

INTERREG SIV

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1. Introduction

Forecasts and research show that by 2030, each one of us, wanting to keep our current job or continue to pursue our profession, will have to learn at least one new thing. One that may not exist yet. Technologies will change, evolve and sometimes die rapidly to be replaced by new ones, that we don't even know yet. At the same time, our fundamental needs will not change. We will look for similar experiences, we will take care of similar issues. From the safety of our loved ones, through everyday shopping, to a climate catastrophe. All of this is mixed up in a world whose accelerated course was followed during subsequent lockdowns. What remains certain is that the changes will be sudden and continuous and that we should all start getting used to it.

The answer to the challenge of constantly changing environment, should be sought in social cohesion and inclusion of all members of the community to work together on the future. With the core principle that no one should be left behind, we look at those, who lack proper support. According to Eurostat, 4 out of 10 women in Poland remain professionally inactive. It is one of the lowest levels in the European Union. It was also calculated that 65,8 billion PLN can be earned if Poland meets the highest level of professional activation of women (the Netherlands - 73.9%).

New times require new solutions. Social Impact Vouchers model in Poland brings unemployed women, employers and future skills together in one - a social impact fund. The clue of the program is to make sure both employers and unemployed people understand how rapidly the labor market is changing, and that future jobs we don't even know yet, require lifelong learning from all of us in order to stay in the loop.

The SIV model in Poland was designed as a universal tool for incorporating various social groups into economic processes and for adapting employees to changes.

In the pilot version, we focused on two fundamental challenges: the differentiation of professional activity between women and men in Poland, and responding to the growing deficit of staff in the digital economy in our country. We are also testing to what extent we can use the model as an intervention within group of unemployed women, by concentrating on those who lost their job due to the pandemic, or because they are taking care of their dependents.

Country voucher program piloted in Poland assumes that voucher is given to the employee and it covers the training costs. From the other side - we search for employers or partners who are willing to hire women and support the fund financially. Thanks to that, we will be able to train more women and attract more employers and investors and gather funds that will be later used to finance next trainings and coaching. This way, the fund can permanently support next candidates and become fully operational.



Different tools are being proposed by public bodies in order to engage those who are outside of the labor market. On the other hand, despite COVID-19, the market is calling for new employees and not necessarily for high professionals - what seems to be missing is something that would bring together two sides - demand and supply. What is the joint interest here? Our answer is future thinking. We see unemployed people willing to learn and employers willing to hire those with future skills. The vast majority of people aged 25-64 shows a high level of willingness to learn, and four out of five Poles still want to learn. The dominant form of competence development is invariably informal learning, indicated by 70% of respondents.¹ We see training companies that know what is actually needed on the labor market and we see recruiters specialized in future/IT competences. It is worth emphasizing that our model can be applied to different groups of unemployed people as it is concentrated on finding the real demand and added value. This means, that each person engaged in our social work has to see the added value in the project. This is what we do - we see connections and possibilities for different partners and try to look for real life synergies.

Public policy must be based on the involvement of the state, but it also has to involve the responsibility of other partners. Supporting initiatives such as SIV and enabling their development is a public task, while the responsibility of non-governmental organizations and entrepreneurs in this model is a flexible search for solutions and precise analysis and description of needs that occur at a given moment on the labor market. Non-formal education, tailored to the needs of a specific job, is also a flexible and crucial instrument of the labor market policy.

In Poland, raising competences and responding to the needs of the labor market are mainly the tasks of the state employment services.

The quality of functioning of these institutions (Labor Offices) is a subject of discussion, and in recent years attempts have been made several times to reform the principles of their operation. These institutions do not meet the expectations placed in them, and their activities mainly boil down to the registration of unemployed people interested in obtaining social insurance, and small subsidies for starting individual business activities.

As a result, raising competences and adapting them to the market needs are activities carried out mainly by training companies and non-governmental organizations, bypassing state institutions.

It is also crucial, that the trainings or internship programs offered by labor offices are far away from the digital competences. It is possible to get training in computer science in general or online marketing, however no further digital competences trainings are being offered for unemployed people in comparison to the trainings offered by private institutions that actually offer trainings based on the labor market needs. Our cooperation network are primarily entrepreneurs and companies that improve competences in specific areas. It is a link between knowledge potentials and individual stakeholder groups.

¹ <https://www.parp.gov.pl/component/content/article/64795:80-proc-polakow-rozwija-swoje-kompetencje-zawodowe>



In case of improving competences of employees or future employees we see the will among companies to increase awareness of the benefits of lifelong learning and to improve access to learning opportunities. On the other hand, the data shows that the will is not enough as when asked only 3,7 per cent of adults in Poland in 2020 have reportedly improved their skills in the last 4 weeks comparing to 4,8% in 2019 and 5,7% in 2018. When we look at the EU level it is 9,2% in 2020, 10,8% in 2019 and 10,6% in 2018.² While the number of adults using the internet is increasing, the rates of basic and advanced digital skills are below the EU average. Only 44% of people have basic or higher digital skills (EU 58%).³

The labor market suffers from a shortage of qualified workers, and the migration policy pursued by the national authorities and the international situation in the region make it difficult to fill the shortages from the perspective of employers (the needs of the economy).

The basic solution for success is the direct relation between the employer and employee, and the trust between them is built with the support of voucher operator - our program. We do our best to find and involve trusted training companies, whose competences are verified by the market, while giving employees a lot of freedom so that the skills they acquire are not a "dead end" in development, but rather an open possibility of a permanent change in their situation on the labor market.

The most important lesson learned from the pilot phase so far is the clear need for building this trust. It comes with the brand and has to be verified multiple times. From the employers perspective, getting new employee is an investment - the company needs to be sure that the program deliver good quality that is worth the investment. All other aspects will always come in the second place. When we look at the candidates, they put their trust in us in order to change big part of their lives. Therefore, trust in the training quality and the coordinator of all activities(including recruitment and coaching) and organizing the opportunity to meet all stakeholders needs is crucial. Many potential employers mentioned the brand becomes more attractive when they know it is supported by EU programs - making it international and verified.

² https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=trng_lfse_02&lang=en

³ https://op.europa.eu/webpub/eac/education-and-training-monitor-2020/countries/poland_pl.html



2. ESF PLUS - means of support for SIV projects

ESF + is an ambitious initiative providing solutions to critical social challenges European society is facing. The European Social Fund Plus is an instrument implemented across the EU, responding to social cohesion, equality, inclusion, civil rights and the full spectrum of fundamental rights. It also provides the European Social Pillar. It's going to be implemented between 2021 and 2027. In Poland, the foundation of development policy planning is the Strategy of Sustainable Development: mid-term National Development Strategy. All documentation and guidelines prepared by the European Commission and Parliament during the budgetary process are firmly integrated with this country document. Between these two factors (European and country-level), the Polish Ministry of Funds and Regional Policy, working together with the European Commission, have prepared The Partnership Agreement, the main document defining goals and country priorities in EFS + and ERDF. It has also defined country operation programs structure and finance allocation.

In its current state, The Partnership Agreement and contents of operation programs haven't been accepted yet. This analysis is still basing on early-stage versions of documents published earlier in 2021 (between April and June).

One of the main factors shaping the ESF+ (and a whole system of European funds on a country level) ecosystem in Poland is the country-specific recommendation formulated by The European Council.⁴

There are four recommendations to take action in the coming years, which could strongly connect with the SIV model and find its solutions useful :

- **"Improve resilience, accessibility and effectiveness of the health system, including by providing sufficient resources and accelerating the deployment of e-health services."**
ESF+ on the country level will address especially the situation in the health service system, severely strained in the second and third wave on the COVID-19 pandemic. SIV model that is being tested in Poland would be a fast track to upskilling staff and preparing new capabilities for the health protection system in case of new challenges.
- **"Mitigate the employment impact of the crisis notably by enhancing flexible and short-time working arrangements. (...) Improve digital skills. Further, promote the digital transformation of companies and public administration."**
SIV variant tested in Poland apply to develop digital skills in a specific group (unemployed women, especially those nursing dependent people). This approach could be transformed into a universal instrument of fast reaction to social problems and mitigating a risk of unemployment caused by the lack of skills.
- **"Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on digital infrastructure, clean and efficient production and use of energy, and sustainable transport (...)."**

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0521&from=EN>



Engagement of private partners in two roles: future employer or "investor" responsible for general market and society conditions, would promote private investment and multiply effects of the SIV model and EFS+ funds.

- **"Enhance the investment climate, in particular by safeguarding judicial independence. Ensure effective public consultations and involvement of social partners in the policy-making process."**⁵

In this regard, the ESF+ is an instrument to strengthen the civic sector, which plays a crucial role in restoring the rule of law in Poland and creating a new framework for the participatory model of shaping public policy. For SIV model, it means a wide range of chances to implement vouchers and other solutions into the public policy toolkit.

Cooperation Fund Foundation (CFF) is experienced beneficiary of ESF in 2007-2013 and 2014-2020 periods. CFF had been engaged in ESF PLUS consultations on the country and regional level also. Nowadays, we are preparing new projects focused on social economy and social inclusion topics.

At this stage of work with national programs and with the current procedures' shape, it is rather unlikely to include the SIV model in the pool of solutions recommended at the program level. However, the SIV model may be implemented at the level of individual calls for proposals, as one of the solutions promoted by intermediary institutions announcing them.

The following programs and priorities seem to be crucial (however, their form is not final):

- **European Funds for Social Development for the years 2021-2027 (Polish: Program Operacyjny Fundusze Europejskie dla Rozwoju Społecznego; PO FERS)**

- o **Specific objective (c) to promote gender-balanced participation in the labor market, equal working conditions and a better work-life balance, including access to affordable care for children and people in need of support in their daily life**

The SIV Model in the current pilot version addresses this goal directly. However, there is no action in the FERS that would use solutions such as SIV. This opportunity should be developed further and consulted when the documents will be finalized.

- o **Specific objective (d) supporting the adaptation of workers, enterprises and entrepreneurs to changes, keeping active and healthy ageing as well as a healthy and well-adapted work environment that includes health risks**

Action 5. Development of proposals by social partners for solutions responding to crises on the labor market.

The SIV model, due to its flexibility and adaptability to specific training topics and industries, seems to be an ideal solution as a crisis response. Funds supported by the ESF + for training activities or for launching a special purpose fund in a given industry can be an effective anti-crisis measure.

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0521&from=EN> p. 8



o **Specific objective (g) supporting lifelong learning, flexible upskilling and reskilling opportunities for all, including entrepreneurial skills and digital competencies, better-anticipating changes and new skills needs based on labor market needs, facilitating career transitions and supporting professionals mobility**

Action 4. Development of offerings for formal and non-formal adult education and learning

Cross-sectoral cooperation and the introduction of clear communication into the education process between employers, the training company and the employee allows increasing the effectiveness of education and improve the sustainability of effects. All these advantages are provided by the SIV model and might be implemented in specific projects referred to this action.

Action 8. Repayable financial instruments for adults upskilling.

The SIV model might be used in this measure in two variants:

- a) the ESF + funds could return the amount that was spent for upskilling by the employee if the learning outcomes guaranteed by the training company and the employee's commitment would result in permanent employment,
- b) The SIV model can be used as a repayable financial instrument, in which the initial funds go to training companies and are returned by the employer to the operator to maintain the cash of the SIV Fund established under the ESF + financing.

o **Specific objective (i) supporting the socio-economic integration of third-country nationals, including migrants**

Action 1. Supporting economic migration management processes to better use the potential of economic migrants and support employers looking for foreign workers.

Due to the thematic flexibility and the ability to manage expert knowledge on an ongoing basis (including the specialization of the SIV fund operator in a specific type of intervention, industry, and directing aid to a particular group), the model can be a tool supporting the implementation of integration activities, including migrants adaptation. The national document emphasizes the urgent need to involve migrants in the labor market. It would need further elaboration and adjustment of SIV model criteria but as other countries are working within their SIV models directly to support migrants, this is an opportunity to develop and exchange knowledge within partnerships.

The current state of works is not yet sufficient to clearly define the possibilities of obtaining ESF support for the development of the model.

A separate priority pillar is foreseen to support social innovations, including their scaling. Still, the current description of both the priority pillars and the specific goals/actions itself does not allow to conclusively state whether the SIV model will be able to obtain support (and what).

The model could also be used as part of activities aimed at university employees. It is planned to improve the competencies of teaching staff to adjust the current knowledge of employees to the practical requirements of the market. It seems, however, that the addition of an intermediary here, which the SIV model assumes, is not justified.



3. ERDF - means of support for SIV projects

The European Regional Development Fund (ERDF) aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions.

In 2021-2027 it will enable investments in a smarter, greener, more connected and more social Europe that is closer to its citizens.

The ERDF implementation in Poland takes place on a country and regional level. The Country-level covers four specific operational programs (this report includes an analysis of two of them, presented to public opinion earlier this year).

On the regional level, each of Poland voivodships (regions) prepared a specific operation programs, integrating ERDF and some ESF+ funds.

ERDF interventions focus on infrastructural operations and instruments dedicated to industries and institutions, including i.e.: Universities, public health agencies, some public services operators, etc.

ERDF allows cities/municipalities to adapt to climate changes, some green investments or public transport modernization.

The SIV model can be implemented at the individual call for proposals, as one of the solutions promoted by intermediary institutions announcing the calls. The following programs and priorities seem to be of crucial importance here (with the provision that their form is not final):

European Fund for Eastern Poland (Polish: Program Operacyjny Polska Wschodnia +)

Priority line 1: Entrepreneurship and innovations

- Specific objective (iii) enhancing SMEs' sustainable growth and competitiveness and creating jobs in SMEs, including through productive investments - preparing staff and upskilling.
- Specific objective (iv) Supporting action on climate change adaptation, risk prevention and disaster resilience
- Specific objective (viii) Promoting sustainable multimodal urban mobility - development of connectivity and network management will be supported.

All the actions planned in those objectives focus on a specific investment (mainly for equipment or expert services purchase).

The SIV can be a complementary instrument for the beneficiaries to prepare their staff to implement new technologies or to work with the use of new technologies.

Priority line 4: Social capital, tourism industry and health/spa services

- Specific objective (iv): ensuring equal access to health care and supporting the resilience of health systems, including primary care, and supporting the transition from institutional to family and community care

Action planed in the priority line, and specific objectives assume that:



"The result of the support will be an increase in the participation of residents in culture, the development of their digital skills, increasing the diversity and attractiveness of forms of spending free time and pursuing interests, as well as increasing the attractiveness of settlements in the cities where the supported institutions operate."

The SIV model might be an interesting supplement for that kind of intervention e.g. through providing trainings to staff, but it is unclear how to engage ERDF funds without specific regulations that have not been prepared yet.

European Funds for Innovation Economy. Program for 2021-2027. (Polish: Fundusze Europejskie dla Nowoczesnej Gospodarki Program na lata 2021-2027)

Priority line 1: Support for entrepreneurs

- Specific objective (i): developing and strengthening research and innovation capacities and the use of advanced technologies

As part of the priority, has been planned type of project named: Skills. Those will be projects aimed at improving employee skills and building the human resources potential of the economy as part of adaptation to climate change, digital revolution and automatization. SIV model and the voucher program could easily be incorporated through this objective.

Priority line 2: An environment conducive to innovation

- specific objective (iv): skills and strategy development and capacity building for intelligent specialization, industrial transformation and entrepreneurship.

Due to the specific objective mentioning that: "in this respect, the key is innovative support for clusters, which is to be allocated to the development of human resources, competencies and talents at the disposal of SMEs." all of these actions would and could be supported by the SIV Model.

The priority includes "learning factories" - factories qualified to share knowledge and skills, where entrepreneurs have competencies to teach people and keep production resources to upskilling employees'. Using the SIV model in this area would respond to the need to combine activities financed from the ERDF with an innovative approach to responding to the challenges of the new economy, especially in the cross-sectorial environment.

Cooperation Fund Foundation is not an active beneficiary of ERDF projects on a country level, however it is a partner within a number of Interreg Central Europe program. Possibilities of such engagement on a country level in future exist, but it has not been specified yet.

The SIV model can function as a complementary element to activities directly financed by the ERDF. In some cases, it seems possible to apply the developed model directly (e.g. as part of "learning factory" projects, but it should be included in the competition regulations).



The SIV is also a complementary tool to the ERDF and should be considered as a Fund supporting the achievement of the horizontal objectives of the Cohesion Policy. The ERDF focuses on hard development tools (in the Polish edition): research and development, building infrastructure and adaptation to the future in a very physical dimension. Therefore, all the more needed are cross-sectoral tools (here is the role of NGOs and social impact funds) and those aimed at building responsibility for the social dimension of the digital revolution and adaptation to climate change.

4. Conclusion

SIV model tested and developed in Poland is the specific way to bring different types of actors together and create a common way of trust that would bring added value for all stakeholders with clear perspective of what future might bring. It is focused on upskilling future employees directly in the range of competencies desired by employers or those that will be desired soon. Furthermore, it engages the third party actor in the process, mitigating the risk of failure, which is one of the most critical barriers to employing people from the disadvantaged group (including long-term unemployed).

Employers bear the cost of training and upskilling new employees, so they try to avoid bad choices in the recruitment process by encouraging human resources protocols. This is an investment in the future that pays off at all levels.

Recruitment processes need specialized competencies and experience to be effective. As a result, only bigger and more wealthy industries can afford specialized services while achieving better effects than SMEs.

Transfer of risk emerging during recruitment, selection and training process to the third party, an institution concentrated on bringing social impact, would be an instrument of reducing inequality between big companies and SMEs.



5. Sources

Consultants:

Katarzyna Kalinowska PhD, Educational Research Institute (IBE), Institution affiliated by Ministry Of National Education And Science

Agata Łuczyńska, CEO of The School with Class Foundation, independent NGO focused on quality of education and training processes

Daniel Prędkopowicz, expert in EU funds and CEO of Europe and We Society, independent NGO focused on local and regional development

Resources:

Council recommendation on the 2020 National Reform Programme of Poland and delivering a Council opinion on the 2020 Convergence Programme of Poland; COM/2020/521

European Funds for Social Development for the years 2021-2027 (Polish: Program Operacyjny Fundusze Europejskie dla Rozwoju Społecznego; PO FERS)

European Fund for Eastern Poland (Polish: Program Operacyjny Polska Wschodnia +)

European Funds for Innovation Economy. Program for 2021-2027 (Polish: Fundusze Europejskie dla Nowoczesnej Gospodarki Program na lata 2021-2027)

Projekt umowy partnerstwa dla realizacji polityki spójności 2021-2027 w Polsce, Warsaw, January 2021

Raport z konsultacji projektu umowy partnerstwa dla realizacji polityki spójności 2021-2027 w Polsce, Departament of strategy, Ministry of Funds and Regional Policy, Warsaw, June 2021