

Active Labour Market Policy in Poland: Activation Measures and Their Effectiveness

Agata SZYDLIK-LESZCZYŃSKA

<https://orcid.org/0000-0003-0517-7465>

Jan Kochanowski University of Kielce, Poland
agata.szydluk-leszczynska@ujk.edu.pl

Kinga STĘPLEWSKA

<https://orcid.org/0000-0003-2919-6812>

Jan Kochanowski University of Kielce, Poland
kinga.steplewska@ujk.edu.pl

Article's history:

Received 27th of September, 2024; Received in revised form 24th of October, 2024; Accepted 29th of November, 2024; Available online: 5th of December, 2024. Published as article in the Volume XIX, Winter, Issue 4(86), 2024.

Copyright© 2024 The Author(s). This article is distributed under the terms of the license [CC-BY 4.0.](https://creativecommons.org/licenses/by/4.0/), which permits any further distribution in any medium, provided the original work is properly cited.

Suggested citation:

Szydluk-Leszczynska, A., & Steplewska, K. (2024). Active labour market policy in Poland: Activation measures and their effectiveness. *Journal of Applied Economic Sciences*, Volume XIX, Winter, 4(86), 529 – 538. [https://doi.org/10.57017/jaes.v19.4\(86\).15](https://doi.org/10.57017/jaes.v19.4(86).15)

Abstract:

This paper analyses active labour market policies (ALMPs) in Poland, focusing on their structure and effectiveness in enhancing employment outcomes. As Poland continues to address labour market challenges, particularly unemployment and workforce activation, understanding the impact of various ALMP initiatives is essential. Using recent statistical data and policy analysis, this study examines the types of activation measures employed, such as job placement services, training programs, and subsidies. The findings reveal which measures have the most significant impact on employment rates and highlight potential areas for improvement. By offering insights into the effectiveness of current ALMPs, this research provides policy recommendations to optimize the design and implementation of labour activation strategies in Poland, contributing to a more resilient and inclusive labour market.

Keywords: active labour market policy, unemployment, vocational activation programs, effectiveness of vocational activation programs, structural unemployment, Poland.

JEL Classification: J08, J68, J48, H53, J23.

Introduction

Labour market policies are essential instruments used by governments to regulate employment and address workforce challenges and promote sustainable economic growth. These policies are typically divided into two main categories: passive measures, which provide income support to the unemployed, and active measures, which focus on boosting employability and facilitating job placement. In recent decades, active labour market policies (ALMPs) have gained prominence globally as countries seek to address structural labour market issues through skill development, targeted training programs, job creation, and other activation measures designed to improve employment outcomes.

In Poland, ALMPs have become an important tool for managing the labour market, especially as the country contends with persistent structural challenges. While Poland has made significant strides in reducing unemployment over recent years, regional disparities and sectoral mismatches between labour supply and demand remain problematic. Certain sectors, particularly those requiring specialized skills, face shortages that hinder economic growth, while some regions continue to experience higher rates of unemployment due to limited access to employment opportunities or skills misalignment. These issues underscore the importance of well-designed ALMPs that can address these structural inefficiencies and improve labour market flexibility.

This study examines the design, implementation, and effectiveness of active labour market policies in Poland. A key focus is placed on the various forms of activation that receive substantial funding from the Labour Fund, the main source of financing for employment-related initiatives in Poland. By exploring the legislative context and the operational mechanisms behind these programs, the study aims to provide an overview of how these policies are structured and the ways in which they attempt to address structural unemployment.

To assess the impact of these policies, this paper draws on official reports and data from the Ministry of Family, Labour, and Social Policy, evaluating the employment outcomes and cost-effectiveness of various ALMP initiatives. Key metrics, such as employment efficiency and cost efficiency of each program, are analysed to determine which measures have had the most significant impact on reducing unemployment and fostering long-term employment. Through this analysis, the study offers insights into the effectiveness of Poland's active labour market policies and their role in fostering a more resilient and inclusive labour market.

1. Labour Market Policy in Poland: Concept and Scope

One of the tasks carried out by the state is regulating the labour market. These actions are undertaken within the framework of labour market policy, which focuses on the supply side of the labour market, influencing the quantity and quality of the workforce (Kotlorz, 2007). As Jarmolowicz (2008) point out, labour market policy is often equated with employment policy in the literature on the subject. However, these authors highlight the differences between the two. Labour market policy focuses more on solving the structural and social problems of the functioning labour market, while the primary goal of employment policy is full employment. Employment policy is one of the types of economic policy (Jarmolowicz, 2008) and should provide tools to optimize decisions in the field of employment (Dolny et al., 1990). This policy is the conscious shaping of processes related to preparing, incorporating into useful work, allocating, and rationally utilizing human resources, in accordance with the general social interest and the individual interests of employees (Dolny et al., 1990). Employment policy can be considered the state's actions interfering with the functioning of the labour market by using macroeconomic instruments, including monetary and fiscal measures, aimed at maintaining existing jobs and creating new ones through economic development. In contrast, labour market policy includes more direct interventions in the functioning of the labour market, aimed at improving the already existing labour market under a given labour demand and supply (Meller & Zieliński, 1995). It can be said that labour market policy is limited to instruments used by employment offices themselves (Dolny et al., 1990).

Both policies also play different roles in combating unemployment. If the source of unemployment is seen in the state of the economy itself, which creates too few jobs, combating this shortage can be achieved through active economic policy, an element of which is employment policy, supporting employment-friendly development. In this context, employment policy creates economically justified, efficient, and relatively permanent jobs (Meller, 2001). On the other hand, if the source of unemployment is more related to the malfunctioning of the labour market and its elements, unemployment reduction can only occur within the framework of labour market policy by using programs and measures to activate the labour market and the unemployed (Meller, 2001). According to many economists, labour market policy should be treated as a separate (autonomous) but at the same time significant component of employment policy.

In Poland, the unemployment rate is one of the lowest in over 30 years (in December 2023, the registered unemployment rate was 5.1%, and according to BAEL, it was 3.6%) (Meller, 2001), so its level is not socially burdensome. The problems present in today's labour market in Poland are more related to structural issues, generally speaking. There is still a shortage of jobs for people with higher education in the economy, which results from insufficient capital, as noted by Kwiatkowska (2007). Most domestic enterprises are small and medium-sized businesses, as well as micro-enterprises, which face capital shortages, resulting in fewer opportunities to create new jobs that require a high level of creativity. The inflow of foreign capital is still insufficient to absorb the highly qualified labour supply. This has led to a systematic increase in the share of higher-educated individuals in the unemployed population; in 2005, this share was 5.5%, and in 2023, it rose to 14.3% (Registered unemployment in Poland from 2005 to 2023, 2006-2024). As a result, since the 2010/2011 academic year, when the enrolment rates for higher education were at their highest (gross enrolment rate: 53.8%, net enrolment rate: 40.8%), there has been a systematic decline in participation in higher education (in the 2018/2019 academic year, the gross enrolment rate was 46.2%, and the net enrolment rate was 35.6%) (Higher Education Institutions and their Finances in 2012 and 2018, 2013-2019). Young people are increasingly reluctant to pursue higher education because it requires a significant investment (time, effort, money), while the guarantee of employment and satisfactory wages is becoming smaller. The exception to this trend is medical and paramedical professions, which are driven by a constant demand for such services (due to the aging population and greater awareness of the need to take care of one's health).

On the other hand, employers point to shortages of workers among industrial and craft workers, service employees, and unskilled workers. The reasons for these shortages include various factors such as an insufficient number of candidates, candidates' rejection of working conditions, failure to meet employers' requirements, generational gaps, or a lack of practical skills. Often, employers prefer to leave vacancies unfilled rather than hire unsuitable candidates, who would then swell the ranks of the unemployed. Consequently, a serious issue in the labour market is structural mismatches, reflected in the mismatch between the structure of labour supply and labour demand in terms of professions, qualifications, and geographical location. Kwiatkowska (2007) points out that the key factor in reducing structural unemployment is the need for structural transformations in the Polish economy to improve its innovation, competitiveness, and efficiency. Actions must be taken to increase the innovativeness of the economy to ensure its continuous development and improve the competitiveness, which would enhance the situation of highly educated individuals. On the other hand, workers, even those with low formal qualifications, need to keep up with these changes, as technical and technological advancements, which are entering nearly every profession, are dynamically altering labour market demands. New organizational solutions, computer programs that facilitate and accelerate work, and new technologies are being introduced, requiring the acquisition of new skills that are currently needed in the labour market. Intensive actions focused on qualitative transformations on the supply side of the labour market should, therefore, be the domain of today's labour market policy, which, through state intervention, will reduce or even prevent structural mismatches from occurring.

In Poland, issues related to labour market policy are regulated by the Act on Employment Promotion and Labour Market Institutions from April 20, 2004. The act sets out five primary goals: full and productive employment, the development of human resources, achieving high-quality work, strengthening social integration and solidarity, and increasing mobility in the labour market (Dz.U. 2024, poz. 475, z późn. zm). The law and its provisions are aimed at the unemployed or those at risk of unemployment who require assistance from public authorities and labour market institutions. Public authorities lead labour market policy primarily through planning and coordinating tasks and providing administrative oversight, while the implementation of this policy, funded by public resources, is entrusted to labour market institutions. These institutions, both public and private, carry out their roles primarily through contracts (Jończyk, 2004). Labour market institutions perform tasks related to promoting employment, mitigating the effects of unemployment, and activating the unemployed and job seekers. The institutions include public employment services, the Voluntary Labour Corps, employment agencies, training institutions, and institutions of social dialogue and local partnerships (Dz.U. 2024, poz. 475, z późn. zm).

The public employment services consist of employment bodies, including county and regional labour offices, the office supporting the minister responsible for labour, and regional offices that carry out tasks specified in the act (Dz.U. 2024, poz. 475, z późn. zm). The system of employment bodies has a local government character, with its key feature being the independence of each organizational unit. The public employment services system in Poland is decentralized, based on the structure of local governments. These offices implement the goals set by the government but have considerable autonomy in complementing the national strategy according to the needs of their region.

2. Active Labour Market Policies in Poland

Labour market policy encompasses a variety of multifaceted actions, which are often divided into two main categories based on the measures applied: active measures aimed at increasing employment and protecting existing jobs, and passive measures aimed at reducing labour supply and mitigating the negative effects of unemployment while providing social security for the unemployed. Passive labour market policy refers to state interventions aimed at addressing the effects of unemployment without supporting the creation of new jobs (Danecka, 2005). Common passive instruments include unemployment benefits, early retirement, pre-retirement benefits, extended education periods, reduced working hours, and part-time employment.

Active labour market policy, on the other hand, can be defined as a set of instruments employed by the state to integrate the unemployed into the labour market through employment (Golinowska, 2001). Active policy focuses on a range of measures designed to activate the unemployed, create jobs in the public sector, subsidize employment and wages, and promote entrepreneurship. According to Bednarski (1997) active forms of combating unemployment are economic instruments that, by engaging specific economic resources, increase the demand for labour beyond what would be generated by the labour market operating autonomously. Kotlorz (2007) emphasizes that labour market policy, through active labour market programs, temporarily activates the unemployed and provides them and those at risk of unemployment with greater chances in the labour market. It can also lead to the creation of new jobs, for instance through self-employment by supporting entrepreneurial activities among the unemployed.

As Kwiatkowski (2005) points out, participation in active programs helps prevent the loss of qualifications and professional skills among the unemployed and maintains their professional activity, thereby preserving the level of effective labour supply ready to be productively utilized when job opportunities arise. Active labour market policy can also influence the qualitative structure of labour supply, adjusting it to the changing structure of labour demand (Kotlorz, 2007). Therefore, it can be said that these measures keep the unemployed ready for employment by shaping their attitudes and equipping them with the skills and knowledge currently needed in the labour market (Szydlik-Leszczynska, 2016). The instruments of this policy can thus modify both the demand and supply sides of the labour market.

In the current Polish framework, local governments bear the primary responsibility for creating appropriate local labour market policies aimed at preserving existing jobs and creating new ones. A special role in implementing active labour market policy has been assigned to the public employment services, organized within the labour office system. Their main task is to carry out activities mandated by relevant laws and regulations in cooperation with local governments and employers.

The minister responsible for labour, each year, publishes on the website of the office supporting the minister a catalogue of basic forms of vocational activation, which includes support instruments for the unemployed, funded primarily through the Labour Fund (MRPiPS, 2018-2023). These forms, which receive the most financial support each year, include internships, training, intervention works, public works, one-time grants for starting a business, and refunds for the costs of equipping and upgrading workstations. These forms represent services and labour market instruments financed by the Labour Fund, for which employment and cost-effectiveness indicators are set each year.

According to statutory provisions, the county executive (*starosta*) can direct an unemployed person to undergo an internship for a period not exceeding six months, or up to 12 months for individuals under 30 years of age. The goal of an internship is for the unemployed to acquire practical skills needed for employment by performing tasks in a workplace without forming an employment relationship with the employer. The internship is carried out based on an agreement between the county executive and the employer, following a program specified in the agreement. When determining the program, consideration must be given to the unemployed person's psychophysical and health predispositions, educational level, and existing professional qualifications. During the internship, the unemployed person is entitled to a stipend. The county executive, based on the employer's opinion containing information about the tasks performed and the practical skills gained by the unemployed, issues a certificate confirming the completion of the internship (Dz.U. 2024, poz. 475, z późn. zm).

Training, in turn, refers to non-formal educational activities aimed at acquiring, enhancing, or refining professional or general skills and qualifications required for employment, including the development of job-seeking competencies (Dz.U. 2024, poz. 475, z późn. zm). These training programs are financially supported through mechanisms such as the Labour Fund, the European Social Fund, the European Social Fund Plus, or other European Union initiatives that focus on improving the employability of individuals. These initiatives primarily target unemployed individuals or those seeking to enhance their employment prospects, especially in situations involving:

- Lack of Professional Qualifications;
- Need to Update or Supplement Qualifications;
- Loss of Ability to Work in a Previous Profession;
- Lack of Active Job-Seeking Skills.

The county labour office facilitates the organization and delivery of such training through various methods (Dz.U. 2014, poz. 667):

- Contracted or Outsourced Training: Delivered by professional training institutions, typically in a group setting.
- Job-Seeking Skills Training: Focused on enhancing abilities to search and apply for jobs effectively.
- Individually Justified Training: Training programs selected by eligible individuals, provided they substantiate the necessity for such programs.
- Training Vouchers: Issued to individuals, enabling them to access specific training services.
- Funding for Exams or Licenses: Covering the costs associated with certification or obtaining licenses essential for practicing certain professions.
- Training Loans: Financial assistance to cover the expenses of training programs.
- Postgraduate Study Funding: Support for individuals pursuing postgraduate education to advance their professional capabilities.

Unemployed individuals may also be directed to intervention works and public works. Intervention works involve the employment of a referred unemployed person by an employer, which occurs as a result of an agreement between the employer and the county executive (*starosta*). The goal is to support the unemployed in returning to or entering the labour market (Dz.U. 2024, poz.475, z późn. zm). In intervention works, the employer receives partial reimbursement (refund) for the wages, bonuses, and social security contributions of the unemployed person from the labour office (MPiPS, 2014). When directing an unemployed person to intervention works, the county executive must consider the individual's age, health condition, and previously performed jobs. The employer is required to maintain the employment of the referred individual for a legally defined period after the reimbursement of wages and social security contributions ends (Dz.U. 2024, poz.475, z późn. zm).

Public works refer to the employment of unemployed individuals for a period not exceeding 12 months to perform work organized by counties, municipalities, non-governmental organizations involved in areas such as environmental protection, culture, physical education, tourism, healthcare, unemployment, and social welfare, as well as water companies and their associations. These works are funded or co-financed by local governments, the state budget, targeted funds, non-governmental organizations, and water companies and their associations (Dz.U. 2024, poz.475, z późn. zm). The purpose of public works is to help unemployed individuals return to or enter the labour market, and the organizer receives reimbursement for part of the costs incurred for wages, bonuses, and social security contributions. The employer, where referred unemployed individuals will perform intervention works, and the organizer of public works or a designated employer where public works will be carried out, sign an employment contract with the unemployed person (Dz.U. 2014, poz. 864).

An important form of support is the possibility for unemployed individuals to receive funding to start a business, including covering the costs of legal assistance, consultation, and advice related to starting the business. This instrument is intended to encourage entrepreneurial behaviour and reduce the fear associated with starting a business. However, the unemployed individual must meet certain conditions specified by law and submit an application to the county executive, along with the required attachments. The county executive only considers the application if it is complete, correctly prepared, and if funds are available for its financing. Unemployed individuals are not eligible for this funding if, within the 12 months immediately preceding the application: a) they refused, without justified reason, to accept a job offer or another form of assistance provided for in the law, or to participate in the Activation and Integration Program (PAI); b) they interrupted training, an internship, the implementation of an individual action plan, participation in the Activation and Integration Program, performance of socially useful work, or another form of assistance provided by law; c) they failed to commence training, adult vocational preparation, an internship, socially useful work, other form of assistance after being referred (Dz.U. 2024, poz.475, z późn. zm).

A business entity may receive a refund from the Labour Fund for the costs of equipping or upgrading a job position for a referred unemployed person or a referred job seeker who is not employed or performing other gainful work, including caregivers of a disabled person, to create a job for these individuals (Dz.U. 2022, poz.243).

3. Effectiveness of Active Labour Market Programs

In the literature, four key factors are recognized as influencing the effectiveness of labour market policies (Kotlorz, 2007):

1. Unemployment rate: The level of unemployment significantly impacts the effectiveness of labour market policies. Higher unemployment rates often require more comprehensive and targeted interventions.
2. Financial resources allocated to labour market programs: The amount of funding dedicated to active labour market programs is crucial, as it determines the scope and scale of interventions.
3. Efficiency in the use of public funds: This factor relates to how effectively public resources are utilized to achieve intended outcomes, such as employment creation or reducing unemployment.
4. The place of labour market policy in socio-economic policy: The extent to which labour market policy is integrated with broader socio-economic strategies affects its overall success.

This study focuses on the efficiency of public fund utilization, measured by employment and cost-effectiveness indicators. Below is an analysis of these indicators. Employment effectiveness is calculated as the percentage of individuals who were employed during or after participating in basic vocational activation programs, compared to the total number of individuals who completed participation in these programs (MRPiPS, 2018-2023). For those forms where the employer is legally required to employ the unemployed person after the reimbursement period ends, the end date of the legal obligation is considered the end date of participation in the support program. Individuals are considered employed if they started working during or within 3 months after completing a given vocational activation program and were employed for at least 30 days.

Employment Effectiveness=

$$\frac{\text{number of individuals employed during or after participation}}{\text{number of individuals who completed participation}} * 100\%$$

Table 1. Participation in basic vocational activation programs, 2017- 2022

Specification	2017	2018	2019	2020	2021	2022
Training						
Completing Participation	48.368	37.680	32.706	18.840	28.236	40.164
Employed	29.359	24.666	21.644	10.929	15.939	19.927
Internships						
Completing Participation	137.085	123.957	92.944	64.759	80.805	93.356
Employed	112.395	103.678	78.284	52.687	68.045	75.584
Intervention Works						
Completing Participation	36.766	37.608	34.896	27.822	24.849	32.862
Employed	32.890	34.590	32.127	25.702	23.274	30.472
Public Works						
Completing Participation	30.087	24.310	16.041	13.353	15.602	18.546
Employed	25.267	21.599	14.169	11.930	14.061	16.330
One-time Grants for Starting a Business						
Completing Participation	46.054	41.474	37.236	33.784	27.927	38.104
Employed	43.580	39.752	35.758	33.141	27.038	36.562
Reimbursement for Workplace Equipment Costs						
Completing Participation	29.484	25.107	21.192	17.180	14.193	12.602
Employed	25.264	22.222	19.035	15.608	12.921	11.276
Total Basic Activation Forms						
Completing Participation	327.844	290.136	235.015	175.738	191.612	235.634
Employed	268.755	246.507	200.981	149.997	161.278	190.151

Source: compiled based on MRPiPS (2018 - 2023)

It turns out that during the studied years, the largest number of individuals participating in activation programs completed internships (Table 1, Table 2). Following this were business start-up grants, training programs, and intervention works. The fewest unemployed individuals completed public works and the reimbursement for workplace equipment or upgrades. In terms of employment effectiveness, according to Ministry data, the most effective form was the business start-up grants (Table 3), followed by intervention works, reimbursement for workplace equipment and upgrades, and public works. The lowest employment effectiveness was recorded in training programs, with a downward trend over the last three years. This could be related to the fact that while participation in training improves qualifications, it does not provide practical experience in the field, which enhances the chance of employment. However, it is important to note that the employment effectiveness measures employment within three months of completing the activation program, and thus the long-term effects of participation in activation programs may be different.

Table 2. Participation in vocational activation forms as a percentage of total basic activation, 2017-2022

Specification	2017	2018	2019	2020	2021	2022
Training						
Completing Participation	0.15	0.13	0.14	0.11	0.15	0.17
Employed	0.11	0.10	0.11	0.07	0.10	0.10
Internships						
Completing Participation	0.42	0.43	0.40	0.37	0.42	0.40
Employed	0.42	0.42	0.39	0.35	0.42	0.40
Intervention Works						
Completing Participation	0.11	0.13	0.15	0.16	0.13	0.14
Employed	0.12	0.14	0.16	0.17	0.14	0.16
Public Works						
Completing Participation	0.09	0.08	0.07	0.08	0.08	0.08
Employed	0.12	0.09	0.07	0.08	0.09	0.09
One-time Grants for Starting a Business						
Completing Participation	0.14	0.14	0.16	0.19	0.15	0.16
Employed	0.16	0.16	0.18	0.22	0.17	0.19
Reimbursement for Workplace Equipment Costs						
Completing Participation	0.09	0.09	0.09	0.10	0.07	0.05
Employed	0.09	0.09	0.09	0.10	0.08	0.06
Total Basic Activation Forms						
Completing Participation	1.00	1.00	1.00	1.00	1.00	1.00
Employed	1.00	1.00	1.00	1.00	1.00	1.00

Source: compiled based on MRPiPS (2018-2023).

Table 3. Employment effectiveness indicators of basic vocational activation forms, 2017-2022

Vocational Activation Form	2017	2018	2019	2020	2021	2022
Training	60,70	65,46	66,18	58,01	56,45	49,61
Internships	81,99	83,64	84,19	81,36	84,21	80,96
Intervention works	89,46	91,98	92,06	92,38	93,66	92,73
Public works	83,98	88,85	88,33	89,34	90,12	88,05
One-time grants for starting a business	94,63	95,85	96,03	98,10	96,82	95,95
Reimbursement for workplace equipment or upgrade costs	85,69	88,51	89,82	90,85	91,04	89,48
Overall basic activation forms	81,98	84,96	85,52	85,35	84,17	80,70

Source: compiled based on MRPiPS (2018-2023).

Cost-effectiveness, in turn, is the ratio of the amount of Labour Fund expenditures incurred by district governments for financing basic forms of employment activation to the number of people who, during or after their participation in the basic forms of employment activation, were reported as employed (MRPiPS, 2018-2023).

$$\text{Cost – effectiveness} = \frac{\text{amount of Labor Fund expenditures}}{\text{number of people employed during or after participation}} * 100\%$$

Analysing the data from 2017-2022, it is clear that most of the funds were spent on internships and subsidies for starting a business, as each of these forms accounted for, on average, over 30% of all funds spent on basic forms of support (Table 4 and Table 5). Next in line were the reimbursement of costs for equipping or retrofitting a workplace, public works, and intervention work programs. The least amount of funds during the entire period was spent on training (between 4% and 5%).

In terms of cost-effectiveness, training turned out to be the most efficient, as the least amount of funds was required for one training participant who gained employment (Table 6). Next were intervention work programs and internships. The lowest cost-effectiveness ratio was recorded for subsidies for starting a business and reimbursement of workplace equipment costs, although in the last two years, these indicators increased significantly and swapped places. Especially in the last year, 2022, the indicator for equipment cost reimbursement significantly exceeded that for business start-up subsidies. The increase in these indicators in the last two years was related to the rise in wage levels (both minimum and average) and high inflation, and for the same reasons, the overall cost-effectiveness ratio also increased.

Table 4. Labour fund expenditures on basic employment activation forms, 2017-2022, in thousands PLN

Vocational Activation Form	2017	2018	2019	2020	2021	2022
Training	146.992,4	108.752,0	96.640,6	63.084,5	103.149,4	155.966,5
Internships	1.083.644,5	861.964,0	680.667,1	557.457,2	863.190,4	1.031.511,7
Intervention works	227.607,1	223.444,8	176.642,9	129.563,5	212.663,3	263.149,7
Public works	327.074,2	240.067,7	156.390,9	149.109,7	214.313,8	304.511,9
One-time grants for starting a business	859.704,4	746.751,2	656.740,1	620.651,8	891.228,7	1 027.732,1
Reimbursement for workplace equipment or upgrade costs	451.181,4	354.695,3	273.739,5	275.718,0	445.664,7	508.736,9
Overall basic activation forms	3.096.204,0	2.535.675,0	2.040.821,1	1.795.584,7	2.730.210,3	3.291.608,8

Source: compiled based on MRPIPS (2018-2023)

Table 5: Share of expenditures on vocational activation forms in total basic activation expenditures, 2017-2022

Vocational Activation Form	2017	2018	2019	2020	2021	2022
Training	0,05	0,04	0,05	0,04	0,04	0,05
Internships	0,35	0,34	0,33	0,31	0,32	0,31
Intervention works	0,07	0,09	0,09	0,07	0,08	0,08
Public works	0,11	0,09	0,08	0,08	0,08	0,09
One-time grants for starting a business	0,28	0,29	0,32	0,35	0,33	0,31
Reimbursement for workplace equipment or upgrade costs	0,15	0,14	0,13	0,15	0,16	0,15
Overall basic activation forms	1,00	1,00	1,00	1,00	1,00	1,00

Source: compiled based on MRPIPS (2018-2023)

Table 6: Cost-effectiveness indicators of basic vocational activation forms, 2017-2022

Vocational Activation Form	2017	2018	2019	2020	2021	2022
Training	5.006,72	4.408,98	4.465,01	5.772,21	6.471,51	7.826,90
Internships	9.641,39	8.313,86	8.698,84	10.580,55	12.685,58	13.647,22
Intervention works	6.920,25	6.459,81	5.498,27	5.040,99	9.137,38	8.635,79
Public works	12.944,72	11.114,76	11.037,54	12.498,72	15.241,72	18.647,39
One-time grants for starting a business	19.727,04	18.785,25	18.366,24	18.727,61	32.962,08	28.109,30
Reimbursement for workplace equipment or upgrade costs	17.858,67	15.961,45	14.380,85	17.665,17	34.491,50	45.116,79
Overall basic activation forms	11.520,54	10.286,42	10.154,30	11.970,80	16.928,60	17.310,50

Source: compiled based on MRPIPS (2018-2023)

Conclusions

Active labour market policies are complex and multidimensional, combining direct actions with employment policy that responds to the country's macroeconomic needs. The low level of registered unemployment in Poland does not hide significant structural challenges, such as the inadequate alignment of the educational system with labour market needs or capital shortages in businesses, which limit their potential to create new, innovative jobs. These challenges are particularly evident in the context of high unemployment among individuals with higher education and the shortage of workers in sectors requiring specialized practical skills.

This study provides an in-depth look at active labour market policies in Poland, focusing on the main forms of their implementation and evaluating their effectiveness. The analysis of data and reports indicates that, despite significant financial investments from the Labour Fund, the outcomes of various activation programs are varied.

Particularly, programs such as vocational training or internships, although theoretically aimed at enhancing participants' skills, do not always translate into a lasting improvement in their professional situation in practice. Issues such as a mismatch of qualifications and insufficiently personalized support often limit the effectiveness of these efforts. However, some programs effectively support the professional reintegration of the long-term unemployed, suggesting the need for a more targeted approach in designing these initiatives.

In summary, the effectiveness of active labour market programs can be assessed through four key factors: the unemployment rate, the financial resources allocated to programs, the efficiency of using these resources, and the role of labour market policies in the broader socio-economic policy context. Employment and cost-effectiveness indicators offer a deeper understanding of the relationship between expenditures and actual outcomes, which is critical given the limited availability of public resources and the need to achieve maximum socio-economic benefits. Only a comprehensive approach to analysing these aspects will allow for a full understanding and potential adjustment of policies to increase their efficiency and real impact on improving the labour market situation in Poland.

Credit Authorship Contribution Statement

Szydlik-Leszczczyńska, A. contributed to the conceptualization, methodology, data analysis, and writing of the original draft. Stęplewska, K. was responsible for data collection, conducting the literature review, and writing sections of the original draft. Both authors collaborated on the review and editing of the manuscript and approved the final version for submission.

Acknowledgments/Funding

This research was supported by the project titled "*The Impact of Socio-Economic Conditions on the Functioning of Entities in the Contemporary Economy*", SUPB.RN.24.160.

References

- [1] Danecka, M. (2005). *Unemployment and Labour Market Institutions*. Institute of Political Studies, Polish Academy of Sciences (PAN). ISBN 978-83-88490-75-3
- [2] Dolny, E., Meller, J., & Wiśniewski, Z. (1990). *Outline of Employment Policy*. Polish Economic Publishers (PWE). ISBN 978-83-208-0769-7
- [3] Central Statistical Office of Poland (Główny Urząd Statystyczny). www.stat.gov.pl
- [4] Golinowska, S. (2001). On the Causes of Unemployment and Policies to Combat It. *Social Policy*, 2001(3).
- [5] Central Statistical Office of Poland (GUS). (2006–2024). Registered Unemployment in Poland from 2005 to 2023. Warsaw.
- [6] Central Statistical Office of Poland (GUS). (2013, 2019). Higher Education Institutions and Their Finances in 2012 and 2018. Warsaw.
- [7] Jarmolowicz, W. (Ed.). (2008). *Transformations in the Contemporary Labour Market*. Scientific Forum Publishing. ISBN 978-83-61053-08-8
- [8] Jończyk, J. (2004). Employment Promotion Against Unemployment. *Work and Social Security*, 2004(9).
- [9] Kotlorz, D. (Ed.). (2007). *The Economics of the Labour Market*. University of Economics in Katowice Press. ISBN 978-83-7246-894-9
- [10] Kwiatkowska, W. (2007). Structural Changes in the Polish Labour Market. University of Łódź Press. ISBN 978-83-7525089-3
- [11] Kwiatkowski, E. (2005). *Unemployment: Theoretical Foundations*. Polish Scientific Publishers (PWN). ISBN 8301145609

- [12] Madoń, K., Palczyńska, M., Magda, I., Rozszczypała, A., & Smoter, M. (2023). Internship, Training, or Intervention Work—What Better Supports the Unemployed? Evaluation of Active Labour Market Policies at the Local Level. *Social Policy*, No. 3. DOI:10.5604/01.3001.0053.7098
- [13] Meller, J., & Dolny, E. (Eds.). (1997). *Labour Demand in Poland: Theory and Practice*. Toruń. ISBN 83-905209-5-8
- [14] Ministry of Family and Social Policy. www.mpips.gov.pl
- [15] Ministry of Labour and Social Policy, Labour Market Department. (2014). *Intervention Works, Public Works, and One-Time Reimbursement of Social Insurance Contributions*. Warsaw.
- [16] Ministry of Family, Labour, and Social Policy. (2018–2023). *Effectiveness of Basic Forms of Vocational Activation Implemented in Programs Promoting Employment, Mitigating Unemployment, and Vocational Activation from 2017–2022*. Warsaw.
- [17] Regulation of the Minister of Labour and Social Policy on Detailed Conditions for the Implementation, Procedure, and Conduct of Labour Market Services (Dz.U. 2014, item 667).
- [18] Regulation of the Minister of Labour and Social Policy of May 14, 2014, on Special Programs (Dz.U. 2014, item 638).
- [19] Regulation of the Minister of Labour and Social Policy of June 24, 2014, on Organizing Intervention Works, Public Works, and One-Time Reimbursement of Social Insurance Contributions (Dz.U. 2014, item 864).
- [20] Regulation of the Minister of Family, Labour, and Social Policy of July 14, 2017, on Reimbursement from the Labour Fund for Costs of Equipping or Upgrading Workplaces and Allocating Grants for Starting Business Activity (Dz.U. 2022, item 243).
- [21] Szydlik-Leszczynska, A. (2012). *Functioning of the Contemporary Labour Market: Selected Determinants*. Difin. ISBN 978-83-7641-572-7
- [22] Szydlik-Leszczynska, A. (2016). *Equalizing Employment Opportunities: The Case of Young People*. In *Evolution of the Economy, Society, and Legal-Institutional System Toward Integrated Order*, *Miscellanea Oeconomicae* (No. 2). Jan Kochanowski University Press.
- [23] Szytko-Skoczny, M. (2004). *Social Policy Towards Unemployment in the Third Republic of Poland*. Institute of Social Policy, University of Warsaw. ISBN 83-89964-16-3
- [24] Act of April 20, 2004, on the Promotion of Employment and Labour Market Institutions (consolidated text Dz.U. 2024, item 475, as amended).
- [25] Wiśniewski, Z. (2022). The Effectiveness of Polish Active Labour Market Policies. *Bulletin of Geography. Socio-Economic Series*, (56), 125–132. <https://doi.org/10.12775/bgss-2022-0017>