

Training effectiveness for Lost Millennials

THE POLISH CASE

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**IN THE FRAMEWORK OF THE PROJECT 'LOST
MILLENNIALS – TRANSNATIONAL RESEARCH
NETWORK FOR THE EVALUATION OF INITIATIVES
TARGETING 25+ NEETS'**

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Project summary:

The project ‘Lost Millennials’ focuses on a regularly neglected group of the generation of Millennials: young people aged 25-29 neither in employment or education and training (25+ NEETs). This generation started their working life shortly after the economic crisis of 2008, perceiving uncertainty and lack of security for work and well-being, they are more likely to be inactive or in precarious jobs. The main objective of the project is to contribute to the successful integration of 25+ NEETs to the labour market through increasing knowledge on the effects of employment initiatives on 25+ NEETs, building capacity of stakeholders to perform impact studies and thus improving the quality of labour market interventions. This objective will be achieved through the creation of the transnational research network which will share know-how and good practices, the evaluations of governmental and community-based initiatives targeting 25+ NEETs, as well as the engagement of stakeholders to increase the policy-relevance of project results.

For more information, please visit our [website](#), contact us on lm.leadpartner@hetfa.hu and follow our social media ([Facebook](#), [LinkedIn](#)).

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Implemented by:



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1. Introduction and context

This report analyses the evidence from Poland on the effectiveness of training programmes that 25+ NEETs could benefit from. As the unemployment rate and the group of NEETs in Poland are not very high, few tools are aimed exclusively at 25+ NEETs. Hence, the training program conducted by the Labour Offices we analyse is aimed at a wider group of beneficiaries. NEETs are only one of the groups that are enabled to participate.

Participation in training in Poland is still relatively low, with only a small percentage of out-of-school education happening for professional purposes. Among those who participate, the most part takes advantage of training organised by employment offices, while some people instead learn on their own. The low participation rate in such training programmes is mostly due to a lack of faith in the purpose and sense of raising one's qualification for professional purposes. Thus, it is mostly caused by internal barriers.

In our evaluation, we focus on the comparison of the outcomes of training organised by labour offices and training undertaken on the initiative of the unemployed person, as well as the short- and medium-term impact of such training. We will also concentrate on the heterogeneity of the impact of training.

The evaluation boils down to obtaining an answer to the following research question:

- Does the participation of the unemployed in out-of-school education bring the intended effects, i.e., does it make it easier for them to find a job? Which trainings are more effective - those being one of the ALMPs tools or those organised by employees independently?

2. The design of the initiative

Training organised by labour offices for the unemployed and job seekers is a form of professional activation financed by labour offices and conducted as a course. Their organisation results from the Act of 20 April 2004 on the promotion of employment and labour market institutions (Journal of Laws of 2019, item 1482, as amended). The result of organising training by labour offices should be a significant improvement in the situation of the unemployed or those at risk of unemployment (job seekers) by raising or acquiring new professional qualifications or education, and consequently increasing the chances of employment, productivity and general financial situation. In addition to the educational purpose, participation in training should contribute to the increase of motivation, sense of effectiveness and self-esteem in the labour market. Apart from labour offices, there are many other private and public institutions offering trainings.

The training program offered by labour offices is ongoing; it is one of the tools used nationally in the operation of labour offices. The scope of training available may vary from region to region. Training can be organized in group and individual form. A person can receive an offer to participate in the training directly from an employee of the employment office or can submit an application for a referral to a training selected from the market offer¹ - then the purposefulness of the training must be justified; the cost of such training is financed by the labour office up to 300% of the average salary, and if the cost is higher, the person sent for training covers the difference from their own funds. Training offer is diverse, examples include welding training, hairdressing courses, operation of office equipment, etc.

The requirement to take advantage of the training organised by the labour office is to have a referral from the office. The referral for training can be obtained by registering at the employment office: 1) an unemployed person, 2) a job seeker (meeting additional conditions), and 3) an employed person at the age of 45 and over.

The training can be individual or group. It can last up to 6 months, but when required by the program – up to 12 months. Training for people without professional qualifications can last up to 12 months and, when required by the program – up to 24 months.

The participants receive a monthly scholarship depending on the number of training hours; however, the scholarship cannot be lower than 20% of the unemployment allowance. After completing the training, the participants receive a certificate or other document from the training institution.

3. Descriptive statistics

The existing evidence on active labour market policies in Europe shows mixed effects, with the effectiveness being highly dependent on the type of intervention (Caliendo & Schmidl, 2016). Meager (2009) reviews the existing literature on the topic, showing that broad and large-scale interventions may have little impact while targeted programmes have instead a higher rate of success for the unemployed. On the other hand, self-employment policies also positively impact employment opportunities (Dvouletý & Lukeš, 2016). The comparison of short- and long-term effects of active labour market policies shows that temporal effectiveness also varies significantly depending on the type of intervention (Vooren et al., 2019).

Regarding the effectiveness of training, research shows that it significantly increases the probability of finding a job. Analysis by Bielinski et al. (2008) performed using the PSM technique indicated positive net effectiveness of training – participants were 12.8% more likely to be employed. However, the

¹ A helpful source of information about training offers is the database: <http://stor.praca.gov.pl>

effectiveness of the training may vary. For example, the results by Adamecz-Volgyi et al. (nd) show that training is more effective for low-educated job seekers. On the other hand, Crépon et al. (2012) indicate that training does not accelerate the exit from unemployment but affects the duration of the subsequent employment spell.

Regarding the trainings organised in Poland that are under our evaluation, each year, tens of thousands participate in them. However, some people drop out of training. Table 1 shows a downward trend regarding the number of people participating in the training. We observe a similar pattern for the employment effectiveness of training. Annual training expenses incurred by the labour fund range from PLN 60 million to over PLN 140 million and depend on the number of trainings conducted. The available data do not allow us to single out a group of 25+ NEETs.

Table 1. Data on participation in training organised by employment offices in 2017-2021

Year	Total number of participants in training in a specific year	Number of participants who completed their participation in the training in a specific year	Number of people employed after completing participation in training in a specific year	Employment effectiveness of training	Expenses from the Labor Fund (thousands of PLN)
2017	56,413	48,368	29,359	60.70%	146,992
2018	42,441	37,680	24,666	65.46%	108,752
2019	35,991	32,706	21,644	66.18%	96,641
2020	20,734	18,840	10,929	58.01%	63,085
2021	31,071	28,236	15,939	56.45%	103,149

Source: Ministerstwo Rodziny i Polityki społecznej (2023), *Efektywność podstawowych form aktywizacji zawodowej*, <https://www.gov.pl/web/rodzina/efektywnosc-form-promocji-zatrudnienia>

4. Description of methodology

To investigate the impact of out-of-school education on employment and compare the effectiveness of labour office training and self-learning, data from the Labor Force Survey (LFS) between 2017 and 2021 was used. This database allows tracking changes over time, comparing estimations before and after training. Moreover, it also includes several demographic indicators, which allow to enrich the analyses and inform their results. To gain more observations and eliminate the possible impact of seasonality, the indicators for individual quarters were combined into yearly measures.

In the evaluation, "training" was understood as any form of learning under the guidance of a teacher or instructor outside the formal education system. In the data, it is possible to find whether the respondents have taken part in training in the last four weeks and how long the training was.

A logit model was employed to estimate the effectiveness of training, with the transition from unemployment to employment being the dependent variable. The effectiveness of training was assessed from the perspective of the impact of the training of the unemployed on the probability of finding a job within three months (short period) and twelve months (medium period) from participation in the training. The logit models also include variables illustrating the motivation of the unemployed to take up work. Importantly, the effect measured was the net effect, which is the change in the employment status only due to participation in the training programme, without the impact of other unrelated factors (such as individual characteristics of the participant or characteristics of the local labour market).

5. Evaluation questions

Although the unemployment rate is low (2.6%) and NEETs are not considered a huge challenge in Poland, professional trainings should be assessed as a useful tool for responding to the current situation. They aim to help in finding employment and increase the peoples' productivity (salary).

In Poland, especially lower-educated people are more likely to become NEET. For people aged 15–29 with upper secondary and post-secondary non-tertiary education, NEET rates were in general significantly higher than for the other levels of education. The lowest share was among those with tertiary education (Barszcz, 2019; Eurostat, 2023). Education is one of the basic risk factors - a lower level of education often leads to a more difficult situation in the labour market, a difficult economic situation for families, low self-esteem, lack of motivation and determination to overcome obstacles. Hence offering trainings may be one of the solutions. Although there is a higher NEET rate among the female population than among the male population the trainings are usually adjusted to males (trainings are related to professions mostly performed by men, physical professions). In Poland, the gender gap at the age of 15-29 is about 5 percentage points, but in the 25-29 age category, it widens and is almost twice as large. In the case of young females, the major obstacle in taking up employment is caring responsibilities; hence trainings may not be the most effective solution (BAEL, 2018; Somek, 2019).

Apart from the trainings, also other forms of interventions are carried out in Poland, related to counselling and psychological assistance. Trainings organized by other institutions support activities undertaken by labour offices.

Generally, the impact of trainings on employment is positive, however, no clear expected output was set. The impact of trainings is heterogeneous and depends on the individual characteristics (age, gender,

education). One of the training analyses conducted by the Ministry of Family and Social Policy indicates that the employment effectiveness rate of trainings (regardless of age) ranges from 56% to 66%, however, this analysis is limited only to determining the number of people who have completed the training and indicating the cost and employment efficiency index.

The efficiency of the training programs is difficult to assess as the information about the staff and other category costs are usually not provided. The predicted impact of trainings is the decrease in unemployment; however, it should be noted that most NEETs in Poland are professionally inactive, and do not search for support in labour offices, hence the impact on this group may be smaller than it actually could be.

Table 2 presents the results of the logit models with short-term net employment effectiveness of training, reporting the marginal effects of the independent variables. For model specifications including additional explanatory variables, training at the initiative of the employment office presents higher marginal effects than training on the initiative of the unemployed. The decrease in the value of the net efficiency estimator of training initiated by the unemployed as a result of adding additional socio-demographic variables proves relatively strong self-selection of the unemployed for training organised on their initiative, i.e., self-financed training. These outcomes of the sixth specification that we take the most reliable show that training at the initiative of the employment office increases the likelihood of being employed by 8.2%, compared to 5.6% when it comes to training on the initiative of the unemployed.

Table 2. Short-term net employment effectiveness of training (average marginal effects)

	1	2	3	4	5	6
Training at the initiative of the employment office	0.077***	0.066***	0.064***	0.077***	0.073***	0.075***
Training on the initiative of the unemployed	0.092***	0.080***	0.061***	0.058***	0.057***	0.051***
Gender, age, age2, marital status		X	X	X	X	X
Education, professional experience, period of unemployment, profession			X	X	X	X
Locality class, voivodeship				X	X	X
Locality class X voivodeship					X	X
Job search methods						X
Year of the study	X	X	X	X	X	X

Note: ***indicates 1% significance.

Table 3 presents the results of the logit models with medium-term net employment effectiveness of training, reporting the marginal effects of the independent variables. In this case, it can be noted that, for each model specification, training at the initiative of the employment office presents lower marginal effects than training at the initiative of the unemployed. The sixth specification of the model is taken as the most reliable. These results show that training at the initiative of the employment office increases the likelihood of being employed 12 months after training by 6.0%, compared to 10.6% when it comes to training on the initiative of the unemployed.

Table 3. Medium-term net employment effectiveness of training (average marginal effects)

	1	2	3	4	5	6
Training at the initiative of the employment office	0.060***	0.056***	0.055***	0.055***	0.053***	0.059***
Training on the initiative of the unemployed	0.180***	0.170***	0.120***	0.118***	0.112***	0.109***
Gender, age, age2, marital status		X	X	X	X	X
Education, professional experience, period of unemployment, profession			X	X	X	X
Locality class, voivodeship				X	X	X
Locality class X voivodeship					X	X
Job search methods						X
Year of the study	X	X	X	X	X	X

Note: ***indicates 1% significance.

Table 4 presents the results of the logit models with short- and medium-term net employment effectiveness of training, reporting the marginal effects of the independent variables by gender. The results show that training is more beneficial to men in the short and medium term, and this applies both to training organised by employment offices and at the initiative of the unemployed. Conversely, the training of women by labour offices is effective only in the short term - in the medium term, it has no impact on the probability of finding a job for them.

Table 4. Net employment effectiveness of training by gender (average marginal effects)

	3 months after training			12 months after training		
	Overall	Female	Male	Overall	Female	Male
Training at the initiative of the employment office	0.075***	0.062***	0.098***	0.051***	0.040	0.085***
Training on the initiative of the unemployed	0.051***	0.041***	0.068***	0.109***	0.094***	0.117***

Note: ***indicates 1% significance.

Table 5 presents the results of the logit models with short- and medium-term net employment effectiveness of training, reporting the marginal effects of the independent variables by level of education. The results show that short-term training organised by employment offices is helpful for people with all levels of formal education above junior high school, as they help to overcome the lack of professional qualifications, at least in the short term. In the medium term, training offered by employment offices is only effective for people with secondary vocational education (9.6%) and lower secondary or lower (7.9%). Lastly, training undertaken on the initiative of the unemployed themselves provides good employment prospects in the short term and even better in the medium term for those with basic vocational, secondary vocational and higher education.

Table 5. Net employment effectiveness of training by gender (average marginal effects)

	Total	Higher	Vocational secondary	Secondary school	Basic vocational	Lower secondary or lower
3 months after training						
Training at the initiative of the employment office	0.075***	0.095***	0.074***	0.151***	0.087***	0.041
Training on the initiative of the unemployed	0.051***	0.079***	0.059***	0.048	0.062**	0.027
12 months after training						
Training at the initiative of the employment office	0.051***	0.043	0.098***	0.061	0.028	0.081*
Training on the initiative of the unemployed	0.109***	0.121**	0.150***	0.059	0.122**	-0.092

Note: * indicates 10% significance, ** indicates 5% significance, *** indicates 1% significance.

Overall, the results indicate a positive impact of training organised by labour offices on the likelihood of getting a job. In general, training organised by labour offices is more effective in the short term than in the medium term. On the other hand, training initiated by the unemployed person increases the chances of finding employment mainly in the medium term. When considering specific characteristics of the unemployed, the effectiveness of training varies depending on their characteristics, namely gender and level of formal education.

6. Conclusion

The study aimed to explore out-of-school education's influence on employment and compare the effectiveness of labour office training with self-learning (being employed within three months (short-term) and twelve months (medium-term) after participating in the training). Data from the Labor Force Survey was utilised for the analysis. For this study, "training" referred to any form of learning conducted outside the formal education system under the guidance of a teacher or instructor.

The findings suggest that training organised by labour offices positively impacts the likelihood of gaining employment. Particularly, these trainings are more effective in the short term than in the medium term. Conversely, when the unemployed individuals themselves initiate the training, they tend to increase the chances of finding employment primarily in the medium term. Additionally, when examining the impact of specific characteristics of the unemployed, such as gender and level of formal education, variations in training effectiveness become evident. These individual characteristics play a role in influencing the outcomes of the training programs.

Based on the study's findings, several policy recommendations can be proposed to enhance the effectiveness of out-of-school education and improve employment outcomes in Poland. First, investing in and promoting the expansion of training programs organised by labour offices is crucial, as they have demonstrated a positive impact on short-term employment prospects. However, it is necessary to take care of their quality and adapt them to current market needs. Undertaking training on your own may result from the fact that external training is more valuable or valued more by employers. Moreover, policymakers should consider tailoring training programs to the specific needs and characteristics of the unemployed, such as gender and formal education levels, to maximise their impact. Lastly, continuous evaluation and monitoring of training initiatives will help identify successful strategies and make appropriate reforms for better outcomes.

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