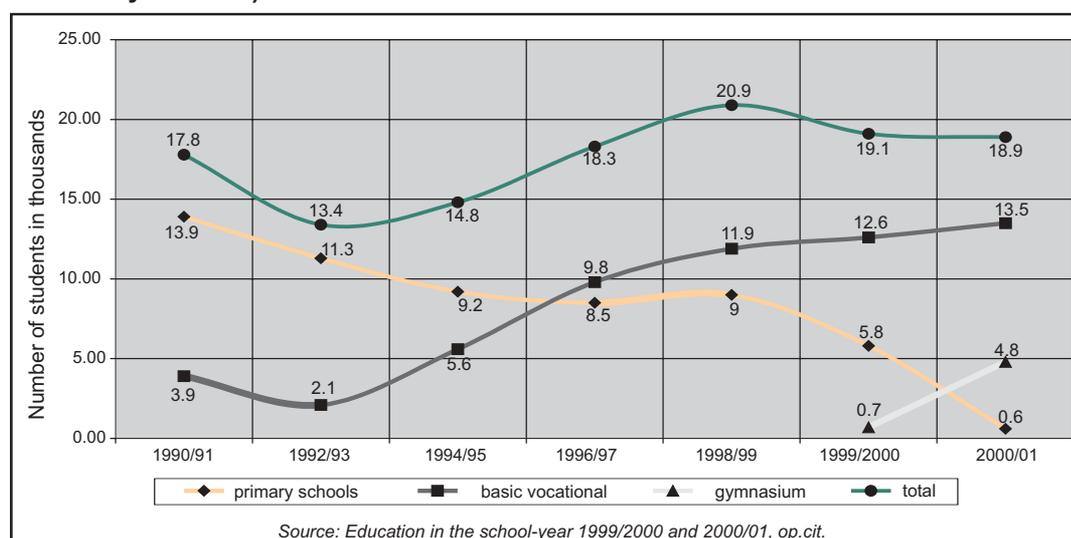
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**Table 3: Dropouts from education and repetition rates**

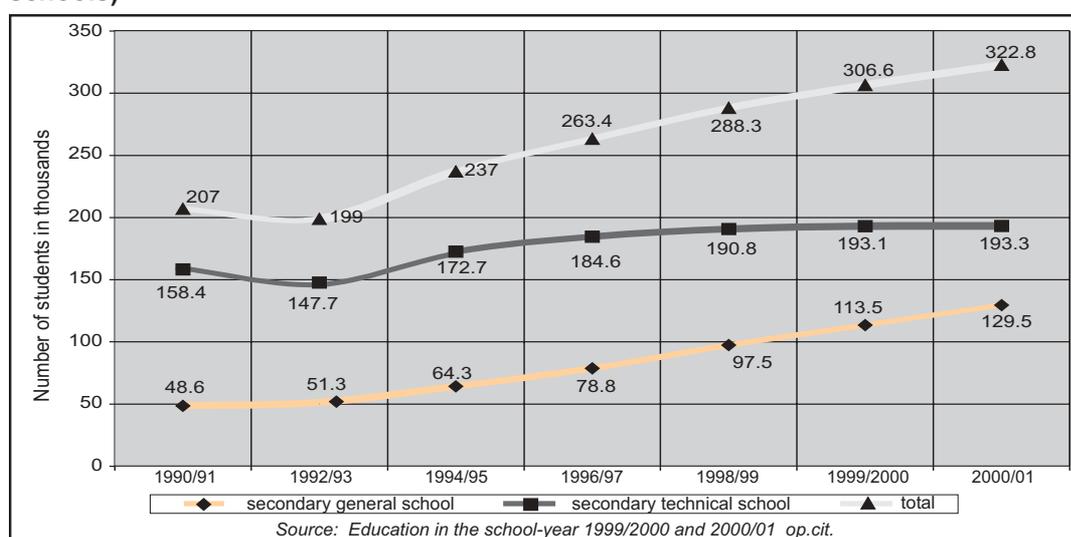
| School/<br>academic<br>year | Number of students leaving school during<br>school/academic year |        |              |              |       | % dropouts (compared with the total number<br>of students participating in relevant school<br>during school/academic year) |       |              |              |      |
|-----------------------------|--|--------|--------------|--------------|-------|--|-------|--------------|--------------|------|
|                             | ISC1-2   | ISC3G  | ISC3c<br>VOC | ISC3a<br>VOC | ISC4  | ISC1-2   | ISC3G | ISC3c<br>VOC | ISC3a<br>VOC | ISC4 |
| 1991/92                     | 14,071   | 3,171  | 27,480       | 22,066       | 5,477 | 0.3  | 0.6   | 3.5          | 3.3          | 7.9  |
| 1992/93                     | 12,720   | 6,422  | 26,906       | 14,337       | 2,760 | 0.2  | 1.2   | 3.5          | 2.0          | 4.1  |
| 1993/94                     | 7,334  | 8,211  |              |              |       | 0.1  | 1.4   | 4.0          | 1.9          | 10.2 |
| 1994/95                     | 15,034   | 7,444  |              |              |       | 0.3  | 1.1   | 3.7          | 2.0          | 9.4  |
| 1995/96                     | 12,199   | 11,171 |              |              |       | 0.2  | 1.6   | 4.3          | 2.3          | 10.6 |
| 1996/97                     | 11,059   | 7,119  | 27,992       | 17,555       | 9,717 | 0.2  | 1.0   | 4.2          | 2.1          | 9.9  |
| 1997/98                     | 8,034  | 6,797  | 26,883       | 15,892       | 8,243 | 0.2  | 0.9   | 4.3          | 1.8          | 8.7  |
| 1998/99                     | 34,808   | 8,666  | 25,290       | 17,170       | 8,325 | 0.7  | 1.1   | 4.2          | 1.9          | 9.2  |

Source: National Observatory Poland, Key indicators 2000/01.

**Graph 2: Changes in school-based adult education, 1990–2001 (primary and lower secondary schools)**



**Graph 3: Changes in school-based adult education, 1990–2001 (upper secondary schools)**



**Table 4: Number of adults in various forms of education**

| Type of school / school year                               | Number of students enrolled |           |         |
|--|-----------------------------|-----------|---------|
|  | 1998/99                     | 1999/2000 | 2000/01 |
| ● Schools <sup>a</sup>                                     | 309,298                     | 325,673   | 341,687 |
| ● Schools of higher education <sup>b</sup>                 | 681,257                     | 790,495   | 890,710 |
| ● Post-graduate programmes/PhD programmes for the employed | 93,008                      | 113,183   | —       |

*a* Primary schools, gymnasiums, vocational schools, general secondary schools and vocational secondary schools

*b* Students of evening, extramural and external programmes

Source: CSO, *Education in the school years 1998/99, 1999/2000 and 2000/2001; Schools of higher education and their finances in 1999 and 2000*, in Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

**Table 5: Types of training in school year 2000/01 (out-of-school form of CVT)**

| Type of training  | No of courses | (in '000)         |                 |                    |              |
|---|---------------|-------------------|-----------------|--------------------|--------------|
|   |               | total of trainees | of whom females | of whom unemployed | graduates    |
| <b>Total including:</b>   | <b>76,369</b> | <b>1,319.0</b>    | <b>598.5</b>    | <b>102.9</b>       | <b>943.3</b> |
| ● occupational safety   | 14,787        | 350.0             | 143.5           | 2.2                | 280.0        |
| ● language  | 19,605        | 264.5             | 150.9           | 4.1                | 239.5        |
| ● further vocational training in-service training (complementary education) | 15,589        | 249.5             | 131.0           | 24.1               | 192.0        |
| ● training leading up to acquisition of professional certificates           | 9,644         | 146.6             | 18.7            | 14.0               | 122.9        |
| ● apprenticeships   | 8,584         | 145.3             | 68.4            | 48.8               | 109.4        |

Source: Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

**Table 6: Full-time and part-time teachers employed at various types of school (as of 1 October 2001)**

| Type of school                               | Full-time teachers ('000) |                                       | Part-time teachers ('000) |
|--|---------------------------|---------------------------------------|---------------------------|
|  | in total                  | of whom employed in schools for youth |                           |
| Total number of schools                      | 549.9                     | 513.3                                 | 171.7                     |
| Basic vocational                             | 25.4                      | 20.1                                  | 9.1                       |
| ● of which in school workshops               | 4.2                       | 4.0                                   | 0.5                       |
| Secondary vocational and post-lyceum schools | 59.7                      | 54.4                                  | 32.2                      |
| ● of which school workshops                  | 1.5                       | 1.4                                   | 0.4                       |

Source: *Teachers in 2000/01*, based on the data of the *Directory of Teachers, EWIKAN*, performed on 1 October 2000, Warsaw 2001, in Butkiewicz, *Capacity of IVET and CVT system to support national employment policy*.

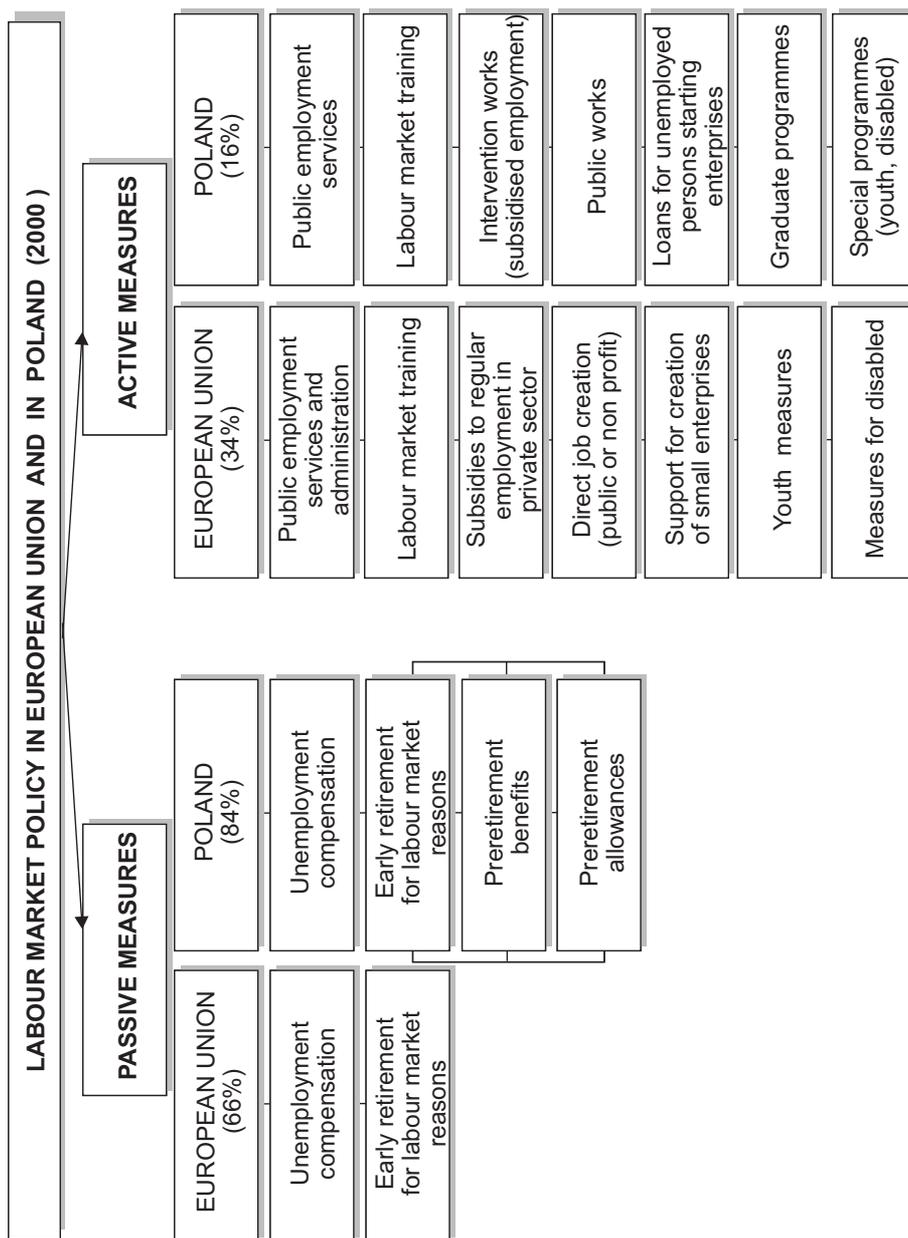
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**Table 7: Number of participants in active labour market measures/programmes according to type of measure (2000 and 2001)**

| Type of ALMM                    | 2000           | 2001           |
|---------------------------------|----------------|----------------|
| Vocational guidance             | 228,400        | 217,300        |
| Re-training and training        | 98,700         | 47,600         |
| Intervention works              | 99,400         | 39,300         |
| Public works                    | 50,300         | 29,000         |
| Loans for economic activity     | 5,300          | 2,700          |
| Special measures and programmes | 5,700          | 1,500          |
| <b>TOTAL</b>                    | <b>487,800</b> | <b>337,400</b> |

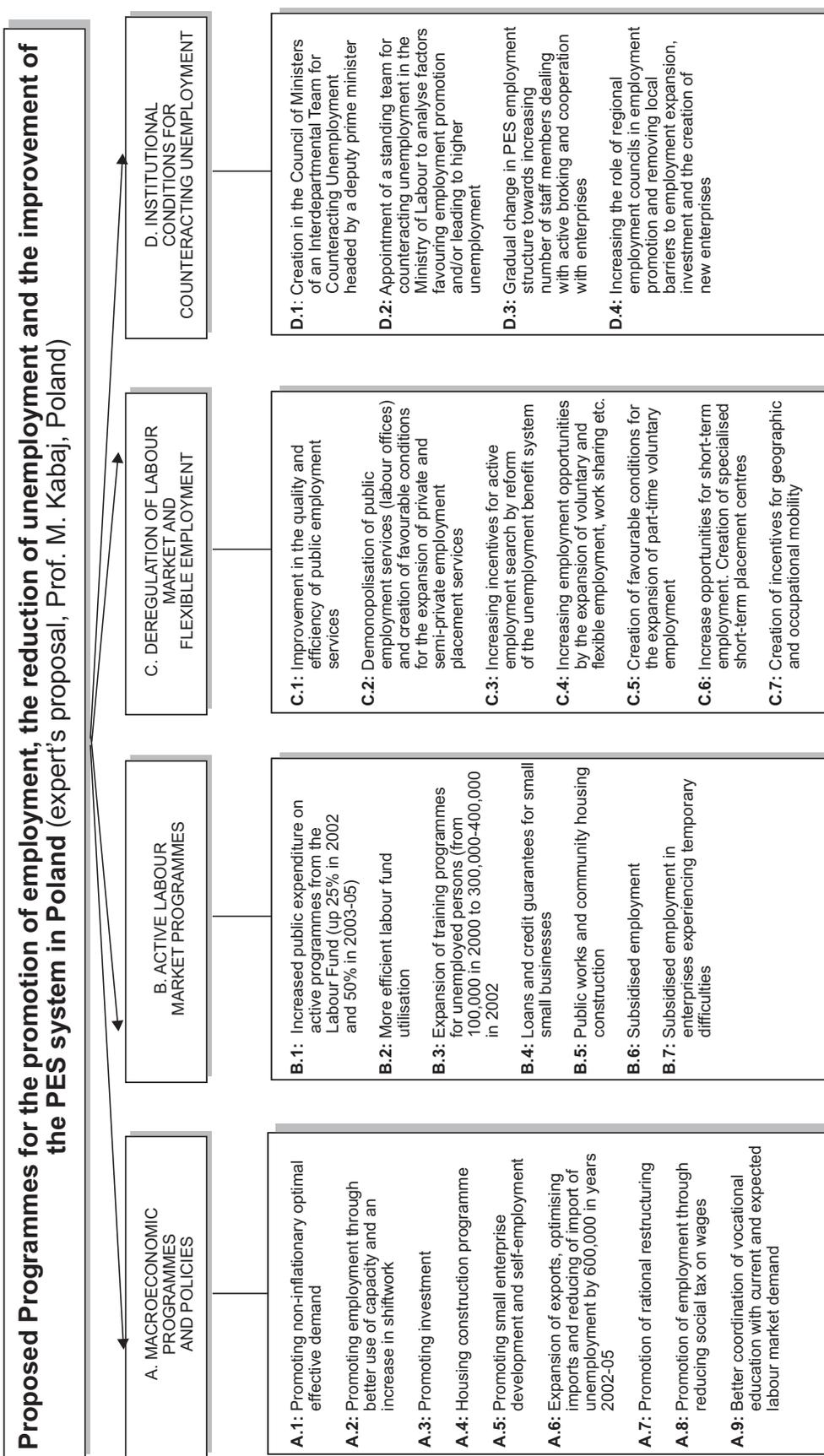
Source: Information provided by the MoLSP, Labour Market Department, June 2002.

Graph 4: Labour market policy in the European Union and Poland (percentage of total expenditure, 2000)

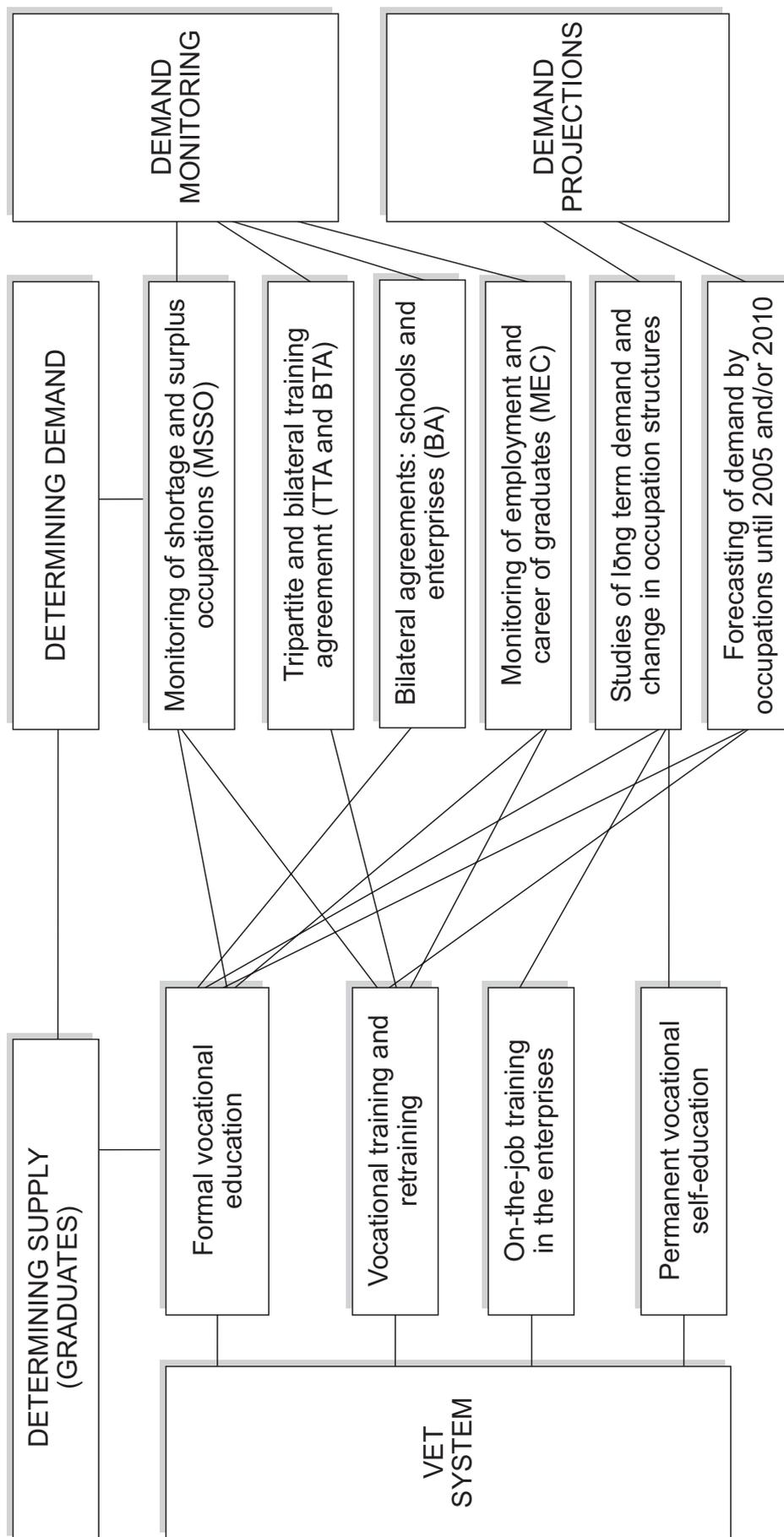


Source: Kabaj, Capacity of the public and private employment services to support national employment policy objectives.

Graph 5:



Graph 6: System of linking the labour market and vocational training in Poland (expert's proposal, Prof. M. Kabaj, Poland)



**Table 8: Unemployment benefit paid by PES (rules and levels)**

| <b>Rules of unemployment benefit</b>   |   |  |
|--|---|--|
| <p>Benefit is granted to the unemployed for each calendar day after the seventh day of registering in an appropriate local labour office, if:</p> <p>(a) there are no proposals of suitable employment for him or her, nor proposals of training, if there is no possibility of referring him or her to subsidised job, public work or to create additional job; and</p> <p>(b) during the period of 18 month preceding the day of registration, for a total period of at least 365 days, he or she:</p> <ul style="list-style-type: none"> <li>■ was employed at least in half of working time applied in a given occupation or service or reached remuneration at least equal to half the minimum pay, excluding a period of leave without pay lasting longer than 30 days;</li> <li>■ performed work on the basis of a contract of home-work, reaching in this respect an income amounting at least the minimum pay;</li> <li>■ paid a contribution to the Labour Fund in connection with employment abroad with a foreign employer.</li> </ul> |   |  |
| <b>Duration of unemployment benefit</b>  |   |  |
| <b>Duration</b>  | <b>Requirements</b>   |  |
| 6 months   | Unemployment rate in powiat is less than the national average   |  |
| 12 months  | Unemployment rate in powiat is higher than the national average   |  |
| 18 months  | Unemployment rate in powiat exceeds twice national average and the contribution paying period of an unemployed is at least 20 years, or the unemployed has at least one child not older than 15 years and the spouse is unemployed and has no right to the unemployment benefit |  |
| <b>Amount of unemployment benefit</b>  |   |  |
| <b>% of the base level</b>   | <b>Monthly<br/>PLN (euro) – gross<br/>(July 2001)</b>   | <b>Work/contribution-paying<br/>period</b> |
| 80%  | 369,60 (120,67)   | Less than 5 years                          |
| 100%   | 461,90 (128,31)   | 5–20 years                                 |
| 120%   | 554,30 (153,98)   | More than 20 years                         |
| Minimum wage   | 760 (211,12)  | X  |
| <p><i>Source: Act on Employment and Counteracting Unemployment of 14 December 1994 (revised – single text), Dziennik Ustaw 2001, No 6, in Kabaj, Capacity of the public and private employment services to support national employment policy objectives.</i></p>  |   |  |

**Table 9: Forms of early (bridging) retirement benefits<sup>289</sup> and allowances paid by PES****Pre-retirement benefit (bridging benefit)**

Granted to persons who have a right to unemployment benefit and have fulfilled the employment conditions for retirement pension after at least 30 years of employment (women) and 35 years (men) or 25 years for women and 30 years for men, including at least 15 years of employment under special (hazardous) conditions.

The level of pre-retirement benefit should be no higher than 90% of national average wages for the preceding 12 months and not lower than 120% of basic unemployment rate.

Amounts to 120% of basic unemployment benefit for claimant who lost their job due to employer's related reasons (economic, organizational etc.).

**Pre-retirement allowance (bridging allowance)**

Granted to persons, who have a right to unemployment benefit and:

- fulfil the employment conditions for retirement pension after at least 35 years of employment (women) and 40 years (men);
- have reached the age of 58 (women) or 63 (men) and fulfilled the employment conditions for retirement; or
- were 55 years old (women) or 60 years old (men) when they lost their job due to economic reasons (layoff) and have 35 years (women) or 40 years (men) of employment.

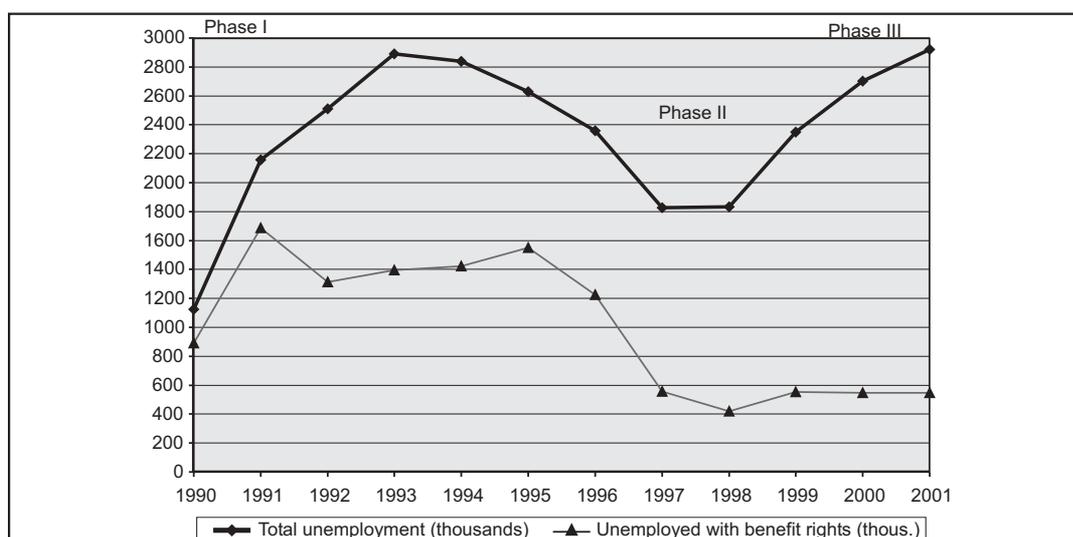
Amounts to 90% of projected pension. It should be no lower than 120% or 160% (for those laid off in regions of high structural unemployment) of the basic unemployment rate.

*Source: Kabaj, October 2001, Capacity of the public and private employment services to support national employment policy objectives.*

<sup>289</sup> These forms of retirement benefits and allowances were operational since 1995. Pre-retirement benefits and allowances were abolished in January 2002; however, those people who entered the system are entitled to receive it until the expiry date.

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**Graph 7: Unemployment and unemployed with benefit rights, 1990–2001**



Source: Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

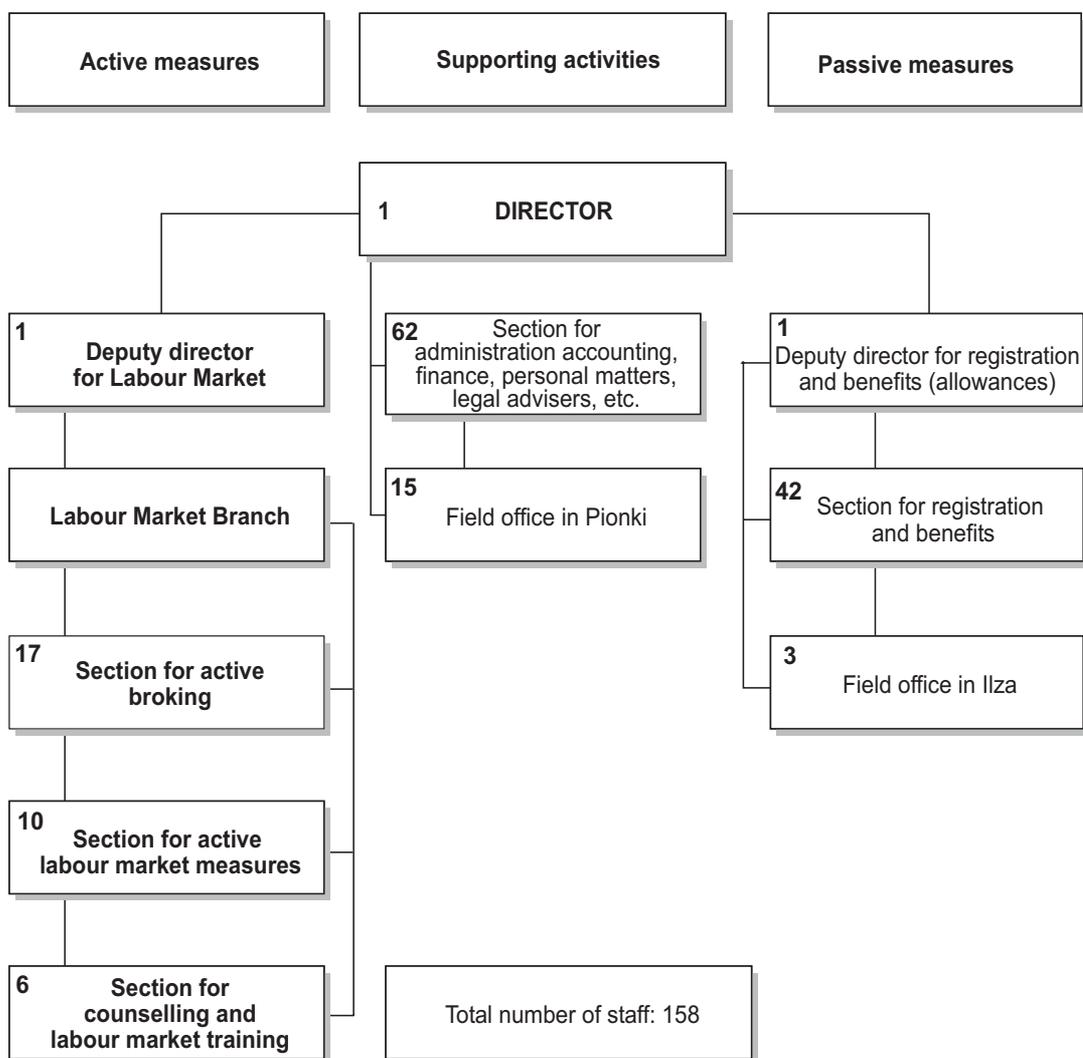
**Table 10: Unemployed with and without benefit rights in Poland, 1990–2001**

| Years | Unemployment ('000) | Without benefit rights |      | With benefit rights |      |
|-------|---------------------|------------------------|------|---------------------|------|
|       |                     | '000                   | %    | '000                | %    |
| 1990  | 1,126.1             | 234.4                  | 20.8 | 891.7               | 79.2 |
| 1991  | 2,156.6             | 470.1                  | 21.8 | 1,686.5             | 78.2 |
| 1992  | 2,509.3             | 1,196.9                | 47.7 | 1,312.4             | 52.3 |
| 1993  | 2,889.6             | 1,493.9                | 51.7 | 1,395.7             | 48.3 |
| 1994  | 2,838.0             | 1,416.2                | 49.9 | 1,421.8             | 50.1 |
| 1995  | 2,628.8             | 1,077.8                | 41.0 | 1,551.0             | 59.0 |
| 1996  | 2,359.5             | 1,134.9                | 48.1 | 1,224.6             | 51.9 |
| 1997  | 1,826.4             | 1,269.9                | 69.5 | 556.5               | 30.5 |
| 1998  | 1,831.4             | 1,411.2                | 77.0 | 420.2               | 23.0 |
| 1999  | 2,349.8             | 1,795.7                | 76.4 | 554.1               | 23.6 |
| 2000  | 2,702.6             | 2,154.0                | 79.7 | 548.6               | 20.3 |
| 2001* | 2,920.4             | 2,371.8                | 81.2 | 548.6               | 18.8 |

\* September 2001.

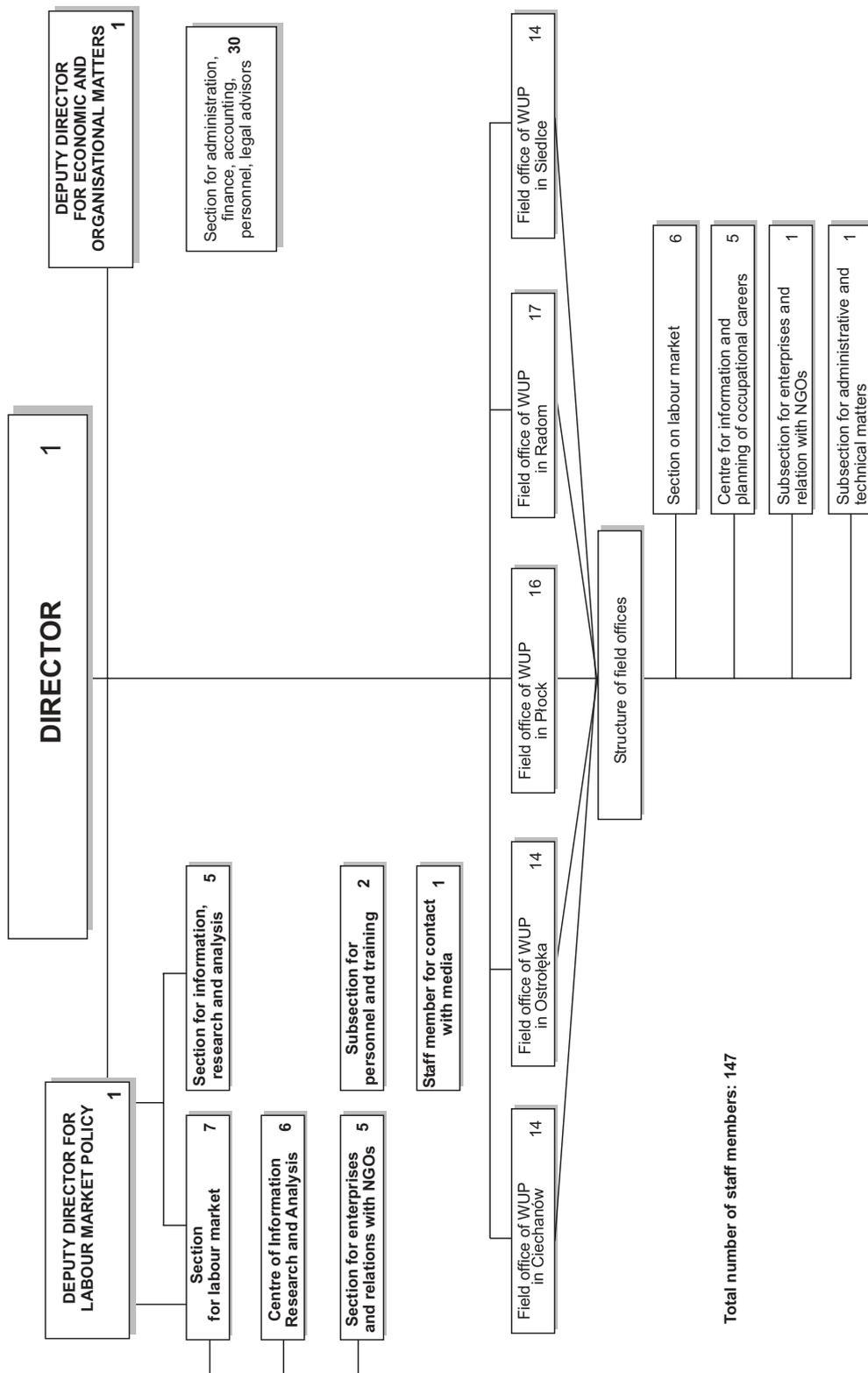
Source: CSO, *Statistical Bulletin, 1992–2001*, in Kabaj, *Capacity of the public and private employment services to support national employment policy objectives*.

Graph 8: Organisation and structure of the local labour office in Radom



Source: Kabaj, Capacity of the public and private employment services to support national employment policy objectives.

Graph 9: Organisation and structure of voivodship labour office (WUP) in Warsaw



Source: Kabaj, Capacity of the public and private employment services to support national employment policy objectives.

**Table 11: Main functions and tasks of regional and local labour offices**

| Voivodship Regional Labour Office (RLO)  | Powiat Local Labour Office (LLO)  |
|--|---|
| 1. Preparation of analyses and appraisals concerning employment, counteracting unemployment issues in a voivodship; and collaboration with the voivodship employment council in initiating activities aimed at preventing negative effects for workers of layoffs and at mitigation of these effects, and particularly aimed at finding places of work and training for the unemployed | 1. Registration of the unemployed and other job seekers, providing them with employment or training proposals, proposals of subsidised job and public work, and payment of benefits and other allowances to entitled persons in the absence of such possibilities |
| 2. Receiving notices from persons taking up employment abroad on the basis of contracts concluded with foreign employers   | 2. Assisting the unemployed and other job seekers in finding work, and assisting employers in finding workers   |
| 3. Planning of expenditure and utilisation of financial resources to implement labour market policy; promoting and financing of training, intervention works, employment of graduates and special labour market programmes   | 3. Granting and payment of pre-retirement allowances and benefits and other allowances  |
| 4. Organisation of placement services at the voivodship and inter-voivodship scale   | 4. Carrying out vocational guidance and vocational information for the unemployed and other job seekers   |
| 5. Cooperation with a school superintendent (Kuratorium) at voivodship level on planning and implementation of activities in the sphere of training for the unemployed, and vocational training organisation, with due account given to local needs  | 5. Initiating and financing labour market training  |
| 6. Organisation and cooperation of vocational guidance services as well as vocational information development at the territory of a voivodship, as well as supporting the job clubs activity   | 6. Initiating creation of additional jobs and assisting the unemployed to start activity on their own account   |
| 7. Preparing criteria for work permits for foreigners  | 7. Initiating and financing a) subsidised work, b) public work, c) school-leavers' employment   |
| 8. Promoting regional policy in the field of counteracting unemployment by means of initiating, cofinancing and coordination of voivodship programmes  | 8. Refunding of remuneration and social insurance contributions of young workers, employed on the basis of employment contract for the purposes of vocational preparation   |
| 9. Initiation, organisation and cofinancing of infrastructural investment carried out by local communities within the public works programmes in powiats with high structural unemployment   | 9. Financing supplements and premiums for workers performing tasks of student practices mentors   |
| 10. Initiation, organisation and cofinancing local programmes aimed at creation of new jobs and elimination of negative consequences of unemployment and support of governmental programmes of restructuring   | 10. Cooperation with local employment councils in counteracting negative effects of unemployment and particularly in distribution of financial resources of the Labour Fund   |

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| Voivodship Regional Labour Office<br>(RLO)   | Powiat Local Labour Office<br>(LLO)  |
|--|--|
| 11. Initiating activities aimed at preventing negative effects for workers of layoffs and at mitigation of these effects, and particularly aimed at finding places of work and training for the unemployed   | 11. Initiating and supporting activity of job clubs  |
| 12. Initiating and fulfilment, in cooperation with public financial institutions, of the voivodship's programmes of employment promotion   | 12. Giving opinions on criteria for granting and payment of loans from the Labour Fund   |
| 13. Supervising the realisation of tasks in the field of exchange of job vacancies and tasks of directing Polish citizens towards work abroad  | 13. Initiating and cofinancing job creation process and assistance to unemployed persons living in the villages  |
| 14. The tasks mentioned above are fulfilled by the Voivodship Labour Office (WUP). The director of the WUP is nominated (and dismissed) by the Marshal of the voivodship in consultation with the Voivodship Employment Council  | 14. Initiating and realisation of programmes to reduce social consequences of planned layoffs and assistance in finding alternative jobs   |
| 15. The Voivodship Regional Council is obliged by law to conduct an evaluation of the realisation of the task mentioned above, to assess the efficiency of regional labour market policy, and to make recommendations for counteracting unemployment and promotion of employment in the next years | 15. Preparation of analyses and appraisals concerning local employment issues and counteracting unemployment for the Voivodship Labour Office, Local Employment Council and local administration |
|  | 16. The Director of the Local Labour Office (PUP) is nominated (and dismissed) by the Head ( <i>Starosta</i> ) of the local administration in consultation with the Local Employment Council     |

Source: Kabaj, *Capacity of the public and private employment services to support national employment policy objectives.*

Table 12: Main operative functions and tasks of the PES at local level

| Function 1<br>Job-brokering   | Function 2<br>Development of<br>labour market<br>information<br>systems   | Function 3<br>Administration of<br>labour adjustment<br>programmes   | Function 4<br>Administration of<br>unemployment<br>benefits   |
|---|---|--|---|
| <p><b>1. Actions for job seekers</b></p> <ul style="list-style-type: none"> <li>● Registration of job seekers</li> </ul>  | <p><b>1. As provider of labour market information</b></p> <ul style="list-style-type: none"> <li>● Collecting, registering and providing administrative records on job seekers, job vacancies and occupational classification</li> <li>● Conducting short-term qualitative surveys</li> <li>● Analysing regular employer and household surveys conducted by other agencies</li> <li>● Reporting and publishing the various activities of the national economy, related changes in the labour demand and supply needs, and making projections</li> </ul> | <p><b>1. Job-search assistance</b></p> <ul style="list-style-type: none"> <li>● Providing universal services to all job seekers (resource rooms, information centres or the Internet)</li> <li>● Organising group activities: job clubs; proactive and special mass layoff services to retrenched workers</li> <li>● Providing intensive individual assistance: skill assessment; vocational counselling/guidance; preparation and negotiation of employability development plan and follow-up</li> </ul>  | <p><b>1. Management of unemployment benefit funds (including tax collection)</b></p> <ul style="list-style-type: none"> <li>● Providing information on unemployment benefit claims and entitlements</li> <li>● Examining and certifying the right to unemployment benefit</li> <li>● Registration of the unemployed and verification of the unemployment situation and of job-search procedures and situation</li> <li>● Handling complaints and disputes concerning entitlements</li> <li>● Payment of unemployment benefits to those concerned</li> </ul> |
| <p><b>2. Actions for employers</b></p> <ul style="list-style-type: none"> <li>● Periodic visits to enterprises for contacts and marketing</li> <li>● Job canvassing</li> <li>● Registering and classifying job vacancies</li> </ul> | <p><b>2. As user of labour market information</b></p> <ul style="list-style-type: none"> <li>● Providing employment counselling to job seekers</li> <li>● Determining priorities for training programmes for the unemployed and job seekers</li> <li>● Advising employers on labour demand and supply changes and trends</li> </ul>   | <p><b>2. Training and education programmes</b></p> <p><b>2.1. Training and apprenticeship within enterprises</b></p> <ul style="list-style-type: none"> <li>● Registration of apprenticeship applications and vacancies</li> <li>● Establishment of contacts</li> <li>● Placement of apprentices and follow-up activities</li> </ul> <p><b>2.2. Special training and retraining programmes</b></p> <ul style="list-style-type: none"> <li>● Determining training needs and objectives</li> <li>● Analysing and determining the content of the courses to be organised, their duration and organisation</li> <li>● Contacting and selecting public or private training institutes</li> <li>● Entrusting the organisation of the course to those that offer the best terms</li> <li>● Monitoring evaluating the effects of training on job seekers' employability</li> </ul> | <p><b>2. Administration of other public social assistance funds for the unemployed and those unfit for work (for reasons of health, housing, family, childcare etc.)</b></p>  |

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| Function 1<br>Job-broking   | Function 2<br>Development of<br>labour market<br>information<br>systems | Function 3<br>Administration of<br>labour adjustment<br>programmes   | Function 4<br>Administration of<br>unemployment<br>benefits |
|---|---|--|---|
| <p><b>3. Job matching programmes</b></p> <ul style="list-style-type: none"> <li>● Under closed system: active matching by PES staff including pre-screening of job seekers, appraisal and updating of job vacancies, and negotiations of job-matching alternatives with job seekers and employers</li> <li>● Under semi-open system: displaying job vacancies, providing information on employment requests</li> <li>● Under open system: computerised matching, self-help or self-service, the Internet</li> </ul> |   | <p><b>3. Job creation programmes</b></p> <ul style="list-style-type: none"> <li>● Managing the funds of these special programmes</li> <li>● Participating in the design, monitoring and evaluation of special employment programmes</li> <li>● Assisting in screening workers and providing specialised training for workers to be recruited in job creation programmes</li> <li>● Making contacts with firms, community authorities and other agencies</li> </ul> |   |
| <p><b>4. Providing job-search</b></p> <ul style="list-style-type: none"> <li>● Assistance if the above job-broking fails (see task 1 in function 3)</li> </ul>  |   |  |   |

Source: Kabaj, *Capacity of the public and private employment services to support national employment policy objectives.*

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## LIST OF ACRONYMS

|              |  |
|--------------|--|
| <b>ALMM</b>  | active labour market measures                      |
| <b>ALMP</b>  | active labour market programmes/policy             |
| <b>BAEL</b>  | Survey on Economic Activity of the Population      |
| <b>BKKK</b>  | Task Force for Training and Human Resources        |
| <b>CCs</b>   | candidate countries                                |
| <b>CKP</b>   | Practical Training Centre                          |
| <b>CKU</b>   | Centre for Continuing Education                    |
| <b>CSO</b>   | Central Statistical Office                         |
| <b>CVT</b>   | continuing vocational training                     |
| <b>EC</b>    | European Commission                                |
| <b>EES</b>   | European Employment Strategy                       |
| <b>ESF</b>   | European Structural Funds                          |
| <b>EURES</b> | European Employment Services                       |
| <b>ETF</b>   | European Training Foundation                       |
| <b>EU</b>    | European Union                                     |
| <b>FMS</b>   | future member states                               |
| <b>GDP</b>   | gross domestic product                             |
| <b>HRD</b>   | human resources development                        |
| <b>ICT</b>   | information and communications technology          |
| <b>ISCED</b> | International Standard Classification of Education |
| <b>IT</b>    | information technology                             |
| <b>IVET</b>  | initial vocational education and training          |
| <b>JAP</b>   | Joint Assessment Paper                             |
| <b>LEC</b>   | Local Employment Council                           |
| <b>LF</b>    | Labour Fund  |
| <b>LFS</b>   | Labour Force Survey                                |
| <b>LLO</b>   | Local Labour Office                                |
| <b>MoLSP</b> | Ministry of Labour and Social Policy               |
| <b>MoNE</b>  | Ministry of National Education                     |

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|              |  |
|--------------|--|
| <b>MoNES</b> | Ministry of National Education and Sports      |
| <b>NLO</b>   | National Labour Office                         |
| <b>NOB</b>   | National Observatory                           |
| <b>NVQ</b>   | National Vocational Qualification              |
| <b>OHP</b>   | Voluntary Labour Corps                         |
| <b>PES</b>   | public employment services                     |
| <b>PISA</b>  | Programme for International Student Assessment |
| <b>PLN</b>   | Polish currency (zloty)                        |
| <b>PPES</b>  | public and private employment services         |
| <b>PRES</b>  | private employment services                    |
| <b>RCKU</b>  | Centre for Agriculture Continuing Training     |
| <b>RLO</b>   | Regional Labour Office                         |
| <b>SEC</b>   | Supreme Employment Council                     |
| <b>SMEs</b>  | small and medium-sized enterprises             |
| <b>TTA</b>   | Tripartite Training Agreement                  |
| <b>TWP</b>   | Polish Association for Adult Education         |
| <b>UB</b>    | unemployment benefit                           |
| <b>VEC</b>   | Voivodship Employment Council                  |
| <b>VET</b>   | vocational education and training              |
| <b>WUP</b>   | Voivodship Labour Office                       |
| <b>ZUS</b>   | Social Insurance Institute                     |
| <b>ZZDZ</b>  | Union of Vocational Education Centres          |

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