

# **NATIONAL STRATEGY REPORT ON SOCIAL PROTECTION AND SOCIAL INCLUSION 2008-2010**

**Document approved by Council of Ministries  
on the 16th of December 2008**

Ministry of Labour and Social Policy

Warsaw, December 2008

# Content

<i>Introduction</i> .....	4
<i>Part 1 – Common Overview</i> .....	5
<b>1.1. Social situation assessment</b> .....	5
<b>1.2. Strategic framework</b> .....	10
<i>Part 2 – National Action Plan for Social Inclusion</i> .....	14
<b>2.1. Review of implementation of the National Action Plan for Social Inclusion for 2006-2008</b> .....	14
<b>2.2. Key challenges and main objectives</b> .....	18
<b>2.3. Priority 1. - Counteracting poverty and social exclusion of children and youth</b> .....	23
Measure 2.3.1. Improvement of family income .....	23
Measure 2.3.2. The development of childcare services.....	25
Measure 2.3.3. Levelling educational opportunities and supporting learning children and youth from poor families .....	26
<b>2.4. Priority 2. - Integration through activation</b> .....	28
Measure 2.4.1. The development of social economy .....	28
Measure 2.4.2. The development of tools and instruments for active inclusion .....	29
Measure 2.4.3. Implementation of integration schemes for people with disability.....	31
<b>2.5. Priority 3 - Access to high-quality social services</b> .....	32
Measure 2.5.1. Improvement of the quality of education services.....	32
Measure 2.5.2. Development of social housing .....	33
Measure 2.5.3. Prevention and solution of alcohol-related problems .....	34
Measure 2.5.4. Preventing drug addiction.....	34
Measure 2.5.5. Development of services for the elderly .....	35
Measure 2.5.6. Counteracting family violence.....	37
Measure 2.5.7. Development of free of charge legal assistance.....	37
<b>2.6. Better governance</b> .....	39
2.6.1. The process of preparing the National Action Plan for Social Inclusion .....	39
2.6.2. Policy coordination.....	40
2.6.3. Mobilization and engagement of all stakeholders .....	43
2.6.4. Mainstreaming of social inclusion.....	44
2.6.5. Monitoring and evaluation arrangements .....	45
<i>Annex 2.1. – Good Practices in the area of social inclusion</i> .....	46
<b>2.1.1. The Social Integration Program (the Post-Accession Support Program for Rural Areas)</b> .....	46
<b>2.1.2. Construction of multi-function sports fields generally accessible to children and young     people</b> .....	49
<b>2.1.3. Organisation of programs for social work in municipalities</b> .....	51
<i>Annex 2.2. Selected target values of NAP/Inclusion</i> .....	53

<i>Annex 2.3. - Support of NAP/Inclusion through the Operational Programme Human Capital .....</i>	<i>55</i>
<i>Annex 2.4. - Monitoring of the National Action Plan for Social Inclusion 2006-2008 .....</i>	<i>58</i>
<i>Annex 2.5. – Statistical annex for charters 1 and 2 .....</i>	<i>87</i>
<b>Part 3 – National Pension Strategy.....</b>	<b>98</b>
<b>3.1.Implementation of objectives set out in the National Pension Strategy in 2005 and the current challenges.....</b>	<b>98</b>
<b>3.2. Review of common pension goals in the context of national policy .....</b>	<b>100</b>
3.2.1. Adequacy of pension systems .....	100
3.2.2. Financial stability of pension systems .....	105
3.2.3. Modernisation of pension systems and adjustment to changes .....	110
<b>3.3. Conclusions .....</b>	<b>115</b>
<i>Annex 3.1. – Statistical annex for chapter 3 .....</i>	<i>116</i>
<b>Part 4. - National Plan for Health Care and Long-Term Care .....</b>	<b>120</b>
<b>4.1. Health care .....</b>	<b>121</b>
4.1.1. Legal basis.....	121
4.1.2. Resources.....	124
4.1.3. Providing finance .....	125
4.1.4. Strategic and operational objectives of health care development included in the 2007-2013 Health Strategy. ....	126
<b>4.2. Priorities established within the scope of health care in 2006-2008 and the degree of their execution.....</b>	<b>127</b>
<b>4.3. Action plan for the years 2008 -2010 .....</b>	<b>130</b>
<b>4.4. Long-term, palliative and hospice care .....</b>	<b>131</b>
4.4.1. Long-term care .....	133
4.4.2. Palliative and hospice care .....	138
4.4.3. Sources of the financing of long-term care and palliative and hospice care benefits.....	142
4.4.4. Social assistance .....	142
<b>4.5. Priority directions of activities in the field of long-term care and palliative and hospice care.....</b>	<b>144</b>

## **Introduction**

The European Commission obliged all Member States to present their National Strategy Reports on Social Protection and Social Inclusion 2008-2010.

Poland is also included for it participates in simplified and improved open coordination method. National Strategies cover three areas of activity: social integration, pension scheme and healthcare and long-term care.

The European Commission provided Member States with guidelines to prepare their National Strategy Reports on Social Protection and Social Inclusion 2008-2010 so that the document's structure could be unified. Member States should observe the guidelines to improve the effectiveness of the open coordination method which is the method of mutual assistance, learning from each other and exchange of information. The document aims also to strengthen interaction between the open method and the Lisbon Strategy for the economic and employment growth.

Pursuant to the European Commission's guidelines, the national Strategy consists of four parts. Part 1 is Common Overview which includes the assessment of the social and economic situation. Parts 2 – 4 include thematic plans related to three components: National Action Plan for Social Inclusion, National Pension Strategy, National Strategy for Healthcare and Long-term Care.

Moreover, Member States may enclose annexes to the Strategy which include more detailed description of social situation in Part 1 and specific aspects of plans presented in Parts 2 – 4. As far as social integration is concerned, all Member States are obliged to present part which describes implementation of their National Strategy Reports on Social Protection and Social Inclusion 2008-2010.

## Part 1 – Common Overview<sup>1</sup>

### 1.1. Social situation assessment

**Macroeconomic indicators.** In 2006-2008 Poland experienced high economic growth. In 2006, the economic growth amounted to 6.2%, next year – 6.7%, whereas pursuant to forecasts the GDP dynamics should achieve the level of 5.5%. The continued existence of fast economic growth is caused by growing investment demand, stable and high consumption growth as well as growing export. Poland has still stable inflation which is higher, however, than a year before (between January – March 2008 inflation measured by the CPI amounted to 4.1%, as compared to the analogous period in the previous year). The continuing high dynamics of the GDP, which is characteristic for new Member States, reduces economic development gaps within the Member States. In Poland the GDP ratio per capita, calculated on the basis of purchasing power parity, has been growing continuously relative to the European Union average since 2002. Yet, it is still relatively low and amounts to c. 55% of 27 EU countries average. Lower GDP ratios were noted only for Bulgaria (39% of the EU average) and Romania (41.5%). In Poland there is high regional diversity measured by the GDP ratio per capita. In 2005, the wealthiest region was Mazowieckie Voivodeship (81.2% of the EU average), while one of the most poorly developed regions were Lubelskie and Świętokrzyskie Voivodships (respectively 36% and 38.3% of the EU 27 average).

**Demography.** In 2006-2007 Poland noted a positive birth rate, although due to the negative migration balance the population decreased significantly (a negative birth rate has lasted continuously for 11 years). The result of these demographic processes is the sudden decrease in the number of children and youth (age 0-17). The share of children and youth in total population decreased to 20% in 2007 from 24,4% in 2000<sup>2</sup>. Significant changes occurred in the population in the economically productive age (women at the age 18-59; men 18-64), whose share in population increased from 61% in 2000 to 64% in 2007. A number of people in retirement age (65 years and more – men and 60 years and more – women) has been growing recently. The group's share in population is 15.9% (in 2000 – nearly 15%). At the end of 2006, there were more than 6 million people in post-productive age, as compared to 5.6 million in 2000. Demographic boom generation entering the labour market, expected deactivation of the present population in immobile age (persons aged 45-65 who soon reach retirement age) and unfavourable changes in proportions of these in productive age as opposed to these in unproductive age are the main challenges that broadly understood social policy faces.

According to data available it is estimated that in 2007 the legal employment migration scale was c. 0.9 million – 1.1 million persons (such number of Polish citizens were employed on average across the European Economic Area annually), yet in the second half of the year the number of departures decreased<sup>3</sup>.

Great Britain was still the main migration destination. In 2004-2007 a total number of 430 thousand Polish employees registered in Great Britain. In 2007, more than 180 thousand

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<sup>1</sup> Most data which is presented in the *Common Overview* is included in Annex 2.5. in the form of a table. The data is based on documents provided by the European Commission.

<sup>2</sup> *Basic information on demographic trends in Poland till 2007. The information note*, Central Statistic Office, 30 January 2008

<sup>3</sup> *Cztery lata członkostwa Polski w UE. Bilans kosztów i korzyści społeczno-gospodarczych*, Office of the Committee for European Integration [Urząd Komitetu Integracji Europejskiej], Warsaw 2008.

Polish employees received a seasonal work permit in Germany, while about 60 thousand Poles registered in Ireland (in 2006 - 90 thousand). Economic migration contributed to lower employment rate and higher wage pressure in Poland; employers, being afraid that they could have lost best qualified employees, raised salaries. Talking about social effects, migration of experts seems to be an important problem (especially migration of medical staff) and jobs which require lower qualifications taken by many Polish emigrants. Another problem that can be observed recently is remigration which connects with still more visible homecoming of Poles.

**Labour market.** Positive trends that began in 2003 have been strengthened recently. An employment rate in the 15-64 age group increased in 2003-2007 by 5.6 percentage points up to 57%, due to fast improving economic situation accompanied by increasing labour demand, yet still it was lower than the average one in the EU-25<sup>4</sup>. Malta was the only Member State with lower employment rate. Unemployment rate decreased dynamically as well – a number of unemployed was lower by 50% in the last 4 years, while an unemployment rate placed on the lowest level since the beginning of transformation, that is 9.6% (9% - men and 10.3% - women). Such significant decline in unemployment contributed to reduced distance between Poland and other EU countries. In 2005, the unemployment rate was highest in the EU-25 countries and amounted to nearly double average for the EU, while in 2007 the difference was reduced to less than 2.5 percentage points. The greatest drop in unemployment rate was noticed among young people (15-24 years of age), where it decreased from 41.4% in 2003 to 21.7% in 2007.

Despite positive changes on the Polish labour market, that is growing labour demand, higher employment and salaries, an economic activity rate, having stabilised in 2005, decreased again. In 2007, it amounted to 63.2% for the whole population of 15-64 years of age and was lower than the EU average. The rate was lower for women than for men (about 56.5% for women and 70% for men). These trends show that factors which recently affected the evolution of labour demand were the institutional ones, including mainly solutions enabling early deactivation, e.g. access to early retirement. What probably also affected a decline in activity rate (mainly in the so-called prime-age group<sup>5</sup>) was increased employment migration after Poland's accession to the EU. An extended period of education could have contributed to the situation as well.

In 2007, the activity rate for persons of 55-64 years of age reached 31.8% in Poland, compared to 47.5% for the EU-15. Although in 2006-2007 the rate increased by 1.1%, in the previous years it did not change, which prevented Poland from reducing the distance between it and other EU countries. Therefore, it is necessary to introduce professional activation programmes for elderly people.

After the growth period in 1999-2002, the employment rate diversity among voivodships has lowered since 2003 (the variation rate decreased from 7.2 in 2003 to 5.1 in 2006). The unemployment rate dispersion was still dropping as well. Yet, it should be stressed that inter-regional diversity is frequently higher than the intra-regional one. At the end of May 2008, the unemployment rate in Warsaw was 2.4%, whereas in the Szydłowiecki Powiat (the same voivodship) - 30.8%. It proves that there are significant barriers to professional mobility between regions and poviats.

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<sup>4</sup> Source: *Labour Force Survey*.

<sup>5</sup> *I.e.* persons aged 25-44.

**Income poverty**<sup>6</sup>. In 2005, at-risk-of-poverty rate for the whole population, calculated on the basis of the limit which is 60% of median equivalent income, was slightly higher than the EU average and amounted to 19% (EU-25 – 16%). Yet the poverty line threshold expressed by purchasing power parity, calculated both for a one-person household and for a household that consists of two adult persons and two children, was distinctively lower than the one in the EU-25, excluding Lithuania and Latvia. As it is presented, poor people in Poland reached significantly lower standard of living than the EU average. In the last few years income diversity decreased slightly due to improvement of the labour market situation. In 2005, the income of 20% of the wealthiest people in Poland was more than five times higher than the income of 20% of the poorest Poles. The ratio value declined from 6.6% in 2004 to 5.6% in 2005, yet the income diversity in Poland was still higher than the average for the EU countries, which amounted to 4.8% in 2005. As in previous years, poverty diversity between each socio-economic group in Poland was different than in the EU countries. In 2005, those most exposed to poverty were children and young people aged 0-17, 26% of which were below the 60% of the median equivalent income, while the EU-25 average was 19%. At-risk-of-poverty rate for persons of 18-64 years of age was the same as for the whole population and was slightly higher for men (20%) than for women (18%). The income situation was relatively best for persons aged 65 and more; here the at-risk-of-poverty rate amounted to 8%. Within the oldest age group women were more exposed to at-risk-poverty (9% below 60% of the median equivalent income) than men for whom the rate was 6%. In Poland elderly people were distinctively less exposed to relative poverty than people in the same age group in other EU countries (EU-25: 19%)<sup>7</sup>.

In Poland, as in Western Europe countries, one of most important factors that decide about social status, including the financial situation of an individual and their family, is their place on the labour market. In the group of persons aged 18 and more the most exposed to poverty are people excluded from the labour market as a result of unemployment; 46% of such people were below the poverty line. In 2007, 11.7% of adult Poles lived in jobless households (in 2006 the ratio was 13%). An alarming fact is that at-risk-of poverty rate is relatively high for working people. In Poland in 2005, the percentage of poor out of total employed people of more than 18 years of age amounted to 13%, whereas the EU average was 8%. The quoted data mean that the so-called working poor phenomenon is more widespread in Poland than in other EU countries (Greece was the only country where the ratio was higher and amounted to 14%). Retired persons found themselves in significantly better income situation; only 7% of retired persons were below 60% of median equivalent income (EU-25: 16%).

In Poland the standard of living differs a great deal depending on a region and city v. country. The most difficult situation was in the regions with particularly difficult situation on the labour market. This concerns e.g. northern regions of Poland which suffer from the collapse of national agriculture and have underdeveloped non-agricultural sectors. Regions with relatively low standard of living include also the so-called Poland's "Eastern Wall", *i.e.* the Poland's eastern border territory which are characterised by low level of urbanisation, industrialisation and poor infrastructure. Families in small towns and villages relatively live in poverty most frequently, while inhabitants of large urban agglomerations – more rarely.

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<sup>6</sup> At-risk-of-poverty rates calculated on the basis of the limit fixed at the level of 60% of the national equivalised median income are taken from the EU SILC 2006 and refer to the income situation in 2005. European Commission, Social Inclusion Indicators July 2008

<sup>7</sup> Yet numerous legal, institutional and social barriers, which are the reason for social exclusion of seniors, should not be forgotten.

**Social expenditures.** In 2007, 14.7% of GDP was allocated for social expenditures<sup>8</sup>. In 2007, expenses on retirement benefits and pensions from the Social Insurance Fund (FUS) was 9.2% of GDP, Agricultural Social Insurance Institution expenditures amounted to 1.4% of GDP, and expenses of old-age pensions - total 0.9% of GDP. Thus, the total public expenses on retirement pensions and pensions amounted to almost 11.5% of GDP. Low effective retirement age related mainly to structural changes in the labour market and depreciation of employees' qualifications as well as demotivating nature of social benefits caused high expenses on retirement pensions and pensions. Another category includes family and care allowances (5% of total social expenses or 0.76% of GDP) and sickness benefits (4% of total expenses or 0.63% of GDP). The share of expenses from the Labour Fund was the same as of expenses allocated for family and care allowances. Expenses on social assistance had the smallest share in social expenses (2%).

Poland is a country which allocates relative most funds for transfers for elderly persons, whereas the least – for transfers for children and young people. It resulted in significantly greater poverty risk among children and young people, as compared to whole population, and relatively small poverty risk among elderly people.

**Pension scheme.** In 2007, more than 7.3 million people received retirement pensions and disability pensions from the Social Insurance Fund (FUS), another 1.5 million people used the benefits from the Agricultural Social Insurance Fund (KRUS), and a number of people under security provision system amounted to 358 thousand. Due to the process of population ageing a number of people in post-working age will increase together with expenses on health and long-term care.

The new retirement pension scheme that entered into force on 1 January 1999 introduced substantial changes to the existing scheme and limited its insolvency risk in a long perspective by adjusting it to demographical and socio-economic changes. In order to guarantee the sufficient level of retirement pension income and financial stability it is necessary to implement consistently the new retirement pension scheme's aims. That means that legal acts that would complete the new retirement pension scheme must be adopted and entered into force. The acts refer to bridging arrangements, paying retirement pensions from the new scheme and correlation between retirement pensions and pensions. The forecast related to social expenses shows, however, that in Poland the expenses will be decreasing gradually (in % of GDP) as a result of the new retirement pension scheme, unless new solutions charging significantly expenses of the social insurance system are introduced.

Social transfers contribute a great deal to the population's income situation improvement, yet they are ineffective in case of children and young people. The at-risk-of-poverty rate calculated for the whole population amounts to 29% before social transfers (excluding pensions and retirement pensions) and 19% - after the transfers, which means their more than 30% efficacy. In 2004, the at-risk-of-poverty rate for children and young people amounted to 39% before social transfers, and 29% - after the transfers, which gave relatively low (as compared to the EU-25) 25% efficacy (only in Greece, Spain and Lithuania the transfers contributed less to children's income situation improvement than in Poland).<sup>9</sup>

**Healthcare and long-term care** In 2006, total expenses on healthcare in Poland amounted to 6.2% of GDP, which was the second lowest value among OECD countries.<sup>10</sup> The value of expenses on healthcare amounted to 910 dollars per capita (calculated on the basis of

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<sup>8</sup> The Ministry of Labour and Social Policy own study, based on GUS data.

<sup>9</sup> Child Poverty and Well-Being In the EU. Current Status and Way Forward. European Commission, Office for Official Publications of the European Communities, Luxembourg 2008.

<sup>10</sup> In 2006, the average value for OECD countries amounted to 8.9% of GDP. Source: OECD Health Data 2008.

purchasing power parity), which was a distinctly lower value than the OECD countries average (2824 dollars). In the same year the share of public sector in financing health care in Poland amounted to 70%.

The most important income source for the healthcare system is a health insurance contribution. Its amount increased each year by 0.25%, starting from 7.5% of base amount in 2000 up to 9% of base amount in 2007. The increase in contribution as well as the observed economic growth that entailed increasing salaries caused that there are more funds coming gradually into the health care system. Other income sources, whose main aim is to act against unequal access to the benefits and social exclusion are: state budget, budgets of local government units, enterprises' funds and funds paid by patients who finance non-standard benefits presented in the Annex to the Public Funding of the Healthcare Act.

Due to high debt level of public health care institutions since 2005 there have been taken measures that meant to improve financial situation of public health care units, pursuant to the Act of 15 April 2005 on public aid and restructuring of public health care institutions (Dz. U., 2005, No. 78, item 684. Total amount of all debt on the national scale amounted PLN 9,527.8 million (as of 31 December 2007) and was lower as compared to 2006 by 7.9% and by 7.3% as compared to 2005.

Nursing and care allowances as well as palliative and hospice care are financed by the National Health Fund (Narodowy Fundusz Zdrowia - NFZ) with public funds. Payer, in case of a care and treatment facility or a nursing and care facility – the National Health Fund, finances health benefits, yet food and accommodation costs are charged by patients. A monthly charge equals to 250% of the lowest retirement pension, yet it cannot exceed 70% of monthly income, pursuant to the social assistance provisions, of a resident of a care and treatment facility or a nursing and care facility. Patients who use the palliative and hospice care are included in a special scheme pursuant to which a patient is not charged with any costs related to benefits. The National Health Fund finances palliative and hospice care facilities, under the contract concluded.

Social assistance houses at a supra-gmina level play an important part in Polish long-term care. In 2007, there were more than 790 social assistance houses at a supra-gmina level, out of which 590 were run by powiat local governments and 204 – by non-public entities. There was a total number of more than 77 thousand people who lived in these units, including 64.5 thousand who lived in facilities run by local governments and 13 thousand – in facilities run by non-public entities. Persons with chronic somatic and mental illnesses constituted nearly half of population living in social assistance facilities. Another numerous group consisted of adult persons with intellectual disability (more than 13 thousand of residents) and elderly persons (more than 11 thousand).

**Summary.** Good economic situation, which has been lasting since 2004, stimulated the labour market and reduced unemployment, yet an employment rate in Poland is still distinctively lower than the EU-27 average. The acceleration of economic growth slightly reduced poverty and social exclusion. As in previous years, the hardest situation was that of children, especially those coming from numerous families and living in the rural areas and of unemployed persons, mainly those long unemployed with low qualifications.

The population's incomes, which have been lately increasing, reduced poverty diversity in Poland. Depending on the assumed poverty line, poverty has been diminishing since 2004 (relative poverty), 2005 (statutory poverty line) or since 2006 (absolute poverty - minimum standard of living). It means that the poverty extend begun in the early 90s, has been recently impeded. As compared to the highest levels observed in 2003-2005, in 2007 the relative poverty rate decreased by more than 3 percentage points and amounts to 17.3%, the statutory

poverty line – by 3,5 percentage points up to 14.6%, and the minimum standard of living – by 5.4 percentage point up to 6.6%. In 2007, *circa* 2.5 million people live in extreme poverty, which is by 2.1 million people less than in 2005.

Social policy, to which a great part of total public expenses is allocated, does not fully prevent impoverishment and exclusion of some social groups. It is necessary to intensify income support given to families with children. Moreover, a series of actions aiming at professional activation of unemployed and inactive people. An educational reform that would introduce solutions providing an easier school to work transition as well as developing lifelong learning should be an important part of the actions. Within the retirement pension and pension system it is necessary to introduce changes that would reduce possibilities of early retirement, which causes premature deactivation of large social groups. The predicted population ageing requires more care services for seniors.

## *1.2. Strategic framework*

In the nearest future Poland will face a great challenge related to keeping high socio-economic growth, including mobilisation of broadly understood intellectual capital to rise to Poland's developmental challenges. Using the existing social and economic assets together with an absorption of large funds from the EU structural funds gives Poland a chance for fast development.

However, due to foreseen slowdown of economic growth, it is necessary to remember that all measures of NSR will be implemented in accordance with the situation of public finance system. All measures will be financed from projected expenditures in budget 2009 and following years.

Improvements of the labour market situation sound optimistic; during the last three years a number of job positions grew by nearly 1.5 million. Yet low employment growth and very low employment rate of young people and persons of more than fifty years of age is something disturbing. Labour shortage in different sectors and regions also grows, which is connected with low labour supply, i.a., as a result of early retirement and a large migration tide. Low qualifications, which characterises a large number of people aged 15-64 and which is caused, e.g., by low educational level of adult persons is a serious barrier to the labour supply.

Pursuant to the strategic governance plan prepared by the government, the **four pillars of fulfilling the promise – ‘to make everyone's life better’** are as follows:

- Welfare-building, that is achieving higher GDP per capita, mainly by greater professional activity and labour especially of 50+ generation, macroeconomic stability, access to the euro area, low public finances deficit and productivity growth with attempts to fast development of road infrastructure, access to the Internet, investment development and intellectual capital growth due to modernisation of Polish education and science.
- Dynamic growth conditioned by releasing entrepreneurs' energy, lowering taxes, using regional potential - each according to individual capacities, which should be supported by national regional policy yet, which is essential, by the equal chances policy.

- Environment for a man, family and country security. It means improvement of professional and life start of young generation, and, in the meantime, completing the new retirement pension scheme and esteeming senior generation, improving healthcare system and national energy security guarantees, smooth implementation of proecological solutions, efficient security against threats and crises.
- Higher trust and proud, measured with civic education's effects, participation rate in elections and civic organisations, growing reliability of public institutions, effectiveness of the state in providing service for citizens and creating Poland's good image or higher trust both to ourselves and to our neighbours.

Both National Strategic Report on Social Protection and Social Inclusion 2008-2010 and the National Reform Programme 200-2011 are a part of the strategic governance plan. Parallel works and planning actions for economic and employment growth and better social protection and social inclusion enable to use the synergy effect of the planned processes in order to achieve greater social cohesion in the future.

Strategic actions that will be undertaken until 2010 aiming at promoting social cohesion, equal status for men and women and equal chances for everyone by applying relevant, accessible, financially balanced, adaptable and effective systems of social protection and policy related to social integration, are oriented to releasing social activity of Polish people and providing relevant conditions that will enable implementation of this activity.

Social integration processes will be still focused on actions aiming at increasing social activity and, as a result, also professional activity of persons who are exposed to social exclusion, yet who are potentially able to be employed. The suggested and planned changes aim at integrating professional and family life, which will enable young parents, especially mothers, to return to work. An essential assumption is that **work is the source of prosperity** especially for individuals and families, while employment reduces poverty and exclusion risk.

Changes to the income support system – those already introduced and planned – aim at supplementing the above activities with an well-oriented system of social transfers. Through the verification of levels of availability of social assistance schemes and family benefits, the role of these schemes in protection from poverty of persons whose income is below the minimum threshold will be reinforced.

In 2008, works on **completing the development of a new pension scheme** will be completed. Legal modifications which are to be implemented from 2009 will allow to pay pensions within the new scheme. The proposed legal solutions aim at ensuring the highest possible level of future benefits with the present level of contribution from working persons. Prolonging professional activity and increasing the pension protection for persons who temporarily resigned from their professional career in order to raise children will lead to an increase in future retirement pensions. It will ensure adequate benefits in the future and decrease the gap between future retirement pensions for women and men.

The planned reforms of health protection schemes aim at **improvement of the health service**, facilitating access to medical services, improving the financial situation of hospitals and health service workers. The proposed structural changes are aimed, above all, at the improvement of effectiveness and better use of the available resources.

An especially important issue in the years 2008-2010 will be the implementation of policy aiming at **effective cooperation with the Lisbon objectives (concerning the attaining of better social cohesion, higher economic growth and higher number of better-quality jobs, as well as deeper social inclusion) and with the EU Sustainable Development**

**Strategy.** This aim is realised through the simultaneous planning of activities within the framework of the Report and the National Reform Programme (NRP).

Changes to the social policy scheme are, to a large extent, aimed at supporting the economic growth potential. It is a challenge to create best conditions for making use of the capital, knowledge, energy and entrepreneurship of Poles. The priority among many challenges which Poland faces today is the continuation of investing in human capital, which is essential for the country's development.<sup>11</sup> In this context, the most important activities in social policy are activities connected with family policy, encouraging people to have children and providing them with access to different forms of early education in order to increase the quality of education. Ageing of society creates challenges and opportunities with respect to the use of intellectual capital of senior citizens. Human capital should be a bond for activities connected with the activation and development of the potential of Poles.

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
More comprehensive and effective family policy	Increasing the quality of education	Orientation of school education towards the needs of the labour market	Activation of senior citizens	Synergy of the worlds of science, business and culture. Development of jobs with high value added	Increasing the quality of law, procedures and infrastructure for the business	Regular measurements of intellectual capital indicators
Ensuring high quality of human capital				Creating an possibility of using human capital for the advantage in competition, for progress and well-being		
Developing the social capital of Poles: increase in social confidence, improving relations between the citizen and the state, stimulating civil activity						

The state can stimulate the development of human capital and the instruments of social policy. Relevant measures include, first of all, orientating social inclusion policy towards activation. The development and priority treatment of social economy will allow to improve qualifications and skills of persons participating in measures within this sector, which, as a consequence, will help them come back to employment and will increase the supply of work.

Full implementation of the new pension scheme from 2009 has significant effect on the increase of incentives to prolong professional activity, both by restricting the possibility of earlier retirement and by changing the method of calculating benefits. The new method of calculating benefits promotes longer working to a larger extent than it has so far. The scheme encourages its participants with a higher retirement pension. Working longer ensures better use of the existing human capital and experience for higher economic growth and employment.

Similarly, the reforms of the health protection scheme are aimed at increasing the effectiveness of this sector, which is an element of pro-development policy.

<sup>11</sup> Cf. Report o on Poland's Intellectual Capital, 10 July 2008.

The growth and employment policy provides the framework for increasing prosperity, and this leads to improvement of social inclusion policy. The aim of these activities within the NRP is to create the basis for a permanent social and economic growth, leading to the improvement of citizens' living standard. This is why one of the NRP 's priorities is to create an **active society**, which includes activities for the development of an effective education system, providing access to essential competences, modernization of social protection schemes by restricting access to benefits leading to early inactivity, development of active policies of the labour market and improving labour market institutions, improvement of adaptation skills of workers with consideration of the flexicurity principle, as well as creating conditions for the development of social economy, developing information society and improving the effectiveness of the health protection system. These activities are complementary to the priorities and measures specified in this Report.

In order to achieve the expected results, Poland undertakes activities for the improvement of **good management, transparency and involvement of the parties concerned in designing, implementing and monitoring of this policy**. These activities aim at:

- better use of mechanisms of group cooperation in cross-department groups;
- broader range of consultations with representatives of the media, non-governmental organizations and parliamentary groups;
- better coordination of activities for social inclusion on the local self-government and central government level, with the use of good practice in this field.

## **Part 2 – National Action Plan for Social Inclusion**

### ***2.1. Review of implementation of the National Action Plan for Social Inclusion for 2006-2008***

In the years 2006-2008, the central government, local self-government authorities and non-governmental and religious organizations undertook a series of initiatives aimed at achieving priorities set out in the latest edition of the National Action Plan for Social Inclusion (NAP/Inclusion). The first priority – supporting families with children – included continuation of the development of a system of benefits for families (both money benefits and services), which contributed to equalling opportunities of children and families and eliminating educational deficiencies. Inclusion through activation (second priority) was implemented mainly by activities aimed at creating conditions for the development of the social economy sector. Especially important activities in this area were those consisting in cooperation of non-governmental organizations and public institutions. Changes in regulations and transferring additional funds for strengthening the inclusion and social assistance institutions and public employment services (funds mostly originating from the European Social Fund) show some progress also in mobilization and partnership (third priority). However, the fact that the NAP/Inclusion covers a short-term perspective, makes it impossible to assess the Plan as a whole because part of the initiated activities has only recently entered into the stage of realisation. Some long-term measures are still in the stage of planning (most of them are to be implemented before the end of 2008).

Financial support for families has been implemented since 1 May 2004 through a system of family benefits and has proved important for family budgets. In 2007, the number of children for which family benefits were paid amounted to more than 4,266,000, and the outlays for the benefit system in the same year reached PLN 8,161 million. Support within the family benefits scheme was more important for single-parent families with children (mainly single mothers). Also changes to the tax system contributed to the improvement of income situation of families. In the tax year 2007, a pro-family relief was introduced, which, according to estimates<sup>12</sup>, has contributed essentially to decreasing the risk of poverty (the new regulation of the tax system is especially important for marriages in economically productive age raising children).

In the years 2006-2008, the central government, in cooperation with local self-governments, implemented a series of programmes aiming at supporting children from poor families. Until the end of 2007, they established 117 new centres of sociotherapy, which conducted classes for almost 2,000 children from dysfunctional families. In 2007, PLN 12.3 million of budget funds was spent for supporting local self-government units in the development of their local systems of child and family care, including preventing social exclusion and crime among children and youth. 338 local and regional projects were implemented as part of this programme (for comparison: in 2006 the subsidies amounted to PLN 7.7 million, which was enough for 223 projects). In 2007, 1.7 million children and youth in primary schools, lower and upper secondary schools (including over 600,000 in the rural areas) benefited from the programme of providing extra food. More than 9,000 children were included in a pilot “Programme of early, multispecialty, comprehensive, coordinated and constant support for children at risk of disability or disabled and the child’s family”. These programmes are only

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<sup>12</sup> Estimates based on the tax and benefit micro-simulation model (SIMPL)

some of the examples of initiatives undertaken in the years 2006-2008 in respect of supporting families with children.

It could be assumed that the improvement of situation of persons facing social risks results, to a large extent, accrued as a result of the more and more active and responsible social policy of local self-government authorities in respect of social assistance. Self-governments of gminas more and more often increase funds for financing the execution of their own activities connected with social assistance. In 2005 they spent PLN 760 million on these activities, including PLN 554 million on other benefits and in-kind aid and PLN 148 million on additional meals, and in 2006 – PLN 2,056 million, including PLN 701 million on other benefits and in-kind aid and more than PLN 265.5 million on meals. It should be noticed, however, that the outlays of gminas for financing periodic benefits, which can significantly improve poverty ratios in Poland, decreased in this period (2005 – PLN 83 million, 2006 – PLN 78 million, i.e. less by 5.3% than in 2005). On the other hand, the financing of this task by the central government, in form of grants for gminas, increased. In 2005, the grants amounted to PLN 459 million, while in 2006 – PLN 533 million, i.e. 15.9% more than in 2005.

In the period of implementation of the last edition of the National Action Plan for Social Inclusion, important changes were introduced to regulations, aimed at facilitating actions towards social inclusion. Activities for supporting the development of social economy entities were carried on. An amendment to the Social Employment Act was introduced in July 2007<sup>13</sup>. The new regulations provided for several important changes to the implementation of social and professional reinclusion programmes executed by social inclusion centres and clubs. It provided for a package of instruments for acting – for example for the establishment of an inclusion incentive or introducing changes meant to increase discipline among persons participating in classes (limited period of sick leave). The above mentioned amendment of the Social Employment Act has also extended the list of persons who can take part in classes in social inclusion centres (CIS) to include disabled persons, and has introduced new provisions, which will make it possible for social inclusion clubs to organize local programmes of public utility works.

At the end of 2007 there were 55 social inclusion centres in Poland, 60% of which had been established by non-governmental organizations, and 40% were run by local self-governments. In 2007, the number of participants of social and professional reinclusion classes in CIS reached 2,500 persons. Moreover, in the years 2006-2007, over 300 social inclusion clubs were created. In contrast, the development of social cooperatives took place much slower than expected, which was caused mainly by difficulties in reinclusion processes of long-unemployed persons (lack of qualified re-education and advisory personnel) and by an unprepared institutional and legal background, including local partnerships of public, social and private institutions (with participation of business and Local and Regional Social Economy Centres). The social economy sector was supported with state funds within the framework of the programmes of the Ministry of Labour and Social Policy, the Civil Initiatives Fund, as well as, more and more – from the European Social Fund. The small scale of these measures is still a problem. The planned changes in regulations (in particular adopting the amendments of: the Act on the promotion of employment and labour market institutions, the Act on social cooperatives and the Act on social employment) and intensification of financial support of this sector with state and structural funds should

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<sup>13</sup> Act of 15 June 2007 amending the Act on social employment and some other acts, Journal of Laws 07.115.793 of 29 June 2007.

contribute to dissemination of social and professional inclusion and of lifelong learning in centres, clubs and social cooperatives.

Significant changes were introduced with respect to professional inclusion of people with disability. The regulation which entered into force on 30 July 2007 increased the refunds granted to employers for covering the costs of training of disabled persons from 75 to 90%. Also the form of support for self-employment of disabled persons was changed – loans for starting business activity, agricultural activity or contributing to a social cooperative by a disabled person were replaced by financial grants for this aim. These changes should contribute to the increase of employment ratio among people with disability, which was very low in the years 2006-2008.

Activities for homeless persons and persons in danger of becoming homeless were continued. In the years 2006-2007, services within the framework of the government programme “Return of the homeless to the society” covered over 80,000 persons, of which 2,500 persons were included in individual programmes of coming out of homelessness. The results of some partnerships in Equal in the 2006-2008 demonstrate the necessity of including this group in the activities of social economy institutions, with the greater consideration of group social inclusion standards, rehabilitation standards and standards of deep social reinclusion applied in case of persons who were isolated, unemployed or addicted for a long time and are deeply degraded.

One of the main recommendations for Poland included in the Joint Report on Social Protection and Social Inclusion of 2007 was to improve the functioning of inclusion and social assistance institutions and public employment services, as well as to strengthen the coordination between these two sectors. In March 2007, two Orders were issued to the Act on promotion of employment and labour market institutions of 2004, which contributed to the increase in the quality of services provided by poviats and voivodeship employment agencies and to the extension of their offer<sup>14</sup>. The new solutions made it possible to undertake more individual activation activities for registered unemployed persons, better suited to their needs. Due to a planned increase in the number of workers in employment agencies, the waiting time of unemployed persons for services will become shorter. Activities with respect to the improvement in the functioning of employment services were also supported by training programmes of the European Social Fund addressed to the staff of employment agencies, non-public employment institutions and other entities. An important role was also played by new IT projects, such as: labour market data wholesale, public employment services portal and the central base of job offers.

The Joint Report 2007 stresses that Poland has not undertaken enough measures to prevent family violence. Government and self-government initiatives in this respect demonstrate that family violence is becoming a more and more recognized phenomenon, which makes it possible to apply preventive measures relevant to its nature and scale. Since the end of 2005, the Act of 25 July 2005 on preventing family violence has been implemented in Poland. Moreover, subject to an authorisation included in this Act, in 2006 a National Programme for Preventing Family Violence was drafted. The programme is addressed to victims (children, spouses or partners in informal relationships, elderly and disabled persons), offenders and witnesses of family violence. Within the framework of this programme, 33 specialist assistance centres and correction and education programmes for persons using violence were

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<sup>14</sup> Decree of the Minister of Labour and Social Policy of 2 March 2007 laying down the standards of labour market services, Journal of Laws of 16 March 2007 and the Order of the Minister of Labour and Social Policy of 2 March 2007 laying down specific conditions for providing labour market services by public employment services, Journal of Laws of 16 March 2007.

established in 2006. Almost PLN 9 million was allocated for the execution of these actions. These actions were carried on in 2007 (the amount of financial support in this year amounted to more than PLN 12.2 million). The social campaign and the survey which have been initiated, will allow to create a deep diagnosis of family violence.

In the years 2006-2008 activities within the framework of the “Programme for Preventing Social Exclusion and Crime among Children and Youth” were carried on. In 2007, self-governments received PLN 2.1 million for the execution of local initiatives addressed to children and youth. A special grant-in-aid (PLN 0.8 million) served for financing projects in 39 gminas and another PLN 1.3 million were spent on projects in 71 poviats. The project implemented on the level of gminas were mainly projects for supporting families at risk of social pathologies and daytime forms of childcare. Project implemented on the poviat level were addressed to the youth in the period of becoming independent and to children brought up in foster care centres.

Measures for preventing family violence are also implemented on the basis of the Act on raising in sobriety and preventing alcoholism. These measures are implemented by local and voivodeship self-governments and by central authorities, including the State Agency for Prevention of Alcohol Related problems, which in 2007 allocated over PLN 700,000 for activities aimed at preventing family violence, in particular alcohol problems. This amount was spent for example for running the Polish Nationwide Emergency Service for Victims of Domestic Violence, execution of training and education activities, including trainings preparing for working with offenders and trainings for interdisciplinary teams for preventing family violence in gminas. In 2007, gminas spent almost PLN 24.5 million on activities connected with preventing family violence, which accounts for 7 % of funds spent by gminas on preventing and solving alcohol problems. They obtain these funds from payments for licences for retail sales of alcohol.

In the years 2006-2008, programmes aimed at providing financial support for children and youth in education were carried on. In 2007, a special grant-in-aid No. 34 ‘Co-financing National Grant Programme’ amounted to PLN 329 million. In addition, over PLN 15 million was spent on scholarships for children from families of former workers of State-Owned Farms (PGR). In the last years, the average annual number of pupils benefiting from social scholarships and other benefits was around PLN 1.3 million. For example, in 2006, 25% of all pupils from primary schools received social scholarships, and in the case of pupils attending schools in rural areas this percentage reached 42.5 %.

In 2006, a government ‘School equipment’ programme for equaling conditions for children starting their school education, which included financing schoolbooks for children starting their education in the first class of primary school and in the first class of primary music school. The programme was addressed to students from families with income per person below the level set out in the Social Assistance Act. Due to the programme, in the school year 2006/2007, 120,500 students (32.1% of population) received a free package of schoolbooks. In 2006, PLN 11 million was allocated for the implementation of this programme. In 2007, the programme was extended: children starting one-year pre-school education and levels 1-3 of primary education or levels 1-3 of primary music schools could also receive free handbooks. The programme also provided for the possibility of financing the purchase of uniforms for students of primary and lower secondary school. PLN 71 million was allocated for the implementation of the programme for financing the purchase of schoolbooks in 2007 (PLN 11,3 million from a special grant-in-aid No. 11 ‘School equipment’ and PLN 59,7 million from a special grant-in-aid No. 34 ‘Co-financing National Grant Programme’).

In the years 2006-2008, the National Action Plan for Social Inclusion was an important operational document, under which the government, in cooperation with local self-governments and non-government organizations, implemented a series of programmes and initiatives. Part of the measures planned for the years 2006-2008 will be implemented soon, including the adoption of an act amending the Labour Code and some other acts – the so-called Family Act<sup>15</sup>. The new legal regulation providing for the extension of maternity leaves meets social expectations. According to the survey conducted in 2006 on a target group of 1000 mothers, three thirds of women considered the present maternity leave of 16-18-26 weeks too short<sup>16</sup>. The bill provides for a gradual extension of (obligatory) maternity leave from 18 to 20 weeks and from 28 to 31 weeks in case of twins pregnancy<sup>17</sup>. The bill also provides for an additional optional leave lasting 6 weeks or 8 weeks (in case of multiple birth) and constitutes an extension of the obligatory period of maternity leave. The target length of maternity leave period will be reached by 2014 (the maternity leave will be extended gradually by 2 weeks (or 3 weeks respectively in case of multiple birth).

An essential innovation in the Bill is the option of financing childcare, day care centres or pre-schools from social funds established at workplaces. There will also be an option of suspending contributions to the Labour Fund and Guaranteed Employee Benefit Fund pertaining to employers employing persons returning from maternity or childcare leave. It is estimated that due to the adoption of the Family Act, in the next two years an additional number of 40,000 women who will benefit from the changes in legal regulations will enter the labour market.

## ***2.2. Key challenges and main objectives***

Preventing poverty and social exclusion is the basic aim of social policy implemented by the government in cooperation with local self-government units and non-governmental organizations. A strategic document laying down objectives for medium-term activity is the National Strategy of Social Inclusion (NSSI) for the years 2005-2010. The Strategy comprises twenty priorities shown as indicators, which should be achieved and which should contribute to a decrease in social exclusion in Poland. The National Action Plan for Social Inclusion for 2006-2008 takes into account the horizontal objectives of the Open Method of Coordination (OMC) of the EU in the area of social protection and inclusion, i.e. fighting poverty among children and inclusion through activation.

The main objectives of the NAP/Inclusion for the years 2008-2010 were agreed upon in consultations with representatives of self-government authorities, social partners, academic circles and non-governmental organizations. Also the European Commission's recommendations for Poland, included in the Joint Report on Social Protection and Social Inclusion of 2007, were taken into account.

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<sup>15</sup> The government Bill amending the Labour Code and some other acts, Druk Sejmowy no. 885 of 28 July 2008.

<sup>16</sup> I.E., Kotowska E. Słotwińska-Roslanowska, M. Styrz, A. Zadrozna, Sytuacja kobiet powracających na rynek pracy po przerwie spowodowanej macierzyństwem i opieką nad dzieckiem, Raport z badań zrealizowanych w ramach projektu „Wieloaspektowa diagnoza sytuacji kobiet na rynku pracy” (The situation of women returning to the labour market after maternity and childcare leave, Summary of the survey conducted within the project “Multi-aspect diagnosis of situation of women on the labour market”), SPO RZL 1.6 (b), Polish Society for Social Policy, Warszawa 2007.

<sup>17</sup> Details in Annex 2.4. in Action 2.2.3.

Priorities and measures laid down in the NAP/Inclusion for the years 2008-2010 are also coherent with the objectives of the European Year for Combating Poverty and Social Exclusion (2010). The aim of the decision to make 2010 the European Year for Combating Poverty and Social Exclusion is to confirm and reinforce the original political involvement of the European Union in activities which would contribute, to a large extent, to eliminating the problem of poverty. The draft decision on the establishment of the European Year for Combating Poverty and Social Exclusion highlights respect, responsibility, cohesion and commitment as the specific objectives of this initiative. National measures in Year 2010 will be implemented within the framework of generally set out thematic priorities, including, among others: preventing poverty among children and fighting the intergenerational transfer of poverty, improving access to basic services, to education and training, promoting the inclusion-friendly labour market and supporting people with disability and other vulnerable groups.

### **The first priority is to prevent poverty and social exclusion of children.**

In 2004, at-risk-of poverty rate among children<sup>18</sup> in Poland reached 29%, which was the highest rate in the European Union. In 2005, as a result of Poland's accession to the EU, the social and economic situation in Poland improved, and so did the quality of life of its citizens. This led to a decrease of the child poverty rate to 26% (decrease by approx. 3 percent points). Poverty reduction within the last years is confirmed by the results of EU-SILC analysis<sup>19</sup> and the survey of Household Budgets. The results of both surveys show a decrease in the poverty rate in Poland<sup>20</sup>.

The factors which contributed to the improvement of situation were definitely: the decrease of the unemployment rate, the increase in wages and the benefit and income policy of the government. Despite this positive trend, child poverty in Poland is still very high. Single-parent households, in which 5% of all children are brought up, and large families are in a particularly difficult situation. In the first case, the percentage of poor children in 2005 reached 46%, and in the second – 47%<sup>21</sup>. It is estimated, on the basis of household budget surveys, that in 2007 6.9% single parents were below the minimum standard of living, i.e. lived in extreme poverty. In 2007, the extreme poverty rate for families with 3 children amounted to 10.5%, and for families with 4 children and more – 25.4%, which shows that high number of children in a family still increases the risk of poverty.

The most important factor determining child poverty is low income of their parents. In this situation, should be taken actions towards the improvement of the availability of well-paid jobs and carry on income support for families as part of the social benefits system. Another reason for poverty are the difficulties faced by parents when reconciling work and family life. In Poland, this problem is significant, due to an insufficient number of child care centres, pre-schools (especially in rural areas and in small towns) and low diversity of forms and high costs of child care. Another key factor affecting the level of poverty among children is the situation of their parents in the labour market. A particularly difficult financial situation exists

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<sup>18</sup> In this text – if not stated otherwise – at-risk-of-poverty rates is calculated on the basis of the limit fixed at the level of 60% of the national equivalised median income.

<sup>19</sup> The EU-SILC survey is based on questionnaires (face-to-face interview with the respondent). This survey has been conducted annually since 2005 and refers to the income situation from the year preceding the year of the survey.

<sup>20</sup> The methodological content of the questionnaire in the Polish EU-SILC survey of 2006 was changed in comparison with 2005 (especially in the part concerning household income) but this modification did not result in the lack of comparability between the results of EU-SILC 2006 and 2005. Due to the change in methodology, the quality of results has increased.

<sup>21</sup> Results of the EU-SILC survey of 2006.

in households, in which both parents are out of work (in 2007 11% children were in this situation). Apart from income difficulties, an important factor affecting life opportunities of children and youth is an unequal access to education. Children from poor families have lower learning accomplishments and less often continue education on the secondary and tertiary level. Lower accomplishments of children and youth from rural areas result from the fact that they attend poorly equipped schools and have limited access to additional education. Poor income situation of families is another barrier for children from rural areas in reaching higher levels of education.

Within the framework of this priority, Poland will implement measures for the improvement of economic security of families, which will be achieved by professional activation of unemployed parents and income support for families as part of the social benefits system. Moreover, the planned measures include the development of childcare services and support for children from poor families attending to schools.

### **The second priority is integration through activation**

Despite a visible decrease in the unemployment rate in the last years, there is still a high percentage of long-term unemployed, who account for over a half of all people registered in employment agencies. These persons usually are not able to find employment not only due to the lack of relevant professional skills, but also due to general reasons (lack of motivation to work, lack of communication and group work skills, low work ethics). Another important issue is low professional activity of Poles, caused by the demotivating nature of social benefits, high income taxes and low professional qualifications of part of the labour force resources. Problems with finding job resulting from poor health, lack of adequate professional qualifications, or lack of belief in one's abilities are often the reasons for economic inactivity of persons in productive age. Persons who want to start working face difficulties in access to the labour market due to transport and housing barriers<sup>22</sup>.

Remaining outside the labour market translates into lower income of households, and as a result into lower living standard. Unemployed and inactive persons, do not experience the effects of faster economic growth, which leads to their exclusion from the mainstream of social life. In this situation, there is a necessity of developing comprehensive programmes of social and vocational training, which will combine professional activation with actions towards increasing social skills of persons participating in these programmes.

A group which is particularly at risk of social exclusion are people with disability. The latest improvement in the condition of Polish economy, and the decrease in unemployment which followed, as well as the present deficit of workers, create an opportunity for professional inclusion of disabled persons. Further increase in employment of people with disability may be achieved by applying a complex approach and including the issues of disability to all measures towards active inclusion. As shown by the practice of the last few years, this increase may be ensured only by the most individual forms of assistance for these persons, providing opportunities for self-development depending on their diagnosed needs.

Another group at risk of social exclusion are immigrants, in particular foreigners subject to international protection on the territory of the Republic of Poland. These persons have difficulties with standing on their own feet after leaving refugee centres. The experience of many countries of Western Europe shows that there are no comprehensive measures towards inclusion of this group, which may result in its social exclusion and conflicts with the society. As the number of foreigners coming to Poland in order to settle here is increasing, it would be

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<sup>22</sup> Rutkowski J., *Priorytety Reformy Rynku Pracy. Synteza* (The Priorities of the Labour Market Reform. A Synthesis), Ministry of Labour and Social Policy, Warszawa 2008.

advisable to include this issue to all activities for the inclusion of persons at risk of social exclusion.

As part of this priority, Poland is planning further development of tools and instruments for active inclusion (including also the inclusion of persons with disability). An important element of activities undertaken in this respect will also be the support for the social economy sector, including foundations, associations, social inclusion centres, professional activity centres and social cooperatives operating in the field of social inclusion and activation.

### **The third priority is the development of high-quality social services.**

The National Action Plan for Social Inclusion lays down plans for the improvement of quality of education services, development of social housing, implementation of programmes for preventing alcoholism and reducing its effects and development of services for elderly persons.

The results of an international assessment of students' skills<sup>23</sup> conducted in 2000 were, for Poland, much below the average result for developed OECD countries. Six years later Polish students reached average achievements in mathematic skills and in natural sciences, and much better results in the enhanced reading skills. The structure of this result shows essential deficiencies of the Polish education system. In this situation, one of the fundamental objectives of the government is to execute a comprehensive reform of education system on all levels of education. It will focus on implementing a flexible model of education, better suited to students' individual needs and skills, increasing the importance of foreign language teaching and improving the effects of education in the last two stages of education. Moreover, one of the greatest challenges which the Polish education now faces is the need for a modernization of professional education system and lifelong learning. A long-term aim of introduced changes is also to create education programmes meeting the requirements of the present labour market.

A problem which is experienced by a great majority of Polish families is a housing issue. Underdevelopment of the rental housing market is responsible for the decreasing supply of affordable rental housing. Lack of funds to cover housing maintenance costs is an issue, which concerns mostly poor persons, who were deeply affected by the latest increase in energy prices. The fast growth of apartment prices caused by Poland's accession to the EU is, to a large extent, the factor which restricts the possibilities of buying a new apartment. The deficit of apartments in Poland amounts to approx. 1.5 million. Another problem is the poor condition of a large part of housing resources. It is estimated that within the next 10 years several hundred thousand apartments may be subject to devaluation due to the lack of renovation. The most greatest barriers hindering growth in the housing market in Poland include legal and administrative restrictions in the process of building investments and barriers to the proper development of the planning process and land development (low supply and insufficient standard of land for housing investments). A separate problem are financial limitations of buyers – significant increase in the number of purchased apartments will not be possible if this problem is not overcome. In this situation, it is necessary to facilitate the forms of supporting building investments for the poorest families. A social issue which is more and more important is also the problem of homelessness. Homeless persons will be supported through the implementation of comprehensive programmes preparing these persons for independent living in the society.

Drink problem, faced by a great number of fellow countrymen, is another urgent issue which needs taking relevant steps. According to the State Agency for the Prevention of Alcohol-

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<sup>23</sup> The survey was conducted as part of the OECD Programme for International Student Assessment PISA.

Related Problems, the number of alcohol addicts may be estimated at about 800 thousand people (i.e. 2% of the population); in the last years an average of 150 thousand people registered at inpatient and outpatient drying-out clinics. Alcoholics' closest ones (spouses, parents) find adverse effects of addiction painful. Their number may be estimated at about 1.5 million. The problems experienced by children growing up in families of alcoholics, assessed at about 1.5 million, are a very serious issue. According to experts, serious harmful effects resulting from drinking alcohol by children and the youth appear in about 10-15% of the population aged between 15 and 18; however, the scope of real threats is quite larger. The detriment to the health of family members with drink problem include mainly psychosomatic illnesses and emotional disorders, caused by chronic stress and violence, as well as moral decay, poverty and decrease in life opportunities. 100 thousand families which mentioned drink problem as the first reason for granting aid were covered by social welfare in 2007.

Taking into account the above criteria, it is assumed to undertake measures to increase the availability of therapy and rehabilitation assistance for alcohol addicts and their families. Youths drinking alcohol and their parents will receive assistance. Psychological assistance for children growing up in alcoholic families and children with Fetal Alcohol Syndrome (FAS) will become more easily available. Programmes directed at counteracting violence in families with drink problem will continue.

According to the results of research commissioned by the National Bureau for Drug Prevention, the issue of drug abuse in Poland is still an important problem in various social and age groups. On the basis of the conducted research the number of problematic drug users is estimated at the level between 100 thousand and 125 thousand people; the number of people undergoing treatment (inpatient and outpatient) is estimated at about 45 thousand. The general population research conducted in 2006 assessed that the number of untreated people is over six and a half times greater than the number of treated people. Intoxicant abuse by the youth is a highly alarming phenomenon. Even though the last survey by the European School Survey Project on Alcohol and Other Drugs (ESPAD) indicates the appearance of positive trends, the level of threat of legal substances still remains high. The majority of indices concerning illegal substances is also quite high, but lower than it is the case with legal substances, and it indicates a downward trend. Therefore, preventive measures should be the absolute priority.

Taking all these issues into account, one must strive to promote preventive measures directed at the youth and guarantee health care, rehabilitation, and reintegration for people with drug problem. There are plans to implement measures to increase the availability of therapeutic assistance for the families of addicts, as well as to continue training courses in drug prevention for professional groups facing this problem.

Currently the state policy towards the elderly is geared mainly towards supporting these people in their natural environment. The most important element of the support system for the elderly is the local government, one of whose tasks is to support the elderly in the environment as effectively as possible. To that end gminas provide protective and specialised protective services, day-care social welfare houses, where these people have activities organised for them. Such institutions are run also by NGOs, which often receive financial support to that end from public funds.

The experience to date shows that it is necessary to work out systemic solutions on the national and self-governmental level which will guarantee the elderly full accomplishment of their rights, and thus give them the opportunity for a decent social life. The representatives of the scientific circles gathered around the "Poland 2000 Plus" Forecast Committee of the Polish Academy of Sciences postulate the introduction of systemic solutions in various

spheres of social life (protective services, education, culture, social activity, professional activity, housing, production of goods and services and science), which is a key condition to improve living conditions of the elderly<sup>24</sup>.

The aim of the undertaken actions should be also to use human potential of senior citizens. The new approach to the elderly question is necessary due to demographic conditions (increase of the percentage of this population), and social transformations which result in weakening traditional family bonds, and in effect the feeling of isolation in still growing number of senior citizens. In such case, elderly social circles and organisations which give an opportunity for social integration of the elderly must be supported.

### ***2.3. Priority 1. - Counteracting poverty and social exclusion of children and youth***

#### **Measure 2.3.1. Improvement of family income**

The basic aim of the undertaken initiatives is to decrease the scale of poverty of children. The planned actions involve the continuation of programmes designed for Vocational Education and Training (VET) of unemployed family members bringing up children, and the development of support within welfare benefits system.

#### **Vocational activation of unemployed parents**

Raising the rate of employment and the employability of people in a particularly difficult position in the labour market is one of the aims of the Public Employment Services. The groups of the most disadvantages include, among other, women who did not get a job following childbirth and unemployed women bringing up on their own at least one child below 18. These groups were involved in vocational activation programmes which are implemented by the Poviats Labour Offices in cooperation with social welfare centres, poviat family assistance centres and private entities (including NGOs). Vocational activation programmes are co-financed by the European Social Fund. The undertaken actions include the implementation of individualised and extensive forms of Vocational Education and Training, work placements *via* Individual Action Plans and social contracts. There are also plans to develop associated support (care for children and dependants), directed at people who want to return to the labour market following a break connected with childbirth and child-rearing. Measures to promote alternative and flexible forms of employment and work organisation (telework, part-time job) are an important element of the programmes. It is planned that in 2008 the programmes conducted by labour offices will cover with support 56 thousand unemployed and inactive people, especially people in a particularly difficult position on the labour market. Experts forecast that about 33% of people who accomplish training, will start working within 6 months<sup>25</sup>.

Ensuring equal access to employment for women and men is the aim of the project 'Reconciliation of work and family life for women and men' implemented by the Ministry of Labour and Social Policy from funds of the Human Capital Operational Programme. The project involves among others, measures which will help to create the national roadmap for efficient monitoring and forecasting the situation of carers at the labour market. The research

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<sup>24</sup> Memorial of the Forecasts Committee „Poland 2000 Plus” at the Polish Academy of Sciences s submitted to the top authorities of the Republic of Poland on the need action plan to improve the situation of the elderly, Warsaw, 29 January 2008.

<sup>25</sup> *National Action Plan for Employment 2008*, the Ministry of Labour and Social Policy, Warsaw 2008.

conducted during the project will provide analyses which will help to amend acts on the reconciliation of work and family life for women and men and regulate legal position of day care centres and alternative forms of preschool childcare. An employment rate for women is estimated to reach 60%, and pay gap between men and women is going to fall to 12%.

Ministry of Labour and Social Policy, by way of contests within Submeasure 1.3.2. 'Projects for the promotion of equal opportunities of women and men and the reconciliation of professional life' Human Capital Operational Programme, will select pilot initiatives, which will support women returning to the labour market after the childbirth. Projects will include creation of childcare centres in the workplace and development alternative forms of childcare. Projects aiming at promoting alternative forms of employment, work organisation methods and making work schedule more flexible for an employee will be also implemented. Allocations to the amount of PLN 4 million were provided for the contest, whereas for the whole Submeasure—over EUR 9 million.

### **Family tax relief**

Family relief, which was introduced in 2007, involves deducting an appropriate sum for each child from income tax after making deduction as health insurance contributions. The relief allows the taxpayer to deduct the above sum for each child, one's own or adopted (full or simple adoption) which they brought up during the fiscal year. The relief concerns minors, children who received care allowance and children below the age of 25 who were educated at schools and did not receive income (except for income tax-exempt income, family allowance and income below the level necessary to pay the tax). The tax deduction for each reared child was PLN 1145.08. According to forecasts, the tax solution substantially contributes to the reduction of poverty (change by 1.18%). Family relief will be retained in the next years.

In 2009, the following groups will be eligible for family tax relief: parents, carers of children who live together with dependent children and foster parents.

The relief allows the taxpayers to deduct the appropriate sum of money for minors and children with disability (regardless of their age and the level of parents' income), if they receive carer's allowance or social disability pension. Parents of adult children (up to 25) who attend schools in Poland or abroad are also eligible, as long as their children in the tax year will not get the substantial taxable income and will not have to pay tax on sell of assets.

The relief is deducted for each month, in which the care is provided. Couples are entitled to a child tax allowance and they can deduct equal amount of money for each child from both incomes, or decide to choose unequal proportions. According to new rules, parents of children who learn or study abroad are also entitled to a child tax allowance in 2008. Parents of children with disability, who receive carer's allowance or social disability pension are also eligible in 2008.

The tax deduction for each reared child is PLN 1173.70 in 2008 and PLN 1112.04 in 2009.

### **Support for children within welfare benefits system**

The measures undertaken by the Government to reduce the level of poverty among children by family benefits system will include mostly the verification of amounts of income criteria and the amount of benefits for 1 November 2009. Moreover, the Act of 7 September 2007 on the assistance to people entitled to alimony (Dz.U. No 192 item 1378, as amended) will enter into force on 1 October 2008. Both single-parent (as with alimony down payment) and two-parent families will be entitled to benefits from alimony fund, in case of lack of execution of adjudged alimony for a child under 18 (or under 25 if it is a learner or student) and for the

disabled - for an indefinite period. It is estimated that in 2009 the number of people using benefits from alimony fund will amount to 700 thousand.

#### Measure 2.3.2. The development of childcare services

##### **The development of childcare (including respite care)**

The number of children in day care centres per 1000 children under 3 increased from 19.7 in 2004 to 23 in 2006. It is estimated that the number of new places in day care centres will increase in the next years, especially in rural areas where the access to this form of childcare services is least developed.

The programme “Solidarity of generations. Measures to increase the number of children in Poland and restrict their poverty and social exclusion” will suggest solutions to organise childcare so as to allow the parents of small children (0-3) who want to continue working to stay on the labour market. There are also plans to develop an integrated care system for small children, whose element will be the change in assigning and the rules of creating and functioning of day care centres, creating alternative care forms such as “day parent”, supporting the development of rural pre-schools. The development of new forms for family support is also taken into considerations; those that encourage you to professional activity – on the basis of the European experience such as the implementation of Working Tax Credit in the United Kingdom.

The measures to promote preschool education are also continued. In the school year 2007/2008 the share of children aged 3-5 who attended preschool education amounted to 47.5%. The index is aimed to reach the level of about 70% in 2012.

Moreover, one of the aims of the support from the European Social Fund under Human Capital Operational Programme in the field of education is to increase the percentage of children aged 3-5 in rural areas who attend various forms of preschool education from 19% (in 2006) to 30% (in 2013). The support for measures to promote preschool education was provided within Priority IX Human Capital Operational Programme ‘The development of education and competence in the regions’ under Submeasure 9.1.1. ‘Decreasing inequalities in the access to the preschool education. Submeasure 9.1.1. may support the following types of projects:

- creation of pre-schools (including the creation of other forms of pre-schools education) in the areas and environments where pre-school education is not very popular (especially rural areas),
- support for existing pre-schools (including other functional forms of pre-school education), contributing to the increased participation of children in preschool education, e.g. support for pre-school and other forms of pre-school education endangered with winding up, extending working hours, additional intake of children, employing additional personnel, etc.
- working out and implementing information campaigns promoting preschool education.

Financial allocation within Human Capital Operational Programme earmarked for financing measures to moderate inequalities in the access to preschool education according to the Detailed Description of Priorities Human Capital Operational Programme accounts for over EUR 243 million.

New legal regulations that are planned for 2010 will help to develop and differentiate the forms of respite childcare. New solutions include the promoting the forms of family respite care, especially professional respite care. Moreover, the change of standards in the existing childcare centres is planned, especially decreasing the size of centres which finally should

accept up to 14 children. There will also be a ban on putting children under 10 in childcare centres. These measures will be accompanied with preventive measures and intensive work with the biological family of children endangered of or already provided with respite care.

The support of foster families is a task of local self-government (poviats). The creation of local child and family care systems is also supported financially by the Minister of Labour and Social Policy by means of contests. In 2008 the amount of PLN 7.8 million was allocated for co-financing the best programmes submitted by self-governments in: prevention and creation of environmental aid for families with children as well as interdisciplinary teams; professional promotion of foster families unrelated to the child; training courses and aid in becoming independent for foster children above 18 years of age (brought up in institutions and foster families). The contest determined 322 programmes (139 gmina and 183 powiat), including 94 programmes preventing social unadjustment and crime among children and the youth.

### **The development of preventive measures in the support for families facing bringing up and educational problems**

The creation of family assistants is planned for the period starting from 2010. Their task would be to implement preventive measures in gminas, work with child-rearing families in crisis and grant support to families endangered with bringing up and educational dysfunction. These measures will be implemented by the distinctive longstanding governmental programme, which will be coordinated at regional level. The work of a family assistant will be supported by interdisciplinary teams formed in gminas, and so called supporting families acting in the local environment will support preventive measures.

There are plans for further organisation of day care centres, including environmental and sociotherapeutic day care rooms, youth clubs, as well as educational centres offering professional psychological and teaching assistance to children and their parents. It is estimated that 200 new day care rooms and youth clubs will be open by 2010. These measures will be supported each year with the amount of PLN 800 thousand within the ministerial programme "Day care room, work and internship – Sociotherapy in gminas" which is addressed to local self-government and NGOs.

### Measure 2.3.3. Levelling educational opportunities and supporting learning children and youth from poor families

#### **Lowering the mandatory school age and promoting preschool education**

There is a plan to lower the mandatory school age to 6 years starting from the school year 2009/2010 (in the transition period ie. in the school years: 2009/2010, 2010/2011, 2011/2012, parents will have the ability to choose whether they wish to send to schools their children at the age of seven or six). From the school year 2010/2011 children aged 5 will be entitled to a one-year pre-school education. The introduced solutions will significantly contribute to giving equal educational opportunities, increasing the quality of education and they will cause the adaptation of mandatory school age to the standard in the majority of European countries. Moreover, individuals and institutions were given the opportunity to create new forms of preschool education – teams for pre-school education and pre-school points which are financially supported by local governments (40% subsidy for every child). The aim of the introduced solutions is to promote preschool education. Children who do not have to go to the full time pre-school will have the opportunity to have their educational programme and be with their peers. New forms of preschool education are options to both rural areas where the access to education is hindered, and big cities where children are threatened by social

exclusion. Moreover, the development of alternative forms of preschool education will be continued by NGOs and co-financed by the European Social Fund.

### **Levelling educational opportunities in the access to education for children from poor families**

Existing forms of grant assistance provides with valuable support to learners in difficult financial situation (in the school year 2007/2008 more than 1.3 million grants were paid). In the next years there are plans to implement further the present forms of grant assistance intended for learners in difficult financial situation. Moreover, co-financing of school books for primary school children of forms 1-3 will continue. In the next three years starting from 2009, co-financing of school books for children starting their one-year mandatory pre-school education will be given up for the sake of pupils junior high school mentioned in the programme 'A set of textbooks'. The changes are dictated by the introduction of a new programmatic basis for preschool education and general schooling in particular types of schools. Moreover, there are further plans to co-finance educational programmes (including 'A set of textbooks' and 'Safe and friendly school') implemented by local government and NGOs.

The tasks in levelling educational opportunities in the access to education for children from poor families are financed from the state budget, a grant-in-aid No. 35 - the 'Co-financing National Grant Programme' (the amount of financing in 2008 was to PLN 613 million). The programme 'State aid for extra meals' will continue. In the period from January to September 2007 about 1.35 million children and youth took advantage of meals until they finished high school (including 673 thousand in rural areas). The source of financing the Programme in 2006-2009 are own funds of gminas and planned funds in the state budget, and the state budget guarantees the amount not lower than PLN 500 million per year. The total amount of contracting from the state budget (excluding gmina own funds) in 2006-2009 for the implementation of the Programme will amount to at least PLN 2 billion. Further increase of the number of hot meals is planned in the next years, especially the increase of the number of two-course meals. The programme 'A glass of milk' continues; it involves extra payments for the consumption of milk and milk products in educational centres. The Agricultural Market Agency is the programme coordinator.

Families with children in the school age may apply for bonuses to family benefits connected with education under family benefits system. They include the bonus for starting a school year, which in 2007 was taken advantage of by 3 million children, and bonuses for starting learning at school outside the place of residence, which in 2007 was paid for 454 thousand children. The state budget expenses for these benefits in 2007 amounted to PLN 590 million. Due to the verification of the amounts of family benefits and income criteria, the amount of bonuses connected with the education of children may increase starting from 1 September 2009.

The grant assistance for the most gifted students is also provided for in the Human Capital Operational Programme under Priority IX Human Capital Operational Programme 'The development of education and competence in the regions' under Submeasure 9.1.3. 'The grant assistance for the most gifted students'. Submeasure 9.1.3 makes it possible to implement regional grant assistance programmes for the most gifted students (especially in mathematics, natural and technical sciences) junior high schools and high schools, whose poor financial situation constitutes an obstruction in their education.

The financial allocation within the Human Capital Operational Programme earmarked for financing grant assistance for the most gifted students according to the Detailed Description of Priorities of the Human Capital Operational Programme constitutes euro 31.5 million,

including almost euro 27 million from the European Social Fund. The Managing Authority for the Human Capital Operational Programme estimates that the above sum will enable to cover about 3000 pupils per year with the regional grant programmes.

### **Levelling educational opportunities resulting from the differences between the city and rural areas**

The implementation of ‘Programme for the development of education in rural areas for 2008-2013’ has started. The extensive measures undertaken by the Government in cooperation with local governments will eliminate barriers keeping students away from reaching higher levels of education. The implementation of the program will contribute to strengthening the existing potential of school and local environment and accessibility to educational, social and cultural infrastructure in rural areas. These measures will also enable the residents of rural areas to access modern IT technologies. The programme provides for co-financing summer holidays of poor children from rural areas, including children of former workers of State Agricultural Farms. The programme will be financed from state budget funds, the National Health Fund, and the Physical Culture Development Fund. The planned funding in 2008 will amount to PLN 650 million.

## ***2.4. Priority 2. - Integration through activation***

### **Measure 2.4.1. The development of social economy**

The development of the social economy sector is regarded as the most appropriate measure in the field of economic and social integration. Social economy which is one of the elements of welfare pluralism, enable the development of adjusted to individualised needs local social services. Welfare pluralism creates new fields of social activity, at the same time constituting an element of public policy. Local government, which acts in partnership with civil sector, is the main provider of activating measures within the social economy sector.

#### **Creation of the infrastructure of support for social economy**

The regional component of the Human Capital Operational Programme (Priority VII) will enable to establish centres supporting social economy sector. There are plans to create ultimately forty functioning institutions supporting social economy sector (at least two in each voivodeship), providing the following services:

- legal, accounting, marketing services, financial counselling;
- consultancy (individual and group) and training courses to convey knowledge and skills needed to start and run business in the social economy sector;
- the development of local partnership for the development of social economy;
- promotion of social economy and employment in the social economy sector.

The creation of a support network is one of the particular aims in the implementation of Priority VII Human Capital Operational Programme – ‘Promotion of Social Integration’. These measures will be supported within the national systemic project of Priority I Human Capital Operational Programme (Ministry of Labour and Social Policy) by including regional support institutions into a nationwide cooperation network and a wide educational and

counselling programme covering both employees of state administration and NGOs, and representatives of public authorities.

Since 2008 there are also plans for a programme institutionalisation of social economy in the form a task group (involving representatives of the Government, local self-government, social economy and experts), established at the Ministry of Labour and Social Policy by the decision of the Government. Its main aim would be to prepare development strategy for social economy and creating legal and institutional and financial solutions and educational measures connected with the functioning of entities of social economy in Poland.

### **The support of Social Integration Clubs and Centres**

The support for the excluded people is provided by the implementation of individual programmes of social employment and classes organised by Social Integration Centres and Social Integration Clubs. The experience so far shows high efficiency of the active forms of assistance which helps reach the rate of returning to work in groups with high risk of social exclusion amounting to 60-70%. The participants are mainly aged 45-50. Social Integration Centres accept the average of 2.5 thousand participants per year. It is expected that in 2008-2010 this form of activation will cover 7.5 – 10 thousand people. The project implemented as part of the Human Capital Operational Programme (Priority I) involves the implementation of a number of projects supporting the development of the entities of social economy, especially the creation of the National Centre for Education and Counselling and four local centres for social economy and social employment which will provide analytical, methodological and educational services for employees of social employment institutions. In Priority VII there is the possibility to finance the creation of new and the development of existing Centres and Clubs.

Among other measures there are the following: creation of a uniform standard for an IT network for the needs of the Social Integration Centre and the construction of a pilot Internet information system on the available job offers for people finishing classes at the Centres.

### **The support in the development of social cooperative movement**

Currently there are 149 social cooperatives which unite almost 1 thousand people endangered by social exclusion. It is assumed that in 2008 the amendment to the Act on social cooperatives is passed in order to increase the dynamics of the development of these entities. The new planned solutions include levelling the proportion between people endangered by social exclusion and the remaining members of the cooperative to 50/50, the introducing the possibility to create social cooperatives by self-governmental units and NGOs, and increasing the level of grants from the Labour Fund for social cooperatives. The increase of support was also provided for in the reimbursement of the costs of social insurance, as well as new solutions for social clauses in public procurement preferring entities employing socially excluded people. Moreover, Priority VI of the Human Capital Operational Programme provided for an additional component supporting the unemployed in creating cooperatives (training support, bridge support grants). It is estimated that as a result of the changes in regulations and financial support in 2013 social cooperatives will employ 7-10 thousand people.

#### **Measure 2.4.2. The development of tools and instruments for active inclusion**

The creation of a system of active inclusion is one of the key challenges of the state social policy. The new integration policy requires, on the one hand, the change on the philosophy of acting of public institutions into the creation of public and social partnership in programming and implementing public tasks, on the other hand it requires the need to rebuild and coordinate activating instruments, especially in social welfare and labour market.

### **Working out the social integration model on the local level**

The legislative amendments to the Act on employment promotion and labour market institutions in 2009 will include solutions making possible full cooperation of public employment services and social welfare services for the unemployed endangered by social exclusion so that people removed from the labour market are provided with the most effective activation. A supplementary element in Priority VII the Human Capital Operational Programme is the obligation to create local partnerships with employment services, social welfare and NGOs to coordinate local social integration policy.

Moreover, a pilot social revitalisation programme will be implemented in rural and urban gminas in the period of 2008-2010. The programmes will be implemented using the methods of individual and environmental social work, as well as active inclusion instruments, e.g. self-help groups, social integration clubs and environmental day care rooms. Pilot programmes will be carried out in the form of a partnership encompassing the structures of self-government (including social welfare centres), NGOs and local milieus. The experience gathered from the implementation of pilot programme will be the basis of model solutions addressed to particular types of gminas. These solutions will be used in the next years for the implementation of integration projects in gminas in the whole country. These measures will be implemented as part of a systemic project 'Social revitalisation' financed from the European Social Fund.

### **The development of tools and instruments for social work**

The basic tool for social work is a social contract which is a partnership agreement concluded by a social worker and his social welfare client (or family). The present experience shows that it is an effective instrument, which improves the effectiveness of the granted assistance by motivating people and families to become independent. Local activation programmes are yet another tool. They are measures directed to individual excluded groups or people in a given area. Social contracts and local activation programmes include the possibility to finance active inclusion instruments of professional, educational, health and social character, adjusted to individual needs of the excluded. Both the measures within contracts as well as programmes enable complementary action in relation to activities of public employment services and other labour market institutions. It is expected that in 2008 over 60% of social welfare centres and poviats family assistance centres will implement measures for active inclusion. It is expected that by 2010 this rate will grow to about 80%.

A significant increase of the use of social contracts by social welfare centres and poviats family assistance centres is assumed for system programmes Human Capital Operational Programme in the period of 2008-2013. It is predicted that finally 10% of the clients of social welfare who in the economic active age group will be covered by social contracts.

### **Social work**

The development of social work will continue, as they are an effective instrument of an active employment policy directed at social welfare clients. Social works are performed by the unemployed without the right to the unemployment benefit that however take advantage of social welfare, in organisational units of social welfare, organisations or institutions whose statutory activity is charity or providing assistance to local community. In April 2008 this form of professional integration covered 11.8 thousand unemployed people. Local governments could also apply for co-financing of the organisation of social works within programmes of the Ministry of Labour and Social Policy ("Organisation of programs for social work in municipalities" – see Annex 2.1.3.).

### **An innovative formula of vocational activation - vocational preparatory for adults**

As a result of the planned amendment of the Act on employment promotion and labour market institutions, a new instrument for active labour market policy will appear in 2009. It will be directed to unemployed people and to other groups of jobseekers. This instrument significantly modifies the present vocational training in the workplace; it makes it much more effective and attractive for people endangered by social exclusion. The new formula makes it possible to finance practical vocational training of adults (12-18 months), which allows for taking an exam assessing vocational qualification or apprentice's test. Vocational preparatory, apart from training costs, covers the costs of medical and psychological tests, transport costs, accommodation and exams. The participants will also be entitled to a grant amounting to 120% of unemployment benefit.

### **The development of social integration services for migrants returning to Poland**

Due to the signals of a changing economic situation in several European countries, there is a need to create a new model of migrants's integration, which will include guidelines for social welfare and integration institutions presented in the form of a standard for emigrants returning to the society. The implementation of extensive tasks in social and professional reintegration is assumed in order to support remigrants who are in a difficult socioeconomic situation (e.g. due to losing a job in the country they emigrated to or homelessness). These tasks will be implemented on the basis of funds from the Human Capital Operational Programme under the project 'Measures directed to people migrating from and to Poland, in training, counselling, information and promotional campaigns'.

#### Measure 2.4.3. Implementation of integration schemes for people with disability

The measures undertaken will be focused on the increasing the labour market participation among the inactive persons with disability, who face problems with finding jobs. It is predicted, that in 2010 the rate of employment among disabled persons between 15 and 64 years of age will amount to 21%, while the activity rate will amount to 23%.

One of the factors for low employment among persons with disability is the insufficient coordination of the VET and social service. Therefore, the significant actions are planned to improve this situation. Among others, **legal framework facilitating the employment of disabled persons** is being planned (including: simplification of procedures and employer support methods, better coordination of activities of various public entities for disabled persons, especially the government and the Government Plenipotentiary for Disabled Persons, National Disabled Persons Rehabilitation Fund, regional and local authorities, public employment services, social services supporting the disabled persons). The development of **employment guidance and support services**, providing versatile and individual approach to disabled persons will be crucial, including in the areas exceeding labour market issues but often influencing the effectiveness of labour participation of disabled persons, such as financial guidance, health guidance and social rehabilitation guidance. Such services will be offered by public employment services and non-governmental organizations and will be financed from public resources (National Disabled Persons Rehabilitation Fund), European Social Fund, Labour Fund).

It is also planned to create **legal possibilities for preventing discrimination** of disabled persons in the labour market and introduce **changes in the service system** for disabled persons, which will be triggered at the limitation of factors discouraging disabled persons from employment (reduction or suspension of services). One of the elements of these changes will be the implementation of the system of services received at work, such as subsidies or bonuses for re-employment, services guaranteed for certain time after the employment and

direct job placement for persons applying for pensions due to inability to work (the so-called 'one-stop shop').

The new tool for integrating disabled persons is individual rehabilitation schemes covering versatile support including, inter alia, consultancy, training courses, psychological assistance and equipment, i.e. providing assistance in overcoming individual functional barriers. A new form of support will cover persons with rare handicaps and certain coupled handicaps, i.e. groups which are mostly at risk of social exclusion. Individual rehabilitation schemes will be implemented under Polish integration and labour participation programmes co-financed from the European Social Fund. It is predicted, that between 2008 and 2010 6 thousand disabled persons will use this form of support. Between 2008 and 2010 a nationwide analysis of the situation, needs and capabilities of disabled persons will be carried out, the results of which will serve to work out new rehabilitation and integration tools. The cost of project implementation will be co-financed from ESF funds under the Operational Programme Human Capital.

It is predicted, that by 2010 the adaptation of the Act on Professional and Social Rehabilitation and Employment of Disabled Persons to the EU requirements concerning state aid, including the way and scope of granting aid for employment and training to entrepreneurs employing disabled persons, will have been completed. Preparation of the Act on Sign language is also being planned, the purpose of which will be the levelling of social functioning opportunities for deaf and hearing impaired persons using sign language. This regulation is to trigger the improvement of the deaf and hearing impaired persons' situation via improved provision of service in sign language concerning the contacts of the deaf with public institutions, using modern means of communication where hearing citizens use telephone to deal with issues and facilitation of access to telecasted information. The specification of rules for the use of Polish sign language and other means of communication concerning the relations between citizens and public administration bodies, as well as the specification of other entities' obligations in the scope of communication facilitation for sign language users is being provided for.

Moreover, it is planned to prepare the proposal of the Act on levelling opportunities for disabled persons, in order to create conditions for truly equal rights for disabled persons and preventing their discrimination.

## ***2.5. Priority 3 - Access to high-quality social services***

### Measure 2.5.1. Improvement of the quality of education services

#### **Programme reform**

Under the programme "Friendly Supporting School", a reform of the educational system will be implemented, the purpose of which is to increase in teaching quality on all education levels. In the first stage of changes, in the school year 2009/2010 and 2010/2011, education in first two primary school and junior high school classes will be reformed. The reform provides for, inter alia, teaching in small classes (up to 25 pupils), equipping schools with necessary educational materials, including the additional equipment of gym halls. Taking into account the parents' proposal, a primary school pupil should be provided with care for longer than obligatory 25 hours a week and the possibility of a hot meal. Primary school pupils, whose

parents declared such a need, should be provided with meals and care during their parents' working time, also during holidays.

### **Modernisation of vocational training system and promotion of life-long learning**

Work on the establishment of flexible vocational training system compliant with employers' requirements until 2012 have become at the Ministry of Education. These measures are carried out by an Assessment Advisory Group appointed by the Ministry of Education, which comprises of the government's representatives, the employers' organization representatives, professional associations' representatives and regional and local governments representatives. The main task of the group is to prepare assumptions for vocational education reform. Moreover, Ministry of Education is implementing measures aiming at teaching quality improvement in the field of vocational education. Reform of the vocational education system is supported from the Human Capital Operational Programme 2007-2013, which is co-funded by European Social Fund. There are planned systematic measures, which will contribute to the establishment of standards in vocational education and training in different industries compliant with employers' requirements. Within a measure 3.2. 'Development of external examination' HC OP, the Central Examination Board runs 9 projects. One of them, implemented between 2007-2008 is devoted to the establishment a new formula for the vocational exam. The Task Bank, which will consist tasks for written and practical part of the exam is going to be set up. Establishment of the Task Bank will will enable to run vocational exams online.

Another objective is the preparation of assumptions allowing the adaptation of the European Credit system for Vocational Education and Training (ECVET) in Poland, in connection with creating conditions for validation of learning effects acquired in non-formal and informal learning. A complementary measure is the preparation of a balance of qualifications and competences available in the Polish labour market, as well as a model of National Qualification Framework, co-financed by ESF (scheme under Priority III OP HC, cost PLN 10 million in 2008-2009).

#### Measure 2.5.2. Development of social housing

From 2008 to 2010 the programme for the financial support of housing for the poorest, the implementation of which has been granted PLN 75 million from state budget in 2008. In 2009, after introducing legislative changes, the programme should give gminas the opportunity to make more flexible decisions under housing strategy. The devised solutions will allow obtaining support from the budget, not only for social housing, but also for municipal flats, on condition that local governments save the equal number of social flats, in terms of their number and volume. Such solutions will create far better conditions for housing policy performed by gminas, in the scope of the allocation of social resources appropriate to the needs and income conditions. It is predicted, that as a result of regulatory changes the number of social flats under construction will grow significantly (currently, 2,500 social flats and so-called 'protected flats' are being under construction).

In 2008 the Ministry of Labour and Social Policy programme 'The Return of the Homeless to the Community' will be implemented. Its purpose is to support measures for the homeless via initiatives undertaken as part of Public Social Partnerships. The Ministry allocated PLN 5 million for the implementation of the programme, however the factual amount of subsidy may be higher due to the possibility of allocating additional resources coming from the general reserve of state budget. By the end of 2008, the National Strategy for Preventing Homelessness and Development of Social Housing will have been adopted. The Strategy project provides for, inter alia, working out standards for providing services to the homeless

and the implementation of mechanisms coordinating the activity of various institutions for the homeless and those at risk of homelessness.

#### Measure 2.5.3. Prevention and solution of alcohol-related problems

In 2008-2010 measures provided in the Act of 26 October 1982 on Upbringing in Sobriety and Counteracting Alcoholism and in the National Programme for Prevention of Alcohol Problems will be implemented. The programmes will be carried out by the State Agency for Prevention of Alcohol Related Problems, gmina governments, regional governments (in the form of regional programmes for prevention of alcohol problems) and other departments (e.g. The Ministry of Justice).

Improved access to therapeutic and rehabilitation assistance for the alcohol addicted persons and their families is the basic objective of measures undertaken by the Agency. It is expected, that as a result of undertaken initiatives, the number of persons using professional therapeutic assistance will increase significantly, as well as the number of alcohol addicted persons using mutual aid communities' assistance and support. Moreover, training courses for rehabilitation workers regarding modern methods of diagnosing and addiction and co-addiction therapy are also being planned. Aid and support to minors having alcohol-related problems and to their parents will be granted in order to prevent social exclusion and it will also consist in better access to psychological assistance for children brought up in alcoholic families and for children with fetal alcohol syndrome (FAS). Among measures undertaken in this regard by the Agency, we need to mention the nationwide helpline and performance of training courses for doctors, midwives, sociotherapists and psychologists.

The task of self-governments is to organize additional (outside National Health Fund) therapeutic programmes for the addicted, support rehabilitation centres and running consultation points for the addicted. The other basic objective of gmina self-government measures is to improve access to psycho-social and legal assistance for families with alcohol-related problems, particularly when it comes to protection against violence.

#### Measure 2.5.4. Preventing drug addiction

In 2008-2010 measures provided in the Act of 29 July 2005 on Counteracting Drug Addiction and the National Programme for Counteracting Drug Addiction 2006-2010 will be implemented. The programmes will be carried out by the National Bureau for Drug Prevention, gmina self-governments and other governmental and non-governmental organizations and institutions indicated in the abovementioned documents as entities implementing those measures.

The basic measure undertaken by the Bureau in order to limit drug use will be the initiation and implementation of measures leading to the limitation of drug addiction and undertaking measures directed at improving quality of preventive, rehabilitation and readaptation programmes. The implementation of measures is planned, inter alia, in the form of granting technical support to institutions, centres and persons dealing with the issue of drug addiction, running training courses for various professional groups, running a helpline, Internet counselling centre, as well as in the form of subsidizing programmes in the scope of counteracting drug addiction, on behalf of the Minister of Health.

As a result of activities undertaken by the Bureau, the access to various forms of prevention and treatment for persons at risk of drug addiction, addicted to drugs and persons experimenting with drugs, as well as their relatives, will be improved. It is assumed, that it will increase the social awareness regarding the risks resulting from drug use and as a result of measures undertaken, the number of persons using professional assistance will increase as well.

Further development of cooperation with local governments is planned, by means of supporting them in preparation and implementation of voivodeship and gmina programmes for counteracting drug addiction, as well as monitoring the epidemiological situation on the local level. The role of local and regional governments is to support the local and regional initiatives regarding primary and secondary prevention against drug addiction and intervention measures particularly addressed at children and teenagers at risk of drug addiction. The important aspect of the local authorities' activities is improving the society's knowledge level of problems related to using psychoactive substances and the ways to prevent this phenomenon via preparing and disseminating information and education materials dealing with the issues of health promotion and drug addiction prevention, carrying out social education campaigns and via cooperation with media.

#### Measure 2.5.5. Development of services for the elderly

The significant diversification of the population of the elderly in Poland indicates the need to perform in-depth analysis of seniors' situation, based on scientific studies. One of such studies is the European research project SHARE, implemented in Poland by the Faculty of Economic Sciences of the University of Warsaw. Database formed during the research creates the research infrastructure enabling scientists of a broad range of disciplines (economy, epidemiology, gerontology, health protection, social sciences and psychology), as well as persons responsible for socioeconomic policy, to analyse the process of ageing of the population. The knowledge in this scope will allow better understanding of a decision to retire, functioning of healthcare and their links to the ageing of the population, and thus to perform relevant social policy. Moreover, the data gathered allow the reliable international comparative analyses, vital at determining national and European policies.

The important element of measures related to the improvement of seniors' situation in Poland is the work of the Parliamentary Team for the Elderly, appointed on 25 June 2008. The Team comprises of MPs and senators of all political options in the Parliament. The activity of the Team is supposed to be a response to challenges which the ageing of the society entails. As part of their work, the Team will monitor the seniors' situation in Poland, in terms of observance of their rights. Further, the Team will contribute to positive legal changes and changes in the functioning of institutions expected by seniors. The important task is also to promote the positive image of the elderly among the public.

The Team's activity is also supposed to contribute to the facilitation of information exchange and the process of consulting legislation concerning seniors' situation. Close cooperation with non-governmental organisations and public authorities responsible for the issues of the elderly is an extremely important element of measures undertaken on each level (and also - all governmental measures directed at seniors). The Team cooperates with the Group for the Elderly of the European Parliament, AGE Platform and other national and international organizations working for the benefit of the elderly.

The long-term task of the Team will be to contribute to the formulation of the long-term strategy for using and strengthening the human capital of the elderly in Poland, and to support not fit and dependent seniors. This strategy should guarantee the participation of the elderly in decisions concerning them made by self-governments and other public authorities. The Team also intends to contribute to creating common senior representations.

It is planned in the near future to implement new regulations which are supposed to contribute to the improvement of senior participation in social life, including the adoption of the Act on

equal treatment<sup>26</sup>. The Ministry of Interior will additionally prepare the proposal of the Act on Amending the Electoral Law, which will enable seniors and the disabled correspondence voting or voting by an intermediary. It is also planned to modify regulations concerning the local government and introduction of senior council on gmina levels, which is to provide better participation of senior organisations in shaping local policies.

Education initiatives directed at the elderly will be developed. The elderly will be provided with broader access to universities on a non-enrolled student status. Broader financial support for Third Age Universities is also planned, as they are treated as an element of the ongoing education system, currently uniting approximately 35 thousand listeners. Currently, nearly 100 universities function in Poland, a number of which function within the structure or under the auspices of the higher education institution, while the rest are run by associations or operate at cultural institutions, libraries, social assistance centres and day stay centres.

The important aspect of measures directed at the elderly is supporting senior organizations, particularly including mutual assistance organizations. Currently, these entities may apply for funding of performed initiatives from the Civic Initiatives Fund and other sources. It is planned to intensify the support for senior organizations in the future.

Simultaneously, changes in the pension system will be introduced, which will allow the prevention of premature economic inactivity of younger seniors (see National Pension Strategy). Measures for the improvement of health services for seniors are also planned. These tasks have been provided in the National Health Programme for 2007-2015 (Operational Task 9 'Creating conditions for healthy and active senior life').

Three significant schemes have been submitted to implementation in the scope of improvement of care services, as part of the Swiss-Polish Cooperation Programme.

*Scheme Improvement of quality and access to nursing care services of community care and long-term care for social assistance centres' residents* is supposed to train approximately 1,000 nurses employed at social assistance centres as part of qualification courses, in the scope of community nursing and long-term care. The programme will be linked to the purchase of necessary equipment for providing nursing care services of community or long-term care.

The project *Improvement of Social Assistance Centres or Education Care Centres' Infrastructure* provides for the implementation of corrective programmes at social assistance centres or education care centres, including investment or renovation tasks and tasks related to the purchase of necessary equipment and its renovation. Its basic objective is improving the quality of services provided to residents of these units or extending the range of provided services.

The scheme *Training courses for social assistance centres or education care centres' workers working directly with residents of these units* provides for the implementation of training courses for social assistance centres' direct contact workers, therapeutic care complex workers and education care centres' workers working directly with children, both in the scope of technical issues of the institution and specialist interpersonal skills necessary at proper contacts of social assistance centres and education care centres' workers with residents and wards.

Due to the character of the Cooperation Programme, schemes will be implemented in four voivodeships (Lubelskie, Małopolskie, Podkarpackie, Świętokrzyskie).

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<sup>26</sup> The proposal of the Act prepared at the Ministry of Labour and Social Policy was submitted to the Permanent Committee of the Council of Ministers.

#### Measure 2.5.6. Counteracting family violence

The basis of activities for preventing family violence is the Act on Counteracting Family Violence of 29 July 2005. (Dz. U. No 180, item 1493). This Act has been adopted in order to enhance the effectiveness of measures carried out and support social awareness raising initiatives in regards of this social issue's emergence. Measures for limiting the scale of family violence are implemented via regular diagnosing of the phenomenon, raising awareness and social sensitivity towards violence and training specialist social services. The important element of the initiatives undertaken is the aid provided to persons afflicted by family violence at specialist support centres for victims of family violence and also influencing persons using violence via corrective and education programmes. The measures are of an interdisciplinary character and are implemented by the central and voivodeship administration and local governments. Providing high-quality cooperation on the local level between social assistance organization units and schools, police, health care institutions and non-governmental organizations is very important.

The measures resulting from the provisions of the Act are implemented through the National Programme for Counteracting Family Violence which was adopted on 25 September 2006 for the period of 10 years. In 2008, training courses for direct contact workers (social workers, health care workers, probation officers, police and school counsellors) are being carried out by the Voivodeship Marshals under the Programme. The resources in the amount of PLN 240,000 have been allocated for the training courses. In 2008 over PLN 16 million has been granted to voivodeship budgets for the operation of the existing and creating new specialist support centres for victims of family violence and for performing corrective and education programmes for perpetrators of violence.

On the basis of previous experience it is planned to introduce necessary changes in the Act on Counteracting Family Violence, as well as in the National Programme for Counteracting Family Violence. The objective of proposed corrections is to support gmina governments in their work with risk groups, based on protective programme of the following priorities: creating support groups for families at risk of violence; creating interdisciplinary teams working for the benefit of families at risk and afflicted by violence; creating and implementation of protection programmes for victims of family violence; development of support centres for victims of family violence.

Moreover, in order to protect children against harm more efficiently, the prohibition of corporal punishment, inflicting mental suffering and other forms of humiliating children is being prepared.

More restrictive actions will be undertaken towards perpetrators of violence. The change resulting in better protection of victims against violence will be the regulation provided in the Civil Code, which will allow the isolation of the victim from the perpetrator by issuing a ban on contacting and approaching the victim, as well as issuing an order to abandon the mutually occupied premises.

These changes will contribute to a more efficient protection of victims from violence, which particularly concerns children. It is also planned to implement preventive programmes in the closest background of a family.

#### Measure 2.5.7. Development of free of charge legal assistance

In accordance with the Act of 12 March 2004 on Social Assistance, poviat Family Assistance Centres are obliged to provide specialist counselling (including legal counselling) to families having difficulties or showing the need for support in solving their life problems, regardless of their income (Article 46 of the aforementioned Act). Above all, legal counselling consists in

providing information regarding the legislation in force, in such areas as: family and guardianship law, social security, protection of tenants' rights.

Non-governmental organizations, including Union of Citizens Advice Bureaux – a Polish association of independent social organizations – also deal with providing gratuitous legal assistance. The mission of the Union of Citizens Advice Bureaux is providing citizens with knowledge of the rights they are entitled to, so that they could actively and efficiently solve their problems. In 2003 advice was provided over 32,000 times at Citizens Advice Bureaux, which mostly concerned the relation between a citizen and an institution, family and housing affairs and employment/unemployment issues. Currently, there are 29 Citizens Advice Bureaux. Legal clinics, operating at university faculties of law also provide free of charge legal assistance to persons of difficult financial situation.

Creating legal counselling programmes is supported by means of tenders, funded by Operational Programme Human Capital (Priority V 'Good Governance' Measure 5.4 Development of Third Sector Potential, Sub-Measure 5.4.2. – Development of Civil Dialogue – 'Creating and Implementing Programmes in the Scope of Legal and Civil Counselling'). The subject of the tender is schemes aiming at creating and implementing programmes supporting legal and civil counselling in poviats of no such counselling services

At the moment the Ministry of Justice is working on the assessments proposal of the legal Act concerning the free charge legal assistance and legal information. The object of this proposal is to regulate the complex problematic regarding the free of charge legal assistance and legal information.

According the assessments, the free of charge legal assistance is defined as a legal assistance (the basic legal assistance) and the representation of the individual person in front of the court and the central or local administration bodies by the professional plenipotentiary and in the cases regarding rights and interests these persons or their statutory representatives (advanced legal assistance).

The legal information is defined as providing the individual person information about the legal regulations being in force, about rights and responsibilities arising from the legal regulations and about appropriate institutions for proceeding specific cases and the right procedure of conducting.

As the assumptions stated providing of the legal information will be not limited by any criteria. The access to this kind of information will be offered to all individual persons.

The legal assistance in front of the court will depend on the income criteria.

The proposal of the legal act will cover:

- The Polish citizens with dwelling and residence place on territory of the Republic of Poland.
- Citizens of the EU Member States and EFTA countries - with dwelling and residence place on territory of the Republic of Poland whose possess the legal provision for residence or permanent residence.
- Foreigners whose possess or are in the process:
  - refugee status
  - complementary protection
  - asylum or tolerant residence approval
- Foreigners whose possess the long-term residence approval of the European Community or the settlement approval.

- Foreigners whom the legal assistance is offered according the rules based on the bilateral international agreements binding the Republic of Poland.

The free of charge legal assistance and the legal information giving will be offered by the local poviats Family Assistance Centers or in the case of poviat cities by the social assistance centers (as a task assigned by the central administration).

The free of charge legal assistance proceeding will be initiated on the basis of individual application. Assignment of the basic legal assistance will be provide by the written confirmation form with indicating the type and the extend of the legal assistance admitted.

Refusal of the legal assistance granting as well withdrawal of the legal assistance admitted before will follow the administration decision process with the opportunity to complain for the local administration court.

The approval procedure of the legal assistance application will provide within 14 days and the complain will be consider by the administration court within 30 days using the single procedure.

The legal assistance will be offered by the advocates, legal advisors and tax advisors or other persons and the NGOs – within their legal service provisions as indicate in the legal regulations for mentioned entities.

The local poviat Family Assistance Centers (the social assistance centers) will provide the list of such authorized entities. In accordance to the assumptions the costs of the free of charge legal assistance and legal information will be covered by the treasury.

## ***2.6. Better governance***

### **2.6.1. The process of preparing the National Action Plan for Social Inclusion**

The work on the NAP/Inclusion was carried out by use of a consultation formula worked out in previous years, which allowed the broad participation of external partners in the document preparation process. In this year's edition of the Plan it has been decided to carry out additional consultations with local government representatives and non-governmental organisations. The document was implemented by a working group comprising of the representatives of competent departments and the scientific milieu. The work began with organizing a meeting in April 2008, to which the representatives of departments, social partners, non-governmental organizations and experts were invited. In May an additional consultation meeting with the representatives of Regional Social Assistance Centres and the Polish Poviats Union was organized. In July the meeting commencing social consultations regarding the document took place, to which the representatives of governmental administration and local governments were invited. The representatives of social partners, non-governmental organizations and experts were also present. The programme's scheme was placed on the Ministry of Labour and Social Policy website. In September, a meeting summarizing the consultation process took place. As part of this process more than 50 written statements and opinions concerning the document were received.

The representative of the Ministry also participated in the consultation meeting devoted to the NAP/Inclusion, which was organized by Eurocities group in cooperation with the Bydgoszcz City Hall and the Union on Polish Metropolies. The meeting allowed the presentation of cities' standpoints regarding the National Action Plan for Social Inclusion. The

representatives of the Ministry also participated in the consultation meeting organised by Forum 50+ and Foundation for Women “Ja Kobieta”, which are Polish members of the European non-governmental organization AGE Platform. The meeting was devoted to the assessment of the NAP/Inclusion in terms of needs of the elderly.

Previous experience in the scope of preparing the NAP/Inclusion indicate that the document contributes to promoting strategic thinking and inter-departmental cooperation within the government, via focusing on a number of priority objectives. Specified time framework and regularity of the document allows the perfection of public policies, particularly via introducing monitoring and evaluation to a larger extent. Participation of external partners gives an opportunity to create more effective social programmes and to implement solutions responding to the needs of groups at risk of social exclusion.

#### 2.6.2. Policy coordination

In accordance with the Act on Social Assistance of 12 March 2004 (Dz. U. 08.115.728 consolidated text) individual tasks in the scope of social assistance and integration fall into competence of the governmental administration and local authorities on the gmina, powiat and voivodeship level. Taking into account the significant number of social assistance clients, the basic challenges are increasing the administrative potential of social assistance institutions and improving the coordination of programmes implemented on various levels. In 2007 the Ministry of Labour and Social Policy commenced the implementation of measures with the purpose of increasing the quality and efficiency of institutions operating in the area of social assistance and integration on the local and central level.

First of all, in 2008 the implementation of a system scheme *Increasing qualifications of social assistance and integration workers* began, under which by the end of 2008 1,600 persons will have received the first degree social worker specialization and 400 persons - the second degree specialization. As part of the scheme it has been planned to open first and second degree studies with faculties authorizing to work as a social worker, for social workers who would like to enhance their professional qualifications. Funds were allocated to cover studies, travel, accommodation and boarding costs, as well as purchase of basic education materials for students. It is predicted, that in 2008 800 persons will start first degree studies and 200 persons will start second degree studies. Moreover, the scheme provides for introducing training courses on social work supervision. In 2008 it is planned to select an entity responsible for carrying out a research concerning the social work supervision among social workers countrywide. As part of the project a pilot training course on social work supervision for 120 persons is to be started. The aforementioned undertakings will be continued in the following programming years under OP HC. It is provided for, that as a result of the implementation of the scheme 12,000 social assistance and integration institutions' workers will have enhanced their professional qualifications by 2013.

Secondly, in 2008-2010 the preparation and testing of the strategy for the implementation of quality standards for services provided by social assistance and integration institutions at four selected centres is planned. This is the first stage of work under which the implementation of service quality standards is intended to take place in 90% of social assistance institutions until the end of 2013. Moreover, the methodology and rules of implementing selected standards of social assistance and integration services will be worked out. Due to the transregional or innovative character of these standards, they were recognized as crucial for the development of the social assistance and integration system. By end 2010 the provisions of ‘Gmina Standard of Working One’s Way out of Homelessness’ will have been worked out. In the same period the standard of a new social work specialization – a streetworker - will be prepared. It is predicted that by end 2010 200 persons will have acquired new specialization.

Third, creation and implementation of an information exchange model is planned in the scope of instruments and methods used in active social policy between social assistance and integration entities and regional and governmental structures. The measures will be implemented between 2008 and 2013 under the system programme co-funded by the European Social Fund 'Coordination for Active Integration', the budget of which amounts to PLN 57 million. During the project, a fixed platform for the exchange of information, experiences and practical solutions used in social integration will be established (e-learning platform). Moreover, 16 regional databases of social assistance and integration entities will be established, which will contain information on the entities operating in this area and measures undertaken by them. It is assumed that regional databases will be expedient at establishing new contacts and executing innovative cooperation forms. Moreover, new research tools useful at the execution of active inclusion will be created, including inter alia the balance of social assistance needs.

Another step in facilitating the policy coordination and information exchange, is strengthening the social assistance system as regards the IT tools. Currently two IT systems are in operation within the area of social protection: National Social Assistance Monitoring System, in which operates the Static Central Application (SAC), as well as the National Family Benefits Monitoring System (static application QUICKSTAT)<sup>27</sup>.

As regards the National Social Assistance Monitoring System the existing central database includes information on paid benefits and beneficiaries of social assistance. The data within the central database are transferred quarterly from gminas and poviats which use a multilayer technology enabling them to enter the data directly into the central database in the Ministry. The same path was used for all due reports. When the data from gminas are fully entered into the system, it will be possible to transmit the reports using the electronic signature.

Moreover, activities aiming at making the data available to as many receivers as possible also in the form of presentations on the internet website shall be undertaken. The National Social Assistance Monitoring System will become a multidimensional platform channelling information between social assistance organisational bodies and beneficiaries of the social assistance system, as well as the service providers. The extension of the application will also cover an attempt at a fuller integration of voievodes, who keep a register of care and education, and care and adoption centres, into the system in order to consolidate the data and make them available in a form of a single register.

Central statistical system QUICKSTAT enables collecting data from material and financial reports on family benefits and alimony payments. Works are performed which aim at abandoning paper reports for electronic ones that make use of electronic signature. A browser application has also been prepared – E-WNIOSKI, which makes it possible to register applications for family benefits and alimony payments/alimony fund in the Internet using a friendly creator. The application gives information on the benefits that a person is entitled to, criteria for granting benefits, required attachments, and makes it possible to fill in the application with your own data, and finally print it out to submit it to the gmina.

It is planned that 125 employees of the Social Policy Departments and Regional Social Policy Offices will take part in a specialist training on the handling of Central Statistical Application. While 10 thousand employees of the social assistance centres and powiat family support centres will participate in trainings concerning handling the application software concerning the National Family Benefits Monitoring System (the trainings will start in 2009).

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<sup>27</sup> The systems until recently operated as SI „POMOST”, but currently the Ministry of Labour and Social Policy departs from the name.

Ministry of Labour and Social Policy aims at providing a wide communication platform, covering social protection, which makes available and provides services in the Internet, both to the beneficiaries of the social assistance and family benefits, as well as to small and medium-sized entrepreneurs that supply the technological backup. It will contribute to:

- introducing uniform standards as regards service provision and it will make the services more available via launching a central Internet database and information transfer, also among academics;
- facilitating contact of citizens with the public administration officials, also in handling businesses;
- integration of social policy systems.

Despite the fact that tasks assigned to regional authorities differ among each other, self-government authorities at the regional and local level are obliged to develop and implement social problem-solving strategies. Results of the study performed by the Institute for the Development of Social Services (IRSS) show that about 40% of gminas and over 60% of poviats have at their disposal social problem-solving strategies<sup>28</sup>. In the following circumstances broad-scale trainings for self-governments on developing social problem-solving strategies are planned.

The Post-Accession Support Programme for Rural Areas financed from a loan granted by the World Bank covers a Social Inclusion Programme (the loan amounts to EUR 40 million) implemented for a year in 500 poorest gminas in Poland. Increasing the institutional and social possibilities of gminas, as regards strategic planning and implementing social policy at local level, constitutes the strategic objective of the Programme. Each gmina, taking part in the Programme, is obliged to develop an Action Plan which aims at launching funds for contracting social services. The programme puts emphasis on abandoning a common practice to develop temporary solutions to build a coherent concept of social policy, which is expressed in long-term and systematic activities. Social problem-solving strategies at gmina level constitute a tool supporting the implementation of the policy. The Programme worked out tools supporting gminas in the process of developing the strategies, such as the system for collecting and disseminating good practices and monitoring system. It is also crucial to engage in the process representatives of local institutions, social organisations, citizens as well as social assistance beneficiaries. Citizen participation is one of the conditions that gminas that are willing to use the financial means ascribed to the Programme must fulfil. Similar obligations arose within the frameworks of social assistance system projects in Priority VII of the Operational Programme Human Capital, which stipulates that failure to develop social problem-solving strategies implies lack of possibility to participate in the Projects. Moreover, a possibility was introduced to finance the preparations of the strategies or changes in them within the frameworks of competition projects.

Another form of support for human capital on rural areas is LEADER Programme, which is implemented within the frameworks of Rural Development Programme for 2007-2013. The LEADER Programme aims at activation of rural communities through integrating social and economic partners into the process of planning and implementation of local initiatives. The Programme covers development of partnerships (i.e. local action groups) which main task is drawing up local development strategies, and subsequently – implementation of projects listed in passed planning documents. The main rule of implementing the Programme is close cooperation between representatives of public, private and social sector. It proves that

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<sup>28</sup> Source: Lipke H., Hryniewiecka A., *Raport. Analiza strategii rozwiązywania problemów społecznych*, the Institute for the Development of Social Services, Warsaw 2008.

operation of local action groups contributes to the creation of new jobs on rural areas and streamlining tasks carried out for purpose of the local development.

### 2.6.3. Mobilization and engagement of all stakeholders

It is planned to continue the tasks carried out so far, which aim at strengthening partnership relations between the public administration at all levels and social partners, as well as non-governmental organisations and entities engaged in public benefit activities, including church organisations. The use of the above mentioned solutions is seen as a necessary condition of effective implementation of public policies, including also social inclusion activities. The forum for cooperation between public and non-governmental sector is, in particular, Public Benefit Work Council, which consists of representatives from government administration, self-government administration and non-governmental organisations. The Council acts as a consultative and advisory body, as well as a body supporting the Minister of Labour and Social Policy and is a major forum for civil dialogue. The Council is to shape positive patterns of cross-sectoral cooperation developed for the use of social inclusion. At the same time, the Council's activity should contribute to forming strategic and programme basis for the development of civil society in Poland. The exchange of information between the government and parliament activities, and organisations is, moreover, facilitated by the operation of the *Parliamentary Team for Social Dialogue* and the *Sejm subcommittee for cooperation with non-governmental organisations*.

The experience so far, shows that there exists a need to introduce new solutions strengthening strategic cooperation of the public sector, with the non-governmental organisations. It is planned that on 1 January 2009 an amendment to the Act on Public Benefit and Volunteer Work will enter into force. The amendment covers a number of issues aiming at facilitation and strengthening of cooperation between non-governmental organisations and public administration bodies. The amendment establishes a streamlined form of cooperation through a more flexible manner of commissioning tasks implementation to public non-governmental organisations (*inter alia*, a possibility to commission public tasks in a streamlined form). New institutions will be introduced enabling social activation, such as local initiative. The amendment to the Act also provides for appointment of voivodeship, poviats and gmina Public Benefit Work Council, on the initiative of non-governmental organisations. Setting up the Councils should contribute to facilitation and development of mutual relationships between civil dialogue institutions at the regional level. The basic rules and forms of cooperation between public administration and non-governmental organisations will be strengthened by introducing into the amendment a provision, which makes it possible for the law-making local government bodies to pass both yearly and multi-annual programmes of cooperation with non-governmental organisations, depending on the needs of local communities. At the same time, as regards, the establishment of cooperation programmes, the government administration also was given the possibility to optionally use the above practice.

Another important aspect of government activities is incorporating into the policy formation process and implementation of social programs non-governmental organisations representing socially excluded people. Initiatives undertaken by the organisations in 2008 are supported from the funds of the Civic Initiatives Fund Programme (earlier Government Programme of Civic Initiatives Fund for 2005-2007). Currently, works on the concept of Operational Programme Civic Initiatives Fund for 2009-2013 are ongoing.

The importance of housing estates councils in the implementation of local initiatives increases, as they are the actual representatives of local communities.

The social dialogue carried out on the forum of Tri-partite Commission for Socio-Economic issues is still in progress. In April 2008 a resolution was signed which concerned dialogue on

the most prominent social and economic issues. The works on the agreement were launched by deliberations to develop a model and mechanism of wages in the public field and in the business enterprise sector. Moreover, a dialogue is carried out which aims at adopting a professional activation programme for people over 50, drawing up arrangements concerning the retirement pensions system reform and clarification of rules concerning representation. 'Agreement on Equal Employment Opportunities of the People with Disability' prepared by the All-Poland Alliance of Trade Unions (OPZZ) and the Confederation of Polish Employers and submitted to the Tri-partite Commission is, an example of independent activities of social partners within the scope of social inclusion.

In all regions there are voivodeship commissions of social dialogue, which include representatives of voivode (government), trade unions, employers organisations and self-governments (represented by the Marshal of the Voivodeship). The voivodeship commissions play an important part in solving regional and local conflicts concerning employees and society, and they are also a forum enabling partners to undertake common actions for the improvement of labour market situation. The commissions examine the issues concerning the health services and discuss the regional development perspectives, including evaluation of possibilities to obtain and use funds from EU resources. In 2007 there were held overall 83 meetings of the committees and 85 plenary meetings of the social dialogue voivodeship committees, which means an increase in comparison to 2006 by 22 and 9%, respectively.

#### 2.6.4. Mainstreaming of social inclusion

Social inclusion and support for families with children were included in the 'Strategic plan of governing' and are now one of the basic objectives of government activities. The Strategic Plan presents long-term schedule of works that will be implemented basing on four pillars: welfare building, dynamic development, security – man, family, country, as well as confidence and pride. As regards the pillar 'welfare building' it is planned to carry out reforms aiming at increase of professional activation and intensify social inclusion. The 'security – man, family, country' pillar foresees implementation of legal and financial solutions aiming at improvement of families income conditions and preparation of provisions enabling easy reconciliation of employment with family life.

In the second half of 2008, it is planned, to adopt an amendment to the Act on employment promotion and labour market institutions, which will aim at making the basic services of the labour market more available, as well as – adjust the services to individual needs of labour office customers. The planned tasks cover, *inter alia*, developing assistance system for young people entering the labour market. The above mentioned reform of labour market institutions (including also designation of specialised organisational units in the Poviats Labour Offices – Professional Activation Centres) will contribute to increased efficiency of labour market active policy programmes, at the same time strengthening the potential of activities undertaken within the field of social inclusion implemented by means of professional activation. To the same effect is also the implementation of the Programme – „Solidarność Pokoleń 50+” (Solidarity across generations 50+), which aims at activation of unemployed people over 50 years of age.

The works on the development of National Strategic Report on Social Protection and Social Inclusion were carried out in parallel with the works to draw up a National Reform Programme aiming at support for the micro and macroeconomic, as well as labour market policy. In accordance with the arrangements made with the entity coordinating the National Reform Programme it was agreed that the document will address activities within the field of professional inclusion, while social integration, and activities for counteracting low income will remain subject to the National Action Plan for Social Inclusion.

All resources of the European Social Fund in Poland for 2007-2013 will be used for the Operational Programme Human Capital. The overall amount of funds involved in the implementation of the programme is EUR 11.4 billion. The European Social Fund resources constitute EUR 9.7 billion of the amount, while the national contribution is EUR 1.7 billion. The level of national funding was established at the minimal level, i.e. 15%. The Programme covers 10 Priorities. 60% of funds was allocated to the implementation of regional priorities, while 40% will be used to implement central priorities. With the view of effective development of human resources the Programme will focus the support on the following areas: employment, education, social inclusion, development of employees and enterprises adaptive potential, as well as issues involved in construction of efficient and effective public administration at all levels, and implementation of the rule of good governance. The system support of social assistance and inclusion institutions from the ESF funds is of particular importance as regards the aims of the NAP/Inclusion. The support will contribute to organisational strengthening of institutions and it will increase the qualifications and professional training of staff. Moreover, in order to effectively use methods of active inclusion, a system of cooperation between social assistance and inclusion institutions at all levels will be implemented. Implementation of system projects will make it possible to equip social assistance institutions with tools and IT systems, as well as it will enable promotion of procedures and mechanisms of direct cooperation between employees of individual institutions at central, regional and local level, including dissemination of good practices. The Human Resources Development Centre in the Ministry of Labour and Social Policy is responsible for the implementation of system projects. An overall amount of EUR 152 million was allocated to system support for social assistance and inclusion institutions in 2008-2013.

#### 2.6.5. Monitoring and evaluation arrangements

The document attempts to establish the main indicators (direct outcomes indicators) for each of the Priorities, and – field of action indicators of the social policy institutions, as well as indicators reflecting the circumstances of population, which change as a result of the applied actions (input indicators, and direct outcomes indicators). The monitoring system is based on a group of indicators adopted in June 2006 by the EU Social Protection Committee, as well as on available national data. Verified quantified objectives are adopted in the document, which are included in the National Social Inclusion Strategy to be achieved in 2010. As regards forecasting changes on the labour market, the so-called achievement pathways were used, which were created for the needs of the Operational Programme Human Capital. To forecast the income situation of the population the SIMPL micro-simulation model was used, which covers taxation and benefits, and it was developed by the Warsaw University Faculty of Economic Sciences. In future, indicators developed for the needs of the analysis and research department of the regional social assistance centres, the so-called social inclusion observatories, will also form an important element of the NAP/Inclusion monitoring (it is also planned to integrate regional analysis within the scope of social inclusion at the national level).

## Annex 2.1. – Good Practices in the area of social inclusion

### 2.1.1. The Social Integration Program (the Post-Accession Support Program for Rural Areas)

Practice/project name		Member state	
The Social Integration Program (the Post-Accession Support Program for Rural Areas – PSPRA)		Poland	
Purpose of the initiative			
Activities undertaken under the <b>Social Integration Program (SIP)</b> are supposed to lead to a higher level of social integration among the inhabitants of municipalities.			
Main results			
<p>I. Creation of institutional and social potential in the area of strategic planning and social policy implementation at the local level as well as strengthening regional cooperation.</p> <p>II. Improved access of inhabitants of municipalities to services, new forms of cooperation and organized activity:</p> <ul style="list-style-type: none"> <li>- a wider offer and better standard of services for inhabitants of municipalities,</li> <li>- building a network of service providers,</li> <li>- greater number of initiatives undertaken by local community,</li> <li>- greater participation of inhabitants in short-term and more durable forms of organized activity.</li> </ul>			
Target beneficiaries		Areas of policy	
Entire population	<input type="checkbox"/>	Social exclusion	<input checked="" type="checkbox"/>
Children	<input checked="" type="checkbox"/>	Health care	<input type="checkbox"/>
Single parents	<input type="checkbox"/>	Long-term care	<input type="checkbox"/>
The unemployed	<input type="checkbox"/>	Good management	<input type="checkbox"/>
Elderly people	<input checked="" type="checkbox"/>	<b>Geographical dimension</b>	
Young people	<input checked="" type="checkbox"/>		
The disabled	<input type="checkbox"/>	National	<input checked="" type="checkbox"/>
Immigrants	<input type="checkbox"/>	Regional	<input type="checkbox"/>
Ethnic minorities	<input type="checkbox"/>	<b>Entity performing the task</b>	
The homeless	<input type="checkbox"/>		
Sick people	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>– SIP regional consultants,</li> <li>– delegated employees of Regional Centres of Social Policy (RCSP)</li> <li>– municipal coordinators.</li> </ul>	
Others (Please specify:)	<input type="checkbox"/>		
<b>Families</b>			
Reasons for starting the initiative			
Low level of social cohesion			
Details of the project			
<b>1.</b>	<b>How did the project contribute to the execution of the objectives?</b>		
	The Social Integration Program aims at supporting municipalities in the implementation of Strategies for solving social problems through financing the projects resulting from these Strategies. Furthermore, depending on the needs, SIP		

	<p>is supposed to be used by municipalities for creating Strategies or updating the existing document.</p> <p>Local strategies for solving social problems should be created as a result of discussions held by local communities, including local community leaders (among others self-government and church institutions, schools, health care centres, non-governmental organizations) and regular inhabitants.</p> <p>Execution of projects financed under the Social Integration Program should constitute an essential impulse for strengthening and creating local non-governmental organizations that would actively participate in the social integration process in the territory of municipalities.</p>
<b>2.</b>	<b>What is/was the time framework for the execution of the initiative?</b>
	The implementation of the Program started in May 2007 and will have been completed by the end of 2009.
<b>Monitoring and evaluation</b>	
	<b>How was the project monitored/evaluated?</b>
	<p>Diagnosis of initial conditions in municipalities covered by the PSPRA is based on the results of a single study conducted in the municipalities covered by the SIP using the questionnaire method.</p> <p>Data collected will constitute a basic source of information about the current stage of the program and progress in its implementation. A coherent classification comprising types of services, type of service providers and the scale of contract assessment was agreed.</p> <p>Current evaluation will consist of individual in-depth interviews with representatives of municipalities, representatives of social organizations and other service providers and also focus group interviews.</p> <p>Reports on the studies into current evaluation will be worked out on a quarterly basis and submitted to the Management Team of the PSPRA. In addition conclusions from the reports will be presented during meetings of the Joint Monitoring Committee.</p> <p>Within the framework of opening the process of monitoring progress and the SIP results, an advisory body will be appointed - Joint Monitoring Committee (JMC) which will gather the representatives of the Management Team, representatives of 13 Regional Centres for Social Policy and also representatives of the group of Regional Consultants.</p> <p>In each case a measurable result of the works of the JMC will be a report on recommendations and promotion of the report among stakeholders involved in the SIP execution.</p>
<b>Results</b>	
<b>1.</b>	<b>To what extent the planned objectives have been achieved?</b>
	<p><b>Achieved results:</b></p> <ul style="list-style-type: none"> <li>- Ensuring formal conditions and operational possibilities for the implementation of the SIP and effective coordination of its implementation,</li> <li>- Creating a reliable schedule of activities to be performed by municipalities,</li> <li>- Creating an easily accessible pool of knowledge related to the participatory planning and implementation of the MSRSP (Municipal Strategy for Resolving Social Problems),</li> <li>- Gaining knowledge about the necessary scope of works on the local MSRSP, developing recommendations for changes in the MSRSP, providing municipalities with merit assistance in efficient and transparent development or update of the MSRSP ensuring proper and competent representation of municipal self-</li> </ul>

	<p>government, self-government employees and local leaders,</p> <ul style="list-style-type: none"> <li>- Increasing the level of knowledge of the RCSP employees on participatory planning and solving social problems,</li> <li>- Informing local community about the implementation and objectives of the SIP and ensuring social support for the implementation of the program,</li> <li>- More complete identification of social needs in social diagnoses in municipalities,</li> <li>- Gaining and systematising knowledge of providers of social integration services and local leaders operating in the territory of municipalities.</li> </ul> <p><b>In the course of the execution:</b></p> <ul style="list-style-type: none"> <li>- Development/update of the MSRSP ensuring also high quality of the adopted MSRSP and Action Plans,</li> <li>- Gaining by self-government employees knowledge which ensures improving the quality or extending the scope of the services provided,</li> <li>- Increase in the level of knowledge of self-government employees of the proper method of organising competitions, acquiring by municipalities the skill of managing the processes of subcontracting their own tasks to external bodies,</li> <li>- Ensuring participatory course of the SIP monitoring,</li> <li>- Developing social awareness and increasing knowledge of social integration and efficient methods of its development, increasing the level of stakeholders' awareness in the field of program results,</li> <li>- Developing inter-municipality cooperation within the scope of increased social integration,</li> <li>- Ensuring stable and constant participation of social representatives in the planning and implementation of social policy in the territory of municipalities,</li> <li>- Increased number of services in the field of social assistance offered by municipalities,</li> <li>- Increased number of service providers,</li> <li>- Increased number of funds designated for solving social problems in municipalities,</li> <li>- Creating a long-term (permanent) mechanism for the evaluation of social policy implementation,</li> <li>- Gaining by service providers the knowledge that enables them to increase standards of social services, gaining by local leaders knowledge about organizational and financial possibilities of undertaking local activities,</li> <li>- Increasing the participation of local community in municipal activities aimed at social integration,</li> <li>- Revitalising the existing but not used forms of social activity, implementation of new forms of organized activity in the territory of municipalities, strengthening the potential of existing forms of social activity.</li> </ul>
<b>2.</b>	<b>What obstacles/difficulties were experienced during the implementation of the initiative?</b>
	<ul style="list-style-type: none"> <li>- Incidental problems connected with encouraging the local community representatives to participate in meetings devoted to SIP implementation,</li> <li>- Unwillingness of some municipalities to apply for funds from which fixed assets may be financed only to a limited extent.</li> </ul>
<b>3.</b>	<b>Are there any unexpected benefits or losses?</b>
	<ul style="list-style-type: none"> <li>- Better than expected possibilities and conditions for working out projects and programs, partly overlapping with the SIP objectives, also financed from other resources and aimed at social development at the local level.</li> </ul>

**2.1.2. Construction of multi-function sports fields generally accessible to children and young people**

Practice/project name		Member state	
Construction of multi-function sports fields generally accessible to children and young people		Poland	
Purpose of the initiative			
Promotion of sport activities among children and young people which has a significant influence on solving educational problems of young people and also health problems of Polish society			
Main results			
Increasing the number of people who actively spend their free time and increasing physical activity of the society. Improving the effectiveness of pedagogical methods to fight with pathology, hooliganism, drug addiction and alcoholism. Improving security at schools and other educational institutions. Increasing the number of young people practising sports.			
Target beneficiaries		Areas of policy	
Entire population	<input type="checkbox"/>	Social exclusion	<input checked="" type="checkbox"/>
Children	<input checked="" type="checkbox"/>	Health care	<input type="checkbox"/>
Single parents	<input type="checkbox"/>	Long-term care	<input type="checkbox"/>
The unemployed	<input type="checkbox"/>	Good management	<input type="checkbox"/>
Elderly people	<input type="checkbox"/>		
Young people	<input checked="" type="checkbox"/>	Geographical dimension	
The disabled	<input type="checkbox"/>	National	<input checked="" type="checkbox"/>
Immigrants	<input type="checkbox"/>	Regional	<input type="checkbox"/>
Ethnic minorities	<input type="checkbox"/>		
The homeless	<input type="checkbox"/>	Entity performing the task	
Sick people	<input type="checkbox"/>	The Ministry of Sport and Tourism	
Others [Please specify:]	<input type="checkbox"/>		
Reasons for starting the initiative			
Poor health and physical fitness of the society Small number of existing sport fields with artificial surface			
Details of the project			
<b>1.</b>	<b>Project's objectives</b>		
	Promotion of sport as a factor necessary for the development and education of children and young people. Promotion of healthy lifestyle. Increasing the level of sports infrastructure in municipalities.		
<b>2.</b>	<b>How did the project contribute to the execution of the objectives?</b>		
	The Project created conditions which enable self-governments to implement programs supporting active lifestyle. Significant increase in the number and quality of sports fields in the country.		

	In the construction of sports fields application of modern technologies and new technical solutions led to their increased functionality which, in consequence, had a positive effect on decreasing the number of injuries of those making use of these facilities.
<b>3.</b>	<b>What is/was the time framework for the execution of the initiative?</b>
	The Program was started in 2006. It will be continued until the needs of self-governments have been met.
<b>Monitoring and evaluation</b>	
	<b>How was the project monitored/evaluated?</b>
	The execution of the task was monitored with the cooperation of Polish bank institution (Bank Gospodarstwa Krajowego). 117 sports fields were constructed under the Program in 2006 and 136 fields in 2007. 100 fields have been planned to be realized in 2008 and further 100 in each subsequent year of the execution of the initiative.
<b>Results</b>	
<b>1.</b>	<b>To what extent the planned objectives have been achieved?</b>
	Satisfactory
<b>2.</b>	<b>What obstacles/difficulties were experienced during the implementation of the initiative?</b>
	Difficulties were caused by the need to grant public procurement contracts. It resulted in extending the task execution period and some works were not performed in the planned year. Another difficulty was the fact that subcontractors did not meet the deadlines for completing the task execution.
<b>3.</b>	<b>How were the occurred problems/difficulties solved?</b>
	Shortening deadlines for collecting applications for the program. Selecting for implementation the applications which guarantee the execution of tasks within the given deadlines.

### 2.1.3. Organisation of programs for social work in municipalities

Practice/project name		Member state	
Social work for the benefit of social housing development		Poland	
Purpose of the initiative			
<p>- Projects which were granted the positive opinion in the competition organized by the Minister of Labour and Social Policy entitled: “<i>Social work for the benefit of social housing development</i>”, realized under the program “<i>Active Forms of Counteracting Social Exclusion</i>”.</p> <p>- The Projects gained co-financing in 2007 and were accounted for content-related and financial premises. Through the implementation of programs for social work applied in social housing structures (social and vocational activation) with the participation of persons having housing problems, homeless persons or persons threatened by eviction in individual municipalities, the following effects will be achieved:</p>			
Main results			
<p>A. The City of Klodzko (Dolnoslaskie Voivodship) – effects: 26 social housing flats; 40 persons threatened by social exclusion took part in the program.</p> <p>B. The City and Municipality of Debno (Zachodniopomorskie Voivodship) – effects: renovation of a house for the homeless – 4rooms for 4 persons, 3rooms for 3 persons, 2 rooms for 5 persons and 1 room for a disabled person; 85 people engaged in social work.</p> <p>C. The Town and Municipality of Polczyn-Zdroj (Zachodniopomorskie Voivodship) – effects: 28 social housing flats, including 4 housing flats for the disabled; 20 persons engaged in social work.</p> <p>D. Public Benefit Organization - Chrzescijanskie Stowarzyszenie Dobroczyenne in Klucze (Malopolskie Voivodship) – effects: local cooperation of public-social partnership; 10 social housing flats; 20 persons engaged in social work program.</p> <p>E. The City and Municipality of Krasnik (Lubelskie Voivodship) – effects: 20 social housing flats; 20 persons engaged in social work program.</p>			
Target beneficiaries		Areas of policy	
Entire population	<input type="checkbox"/>	Social exclusion	<input checked="" type="checkbox"/>
Children	<input type="checkbox"/>	Health care	<input type="checkbox"/>
Single parents	<input type="checkbox"/>	Long-term care	<input type="checkbox"/>
The unemployed	<input checked="" type="checkbox"/>	Good management	<input type="checkbox"/>
Elderly peoples	<input checked="" type="checkbox"/>	<b>Geographical dimension</b>	
Young people	<input checked="" type="checkbox"/>		
The disabled	<input type="checkbox"/>	National	<input type="checkbox"/>
Immigrants	<input type="checkbox"/>	Regional	<input checked="" type="checkbox"/>
Ethnic minorities	<input type="checkbox"/>	<b>Entity executing the task</b>	
The homeless	<input checked="" type="checkbox"/>	Municipal self-governments and non-governmental organizations	
Sick people	<input type="checkbox"/>		
Others (Please specify:)	<input type="checkbox"/>		
Reasons for starting the initiative			
Possibilities of using programs of social and vocational activation of social assistance recipients in order to improve their own housing situation.			

<b>Details of the project</b>	
<b>1.</b>	<b>How did the project contribute to the execution of the objectives?</b>
	Local partnerships between social assistance institutions, labour offices and local employers were formed.
<b>2.</b>	<b>What is/was the time framework for the execution of the initiative?</b>
	Projects executed during the period 2007-2008.
<b>Monitoring and evaluation</b>	
	<b>How was the project monitored/evaluated?</b>
	Monitoring was ensured through the principles of ministerial project " <i>Active Forms of Counteracting Social Exclusion</i> ".
<b>Results</b>	
<b>1.</b>	<b>To what extent the planned objectives have been achieved?</b>
	Increased initiative of municipal self-governments in 2008 within the scope of initiating local programs of social work and public works in the area of social housing facilities and in the field of care services.
<b>2.</b>	<b>What obstacles/difficulties were experienced during the implementation of the initiative?</b>
	If municipal self-governments had at their disposal more financial resources, it would be possible to increase the scope of local projects.
<b>3.</b>	<b>Are there any unexpected benefits or losses?</b>
	Greater interest in system solutions in the field of state co-financing of initiatives in the area of the construction of social housing flats, night shelters and facilities for the homeless.

## Annex 2.2. Selected target values of NAP/Inclusion

Priorities of the National Strategy for Social Integration for the years 2005-2010  
adopted in the National Action Plan on Social Inclusion for the years 2008-2010

No.	Priorities	Indicators	2010
1.	<b>Growth in the participation of children in preschool education</b>	Children covered by preschool education at the age of 3-5	70%
		rural areas	40%
		children with disability	a third of children with disability
2.	<b>Improved quality of education in lower secondary schools and secondary schools</b>	Improved indicators in PISA tests	by 50% the results of the worst quintile
3.	<b>Promoting higher education and its better adjustment to the needs of labour market</b>	Participation of young people under the age of 24 in the higher education system	60%
		Participation of young people with disability under the age of 24 in the education system	
4.	<b>Limiting the tendency for increasing income differences</b>	The estimated Gini index	To the average European level
5.	<b>Reducing long-term unemployment</b>	Long-term unemployment rate	5%
6.	<b>Reducing unemployment among young people</b>	Unemployment rate among young people	25%
7.	<b>Increasing employment rates of people with disability</b>	The employment rate of people with disability aged 15-64	22%
8.	<b>Increasing the number of participants in the active labour market policy – ALMP</b>	Participation of the unemployed in ALMP programs	20-30%
		The share of ALMP disabled participants in all ALMP participants	
9.	<b>Promotion of life long learning</b>	The share of person taking part in LLL (24-64)	10%
10.	<b>Increasing the average life expectancy in good health</b>	HALE (Health Life Expectancy)	To the average European level

Selected target values from the Operational Program Human Capital for the years  
2007-2013\*

Priorities of the OP HC	Effects of the realization
I Employment and social integration	<p>Implementation of services standards in 90% of social assistance institutions</p> <p>Covering 70% of key employees of social assistance institutions** (who directly deal with active inclusion) by trainings and other forms of upgrading their qualifications (e.g. first and second degree studies, postgraduate studies, PhD studies, professional courses including first and second degree of specialization as a social worker).</p> <p>The realization in partnership of at least 50% of projects targeted at socially excluded people.</p>
VI Labour market open for everyone	<p>Covering all young unemployed (at the age of 15-24) by assistance under the Active Labour Market Policies in the period of up to 100 days from the date of registration until 2010.</p> <p>Covering 50% of unemployed women by labour market instruments and training service.</p> <p>Covering 50% of the long-term unemployed by labour market instruments and training service.</p> <p>Covering 40% of the elderly unemployed (at the age of 50—64) by labour market instruments and training service.</p>
VII Promotion of social inclusion	<p>Covering 15% of social assistance recipients (who are at the same time: at the age of professional activity, do not work and obtain social assistance benefits) by active inclusion activities.</p> <p>Covering 10% of clients of social welfare institutions (at the age of professional activity) by social contracts.</p> <p>Covering 100% of employees from social assistance and social integration institutions (who directly deal with active inclusion) by trainings and other forms of upgrading their qualifications in a non-school system.</p> <p>Ensuring the operation of institutions that support social economy (at least two in each voivodship).</p> <p>Ensuring durability of operation of social economy institutions (minimum 30% of total revenue should come from own activity of social economy institutions).</p>

\* The activities from National Action Plan on Social Inclusion should be conducive to achieve priorities planned in Operational Program Human Capital for 2013

\*\* Key employees of social assistance institution in the framework of OP HC are persons employed on the position of social worker (including senior social worker, specialist or specialist social worker)

### Annex 2.3. - Support of NAP/Inclusion through the Operational Programme Human Capital

National Action Plan for Social Inclusion	Priority within the OP Human Capital	Measure within the OP Human Capital	Sub measure within the OP Human Capital
<b>Vocational activation of jobless parents</b>	Priority I Employment and social integration	1.3 National level programmes for employment and professional activation	1.3.1 Projects for the benefit of Roma community  1.3.2 Projects for promotion of equal opportunities for women and men and for reconciliation of work and family life
	Priority VI Labour market open for all	6.1 Improvement of access to employment and support of professional activity in the region 6.2 Support and promotion of entrepreneurship and self-employment. 6.3 Local level initiatives for increasing the professional activity in rural areas	
	Priority VII Promotion of social inclusion	7.1. Development and dissemination of active inclusion	7.2.1 Professional and social inclusion of persons at risk of social exclusion.
<b>Development of child care forms (e.g. through training and finding professional foster families)</b>	Priority I Employment and social integration	1.2. System support for the institution of social assistance and integration  1.3 National level programmes for inclusion and professional activation	1.3.2 Projects for promotion of equal opportunities for women and men and for reconciliation of work and family life
	Priority VI Labour market open for all	6.1 Improvement of access to employment and support of professional activity in the region	
	Priority IX Development of education and competences in the regions	9.1 Equalisation of educational opportunities and ensuring a high quality of educational service provided through the educational system	9.1.1 Decreasing inequality in the level of dissemination of pre-school education.
<b>Creation of the profession of gmina family assistant</b>	Priority I Employment and social integration	1.2. System support for the institution of social assistance and integration	
	Priority VII Promotion of social inclusion	7.1. Development and dissemination of active inclusion	7.1.1. Development and dissemination of active inclusion by social assistance centres – system projects

<b>Creation of the profession of poviats family coordinator</b>	Priority I Employment and social integration	1.2. System support for the institution of social assistance and integration	
	Priority VII Promotion of social inclusion	7.1. Development and dissemination of active inclusion	7.1.2. Development and dissemination of active inclusion by poviats family support centres – system projects
<b>Development of staff competencies in field of acquisition of funds for development of foster care forms</b>	Priority V Good governance	5.1. Enhancing the potential of the government administration	5.1.1 Modernisation of management and staff competence systems – system projects
		5.2. Enhancing the potential of the local government administration	5.2.2. System support for local government administration activities – system projects
<b>Actions aimed at integration of youths brought up in foster families and upbringing centres who are getting independent</b>	Priority VII Promotion of social inclusion	7.1. Development and dissemination of active inclusion	7.1.2. Development and dissemination of active integration by poviats family support centres – system projects
	Priority VII Promotion of social inclusion	7.2 Combating exclusion and reinforcing the social economy sector	7.2.1. Professional and social activation of persons at risk of social exclusion. 7.2.2 Support for social economy
<b>Implementation of integration programmes for the disabled</b>	Priority I Employment and social integration	1.3 National level programmes for employment and professional activation	1.3.6 National Disabled Persons Rehabilitation Fund
	Priority VI Labour market open for all	6.1 Improvement of access to employment and supporting professional activity in the region 6.2 Support and promotion of entrepreneurship and self-employment. 6.3 Local level initiatives for increasing the professional activity level in rural areas	
	Priority VII Promotion of social inclusion	7.1. Development and dissemination of active inclusion	7.1.1. Development and dissemination of active integration by social assistance centres – system projects 7.1.2 Development and dissemination of active integration by poviats family support centres
7.2 Combating exclusion and reinforcing the social economy sector		7.2.1. Professional and social activation of persons at risk of social exclusion.	

<b>Modernisation of professional education systems and enhancement of access to lifelong learning</b>	Priority III High quality of the education system	3.4 Accessibility of the education system in the aspect of lifelong learning	3.4.2 Dissemination of lifelong learning – <i>system projects</i>  3.4.3 Dissemination of lifelong learning – <i>competition projects</i>
	Priority IX Development of education and competences in the regions	9.3 Dissemination of formal lifelong learning	
<b>Development of services for the elderly</b>	Priority I Employment and social integration	1.1 System support for the institution of the labour market  1.2 System support for the institution of social assistance and integration	
	Priority VI Labour market open for all	6.1 Improvement of access to employment and supporting professional activity in the region	6.1.1 Support for jobless persons at the regional labour market
	Priority VII Promotion of social inclusion	Measure 7.1 Development and dissemination of active inclusion	7.1.2 Development and dissemination of active integration by poviats family support centres

In order to reach strategic and specific objectives of the OP Human Capital and to direct the support to the selected areas, a possibility to implement individual projects under the OP Human Capital has been created. These are projects of strategic importance for implementation of the Programme, which were chosen by the Managing Authority according to the criteria approved by the Monitoring Committee. The individual projects can be implemented under each of the OP Human Capital Priorities.

The Operational Programme Human Capital allows also for implementation of innovative projects aimed at searching for new, better and more effective ways to solve problems covered by support areas of the ESF.

## Annex 2.4. - Monitoring of the National Action Plan for Social Inclusion 2006-2008

### Monitoring of priority 1: Support for families with children

Programme or task name	Monitoring form: indicator/assessment of implementation	Indicator name or description of implementation
<b>General indicators for priority 1</b>		
<b>Indicators for priority 1</b>		At-risk-of-poverty rate <sup>29</sup> <i>by gender</i> (2005)  Total: <b>19%</b> Male: <b>20%</b> Female: <b>19%</b>
		At-risk-of-permanent-poverty rate <i>by gender</i>  n/a
		At-risk-of-poverty rate for children (0-15 years old) (2005)  <b>26%</b>
		At-risk-of-poverty rate among families with 3 or more children (2005)  <b>38%</b>

<sup>29</sup> In this annex – if not mentioned – the risk-of-poverty rate is based on the threshold fixed at the level 60% median of equivalent income.

		At-risk-of-poverty rate among children (0-19 years old) (threshold fixed at the level of the minimum of existence) (2004)	<b>40%</b>
		At-risk-of-poverty rate among families with 4 or more children (threshold fixed at the level of the minimum of existence) (2006)	<b>26%</b>
		At –risk-of-poverty rate before all social transfers except old-age/survivors’ pensions (2005)	<b>29%</b>
<b>Implementation of measures</b>			
<b>MEASURE 2.2.1. DEVELOPMENT OF THE INTEGRATED SYSTEM FOR FAMILY SUPPORT</b>			
<b>Prenatal and postnatal support programme for families</b>			
Family support programme before and after childbirth		Expenditures on non-insurance family benefits connected with childbirth 2006 – 614 2007 – 603 2008 – 651 (expenditure plan)	
National Disabled Children Support Programme	indicator	Number of children assisted under the National Programme for Supporting Disabled Children  The pilot “Programme of early, multispecialised, complex, coordinated and permanent aid for children at risk of disability, disabled children, and their families” was implemented in the years 2005-2007. Over 9 000 children took part in it.	
<b>Development of actions supporting families helpless in respect to care and education issues</b>			
Setting up daytime care and education centres	indicator	Number of daytime support centres run under the Act on social assistance [run by a gmina, run by an other entity] 2006: run by a gmina – 241, run by an other entity – 227 run by a powiat – 100, run by an other entity – 346	

Support through specialist family counseling	assessment of implementation	<p>2005 Families supported through family counseling – 182.2 thousand Persons taking advantage of specialist counseling provided by specialist family counseling facilities – 45.5 thousand</p> <p>2006 Families supported through specialist counseling – 182 thousand Persons taking advantage of specialist counseling provided by specialist family counseling facilities – 53.8 thousand</p>
Conducting family therapy	assessment of implementation	<p>2005 Number of persons taking part in family therapy conducted at specialist family counseling facilities – 19.5 thousand</p> <p>2006 Number of persons taking part in family therapy conducted at specialist family counseling facilities – 11.7 thousand</p>
Development of different forms of foster family care	assessment of implementation	<p>2006 Setting up legal and institutional conditions for development of specialist and numerous professional foster families not related to the child (on account of the amendment to the Act on social assistance that entered into force on 1 May 2004). The amount disbursed under the Programme for supporting local government in setting up the local system for care over children and families – 0.8 million</p> <p>2007 Promoting creation of various forms of foster parenthood and training candidates for the role of foster family. The amount disbursed under the Programme for supporting local government in setting up the local system for care over children and families – 1.3 million.</p> <p>2008 Continued promotion of family forms of foster care as the best form to satisfy needs of a child. Preparation of draft guidelines for the Act on the system of foster care over a child (March 2008) and of a project of the Act on the system of foster care over a child (June 2008).</p>

<p>The “Daycare club – traineeship, sociotherapy in the rural environment (in 2008 the name of the programme was changed to “Daycare club, work, traineeship – sociotherapy in the gmina environment”)</p>	<p>indicator</p>	<p>Number of children and youths covered by the programme “Daycare club – traineeship, sociotherapy in the rural environment</p> <p>In 2005 – a pilot programme in 4 voivodeships (Warmińsko-mazurskie, Dolnośląskie, Wielkopolskie and Pomorskie) Number of daycare clubs created – 12. Average number of children taking part in classes – 15-20 per one daycare club, that is approx. 240 children, the classes were participated also by children who did not require sociotherapeutical help (the number of those children is difficult to assess).</p> <p>Each subsequent year, the number of daycare clubs set up under the programme was increasing</p> <p>In 2006 – 30 new daycare clubs were created in rural gminas, thus: 20 children x 30 = 600</p> <p>In 2007 – 75 new daycare clubs were created, and in addition 16 model ones were designated (1 in each voivodeship) Number of children – 20x 75 = 1.500 plus 16 x 20 = 320, 1 820 in total.</p> <p>Summary: in the period 2006-2007, 117 new daycare clubs were created, and approx. 20 children participated in classes in each club (2 340 children in total). In addition, approx. 300 children took part in classes in daycare clubs recognised as a “good practice”.</p> <p>It safe to assume that in the period 2006-2007, implementation of the Programme facilitated support for approx. 3 000 children.</p>
	<p>indicator</p>	<p>Number of gminas participating in the programme “Daycare club – traineeship, sociotherapy in the rural environment”</p> <p>Since 2005 the number of gminas joining the Programme has been growing systematically.</p> <p>Here are the details: (a) 2005 – 12 gminas, (b) 2006 – another 30 new gminas and additionally 16 ones recognised as models of good practices, and (c) 2007 – another 75 new gminas and 48 model ones (in every voivodeship)</p>
<p>Programme for supporting local government in setting up the local system for care over children and families</p>	<p>indicator</p>	<p>Number of projects by local governments that were awarded with a subsidy under the programme:</p> <p>2006</p> <p>Gmina – 44 projects</p> <p>Powiat – 179 projects</p> <p>Local governments received subsidies of 7.7 million zloty in total.</p>

		<p>2007  Gmina – 82 projects  Poviat – 353 projects  Voivodeship level local government – 3 projects  Local governments received subsidies of 12.3 million zloty in total.</p>
<p>Governmental programme for preventing social maladjustment and crime among children and youths</p>	<p>assessment of implementation</p>	<p>2006  The following local governments' actions were financed with the use of the amount designated for implementation of measures envisaged in the Programme for preventing social maladjustment and crime among children and youths (amounts in million zlotys)</p> <ol style="list-style-type: none"> <li>1. preventing social maladjustment – 1.2</li> <li>2. increasing standards of facilities with regard to maladjustment prevention - 0,03</li> <li>3. creation and development of daytime care and education centres running programmes for maladjustment prevention – 0.03</li> <li>4. setting up professional foster families aimed at resocialisation – 0.1</li> <li>5. creation of protected apartments – 0.7</li> <li>6. creation of apartments offering independence managed by care and education centres – 0.02</li> </ol> <p style="text-align: right;">Total                    2.1 million zloty</p> <p>2007  An amount of 2.1 million zloty was directed to local governments in order to facilitate implementation of programmes for combating social maladjustment under the programme for preventing social maladjustment and crime among children and youths. With the use of those funds, projects were implemented in 39 gminas (0.8 million zloty) and in 71 poviats (1.3 million zloty). As regards gminas, the projects were mainly targeted at support for families endangered by social pathologies and daycare over children. Whereas as regards poviats, the programmes were targeted at youths getting self reliant and leaving care and education centres, as well as at social and professional mobilization of youths and prevention of crime among children and youths.</p> <p><b>According to the report for 2006, implementation of the Programme netted the following results:</b></p> <ul style="list-style-type: none"> <li>• there was an increase in the number of entities involved in implementation of the Programme,</li> <li>• the entities involved in implementation of prevention and intervention</li> </ul>

		<p>actions and in module programmes could add their own solutions, which were adjusted to the actual needs (for example, the Police Department for the City of Słupsk, being concerned about drug use prevention, initiated cooperation with local churches. The clergymen were presented with a written plea calling for lectures on symptoms of drug use, distribution of drugs and psychoactive substances, and, in the first place, on results of this addiction to be delivered during Masses),</p> <ul style="list-style-type: none"> <li>• many interesting and innovative programmes were developed. Many of those initiatives regarded prevention and combat of aggression and violence among children and youths and formation of appropriate attitudes (for example, the “Article” pilot programme was implemented in Świętokrzyskie Voivodeship. The programme was developed by the Świętokrzyskie Teacher Training Centre in Kielce in cooperation with judge Anna Maria Wesołowska. This undertaking was aimed at initiation of legal education in schools situated in Świętokrzyskie Voivodeship that would improve the educational situation),</li> <li>• entities implementing the Programme intensified their actions targeted at youths from endangered environments. It was in this area that Voluntary Labour Corps stood out particularly.</li> <li>• in connection to implementation of the Programme, more attention, as compared to previous years, was paid to activation of children and youths as well as to involving them in the actions carried out through, among other things, training youth leaders.</li> <li>• The entities implementing the <i>“Teachers’ conduct procedures and methods for schools to cooperate with the Police where children and youths are threatened with crime and moral decay, particularly with drug abuse, alcoholism and prostitution”</i> did not only popularise the existing procedures, but they also created their own ones, which were supposed to address the newly arisen problems and threats;</li> <li>• the entities implementing the Programme undertook various preventive measures and programmes aimed at promotion of the healthy way of life and prevention of specific threats. Most of the proposed measures were scheduled for a long period of time (for example The State Agency for the Prevention of Alcohol-Related Problems promoted teetotal and sobriety attitudes among youths by, among other things, subsidising the 7th National Level Edition of the Poviát Youth School for Youth Leaders and Organisers of Preventive Programmes in Mikołów),</li> <li>• In connection with the implementation of the Programme, more local</li> </ul>
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		<p>coalitions for the benefit of children and youths were created and new multidisciplinary and intervention teams were set up. The entities indicated the need for creation of such structures and for contracts of cooperation and long term agreements (for example, on 6 July 2006 a letter of intent concerning approval of the guidelines of the "Street Counselor" programme and its implementation was signed in Podlaskie Voivodeship. The letter was signed by the president of the city of Białystok, the schools superintendent for Podlaskie Voivodeship, the Deputy Voivodeship Police Commander from Białystok, presidents of higher education institutions and President of housing cooperatives that participated in the programme).</p> <ul style="list-style-type: none"> <li>like in the previous years, in 2006 more and more entities implementing the Programme performed, by their own or in cooperation with other entities, assessments of needs regarding social maladjustment and crime among children (for example, basing on conclusions presented in the report by the University of Warsaw concerning injuries, aggression and violence among children and school going youths, the office of the schools superintendent for Lubuskie Voivodeship prepared a programme for combating aggression and violence in schools and educational facilities of Lubuskie Voivodeship that envisaged support for schools that set up new procedures for intervention actions and perfect existing ones).</li> </ul>
<b>Development of social housing</b>		
<p>Implementation of measures under the Act of 8 December on financial support for setting up social and protected apartments, night shelters and accommodation centres for the homeless</p>	<p>indicator</p>	<p>Number of social apartments put into use (2004—2006, plans)</p> <p style="text-align: right;">approx. 5000</p> <p>The programme of financial support for construction efforts aimed at the benefit of the homeless is being implemented under the Act of 8 December on financial support for setting up social and protected apartments, night shelters and accommodation centres for the homeless (Dz. U No. 251, item 1844) – in the early stages of the legislative process the draft act was titled "on financial support for construction efforts aimed at the benefit of the homeless". The two initial editions of the programme, which were carried out in the previous year (April-May and October 2007) allowed for provision of financial support facilitating creation of 2 500 social and protected apartments. Most of those undertakings are for the time being in the construction stage – by the end of 2007 26 apartments co-funded under the programme had been put into use.</p>

	indicator	<p>Number of night shelters, hostels and accommodation centres for the homeless</p> <p>Run by a gmina – 123, 2339 beds; number of admitted persons 6041; Run by an other entity – 104; number of beds 4576; number of admitted persons - 8177; Run by a powiat: 5, number of beds 274; number of admitted persons – 335; (MLSP data for March 2006)</p> <p>Number of beds in night shelters and hostels for the homeless, registered under the “Return of the homeless to the society” departmental programme amounted, on an annual basis, to approx. 47 thousand.</p>
	indicator	<p>Number of persons making use of social apartments, night shelters and accommodation centres for the homeless [run by a powiat, run by an other entity]</p> <p>Number of persons making use of assistance services, registered under the “Return of the homeless to the society” departmental programme amounted, on an annual basis, to approx. 85 thousand.</p>
The protective programme for combating social exclusion of the homeless or at risk of being homeless	assessment of implementation	<p>The “Return of the homeless to the society” departmental programme has been implemented since 2006. The amount secured yearly in the budget – section 44, <i>social protection</i> – stands at 5.0 million zloty. In the period 2006-2007 the Minister of Labour and Social Policy managed to acquire additional funds amounting on average to 8-10 million zloty at the end of the year.</p> <p>The programme is implemented under two tracks:</p> <ul style="list-style-type: none"> <li>a) Track 1 – applied on the regional level, which means that 60 % of the planned annual amount is directed to voivodes who have the funds to undertake protective measures.</li> <li>b) Track 2 – applied on the national level, which means that the most effective projects by entities entitled, according to Article 25 of the Act on social assistance, to provide assistance services in the field of protection and activation.</li> </ul> <p>Number of homeless persons and person at risk of being homeless that are provided with services supported under the Programme amounts to 80 thousand, of those: 2.500 persons are covered by individual programmes for ending homelessness.</p>

		The measures envisaged of the Programme are undertaken by non-governmental organisations, church organisations, as well as by other nationwide organisations (PCK, PKPS, Monar, Markot, Caritas Polska) and those operating on the local level.	
<b>Development of civil and family counseling</b>			
Support for development of civil counseling services	indicator	Number of Civil Counseling Bureaus (2005)	31
		(2008)	34
<b>ACTION 2.2.2. INCOME SUPPORT SYSTEM DEVELOPMENT</b>			
<b>System of family benefits</b>			
Increase of the amount of family benefit	ratio	Expenditures on the system of family benefits (in PLN million)  2006 – 7 724 2007 – 8 161 2008 – 8 266 (expenditure plan)	
	ratio	Expenditures on family benefits as a share of overall social expenditures in relation to participation of persons aged 0-18 in the overall number of population.	No data
	ratio	Ratio of children (aged 0-17) threatened by poverty having taken into account pensions and benefits as well as retirement pensions, but before social transfers (2005)	36%
<b>Scholarship system</b>			

Scholarship system extension	ratio	<p>The amount dedicated for scholarships (in PLN)</p> <p style="text-align: right;">Scholarships and school allowances 2006 – 440 522 853 PLN 2007 – 435 000 000 PLN</p> <p>Scholarships for schoolchildren from families of former employees of state- own farms 2006 – 28 645 600 PLN 2007 – 15 375 209 PLN</p>
	ratio	<p>Number of children covered by social and scientific scholarships According to the place of living According to the criterion of granting</p> <p style="text-align: right;">No accumulative data</p>
	ratio	<p>Percentage of schoolchildren receiving scholarships <i>According to the place of living</i> <i>According to the type of school</i> <i>According to gender</i></p> <p style="text-align: right;">No accumulative data</p>
Schoolbook set	assessment of implementation	<p>Description of realisation of the Government programme of leveling up conditions of school startup of schoolchildren in 2006 “Schoolbook set”.</p> <p>Within the scope of financial help for schoolchildren in 2006 the Government programme of leveling conditions of school startup of schoolchildren in 2006 “Schoolbook set” was adopted (Resolution No. 74 of the Council of Ministers dated May 23, 2006, Decree of the Council of Ministers dated May 23, 2006 on detailed conditions of granting support to schoolchildren undergoing compulsory education in the first classes of primary schools and first level general education musical schools in the school year 2006/2007 – Polish Journal of Laws as of 2006 No. 88, item 615). On the basis of the legal acts children beginning their education in the first class of primary school and in the first class of general education musical school received a free set of school books. Schoolchildren from families where the income per person in the family does not exceed the income criterion specified in Article 8 section 1 point 2 of the Act of March 12, 2004 on social support (Polish Journal of Laws No. 63, item 593, as amended) were the addressees of the help.</p>

	<p>The programme to the great extent helps to break the educational barriers resulting from low material status of families. All communes and primary schools were involved in its realisation on principles of full partnership. Thanks to the programme within the school year 2006/2007 about 120 519 (32.1% of population) of the schoolchildren of first classes of primary schools and first level general education musical schools from the poorest families were equipped with a free set of school books.</p> <p>In 2006 PLN the amount of 11 million from the purpose reserve No. 43 of the state budget was assigned for realisation of the programme. The amount was increased by PLN 236 728 in September 2006. From the information sent by school board supervisors to the Ministry of National Education a conclusion may be drawn that the necessity of increasing the resources for realisation of the programme was caused by the increase of the number of children covered by the programme and the increase of the price of the sets of school books in comparison with 2005.</p> <p>The realisation of the programme in voivodships was conducted efficiently, difficulties were solved in time by the Ministry, education offices and self government units. Education offices were in constant contact with publishing houses. Constant monitoring conducted by education offices and resort of education as well as telephone contacts and the use of electronic mail to collect data from self governments facilitated efficient conduct of the programme.</p> <p>In 2007 the “Schoolbook set” programme was transferred into the Government programme of schoolchildren support in 2007 “Subsidizing the purchase of school books for children starting a one-year pre-school education or studying in classes I-III of primary school and classes I-III of first level general education musical school as well as subsidizing the purchase of uniform attire for primary school and upper-primary students”</p> <p>The abovementioned programme as well as the ordinance concerning detailed conditions of granting financial support to children for the purchase of school books and uniform attire was signed on July 2, 2007 by the President of the Council of Ministers.</p> <p>Pursuant to the programme the schoolchildren from classes I-III as well as the children realising one-year pre-school education from the families of low material status, had the purchase of school books subsidized. For schoolchildren from primary and upper-primary schools, the purchase of</p>
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		<p>uniform attire to be worn in the area of school was subsidized as well. The Ministry of National Education addressed the programme to schoolchildren in particularly difficult material situation, reflected by income not exceeding the amount of 351 PLN per person in the family.</p> <p>The value of school books subsidies for a schoolchild was up to:  70 PLN – per a schoolchild beginning a one-year pre-school education,  130 PLN – per a schoolchild in class I of primary school as well as Ist level general education musical school,  150 PLN - per a schoolchild in class II of primary school as well as Ist level general education musical school,  170 PLN - per a schoolchild in class III of primary school as well as Ist level general education musical school.</p> <p>In order to secure full satisfaction of the needs, the Ministry of National Education addressed the voivods and asked them to continue collecting the data until September 10, 2007 so that within the first week of the school year all the entitled schoolchildren were equipped with the school books and uniform attire.</p> <p>In accordance with the information gathered from the department of education, all communes participated in the realisation of the programme. The amount of 70 million PLN was assigned for realisation of the programme within the scope of subsidizing the purchase of school books. 11,3 million PLN came from a special grant-in-aid No. 11 ‘School equipment’ and PLN 59,7 million from a special grant-in-aid No. 34 ‘Co-financing National Grant Programme’.</p>
<b>Lodging allowance system</b>		
<p>Performing the analysis of efficiency of the lodging allowance system within the scope of income criteria</p>	<p>assessment of implementation</p>	<p>The regulations set forth in <i>the Act of June 21, 2001 r. on lodging allowances (Polish Journal of Laws No. 71, item 734, as amended)</i> are currently in force. Pursuant the abovementioned regulations the right to lodging allowance shall be vested in the persons fulfilling, among others, the income criterion, that is to those whose average income per one member of the household within the timeframe of three months preceding the date of filing the motion for assigning lodging allowance did not exceed 175 % of the lowest amount of the old age pension in a single-person household and 125 % in the household consisting from more than one person (the lowest old age pension since March 1, 2008 has been equal to PLN 636.29). In case when the income per a member of the household exceeds the one specified above and the amount of surplus does not exceed the amount of the lodging allowance, the due allowance shall be lowered by that amount.</p>

		In the year 2006 in accordance with the Central Statistical Office data the overall amount of 8 472 685 lodging allowances was assigned of an average value equal to PLN 137.90 in the overall amount of 1 168 118 745 PLN. This means that on average within the year 706 thousands households made use of lodging allowance.
<b>Support within the area of providing extra meals</b>		
State support within the scope of providing extra meals	ratio	<p>Number of children covered by support within the scope of providing extra meals; according to the place of living</p> <p>In 2006 – <b>1 452 056</b> children and youth before graduating from lower secondary schools, among them – 823 480 in the country</p> <p>In the year 2007 (for the period of I – IX) – <b>1 173 367</b> children and youth before graduating from lower secondary schools, among them – 673 748 in the country</p>
<b>Changes in the tax system</b>		
Changes within the tax system	ratio	<p>Number of taxpayers making use of tax deductions</p> <p>In 2006 deductions were made use of by 6 282 750 taxpayers, i.e. 26.40% of the overall number of taxpayers.</p> <p>In 2007 deductions were made use of by 9 575 112 taxpayers, i.e. 39,59% of overall number of taxpayers.</p>
<b>ACTION 2.2.3. SUPPORT OF RECONCILIATION OF WORK AND FAMILY LIFE</b>		
<b>Increasing social safety of employees after having a baby</b>		
Gradually prolonging maternity leave	assessment of implementation	<p>The amendment of the Act of June 26, 1974 – Labour Code introduced the extension of maternity leave:</p> <ul style="list-style-type: none"> <li>- <b>from 18 to 20 weeks</b> in case of giving birth to one child,</li> <li>- <b>from 28 to 31 weeks</b> in case of giving birth to two children at one childbirth,</li> <li>- 33 weeks in case of giving birth to three children at one childbirth,</li> <li>- 35 weeks in case of giving birth to four children at one childbirth,</li> <li>- 37 weeks in case of giving birth to five or more children at one childbirth.</li> </ul> <p>with the same entitlements for biological parents and foster parents.</p>

		<p>It is planned that, successively, till 2014, 6 weeks of additional maternity leave will be introduced in case of giving birth to one child and 8 weeks in case of giving birth to two or more children at one childbirth. The additional maternity leave can be combined with professional activity.</p> <p>In the Act also 2 weeks of paternity leave were introduced from 2014. It is 1 week from 2010.</p>
Gradual increase of the income criterion entitling to the benefit during parental leave	assessment of implementation	<p>Within 2006 – 2008 the criterion has not been increased. In accordance with the Act on family benefits the verification procedure concerning the income criterion shall be started at the end of 2008. Pursuant to the abovementioned act the decision in the matter shall be made on September 1, 2009</p>
<b>Development of care services</b>		
Developing legal and financial solutions supporting creation of institutional and informal forms of childcare and care of other dependant persons	assessment of implementation	<p>Since the end of 2005 the Act of July 25, 2005 on countermeasures against family violence (Polish Journal of Laws No. 180 item 1493) has been executed. The tasks realised by government administration as well as self government units in cooperation with non-governmental organizations resulting from the provisions of the act are aimed at lowering the scale of family violence.</p> <p>In 2006 pursuant to the statutory authorisation State Programme on Countermeasures against Family Violence was enacted.</p> <p>The program is directed towards:</p> <ol style="list-style-type: none"> <li>1. victims of family violence: <ul style="list-style-type: none"> <li>- children;</li> <li>- spouses or partners in informal relationships</li> <li>- older persons</li> <li>- disabled persons</li> </ul> </li> <li>2. perpetrators of family violence</li> <li>3. witnesses of family violence.</li> </ol> <p><b>Actions in 2006:</b></p> <ul style="list-style-type: none"> <li>- creating and maintaining 33 specialised centres of support for victims of family violence</li> <li>- realisation of corrective and educational programmes for persons using family violence</li> </ul> <p>The amount of <b>8 846 501 PLN</b> was assigned for realisation of the above</p> <p><b>Actions in 2007:</b></p> <ul style="list-style-type: none"> <li>- activating resources for maintaining specialised centres of support for</li> </ul>

		<p>victims of family violence in the amount of <b>9 600 000 PLN</b></p> <ul style="list-style-type: none"> <li>- activating resources for realisation of corrective and educational programmes for perpetrators in the amount of <b>2 315 768 PLN</b></li> <li>- assigning financial means in the amount of <b>240 000 PLN</b> for subsidizing trainings conducted by voivodship marshals</li> <li>- conducting state-wide social campaign concerning countermeasures against family violence.</li> <li>- diagnosing the phenomenon of family violence.</li> </ul> <p><b>Actions planned for 2008:</b></p> <ul style="list-style-type: none"> <li>- continuing to maintain specialised centres of support for victims of family violence (<b>9 840 000 PLN</b>) as well as conducting correction and educational programmes (<b>1 960 000 PLN</b>)</li> <li>- dividing the purpose reserve in the amount of 4 360 000PLN on realisation of the State Programme on Countermeasures against Family Violence</li> <li>- organising social campaign aimed at countermeasures against family violence focused on protecting children from experiencing violence</li> <li>- ordering diagnosis of the phenomenon of family violence taking into consideration the phenomenon of violence towards children in particular.</li> </ul>
Increase of employment in care services	ratio	<p>Number of persons employed in pre-schools (as of September 15, 2006)</p> <p>68 612,72 regular posts for non-pedagogic employees 57 269,66 regular posts for pedagogic employees</p>

	ratio	<p>Number of persons employed in care services for older, disabled and ill persons.</p> <p>Data of the Healthcare Organisational Systems Centre. Personnel employed in medical and care institutions, nursing and care institutions and hospices as of December 21, 2006:</p> <table> <tr><td>Doctors</td><td>1125</td></tr> <tr><td>Nurses</td><td>6832</td></tr> <tr><td>Psychologists</td><td>293</td></tr> <tr><td>Pedagogues</td><td>49</td></tr> <tr><td>Physiotherapists</td><td>817</td></tr> <tr><td>Carers</td><td>1108</td></tr> <tr><td>Social workers</td><td>306</td></tr> <tr><td>Ward attendants</td><td>2625</td></tr> <tr><td>Volunteers</td><td>1050</td></tr> </table> <p>Number of persons employed in social assistance houses (Ministry of Labour and Social Policy data as of 2006): 48 998.</p>	Doctors	1125	Nurses	6832	Psychologists	293	Pedagogues	49	Physiotherapists	817	Carers	1108	Social workers	306	Ward attendants	2625	Volunteers	1050
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Increasing the number of children under the age of 5 covered by the institutional care when their parents are employed	ratio	<p>Number of children in day nurseries per 1000 children up to 3 years (2004)</p> <p style="text-align: right;"><b>19.7</b></p> <p>December 31, 2006 (data by Central Statistical Office)</p> <p style="text-align: right;"><b>23.0</b></p>																		
	ratio	<p>Number of places in day nurseries and nursery departments (2004)</p> <p style="text-align: right;"><b>24836</b></p> <p>December 31, 2006 (data by Central Statistical Office)</p> <p style="text-align: right;"><b>25835</b></p>																		
	ratio	<p>Ratio of children in the age of 3 – 5 attending pre-schooleducation to the general number of children in the age of 3 – 5</p> <p>(2006/2007)</p> <p style="text-align: right;"><b>44.6%</b></p>																		

	ratio	<p>Number of places in pre-schools According to the place of living (city/country) (2004/05)</p> <p style="text-align: right;">city: <b>545 700</b> country: <b>137 500</b></p> <p>(2006/2007)</p> <p style="text-align: right;">city: <b>556 504</b> country: <b>141 328</b></p>
<b>Promoting flexible forms of employments for parents and carers</b>		
Promotion of flexible forms of employment	ratio	<p>Percentage of persons part-time employed in overall number of employed persons (overall, according to gender)</p> <p style="text-align: right;">Overall: 9.3% Men: 6.8% Women: 12.4%</p>
	ratio	<p>Rate of employment of women aged 25-49 According to the number and age of children (4th quarter 2005)</p> <p style="text-align: right;">0 children: 68.9% 1 child aged 0 – 14: 69.9% 2 children aged 0 – 14: 61.3% 3 or more children aged 0 – 14: 50.8% 1 child aged 0 – 2: 63.5% 2 children aged 0 – 2: 50.8%</p> <p>(2nd quarter 2007)</p> <p style="text-align: right;">0 children: 78.4% 1 child aged 0 – 14: 72.0% 2 children aged 0 – 14: 63.4% 3 or more children aged 0 – 14: 55.0% 1 child aged 0 – 2: 56.8% 2 children aged 0 – 2: 49.3%</p>

Promoting parent-friendly employers	assessment of implementation	<p>Within the scope of the project realised with the resources of the European Social Fund assigned by "Flexible Employee – Partnership of Family" EQUAL Community Initiative, two editions of "Parent-Friendly Employer" competitions were organised in Podlaskie voivodship. The principle of the competition consists in promoting companies, institutions and non-governmental organisations who create favourable conditions of work environment deprived of influence of discriminative phenomena, and are helping their employees to reconcile work and family responsibilities.</p>
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## Monitoring Priority 2: Integration by activation

Program name	Monitoring form: indicator/ assessment of implementation	Ratio Name
<b>General indicators for priority 2</b>		
Indicators for priority 2		Percentage of persons aged 18-64 in households where persons in productive age are not employed
	(2005)	Overall: 15.3% Men: 14% Women: 16.6%
	(2007)	Overall: 11.7% Men: 10.5% Women: 12.8%
		Number of persons long-term unemployed
		<p><i>According to survey on economic activity of population – 13 months or more:</i></p> <p style="padding-left: 40px;">IV quarter 2005 – 1516 thousand persons, IV quarter 2006 – 1026 thousand persons, IV quarter 2007 – 623 thousand persons.</p> <p><i>According to the registers of labour offices – over 12 months within the last two years:</i></p> <p style="padding-left: 40px;">end of December 2005 – 1828,8 thousand persons, end of December 2006 – 1517,8 thousand persons, end of December 2007 – 1094,1 thousand persons.</p>

		Employment rate among disabled persons (2005)  (III quarter 2007)	Overall: 13.1 % Men: 16.5 % Women: 9.9 %  Overall: 13.7 % Men: 17.2 % Women: 10.3 %
<b>Realisation of actions</b>			
<b>ACTION 2.3.1. REFORM OF TOOLS AND INSTRUMENTS FOR ACTIVE INCLUSION</b>			
<b>Activating formula of welfare benefits</b>			
Implementing activities combining income protection and active inclusion	ratio	Number of social assistance recipients covered by social contract (2006)	94 852 (2% of all welfare clients)
<b>New usage of social work tools</b>			
Implementing active inclusion programmes	assessment of implementation	Currently social contracts are applied in relation to participants of classes in social integration clubs – act of June 13, 2003 on social employment (amendment) as well as individual programmes of social employment and individual programmes of coming out of homelessness. Within the scope of EQUAL projects, an undertaking was conducted towards Roma people which includes: creation of social cooperatives which act on the benefit, among others, of social integration of this minority in local environment. In Poland 4 Roma social cooperatives have been created – in Olsztyn, Sławno, Szczecinek and Cracow.	
<b>Instruments of active inclusion</b>			
Implementing new actions aimed at active inclusion of social assistance recipients	assessment of implementation	Within the timeframe of 2006-2007 the instrument of ALMP towards social assistance recipients was used – social works. The Minister of Labour and Social Policy within the timeframe of 2006-2007 promoted, within the scope of announced competitions, projects of local governments which made use of social works as an instrument of vocational and social integration. Example:	

		<p>1. 2006 competition. – <i>Social works – good practice of local governments, and Organization of social works – good examples</i></p> <p>2. 2007 competition. – <i>Social works for social housing</i></p>
<b>Activation and integration of disabled persons</b>		
Changes in vocational activation policy of disabled persons [consulting, trainings]	assessment of implementation	On July 30, 2007 the provisions of the act of June 15, 2007 on <i>amending the act on vocational and social rehabilitation and employment of disabled persons as well as amending some other acts</i> , which changed, among others, the wording of Article 41 concerning financing of trainings of disabled persons organised by the employer. Currently on the motion filled by the employer, the costs borne by the employer for training of disabled persons may be refunded from the resources of the Fund up to 90% (75% before). The obligation of employing the disabled person in accordance with the area of training for at least 2 years was dropped as well.
	ratio	<p>Number of refunds of social protection contributions assigned to the employers employing disabled persons.</p> <p>Due to the fact that new regulations concerning social protection contributions refunds have been in force since January 1 2008, there are no data available concerning the number of refunds assigned to the employers employing disabled persons.</p>
Supporting self-employment	assessment of implementation	By the provision of the Act of June 15, 2007 amending the act on social and vocational rehabilitation as well as employment of disabled persons and amending some other acts, Article 12 of the Act on rehabilitation (...) was repealed and Article 12a was introduced, therefore the form of aid was changed into self-employment of disabled persons, that is a loan to be spent on business undertaking also in the agricultural area; or input to social cooperative by a disabled person was changed into a one-time aid assigned for that particular aim only.
Implementing a new act on supporting employment and health and social rehabilitation of disabled persons	assessment of implementation	<i>Assumptions of the act on supporting employment and integration of disabled persons</i> were prepared, however due to the fact that the period of application of EC regulations concerning block exemptions (Commission Regulation (EC) No. 1976/2006 of 20 December 2006 amending Regulations (EC) No. 2204/2002, (EC) No. 70/2001 and (EC) No. 68/2001 as regards the extension of the period of application) was 18 months extended, this way delaying the timeframe of implementation of new solutions within the scope of public aid which shall be in force for many following years as the works on the draft of the <i>act on supporting employment and integration of disabled persons</i> have been delayed.

<b>ACTION 2.3.2. DEVELOPMENT OF PUBLIC-SOCIAL PARTNERSHIP</b>		
<b>Defining the term of social services of general interest</b>		
Developing a clear model of contracting social services of general interest (SSGI)	assessment of implementation	Number of projects realised in public-social partnership  In relation to the fact that the act amending the act on public benefit and volunteer work introducing those new institution has not been enacted, it is not currently possible to identify the number of public-social partnerships
<b>Harmonization of contracting social services of general interest</b>		
Legal harmonization and simplification of the principles of contracting social services	assessment of implementation	The first stage consisted of simplification and harmonization of principles of contracting social services within the scope of vocational and social rehabilitation of disabled persons, which was conducted in July 2007. Introducing further harmonization and simplification of the principles of contracting social services is expected in the draft of the amendment of the act on public benefit and volunteer work, developed by the Ministry of Labour and Social Policy.
<b>Facilitating cooperation of public and non-governmental units in task realisation</b>		
Facilitating creation of public-private partnerships while implementing local projects	ratio	Number of projects realised in public-private partnership  The act on PPP currently in force is not being applied due to excessive preparatory obligations and other burdens, therefore in the inter-resort work group headed by the Deputy Minister of Economy a new draft bill is being developed.
<b>ACTION 2.3.3. DEVELOPMENT OF SOCIAL ECONOMY INSTITUTIONS</b>		
Active forms of countermeasures against social exclusion	ratio	Number of Social Integration Centres  As of the end of 2007, 55 social integration centres created by commune self governments and non-governmental organisations were functioning in Poland. The structure of social integration centres: 60% of the centres were created by non-government organisations, 40% by self government. This trend changed in comparison with the period between 2004 and 2006 as in the initial period commune self governments were main initiators of developing the centres. This situation resulted among others from financial support of ESF.

	ratio	<p>Number of persons covered by the actions of social integration centres</p> <p>Within the period of 2006-2007, having made an assumption that an average group of participants of social and vocational integration classes per social integration centre equals 50 persons one may estimate that at the end of 2007 about 2 500 persons made use of this form of aid. In 2006, according to the data collected because of the monitoring the act on social employment, there were less then 1000 of participants of classes in social integration centres.</p>
	ratio	<p>Percentage of persons covered by the actions of social integration centres, who obtained employment.</p> <p>Ratio of re-employment (the rate of re-employment) of persons who competed in the classes in social integration centres was on average at the level of 60—70%</p>
	ratio	<p>Number of Social Integration Clubs</p> <p>Within the period of 2006-2007 over 300 clubs of social integrations were created. The activities of self-governments (social assistance institutions) and non-governmental organisations were supported by the Minister of Labour and Social Policy through the programme “Active Forms of Countermeasures against Social Exclusion”. The programme in 2007, component I: <i>Strengthening the role of social integration clubs as institutional and active forms of countermeasures against social exclusion</i>, competition: “Social Integration Club in a rural commune”: 59 clubs of social integration were created in Poland. Altogether over 1250 persons were covered by aid within the scope of social and vocational integration. Ratio of persons who undertook employment after completed the classes - 20%</p>
Supporting development of social cooperative movement	ratio	<p>Number of social cooperatives</p> <p>The end of 2007 in the National Court Register: registered 134 social cooperatives</p>
Supporting social economy development	assessment of implementation	<p>Within the period of 2006-2007 the realisation of the ministerial programme “Supporting the Development of Social Entrepreneurship” contributed to the development of a network of units supporting the process of establishing and developing business activity by the unemployed in the formula of social cooperatives. 10 Centres of Social Cooperative Support were functioning in Poland. Moreover, the Ministry of Labour and Social Policy – Department of Social Assistance and Integration participated in realisation of a number of EQUAL projects, among others “Here is work”, on partnership principles.</p>

		<ul style="list-style-type: none"> <li>• <b>Civic Initiatives Fund (FIO) Government Programme</b>  The programme was designed as an undertaking aimed at supporting civic initiatives with participation of non-governmental organisations. Realisation of tasks by non-governmental organisations was aimed at the development of their own activity and support of the principles and forms of cooperation. The programme turned out to be also a support for social economy entities. Moreover, in Area 2 <i>Integration and social activation</i> it has been clearly specified that FIO programme supports activities from social economy area.</li> </ul> <p><u>Area 2. Integration and social activation</u>  <i>a) agreements for vocational activation – initiatives proposing original forms of stimulating activity on the labour market, especially towards groups and individuals in particularly difficult situation on the labour market.</i>  <b>Social economy development.</b>  In <b>2006</b> within the scope of Area 2.b <i>Integration and social activation – agreements towards vocational activation</i> (among them development of social economy) 42 projects were subsidized, which constitutes 5.7 percent of all subsidized projects.  In the priorities of actions specified for the next year of functioning of the Government FIO Programme – <b>2007</b> – the wording concerning tasks for vocational activation has not changed (including development of social economy), 41 projects were subsidized, which constitutes 5.5 percent of all subsidized projects.  In 2008 within the scope of Civic Initiatives Fund actions for development of social economy shall be supported within Area 2. <i>Integration and social activation</i>.</p> <ul style="list-style-type: none"> <li>• <b>Strategy of Support of Civil Society</b>  This is a long-term document aimed at shaping the process of civil society development. Priority 4 which covers 4 actions concerns social economy directly (priority 4, Social Economy, Activities: The third sector as an employer, Developing reciprocal forms in economy, Corporate Social Responsibility, Innovative forms of social economy).  In 2007 Strategy of Support of Civil Society was adjusted to the requirements of State Development Strategy of the Country 2007- 2015.</li> </ul>
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### Monitoring of priority 3: Mobilisation and partnership

Name of the programme	Monitoring form: indicator/ assessment of implementation	Indicator Name
<b>General indicators for priority 3</b>		
Indicator for priority 3	indicator	<p>The percentage of gminas and poviats which have adopted local strategies of solving social problems</p> <p>(2006)</p> <p style="text-align: right;">gminas – 45.4 % poviats – 68.0 %</p> <p>Data based on the <i>Report: Analysis of the Strategy of Solving Social Problems</i>, the Institute for the Development of Social Services, Warsaw 2008.</p>
<b>Implementation of measures</b>		
<b>MEASURE 2.4.1. SOCIAL INCLUSION POLICY PLANNING</b>		
<b>Coordination of social policy planning with development policy planning</b>		
Adopting the Act on Rules for Running the Development Policy	assessment of implementation	<p>The Act on Rules for Running the Development Policy was passed by the Parliament on 6 December 2006. The Act defines entities running the development policy, the cooperation between them, basic instruments for implementing the policy, and indicates sources of their financing. The regulation is necessary, among others, to implement operational programmes, which will be co-financed from the European Union funds in years 2007–2013. It will be also applied to other development programmes.</p>
<b>Opening the process of social inclusion planning</b>		
Promoting the implementation of consultation and cooperation procedures	Assessment of implementation	<p>The preparation of the National Action Plan for Social Inclusion for years 2008–2010 (NAP/Inclusion 2008–2010) takes into consideration wide social consultations. There were consultation meetings that involved representatives of non-government organisations, social partners and the</p>

		academic environment. Furthermore, a separate meeting with representatives of self-governments' authorities was carried out. It was also expected that representatives of the Ministry of Labour and Social Policy would participate in conferences on NAP/Inclusion 2008–2010 organised by European associations of non-governmental organisations (AGE — Platform and EUROCITIES, etc.).
<b>Annual programmes for cooperation of local government bodies with non-governmental organisations</b>		
Facilitating the adoption of programmes for cooperation with non-governmental organisations	assessment of implementation	<p>The Act of 24 April 2003 on Public Benefit and Volunteer Work places an <b>obligation</b> on local government authorities to adopt annual programmes for cooperation with non-governmental organisations.</p> <p>In 2006 cooperation programmes were developed by 100% of the Offices of the Marshal, 86.4% of poviats and 71.9% of gminas. Compared to 2005, there was an increase in the number of programmes adopted by the Offices of the Marshal (93.8%) and poviats (81.5%), and a drop in gminas (73%). The above data suggest that there are measures which intended to develop a stable model of local cooperation between non-governmental organisations and local government bodies. It results in an active 3rd sector contribution to formulating public policies (including the social policy) in gminas, poviats and voivodships.</p>
<b>Educational activities for development of planning process</b>		
Promotion and educational activities supporting self-governments in establishing local strategies	assessment of implementation	Among others, the implementation of the Post-Accession Support Programme for Rural Areas.
<b>Establishing a coherent monitoring and evaluation system</b>		
Establishing and implementing the monitoring and evaluation system	indicator	<p>The percentage of gminas and poviats covered by the system of monitoring and evaluation of the social inclusion processes</p> <p>The system of monitoring and evaluation of the social inclusion processes was supposed to be implemented on the basis of the project financed by the European Commission and submitted within the Community Action Programme to Combat Social Exclusion (2002 – 2-6; Call of proposals VP/2006/012), which finally did not receive financial support and therefore did not reach the implementation phase.</p>

**MEASURE 2.4.2. INTEGRATION AND DEVELOPMENT OF SOCIAL SERVICES**

**Increasing the social services potential**

Increasing the social services potential	indicator	Number of social workers per 1000 social assistance recipients  Number of social workers per 1000 social assistance recipients 3 social workers* (with the actual number of family members as the basis)
	indicator	Number of placement officers employed in local labour offices  in 2005 – 1,653 employment agents in local labour offices in 2006 – 2,041 employment agents in local labour offices in 2007 – 2,281 employment agents in local labour offices
	indicator	Number of employment advisors employed in local labour offices  in 2005 – 601 employment advisors in local labour offices in 2006 – 694 employment advisors in local labour offices in 2007 – 759 employment advisors in local labour offices

**Enhancing the quality of social services**

Development and implementation of coherent educational system for social workers	indicator	The percentage of social workers covered by the educational programme on implementation of professional standards  Measures aimed at support for the social assistance and social inclusion system and measures to modify the system, were included in the Operational Programme Human Capital 2007 – 2013 (OP HC), both in Priority I in Measure 1.2 Systematic support for social assistance and social inclusion institutions – centrally implemented, as well as in Priority VII Promotion of social integration – implemented at the regional level. The project <i>Enhancing the qualifications of social assistance and social inclusion workers</i> launched in 2008, will be continued in the following years of the OP HC implementation. The Project aims at support for workers of social assistance and social inclusion institutions, giving them the possibility to enhance their professional qualifications and skills, free of charge, within the following fields: 1) I and II degree specialisation in the social worker profession; it is forecasted that 1,600 people will participate in the I degree training and 400 people will take part in II degree training in 2008. Workers do
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		<p>not make their own contributions. The Project will be continued in the following years - up to 2013.</p> <ol style="list-style-type: none"> <li>1) Bachelor's degree, Master's degree, Postgraduate Master's degree – in 2008 about 1,000 people. Continuation of the Project in the following years.</li> <li>2) Supervision of social assistance – in the first period of the training 100 workers will be trained.</li> <li>3) Project <i>Street working for groups at risk of social exclusion</i> – training of social workers and selecting street workers to the pilot stage of the training.</li> <li>4) Training of the employees of the social assistance organisational units on the use of POMOST application software – training for about 10,000 people, implementation of the Project foreseen for 2008-2010.</li> </ol> <p>Moreover, Measure 1.2 covers also the implementation of research projects and projects aiming at logistical and methodological support for social assistance and social inclusion institutions by improving the coordination and cooperation system, and the system for transmitting information between the central government and self-government authorities, as well as promotion of good practices, including international ones. Also planned are: trainings on national issues, internships, study visits, including foreign study visits.</p>
<b>Coordination of work between the labour market and social assistance institutions</b>		
<p>Implementation of changes in the regulations strengthening the cooperation between the social assistance and labour market institutions</p>	<p>assessment of implementation</p>	<p>In November 2005 the changes in the Act on employment promotion and labour market institutions introduced a new instrument for active employment policy for the use of social assistance recipients – social work. Activities needed for its application were launched as of 2006.</p> <p>Act of 20 April 2004 on employment promotion and labour market institutions (Dz. U. of 2004, No 49 item 1001 as amended):</p> <ul style="list-style-type: none"> <li>– Enables the staroste to one-time grant from the Labour Fund. This resources are given to the unemployed in the amount determined in the contract for starting a business activity in accordance with the rules set out by the social cooperative, including funds for covering expenditure on legal assistance, consultations and advisory services involved in starting such a activity. The level of aid granted to the unemployed cannot exceed 3 average remunerations per one founding member of the cooperative and</li> </ul>

		<p>2 average remunerations per one member entering the social cooperative after it has been established.</p> <ul style="list-style-type: none"> <li>- Obliges the Local Labour Offices to propose to people, in particular, the most excluded from the labour market, within a period of 6 months from the date of registration, a work offer or another paid work, an internship, a vocational training at his/her work place or employment within the frameworks of intervention works or public works. It is especially for: the unemployed up to 25 years old; long-term unemployed or women who did not resume employment after giving birth to a child; unemployed aged over 50; unemployed without professional qualifications or without secondary education; unemployed single parents with at least one child up to 18 years old; unemployed who did not resume employment after imprisonment, as well as disabled unemployed. Moreover, it obliges the Local Labour Offices to propose to the unemployed, in particular, the most excluded from the labour market, who receive social assistance benefits or implement individual independence programme according to the provisions on social assistance, within the period of 6 months from the date the unemployed lost the right to the unemployment benefit, a work offer or another paid work, an internship, a vocational training at his/her work place or employment within the frameworks of intervention works or public works.</li> <li>- Allows to allocate the Labour Funds resources to financing inclusion benefits granted in accordance with regulations on social employment, and social insurance contributions paid from these benefits. Local Labour Offices have the obligation to pay the social insurance contributions for the participants of trainings in centres of social integration.</li> </ul>
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## Annex 2.5. – Statistical annex for charters 1 and 2

**Table 1.** Growth rate of GDP at constant prices – percentage change over previous year

	2004	2005	2006	2007	2008
<b>EU-27</b>	2,5	1,9	3,1	2,9	2,0f
<b>PL</b>	5,3	3,6	6,2	6,6	5,3f

*f* = forecast

Source: Eurostat, Structural Indicators Database

**Table 2.** GDP per capita in Purchasing Power Standards (PPS), (UE-27=100)

	1997	2001	2005	2006	2007	2008
<b>EU-27</b>	100,0	100,0	100,0	100,0	100,0 f	100,0 f
<b>PL</b>	46,9 e	47,7	51,2	52,4	54,6 f	55,4 f

*f* = forecast, *e* = estimations

Source: Eurostat, Structural Indicators Database

**Table 3.** Disability free life expectancy in Poland (+ life expectancy at 0, 45, 65)

	1991	1995	1999	2003	2004	2005	2006
Male							
Life expectancy at birth	66,1	67,6	68,8	70,5	70,7	70,8	70,9
Life expectancy at 45	25,6	26,7	27,3	28,5	28,6	28,7	28,8
Life expectancy at 65	12,2	12,9	13,3	14,0	14,2	14,4	14,5
Female							
Life expectancy at birth	75,3	76,4	77,5	78,9	79,2	79,4	79,6
Life expectancy at 45	32,7	33,6	34,3	35,4	35,7	35,8	36,0
Life expectancy at 65	15,9	16,6	17,1	18,1	18,4	18,6	18,8

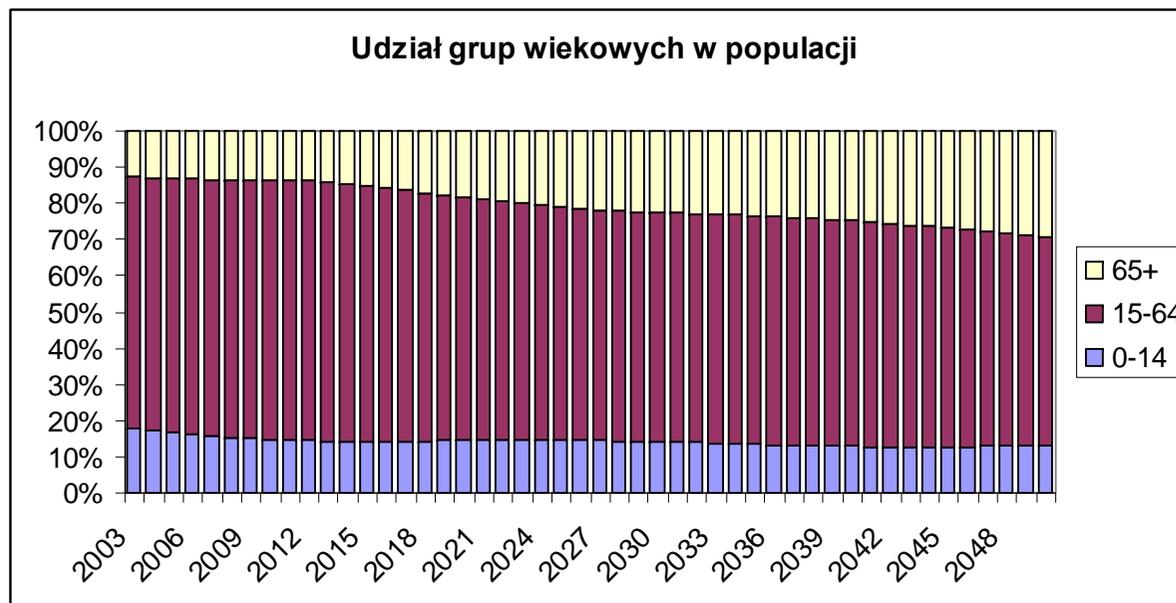
Source: Central Statistical Office.

**Table 4.** Disability free life expectancy in Euro zone countries (+ life expectancy at 0, 45, 65)

	1991	1995	1999	2003	2004
Male					
Life expectancy at birth	73,0	74,0	75,2	76,1	76,8
Life expectancy at 45	31,0	31,7	32,5	33,1	33,7
Life expectancy at 65	15,0	15,5	16,0	16,5	17,1
Female					
Life expectancy at birth	79,9	80,9	81,7	82,0	82,8
Life expectancy at 45	36,6	37,4	38,0	38,2	38,9
Life expectancy at 65	18,8	19,5	20,0	20,2	20,9

Source: Eurostat – Demography.

**Chart 1.** Structure of population by age (2000- 2050)



Source: Eurostat

**Table 5. Activity rates (% of population aged 15-64)**

	2002			2005			2006			2007		
	Total	Male	Female									
<b>EU-27</b>	68,6	76,8	60,4	69,8	77,3	62,4	70,3	77,6	63,0	70,5	77,6	63,3
<b>PL</b>	64,9	70,8	59,1	64,4	70,8	58,1	63,4	70,1	56,8	63,2	70,0	56,5

Source: Eurostat - Labour Force Survey, Annual averages (data for May 21<sup>st</sup> 2008)

**Table 6. Employment rates (people aged 15-64)**

	1999			2002			2005			2006			2007		
	Total	Male	Female												
<b>EU-27</b>	61,8	70,7	53,0	62,4	70,4	54,5	63,5	70,8	56,3	64,5	71,6	57,3	65,4	72,5	58,3
<b>PL</b>	57,5	63,6	51,6	51,7	57,0	46,7	52,8	58,9	46,8	54,5	60,9	48,2	57,0	63,6	50,6

Source: Eurostat - Labour Force Survey, Annual averages (data for May 21<sup>st</sup> 2008)

**Table 7. Employment rates of older workers (aged 55-64)**

	1999			2002			2005			2006			2007		
	Total	Male	Female												
<b>EU-27</b>	36,5	46,9	26,7	38,2	48,2	28,9	42,4	51,6	33,6	43,5	52,7	34,9	44,7	53,9	36,0
<b>PL</b>	32,5	41,8	24,5	26,6	34,9	19,5	27,2	35,9	19,7	28,1	38,4	19,0	29,7	41,4	19,4

Source: Eurostat - Labour Force Survey, Annual averages (data for May 21<sup>st</sup> 2008)

**Table 8. Unemployment rates (people aged 15-64)**

	1999			2002			2005			2006			2007		
	Total	Male	Female												
<b>EU-27</b>	9,1a	8,0a	10,4a	9,0	8,4	9,9	9,0	8,4	9,8	8,3	7,7	0,0	7,2	6,6	7,9
<b>PL</b>	13,6	11,8	13,4	20,2	19,6	21,0	18,0	16,8	19,4	14,0	13,1	15,1	9,7	9,1	10,4

a – EU-25

Source: Eurostat - Labour Force Survey. Annual averages

**Table 9. Youth unemployment rates (people aged 15-24)**

	2002			2005			2006			2007		
	Total	Male	Female									
<b>EU-27</b>	17,9	17,7	18,2	18,6	18,5	18,7	17,3	17,0	17,7	15,5	15,2	15,8
<b>PL</b>	41,6	41,0	42,4	36,9	35,7	38,3	29,8	28,3	31,6	21,7	20,0	23,8

Source: Eurostat - Labour Force Survey. Annual averages (data for May 21<sup>st</sup>, 2008).

**Table 10. Early school-leavers (% of the total population aged 18-24 who have at least lower secondary education and is not in further education or training)**

	2004			2005		
	Total	Male	Female	Total	Male	Female
<b>EU-25</b>	15,4	17,9	12,9	15,1	17,2	13,0
<b>PL</b>	5,7	7,7	3,7	5,5	6,9	64,0

Source: Eurostat - Labour Force Survey. Quarter 2 results

**Table 11. Long-term unemployment rates by gender, selected years (% of the labour force 15+)**

	1999			2002			2005			2006			2007		
	Total	Male	Female												
<b>EU-27</b>	4,1a	3,5a	4,9a	4,0	3,6	4,5	4,1	3,8	4,4	3,7	3,5	4,0	3,1	2,8	3,3
<b>PL</b>	5,8	4,5	7,4	10,9	9,8	12,3	10,3	9,3	11,4	7,8	7,1	8,6	4,9	4,6	5,4

a – EU-25

Source: Eurostat - Labour Force Survey. Annual averages, Indicators Database

**Table 12. Dispersion of regional employment rates\*, selected years**

	1999	2004	2005	2006
<b>EU-27</b>	12,9	12,1	11,9	11,4
<b>PL</b>	4,8	6,4	5,6	5,1

\*Coefficient of variation of employment rates across regions at NUTS2 level

Source: Eurostat - Labour Force Survey. Annual averages

**Table 13. At-risk-of-poverty rate by gender and selected age group (2006)**

	Total population	Children 0-17	People aged 18+			People aged 18-64			People aged 65+		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>EU-25s</b>	16	19	16	15	16	15	14	15	19	16	21
<b>PL</b>	19	26	18	18	17	19	20	19	8	6	9

s = estimated by Eurostat

Source: Źródło: EU-SILC 2006 (income data 2005).

**Table 14.** *At-risk-of-poverty threshold (illustrative values), PPP (2003)*

	One-person household	Two adults with two dep. children
<b>EU-25</b>	7716 s	16204 s
<b>PL</b>	2662 i	5590 i

i = national source harmonised ex-post for maximum consistency with EU-SILC methodology; s = estimated by Eurostat

Source: Eurostat

**Table 15.** *Relative median at-risk-of-poverty gap by gender and selected age group (2003)*

	Total population	Children 0-15 years	People aged 16+			People aged 16-64			People aged 65+		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>EU-25</b>	23 s	24 s	23 s	23 s	22 s	25 s	25 s	25 s	16 s	15 s	16 s
<b>PL</b>	23 i	25 i	23 i	24 i	22 i	23 i	24 i	23 i	15 i	16 i	15 i

i = national source harmonised ex-post for maximum consistency with EU-SILC methodology; s = estimated by Eurostat

Source: Eurostat

**Table 16.** *Inequality of income : S80/S20 income quintile share ratio (2003)*

	2005	2006
<b>EU-25s</b>	4,9	4,8
<b>PLs</b>	6,6	5,6

i = national source harmonised ex-post for maximum consistency with EU-SILC methodology; s = estimated by Eurostat

Source: Eurostat.

**Table 17. At-risk-of-poverty rate by most frequent activity status and by gender and selected age group**

	At work						Not at work											
	Total	Male	Female	At work - Total			Not at work - Total			Unemployed			Retired			Other inactive		
				Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
<b>EU-25s</b>	15	14	16	8	8	7	23	23	23	41	46	36	16	15	17	27	27	27
<b>PL</b>	17	18	16	13	14	11	21	23	20	46	53	41	7	5	8	22	23	21

s = estimated by Eurostat  
 Source: Eurostat, EU SILC.

**Table 18. Adults aged 18-59 living in jobless households**

	2005			2006			2007		
	Ogółem	M	K	Ogółem	M	K	Ogółem	M	K
<b>UE-27e</b>	10,3	9,3	11,2	9,8	8,8	10,8	9,3	8,3	10,3
<b>PL</b>	15,3	14,0	16,6	13,5	12,3	14,6	11,7	10,5	12,8

e = estimations;  
 Source: Eurostat, Labour Force Survey, Quarter 2 results

**Table 19. Social protection benefits by group of functions (as a % of total benefits), (2005)**

	Old age and survivors benefits	Sickness. health care	Disability	Unemployment	Family and children	Housing and social exclusion n.e.c.	Benefits related to death of a family member
<b>EU-27</b>	41,4	28,6	7,9	6,1	8,0	2,2	4,4
<b>PL</b>	54,5	19,9	10,5	2,9	4,4	0,7	5,3

Source: ESSPROSS

**Table 20.** Social protection benefits by group of functions (as a % of GDP ),( 2005)

	Old age and survivors benefits	Sickness. health care	Disability	Unemployment	Family and children	Housing and social exclusion n.e.c.	Benefits related to death of a family member
<b>EU-27</b>	10,9	7,5	2,1	1,6	2,1	0,6	1,2
<b>PL</b>	10,4	3,8	2,0	0,6	0,8	0,1	1,0

Source: ESSPROSS

**Table 21.** Projected total public social expenditures. Total age-related public spending: pension. health care. long-term care. education and unemployment transfers (as a % of GDP) – baseline scenario.

	2004	Changes between 2004-2010	Changes between 2004-2020	Changes between 2004-2030	Changes between 2004-2040	Changes between 2004-2050
<b>EU-25</b>	23,4	-0,7	-0,2	1,5	3,0	3,4
<b>PL</b>	23,7	-3,5	-5,8	-6,1	-6,4	-6,7

Notes: These figures refer to the baseline projections for social security spending on pensions, education and unemployment transfers. For health care and long-term care, the projections refer to “AWG reference scenarios”

**Table 22.** Changes in public expenditures between 2004- 2050 (as a % of GDP)

	Old age and survivors benefits <sup>a</sup>		Sickness. health care		Long-term health care		Unemployment benefits		Education		Total
	2004	2050	2004	2050	2004	2050	2004	2050	2004	2050	2050
<b>EU 25</b>	10,6	2,2	6,4	1,6	0,9	0,6	0,9	-0,3	4,6	-0,6	3,4
<b>PL</b>	13,9	-5,9	4,1	1,4	0,1	0,1	0,5	-0,4	5,0	-1,9	-6,7

<sup>a</sup> = without expenditures from capital part of the system

Source: „The impact of ageing ...”, European Commission. Economic Committee. Brussels 2006

**Table 23.** At-risk-of-poverty rate before social transfers by gender and selected age group

	Population Total	Children aged 0-18			People aged 18-64			People aged 65 +		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Before all social transfers except old-age/survivors' pensions										
<b>EU-25s</b>	26	33	33	34	24	24	25	23	20	25
<b>PL</b>	29	36	36	37	30	31	28	12	9	13
Before all social transfers including old-age/survivors' pensions										
<b>EU-25s</b>	16	19	19	19	15	14	15	19	16	21
<b>PL</b>	19	26	25	28	19	20	18	8	6	9

s = estimated by Eurostat

Source: Eurostat, EU SILC 2006 (income data 2005).

**Table 24.** Net income of social assistance recipients as % of the at-risk of poverty rate threshold for 3 jobless households types

	Single person	Lone parent. two children	Married couple. two children
<b>PL</b>	88,5	100,6	103,5

Source: ESSPROSS

**Table 25.** General government debt - General government consolidated gross debt as a percentage of GDP

	2004	2005	2006	2007
<b>EU-27</b>	62,1	62,6	61,3	58,7
<b>PL</b>	45,7	47,1	47,6	45,2

Source: Eurostat, Indicators database

**Table 26.** Projected evolution of debt levels up to 2050 (as % of GDP) \*

	<b>PL</b>
<b>2005</b>	42,5
<b>2010</b>	51,3
<b>2030</b>	6,2
<b>2050</b>	-76,3
<i>2005 Budget scenario</i>	
<b>2010</b>	53,2
<b>2030</b>	20,0
<b>2050</b>	-42,5

Source: European Commission

\* Long-term projections. with a high level of uncertainty

**Table 27.** At-risk-of-poverty rate by household type (2006)

	<b>Households without dependent children</b>						<b>Households with dependent children</b>				
	Total	One-person households					Total	Single parents	Two-adult households		
		Total	Male	Female	Aged < 65 years	Aged 65+ years			1 dep. child	2 dep. children	3+ dep. children
<b>UE-25s</b>	15	24	22	25	22	26	17	32	12	14	24
<b>PL</b>	12	16	27	11	24	8	23	32	14	21	38

s = estimated by Eurostat

Source: Eurostat., EU SILC 2006 (income data 2005).

**Table 28.** *At-risk-of-poverty rate by accommodation tenure status*

	2001		2006	
	Właściciele	Najemcy	Właściciele	Najemcy
<b>UE-25</b>	11	24	14s	23s
<b>PL</b>	16i	16i	19	21

i = national source harmonised ex-post for maximum consistency with EU-SILC methodology; s = estimated by Eurostat

Source: Eurostat

**Table 29.** *Persons with low educational attainment by age and gender, 2006 (% of total population in the relevant age group)*

	25-34 years			35-44 years			45-54 years			55-64 years			65+ years			25-64 years		
	Total	Male	Female	Total	Male	Female	Total	Male	Female									
<b>EU-25</b>	22,0	20,5	23,5	27,5	27,9	27,1	33,4	36,5	30,2	44,2	50,2	38,2	66,1	73,1	56,4	31,1	32,9	29,2
<b>PL</b>	8,3	7,7	8,8	10,5	10,6	10,4	16,5	17,3	15,7	30,3	34,0	26,0	58,3	64,8	47,6	15,4	16,5	14,3

Source: Eurostat, Labour Force Survey – Quarter 2 results

## Part 3 – National Pension Strategy

### *3.1. Implementation of objectives set out in the National Pension Strategy in 2005 and the current challenges*

The major objective set out in the National Pension Strategy for 2005 covers the completion of the pension reform and in the long-term – the achievement of financial stability of the social insurance system. It required preparation of payments of retirement benefits from the funded system, elimination of the possibility for early retirement and introduction of „bridge pensions” for people born between 1949 and 1968 who worked in special conditions or had jobs of specific nature.

The above objectives were not fully implemented, mainly due to the changing political situation. Since 2005 to 2008 Poland witnessed two Parliamentary elections and four changes of the government. Before the elections in 2005 the Parliament decided to introduce significant changes in the old age pensions system, as it excluded miners from the new retirement system and preserved their retirement entitlements (both as regards the retirement age and the method of calculating of pensions of the similar level to the old pension system). The change should be considered as unfavourable from the perspective of financial stability of the pension system, and because it stands in the opposition to the assumptions of the pension reform, which planned to create a uniform retirement occupational system. Below we present a comparison of changes, which took place in the pension in 2005-2008.

#### A. Prolonging until the end of 2008 the possibility to obtain entitlements to the early retirement for people born between 1949-1968

According to initial assumptions, the entitlement to early retirement under the old pension system was granted to people who would meet the conditions and was supposed to be kept until the end of 2006. After that date, the system was to be applicable to people working in special conditions or in posts of specific nature with the list of conditions and posts to be defined anew. However, the deadline was postponed twice. First, before the parliamentary elections in 2005 it was put off until the end of 2007, and then before another parliamentary elections in 2007 it was postponed for one more year until the end of 2008. In accordance with adopted rules the possibility to obtain entitlements to the early retirement shall be definitely eliminated by the end of this deadline.

In return, people who worked in special conditions or in posts of specific nature before 1999, will be given the possibility to use the so-called bridge pensions in accordance with the criteria defined by experts of occupational medicine.

Under the present law:

- People employed in special conditions or in posts of specific nature who worked in the above mentioned conditions for at least 15 years and whose overall length of insurance is 25 years, and
- Women who have been insured for at least 30 years;

can go for early retirement at least five years before the statutory retirement age. In 2008 due to the implementation of the Constitutional Court judgment, the group of people entitled to early retirement was extended by men born before 1949 who completed 60 years of age and

who can prove 35 years of contributory and non-contributory periods. It concerns people born before 1 January 1949, hence those who are covered by the old pension system.

No revision of the fixed, not applicable to the XXI century economy, list of people entitled to early retirement, as well as prolongation of these rules for granting pension benefits causes the increase in the pension deficit in comparison to the forecasts from 2005.

#### B. Excluding miners from the new pension system

In 2005 an amendment was made to the retirement provisions for miners. In result, miners, though still being a part of the occupational pension system, gained a right to early retirement and to have their old-age pension calculated on the basis of the previous defined benefit formula. Hence, they were excluded from the new pension system. In comparison to the rules existing until now, the group of people entitled to early retirement was limited to people working underground.

#### C. Changes related to retirement benefits indexation

The year 2007 faced another change of a significant parameter defining the operation of the system – i.e. the valorisation indicator. The index of the valorisation of pension benefits became dependant not only on the growth of prices of consumer goods and services in the preceding year but also was enriched by an element dependant on the real growth of the average salary in the previous calendar year. Indexation of benefits done on a yearly basis was also re-established.

The valorisation indicator is the average annual growth of consumer goods and services prices in the previous calendar year increased by at least 20% of the real growth of the average salary in the previous calendar year. The valorisation of at least 20% of the real growth of the average salary is subject to negotiations within the frameworks of the Trilateral Commission for Social and Economic Affairs.

Negotiations of the valorisation indicator in accordance with statutory timetable take place in the year in which the valorisation takes place, hence after passing the Budget Act. As a result, it is not possible to establish the indicator at a higher level than the one specified in the Budget Act, which makes it impossible to carry out the planned negotiations and, hence, rises concerns on the social part of the Trilateral Commission. According to the Commission's finding, a draft was developed to amend the mechanism of indicator negotiations so as to make them possible already on the stage of developing assumptions for the national financial plan for the next year.

Increase in the valorisation indicator and more frequent valorisations cause an increase in the system deficit in comparison to the forecasts from 2005.

Simulation of the overall impact of changes resulting in increased expenditure on pensions is presented in Annex 3.1.

#### D. Changes in social insurance contributions

In 2007 the level of disability pension insurance contribution was changed. From 1999 the contributions for this insurance was 13% of the gross salary. They were paid in equal parts by an employee and an employer. Since July 2007 the contribution was lowered to 10% of salary (from which the employer paid 6.5 percentage points and the employee – 3.5 pp). Since 1 January 2008 the contribution rate is 6% from which the employer pays 4.5 percentage points and the employee – 1.5% of the gross remuneration. The change resulted in lower level of contributions inflow from the disability pension insurance, which in turn led to growth of the deficit of the Social Insurance Fund.

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The process of the implementation of the new pension system still remains an up to date challenge, which shall be achieved through setting up a payment system to convert savings from open pension funds into safe life annuities. In 2008 the government sent to the Parliament two drafts of the bills on the future funded pensions and the organisation of payout market.

Regarding the funded component of the pension system it will be also important to develop a so-called multi-funds system, which will enable the members of open pension funds to choose portfolios that meet their preferred level of investment risk.

Moreover, one should focus on the changes that ought to take place in the agriculture social insurance fund; amongst others – linking the value of contributions to the income of agricultural households. It is also necessary to conduct an analysis of the functioning of the security provision system for armed forces.

A significant challenge for Poland is, in a long-term perspective, to ensure stable financing of pensions with simultaneous monitoring of the appropriateness of benefits in the future. One of the directions of actions needed to achieve this objective, is to increase the employment rate for persons aged over 50, and for the disabled .

### ***3.2. Review of common pension goals in the context of national policy***

From the perspective of common goals' implementation, the way of functioning of pension system corresponds with the measures undertaken by the current government. Furthermore, the Trilateral Commission for Social and Economic Affairs has adopted an act on common talks that concern the most important socio-economic issues with building the coherent pension system being assumed to be also one of them. Measures undertaken in the nearest future will also involve the initiatives that will result from agreements concluded with the social partners.

#### **3.2.1. Adequacy of pension systems**

##### **Goals of pension policy**

New pension system, based on the principle of defined contribution, links the amount of future benefits on the contributions paid during all professional career and the average life expectancy at the moment of retirement<sup>30</sup>. Rate of return on pension accounts depends on the labour market situation which has impact on the changes of revenue from contributions and also on the rates of return from equity investments.

As a consequence, future pension will depend on the number and the value of contributions paid<sup>31</sup> during the working life and it will promote longer working careers<sup>32</sup>. At the same time, due to the rules of retirement pension accounts' functioning, the insured participate in the

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<sup>30</sup> Resulting from the current unisex life tables announced annually by the president of Central Statistical Office.

<sup>31</sup> In the case of insured persons whose contributions are paid by their employers, as a rule, it is the record of pension contribution due kept in the retirement account and not the actually paid contribution, that is subject to valorisation.

<sup>32</sup> It is estimated that postponing the moment of retirement by one year may result in benefit increase of 6-10%.

benefits of country's economic growth (labour market and capital market). The formula of the calculation of the future pension makes its value conditional on further life expectancy, which allows equal burdening of the demographic risk between present and future generations.

The existing minimum pension guarantee is a crucial element of intergenerational solidarity and adequacy of benefits<sup>33</sup>. In the old pension system (covering persons born before 1949) and in the agricultural one this pension is directly financed from the pension insurance system. In the new pension system the minimum retirement guarantee shall be financed by state budget and shall be paid when total value obtained from mandatory old-age pension system is lower than the minimum. Thus, the functions of old-age pension system understood as an organized and mandatory savings scheme for old-age (within two accounts) are separated from the state's function of income redistribution. The redistribution is funded from the budget implying then that all tax payers participate in this process.

The pension scheme guarantee is supplemented by a minimum level of income stipulated in the social assistance system, below which each citizen is entitled to benefits from the social assistance.

The reform of the pension system implemented the rule that the value of contributions, in vein as the value of benefits earlier, are levied up to 250% of the average annual salary (that is the amount of 30 average monthly compensations). That means that persons with higher incomes can expect relatively lower benefits in relation to their earnings. On the other hand, after 1999 their net income has increased due to the implementation of the ceiling on the social insurance contributions base. These funds can be a source of additional, voluntary pension savings so that these persons can obtain higher income while retiring in the future.

Together with the guarantees described above, the functioning of a pension system allows lowering the risk of poverty among the elderly, which is one of the retirement scheme goals.

### **The present situation: pension policy instruments and achievement of goals**

*The scope of the extreme poverty (minimum of existence) in the families of retirees and disability pensioners*

The families of retirees are in a relatively better situation than families in Poland altogether. In 2007 the poverty measured by the level of the minimum standard of living<sup>34</sup> affected 4.0% of all families of pensioners and this ratio improved compared to the previous year (4.6%). The respective rates for all families amounted to 6.6% and 7.8%. The families of disability pensioners for whom the poverty rates were higher than average and reached 11.3% in 2007 and 12.2% in 2006 were in worse situation.

It must be emphasized that Poland has one of the lowest poverty risk rates among persons of 65 years and more in comparison with EU-25 where this value is 7.8%.

*The minimum pension*

The basic aim for each pension system is to provide persons that finished their professional activity due to their age with means for living. Polish pension scheme guarantees the minimum pension and minimum disability pension to persons that possess the required years

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<sup>33</sup> The minimum retirement guarantee shall include persons who will have insurance period (20 years for women and 25 years for men).

<sup>34</sup> Extreme poverty (minimum of existence) can be observed when the income of a particular household is lower than the one that allows purchasing basic products and services. The minimum standard of living is estimated by Institute for Labour and Social Policy.

of service but did not receive high salaries during their professional careers. A person who reached statutory retirement age (60 years – woman and 65 years - man) and has a required length of insurance (20 years – woman and 25 – man) is entitled to the minimum pension benefit. If the insured person obtains from first and second pillars a pension lower than the minimum pension, his or her benefits will be raised to the level of a minimum pension. Since 2008 the minimum pension benefit amounted to PLN 636.29 (56.5% of the lowest monthly salary) and has been valorised in the same way as remaining pensions and disability pensions paid from the Social Insurance Fund (FUS). The lowest disability pension (for persons partially incapacitated for work) amounts to PLN 489.44. Similarly to other incomes, the lowest pensions and disability pensions are taxed with personal income tax and subject to the mandatory health insurance contributions.

In the period between 2005 and 2007 the lowest pension kept at the level of 23.8% - 22.2% of an average salary. The mechanism of valorisation of these benefits that has been adopted means that this relation will continue to decrease in the future. That is why during the talks within the Trilateral Commission it was agreed that the government, together with social partners, would establish a new mechanism of setting the minimum pensions and disability pensions so that these benefits could provide a sufficient protection against the poverty risk in the future.

#### *Supplementary allowances to pensions*

A person entitled to an old-age pension or other pension, who has been recognized as completely incapacitated for work and unfit for independent existence or who attained the age of 75 shall receive an amount of the care allowance that in 2008 accounts for PLN 163.15 per month. Allowances are subject to valorisation on the principles specified for pensions.

There are also other allowances and concessions for the elderly and persons with disabilities. Many of them are funded from regional budgets, for example the public transport concessions, concessions in cultural institutions, etc.

The poorest pensioners can apply for social assistance benefits. Persons whose incomes do not meet the income criterion, can obtain a permanent benefit increasing net income due to their age or disability. In the case of a person living alone the net income can be increased up to PLN 477 while in the case of a person living with family – up to PLN 355. Temporary problems can be supported by the provisional benefit, level of which is determined by the difference between the level of income criterion and the actual income of a person applying for this benefit. Furthermore, single support aimed at persons suffering due to unforeseeable circumstances or a natural disaster is offered.

Moreover, the social assistance provides with care allowances and benefits to persons who are ill and are living alone. In exceptional circumstances, institutional care in social assistance facilities is offered.

Pensioners with low incomes who experience difficulties with paying housing charges can apply for a housing allowance. The amount of the allowance depends on the individual situation of a beneficiary and is granted in accordance with the detailed criteria (referring to incomes, the level of spending on house and the standards of a size of a house), and the amount of the allowance is transferred to the accounts of entities which administer the flats.

#### *One time supplement to pensions*

Due to the nonfeasance of annual valorisation of pensions for years 2005-2007 a new instrument was introduced. It constituted single allowances for these pensioners who would received low benefits. In 2005 it was a single payment of PLN 100 or PLN 75 to persons

receiving benefits not exceeding the lowest pension. Also, a single allowance for persons with lowest benefits was paid, which value was 10% of the difference between the net income of a beneficiary in previous year and the amount of PLN 9,600.

In 2007 a single support grant was paid to beneficiaries receiving the lowest benefits. Its value was:

- 1) PLN 420 – if the benefit to which the person concerned is entitled did not exceed the amount of PLN 600;
- 2) PLN 310 – if the benefit to which the person concerned is entitled was higher than PLN 600 but did not exceed the amount of PLN 800;
- 3) PLN 180 – if the benefit to which the person concerned is entitled is higher than PLN 800 but does not exceed the amount of PLN 1,000;
- 4) PLN 140 – if the benefit to which the person concerned is entitled is higher than PLN 1,000 but does not exceed the amount of PLN 1,200;

Due to the restoring annual valorisation of pensions the use of this instrument is not planned for the following years.

#### *Participation in the pension system*

Both pension systems functioning in Poland (common one – for employees and persons with non-agricultural activities and the agricultural) are commonly available and compulsory. Currently almost all professionally active persons participate in one of the forms of common social insurance system. Such situation should remain the same in future.

In the case of periods when a person is not employed such as: parental leave, maternity leave, the period of taking care of disabled members of family including children, unemployment (during the time of receiving unemployment benefit) or compulsory military service, the pension contributions are funded from the state budget. It means that persons with career breaks caused by the reasons specified above do not lose their retirement pension rights.

However, a considerable number of economically inactive persons who are not covered by social insurance is still a problem. Thus, their vocational development is necessary not only from the perspective of improving financial stability but also because of the need to protect their adequate incomes after finishing their professional activity. In result, such a measure aims also at limiting poverty risk of the elderly in the future.

#### *Survivors' pensions*

Survivors' pensions play a crucial role in the Polish pension system in providing adequate incomes, particularly to widows. Widows often prefer to use survivors' pensions after the death of husband if it provides them with higher benefits than their own old-age pension. Such a situation is caused by shorter insurance periods of women and their lower compensations. As a consequence, around 83% women using survivors' pensions are older than 50, whereas only 15% of men at the same age receive such benefits.

#### *Development of funded part of mandatory old-age pension system*

To secure adequate pensions in the future it is also important to have good performance of open pension funds. In the future the following factors will influence the maximization of open pension funds' results:

- 1) further privatisation process of enterprises owned by the State Treasury,

- 2) development of regulated securities markets by making new private companies publicly accessible as well as by attracting foreign issuers,
- 3) stimulation of corporate debt instruments market development
- 4) enabling the increase of geographical diversification of portfolios ,
- 5) implementing the possibility to vary open pension fund investment portfolios depending on the preferred risk level of the insured and adjusting to these changes of the guarantee system and payments to the benefit of pension managing companies.

Measures aimed at extending the investment options of pension funds should at the same time favour the increase in investment effectiveness of voluntary retirement savings (also occupational pension schemes, PPEs and individual retirement accounts, IKEs).

The second element related to providing adequate retirement in the future is to establish an effective system of pension payments from the means accumulated in open pension funds. To achieve it, the following issues are specified in the bills directed to the parliament:

- containment of costs of functioning of funded pension system by banning active acquisition of clients of future life annuity funds (providers);
- products' standardisation, individual life annuities and maintaining protection guarantee in case of a breadwinner's death within the survivors' pension system;
- provision for valorisation of life annuities by share in profits from investment of life annuities funds at the minimum level of 90%.
- statutory obligation for life annuity funds to offer benefits calculated irrespective of the sex of a retiree and to establish calculation mechanism which ensures appropriate life annuities funds reserves at the same time.

#### *Forms of voluntary savings*

Establishment of a system of special incentives and preferences allows Poland to support voluntary savings for retirement in the form of occupational pension schemes and individual retirement accounts. First occupational pension schemes were established in 1999 and individual retirement accounts in 2004.

Even though occupational pension schemes take advantage of a range of incentives, they are still not as popular as in the countries with longer insurance tradition. Moreover, recent difficult economic situation and limited possibilities of saving in the Polish society had an adverse effect on occupational pension schemes' development. In September 2004 only 100 thousand of persons were members of occupational pension schemes.

In 2007, 82 applications for the registration of occupational pension schemes were tabled. For comparison - in 2006 it was 50 employers who applied for schemes registration. The observed increase in the interest in establishing programmes can be related to the good economic situation and improvement of the labour market situation. These factors should further influence the situation on occupational pension schemes market as employers will be forced to look for instruments improving their competitiveness in the view of decreasing unemployment and problems in the field of skilled workforce.

As of the end of 2007 there were 1,019 occupational pension schemes (an increase by 3%) including 312,000 employees (increase by 11%). Occupational pension schemes gathered assets of PLN 3.8 billion (increase by 36%).

Individual retirement account (IKE) is an account that allows additional savings for retirement without the obligation to pay capital gain income tax. Savings in the individual retirement allow gathering funds that will supplement pension income from the state system. Individual retirement accounts can be opened with: investment fund, life insurance company, brokerage house and bank. Payments made to the individual retirement account during the calendar year cannot exceed the amount of half of an average monthly salary in national economy for a given year (in 2007 the average monthly salary was PLN 3,697).

During first four months of functioning individual retirement accounts (September – December 2004) 175.5 thousand persons opened such accounts. In this period an estimated value of payments made to individual retirement account amounted to approximately PLN 200 million. Year 2006 was the best in respect of opening new individual retirement accounts (the number of operating accounts increased by 96.38% as compared to 2005). At the end of December 2007 over 915.4 thousand of accounts were in force and the value of funds kept on these accounts amounted to over PLN 1.864.5 million (75% fewer new accounts were opened in 2007 in comparison to 2006).

### 3.2.2. Financial stability of pension systems

#### **Goals of current policy**

Lack of financial stability of social insurance system and a significant subsidies to the Social Insurance Fund (FUS) as well as to the Agricultural Social Insurance Fund (KRUS) constitute the major challenge for current policy, in particular in the context of growing public debt and the deficit of public finance sector system.

Particularly crucial for the improvement of financial stability of employees' insurance system is the expansion of the contribution base understood as an increase in employment and productivity. The current high level of social insurance contributions brings about to the situation where Poland has one of the highest levels of levies and quasi-fiscal compensations, i.e. the so-called tax wedge. It influences both labour demand and labour supply.

The measures that are being undertaken are aimed to limit the level of contributions as well as to change the way the society perceives their character. In 2007 the disability insurance contribution was lowered. The reason was, amongst the others, the decreasing number of persons receiving disability pensions, and – in the consequence – lower expenses allocated for this purpose. However, the scale of cutting down the contributions was bigger than the fall of expenses, which means an increase in the Social Insurance Fund's (FUS) deficit.

The formula of a new pension introduces<sup>35</sup> a direct relation between the amount of the contribution paid in and the amount of a benefit received. A pension contribution is not seen as a "social tax" but as a kind of investment for the old age. It means that in future the pension system liabilities will be closely connected to the level of inflowing contributions. That will limit the necessity of permanent funding of this system from taxes within the state's budget.

At the same time, the labour market policy priority is to increase the employment rate among all age groups, and in particular, the groups of the youngest and the oldest employees where the biggest decline in employment has been observed during last ten years.

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<sup>35</sup> It also concerns principles that are expected to be in force for payment of benefits from the financial part of a public system.

There is a need to undertake measures aimed at promoting additional, voluntary forms of retirement protection. The initiatives that have been undertaken so far deserve further development and support in the form of systemic incentives.

A major challenge in the area of farmers' social insurance is to increase the role of contributions in funding pension benefits by implementing the principle of linking the value of contributions with the income of the farm. At the same time, current subvention system to agriculture pensions should be better targeted, particularly to the poorest farmers who cannot finance their contributions at the level sufficient for future benefits.

### **Current situation**

In Poland expenditures on pensions constitute a significant part of public finance sector. Expenses on the benefits from the Social Insurance Fund (FUS) reached 10.1% of GDP in 2007 with expenditures on pensions – 9.2% of GDP. Expenditures on pensions from the Agricultural Social Insurance Fund (KRUS) 1.4% of GDP, and expenses equal 0.9% of GDP paid for security provision. Thus, total public expenses on pensions amounted to almost 11.5% of GDP.

In Poland social insurance systems are not financed only from contributions. Subsidies to social insurance and security provision funds are also a crucial element in a state's budgetary expenses structure. In 2007 a subsidy to benefits paid from the Social Insurance Fund (FUS) amounted to 17% of state budget expenditures and a subsidy to the Agricultural Social Insurance Fund (KRUS) amounted to 6.2% of these expenses. Share of old-age pension's benefits from security provision in budgetary expenses amounted to 4.1%. Therefore, more than one fourth of the state budget expenditures is related to financing pensions. In 2007 the negative trend, that has been observed for several years, manifesting itself in decreasing share of contributions in financing expenditures from the FUS has been reversed, mainly due to improved situation in the labour market which resulted in more insured persons and in increased value of social insurance contribution base. In 2008 the share of contributions in financing the expenditures is expected to fall again due to reduction in the level of disability insurance contribution.

#### *Financing benefits within the occupational system*

A substantial burden to the pension system finance, and consequently to the state budget (which makes up the deficit), comes from making up for the deficit in the Social Insurance Fund (FUS) that arises from transferring part of pension contributions to open pension funds. Due to this, in 2005 the state budget reimbursement reached PLN 12.6 billion, in 2006 – PLN 14.9 billion and in 2007 – PLN 16.2 billion.

Furthermore, the imbalance between expenses on benefits and revenues from contributions remains at the same level, which requires additional subsidy form state budget. This subsidy in 2005 amounted to PLN 16.5 billion, in 2006 – PLN 21.0 billion and in 2007 – PLN 23.6 billion. Thus, it significantly exceeded the deficit that resulted from transferring the contributions to the open pension fund. In the following years the deficit in funding the pension benefits is expected to remain at the same level, which means the necessity of further state budgetary subsidies for the scheme.

The new pension scheme that entered into force on 1 January 1999 leads to the limitation of pension scheme insolvency risk in a long perspective by adjusting it to demographic and socio-economic changes.

Since 1 January 1999 the compulsory pension contribution has been divided into two parts: non-financial – governed by the ZUS and financial – governed by private institutions –

[pension](#) managing societies. Thus, in a new pension system there are two accounts run for each insured person: first in the ZUS and the second in the open pension fund.

Pensions from a new scheme will be paid from 1 January 2009. In first decades the valorised initial capital, being the representation of retirement entitlements acquired until the end of 1998, will play a significant role in the value of pensions. Pensions from the new system, including funded pensions, will start playing substantial role only in several dozen of years' time, when the period of paying contributions, including open pension funds, will be long enough. Until 31 December 2008 there are granted only pensions from the old scheme. Since the pension is a benefit that is being paid for a dozen or even for several dozens years, the principles of calculating these benefits will determine the Social Insurance Fund (FUS) expenses for the nearest decades. Expenses on pensions in Poland will still constitute an essential part of public finance sector.

In 2007 PLN 89.3 billion of contributions and related duties were transferred to the Social Insurance Fund (FUS). In the same year expenses on cash benefits amounted to PLN 118.0 billion (97.2% of total Social Insurance Fund expenses), with PLN 73.7 billion being the expenditures of the Pension Fund. From among PLN 40.3 billion non-contributory incomes of the Social Insurance Fund (FUS) supplementary subsidy accounted for PLN 23.7 billion, whereas, other incomes accounted for PLN 16.4 (reimbursement due to transferring the contributions to the open pension fund accounted for PLN 16.2 billion).

As expected, pension benefits funding deficit will remain at the same level in the following years, which means the necessity of state budgetary subsidies for the scheme. In 2008 according to the forecast prepared by the ZUS<sup>36</sup>, the annual balance of the Pension Fund (the difference between revenues from contributions and Fund's expenses) accounts for 11.2% of annual amount of the basis of contributions for the Pension Fund, while in 2050 this difference may reach 3.5% of this amount.

The following changes made in the period 2005-2007 had an influence on the increase in expenses and decrease in revenues of the Social Insurance Fund (FUS):

#### A. Prolonging the possibility of early retirement till the end of 2008

Prolonging the possibility of early retirement till the end of 2008 will increase expenses on pension benefits. The implemented changes did not either contributed to counteracting the economic results of aging population. In accordance with government plans the principles that are introduce bridge pensions for persons working in special conditions or carrying out work of a special character will be implemented only after 2009. It is estimated that prolonging entitlements to early retirement by a year will result in the increase of expenditures on pensions in the nearest few years, given that these effects will be mostly evident in years 2007-2009 when the concerned persons will additionally use these rights (the impact of these changes on the expenses on pension will gradually decrease in the following years). Furthermore, in 2007 over double increase in the number of newly granted pensions was observed (from 104 thousand in 2006 to 215 thousand in 2007). The rise resulted from prolonging the period in which pension entitlements might still have been used by many persons who were erroneously afraid of losing entitlements in the following years.

#### B. Excluding miners from new pension system

An increase of the expenditures on pensions due to retaining retirement privileges for miners is estimated at 0.25-0.3% of GDP annually.

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<sup>36</sup> According to the first version of the forecast prepared by the ZUS: ZUS, Department of Statistics *Forecast for inflows and expenses of a retirement pension fund till 2050* Warsaw, December 2006.

### C. Changes in benefits valorisation

Changes in valorisation of benefits result in additional state budgetary expenses. Implementing annual valorisation of pensions makes additional subsidy higher. It is estimated that increased state budgetary subsidy to the Social Insurance Fund (FUS) due to new valorisation principles will amount in 2008 to approximately PLN 4.4 billion, in 2009 – PLN 2.6 billion and in 2010 – PLN 5.3 billion<sup>37</sup>.

The total influence of changes discussed in points A-C is presented in Annex 3.1. As a consequence of regulations being implemented, the annual expenses on pensions increased by around 0.5% GDP.

Moreover, other changes were implemented in 2007 and 2008, which has influenced Social Insurance Fund (FUS) revenues and expenses. The major changes are as follows:

### D. Changes of disability pension insurance contributions' interest rate.

Given the fact that the Social Insurance Fund (FUS) deficit remained at the same level, this change limiting the level of the tax wedge increased the FUS deficit. The total loss due to revenues from the contributions that resulted from changes implemented in 2007 was calculated at PLN 3.5 billion, in 2008 - PLN 20.1 billion, in 2009 – PLN 22.6 billion.

### E. Implementing the possibility of retirement for 60 years old men with at least 35 years of working period.

As a consequence of the Constitutional Court decision, it was necessary to provide in regulations of the old pension system for the possibility of early retirement of men who attained 60 years of age and a required length of insurance of at least 35 years - a solution similar to the issue concerning women. This privilege will include men born in the years 1944-1948. The use of this entitlement is estimated to increase expenses on old-age pensions by PLN 1.1 billion in 2008, PLN 1.9 billion in 2009 and PLN 1.8 billion in 2010. The financial effects of the implemented change should gradually decrease in the following years.

### *Financing benefits in the agricultural system*

Similarly to the Social Insurance Fund (FUS), a Old Age Pension and Pension Fund is a separate state fund aimed at funding agricultural old-age pension and pension benefits. Pension Fund's revenues consist of contributions from the insured and of state budgetary supplementary subsidy and targeted subsidy. In recent years state budgetary subsidy to the Pension Fund has remained at a similar level of approximately PLN 15 billion, that is 1.2 % of GDP (in 2007 - PLN 14.7).

The farmers' social insurance system is a demographically old scheme with the number of insured persons lower than the number of retired persons and pensioners. Among others, it is caused by decreasing share of the agricultural sector employment in the overall number of employed. The trend of worsening the age dependency ratio has been stopped in recent years (relation between the number of retired persons and pensioners and the number of persons paying contributions). The number of insured persons increased from 1.3 million in 1996 to 1.6 million in 2007, whereas, the number of beneficiaries was decreasing from 2 million to 1.53 million in the same period.

Not implementing legislative changes, that have been proposed for many years, in the farmers' pension insurance scheme has resulted in retaining pension fund income structure

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<sup>37</sup> In accordance with the calculations from March 2007 based on macroeconomic assumptions accepted at that time. The financial results of valorisation mechanism changes depend on the increase in salaries and price changes. Therefore, the actual effect can significantly differ from the calculations submitted.

that is unfavourable for the state budget. Present regulations that concern the farmers' pension insurance system have been binding since 1991. Despite numerous economic and social changes in the country, the farmers' pension system has remained unchanged. Today, irrespective of incomes arising from activities, all insured farmers pay identical pension insurance contribution. In spite of the fact that the lowest pension in the agricultural scheme is the same as the one in the common occupational system, the old-age pension and disability pension contribution is several times lower than the employees' pension contribution. In 2007 an average monthly agricultural pension was PLN 732.2 (and all old-age pensions paid by the Agricultural Social Insurance Fund (KRUS) together with benefits paid at the same time as common system benefits amounted to PLN 852.2), whereas, an average monthly Social Insurance Fund (FUS) old-age pension – PLN 1.346.42.

Thus, it is necessary to undertake measures aimed at reforming the farmers' pension system. Above all, a contribution for pensions should depend on income and should be paid on the basis similar to the ones binding for the self-employed. The subsidy should be aimed at farmers who need support in financing their contribution. Furthermore, establishing principles favouring labour mobility and the transfer of employees from agricultural to non-agricultural sector is necessary. What is more, it is a challenge for the state pension system's coordination. It requires such modifications in the farmers' social insurance system that would not ossify the present labour market situation. Moreover, it is essential to implement changes aimed at a precise specification of the legal status of the Agricultural Social Insurance Fund (KRUS) and its financial structure simplification.

#### **Forecasts and challenges for the future**

According to a variant of the forecast on pension fund's revenues and expenditures<sup>38</sup> prepared by the Social Insurance Institution in 2006, one can observe deepening of annual deficits of the Pension Fund expressed in the amounts discounted for 2005 during the forecast period lasting from 2013 for the first two variants and from 2015 for the third variant until 2027 (the assumed inflation rate was adopted as the discount rate). In each of the variants, the Pension Fund demonstrates negative annual balance by the end of the forecast perspective. The results of the forecast point to the risk of long-lasting, and increasing in the short and medium term, involvement of the state budget in the financing of the payout of pension benefits. The improvement of the presented results depends on the possibility to increase the employment rate, in particular among people aged 55-64.

As compared to the forecasts prepared in 1998, the current deficit of the pension system is higher than the planned one at that time<sup>39</sup>. The tendency aimed at decreasing the deficit to GDP ratio by 2050 is maintained.

The funds accumulated in open pension funds are to finance the benefits determined in accordance with the defined contribution principle. In this situation, with the observance of the rules of actuarial calculation of pensions, the deficit of this element of mandatory pension insurance is out of the question.

#### **Strategies aimed at lowering financial deficit**

The ageing of population is a challenge for each pension system. The key to improve the condition of the social insurance finance is to improve the situation on the labour market and to increase the employment. It is because of the fact that the social insurance system and the labour market are determined by one another.

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<sup>38</sup> „Prognozy wpływów i wydatków funduszu emerytalnego do 2050 roku” [Forecast of revenues and expenditure of a Pension Fund by 2050] Available at <http://www.zus.pl>.

<sup>39</sup> The reasons are described in more details in Chapter 3.2.2.

The revenues of the Social Insurance Fund may be increased by:

- increasing the social insurance contributions; and/or
- improvement of the situation on the labour market, i.e. increase in the number of the employed and the reduction of the grey zone.

Taking into account the low employment rate, high unemployment and a relatively large burden of contributions and taxes on salaries in Poland, the further increase in the contribution rate does not seem to be possible. The recent attempts to adjust the base amount of the social insurance contributions to the revenues from conducting economic activity would not have a significant impact on the overall situation of the social insurance finance in the long term.

The employment rate of people aged 15-64 in Poland in 2007 amounted to 57% which gave us the last but one place in the EU-25 (only before Malta). It means that not more than one in two Poles in the economically active age does work and thus pays the social insurance contributions. The employment rate of people aged 55-64 which amounts to 29.7% is particularly unfavourable. It is particularly low for women, among whom less than one in five in this age group works. Such an unsatisfactory employment rate among older employees results also from the possibility to use the social benefits - early retirement, pre-retirement benefits and in the past also pre-retirement allowances and pensions resulting from inability to work.

The low effective age of exit from the labour market is related to the incentives for earlier exit which were aimed at the absorption of effects of the economic transformation and rapid changes on the labour market, mainly in the field of demand for labour. As a result, the social insurance contributions significantly increased and due to the increase of the tax wedge, they now constitute a barrier for the development of the labour market. The solution of this dilemma is one of the major tasks of the pension strategy in the coming years.

Therefore, after 2008 the possibilities of earlier exit from the labour market will be significantly limited. It will be an opportunity to increase the employment rate and to relieve the labour market of the costs of the social insurance system. However, the realization of this scenario will require additional activities, both on the part of the labour market, and within the system of inability to work pensions, so that the system would not take over the function of early retirement.

In addition, the element of the system which leads to a gradual improvement of the relation between the revenues from contributions and expenditure is the adoption of the rule that old age and disability pensions are re-valued at a lower rate than the growth of salaries. Between 2005 and 2007, the revaluation included the price increase, and from 2008 the price growth increased by 20% of the real growth of an average salary. Such an approach, on the one hand, protects the pensioners from negative effects of price growth, ensuring a certain share in the benefits from the increased salary, and, on the other hand, it allows for gradual reduction of the deficit in the system since the revenues from contributions grow faster than the expenditure of the system.

### 3.2.3. Modernisation of pension systems and adjustment to changes

#### **Adjustment of pension systems to the labour market requirements and non-standard employment**

The common social insurance system currently includes various forms of employment. The social insurance obligation results in particular from :

- employment in the form of employment contract, irrespective of whether it is a full or not a full-time job ;
- employment in the form of a contract for a fixed period of time and a contract to do a specific task, if they are signed with one's employer;
- conducting economic activity for one's own account ;
- conducting creative and artistic activity.

The separate insurance system of farmers covers the farmers (owners of agricultural holdings) and their household members, mainly the members of their families. It means that all economically active people have the access to the common or farmers' pension insurance system.

In the case of employees, contributions depend on the salary while the persons conducting economic activity pay the contributions depending on the declared amount which is not lower than 60% of average salary in the previous quarter. In fact, almost all entrepreneurs declare the payment of contributions in the lowest amount. Farmers pay lump sum contributions, independent of their real income. As it was earlier mentioned, the contributions in the farmers' system are significantly lower than in the case of people conducting non-agricultural activity. The government attempted to change the rules of determining the contributions so that they were dependent on the generated income both for entrepreneurs and farmers. Such solutions require to reconcile the contradictory arguments of different sides of the social dialogue.

It should be noted, that the differentiation of the burden of social insurance contributions encourages to attempt to decrease the insurance costs. It leads to such negative phenomena as : development of the grey zone or changing employment into conducting economic activity since the amount of contributions in the latter is lower. It results from the fact that social insurance contributions of people working for their own account are calculated from the declared amount, independent of the incomes.

To increase the number of persons and the fund of salaries covered by social insurance is one of the major challenges for the pension policy. The activities in this area should be related mainly to the search for the possibility to decrease social insurance contributions while preserving the financial stability of the system.

The new pension scheme is based on the defined contribution principle which means that future pensions depend on individual factors such as the total of contributions paid during the whole economic activity period and the age of retirement. As a result, the persons who will accumulate similar capital on their pension account and will retire at the same age and time (irrespective of the fact for how many years they paid the contributions and what interruptions there were in their employment) may expect similar pensions. The pension system offers the same benefits for the same contribution and does not make any difference between the groups of professions.

It is also important that the system is common and uniform for all people working outside agriculture. As a result, the geographic or professional mobility (unless it concerns the flows between the agricultural and non-agricultural sectors) does not have an impact on the acquisition of pension rights.

The situation is more complex in the case of persons who are economically active both in agriculture and outside agriculture. The current regulations do not specify how the pensions of such persons will be calculated. Due to the fact that the new pension scheme is a defined contribution scheme, and the farmers' system is a defined benefit scheme, the draft regulations

on the new pension schemes propose a new principle of combining the period of the contribution payment in the common and farmers' systems and the payment of pensions in this regard. The persons who for the majority of their economically active life (at least 25 years) were maintained from agricultural holdings and paid the contributions will receive two pensions : one from the Farmers' Social Insurance Institution and one from the common system. The persons with shorter period of work will receive a combined pension, increased by the farmers' part calculated according to the principles of the farmers' social insurance system. It should be similar in the case of systems for uniformed state services. The relevant regulations in this regard were proposed by the government and should be passed before 2009 i.e. before first persons will receive the benefits from the new pension system.

### 50+ Programme

The programme « Solidarity between the generations. Activities to increase economic activity of people aged 50+ » is a package of government activities aimed at increasing employment of people aged over 50 in Poland. The programme, on the one hand, includes the activities increasing the incentives to employ by entrepreneurs people aged over 50, and on the other hand the measures which facilitate the improvement of qualifications, skills and efficiency of the work of those people. The increase in the employment rate of people aged 50+ is necessary to maintain high economic growth in Poland for another 10-20 years.

The growth of activity of elderly people on the labour market allows for maintaining the solidarity between the generations. It is often wrongly believed that the earlier exit of elderly employees from the labour market creates jobs for young people, but it is not so. This leads to the growth of labour costs related to increasing contributions and taxes which means that the number of offered jobs decreases as does the employment rate among people aged up to 25.

As a result, the working people are burdened with the financing of transfers aimed at people who finished their economic activity.

One of the priority activities of the European Union Member States is to lengthen the economic activity of employees aged over 50. According to the Lisbon Strategy adopted by the EU countries in 2000, one of the objectives of the European Union is to obtain an employment rate of people aged 55-64 at the level not lower than 50%.

The objective of the « Solidarity between the generations» programme is to achieve the employment rate among people aged 55-64 at the level of 50%, i.e. at the level established in the Lisbon Strategy, by 2020.

Intensive activities will be undertaken in the period until 2015 when Poland will be the largest beneficiary of the funds from the European Social Fund. At the same time, the macroeconomic forecasts indicate that good economic situation will be maintained within that period. It means that the resources from the Labour Fund may also be used for the implementation of the « Solidarity between the generations » programme. Therefore, it is expected that by 2013 the employment rate of people aged 55-64 should increase to 40%.

### **Current works on the pension scheme reform**

In order to ensure the sufficient level of pension revenues and to guarantee the financial stability, it is necessary to consistently implement the assumptions of the social insurance reform.

### *Bridge pensions*

The key measure is to implement the bridge pension scheme. According to the declarations in the regulations adopted in 1998, the possibility of early retirement is gradually eliminated in

the new pension scheme. However, there is a draft project which ensures the right to early retirement for people working in particular conditions or performing specific jobs. Between March and September 2008, the assumptions of the system and the draft act were subject of detailed discussions with the social partners within the Tripartite Commission for Social and Economic Issues. According to the draft, around 200 000 people, who began the economic activity before 1999, will have the opportunity to use the right to early retirement. The criteria of the qualification of jobs performed in specific conditions or of specific nature were subject of the assessment of occupational medicine experts.

Bridge pensions will be temporary benefits granted for 5 years (in exceptional cases for 10 years) before the statutory retirement age. Their amount will take into account the amount of the future pension of a given person. The pensions will be partly financed by employers (from an additional contribution) and partly from the state budget. Upon the achievement of the common retirement age, the right to a bridge pension will cease to exist and will be replaced by the pension determined in accordance with the principles of the system.

#### *Correlation between the amount of old age pensions and disability pensions*

In order to ensure the safety of the new pension scheme and its financial stability, it is also necessary to finish the ongoing works on the correlation of the amount of future old age pensions and disability pensions.

The act aims at the introduction of a new scheme of calculating the amount of inability to work pensions for people born after 1948, correlated with the determination of the amount of old age pensions in the new system and at the change of the regulations which will allow not to decrease or suspend the inability to work pension because of the income from paid labour, irrespective of its amount.

Thanks to the adoption of a uniform basis for the calculation of old age pensions and disability pensions for people born after 1948, the relation of the amount of old pension benefits to the amount of disability pension benefits, which is necessary for the co-existence of the two systems, will be maintained.

#### *Payout of funded pensions*

The necessary step to ensure the financial stability of the pension scheme will be the completion of work on the acts allowing for the payout of pensions from the new system: Act on life-long funded pensions funds (life annuities funds) and Act on funded pensions.

The necessity to quickly regulate the issue of payments from open pension funds is due to the fact that in 2009 the first members of open pension funds will use the new type of pensions coming from two parts of the new pension scheme. The draft acts in this regard were sent by the government to the parliament in July and September 2008. They assume the following;

- a pension will be an individual benefit and its amount will not depend on the sex of the future pensioner;
- temporary pensions will be introduced for people aged 60-65. They will be financed by the resources from open pension funds and after 65 years of age those people will receive funded pensions;
- life-long funded pensions (life annuities) will be paid out by special purpose funded pension funds, managed by pension companies or pension fund management companies;
- in order to equal the risk related to the structure of the sex of the customers of individual funds, a special compensation mechanism will be introduced to appropriately adjust the level of reserves.

### *Other activities*

At the same time, the work continues on allowing the Demographic Reserve Fund (DRF), as a reserve fund of the pension fund within the Social Insurance Fund, for further collection of funds, also after 31 December 2008. In addition, the DRF is to receive 40% of the gross revenues from the privatisation of the State Treasury property.

Another issue is to lead to the better development of additional forms of pension insurance. It is planned to increase the limits of payments for individual retirement accounts and to make the use of the savings on those accounts more flexible. The development of additional forms of saving for the pensions will allow for alleviating the disproportions in the incomes which will be disposable after the retirement in relation to the income from the period of economic activity.

### **Transparency, adjustment and political economy of the pension reform**

Since the pension systems draw obligations towards their participants in the long term, their rules should be stable and should not be subject to frequent changes. They should also be viewed from the perspective of the balance between the generations - the ageing of the population will lead to a significant increase in the demographic burden of persons in post-productive age. Therefore, the consensus around the new pension scheme should be continued, ensuring a safe pension system for future generations.

The new pension system automatically adjusts to the changes taking place on the labour market and to the demographic changes. The pension accounts at the Social Insurance Institution increase at the rate of the growth of recorded contributions, so both the liabilities and the revenues of the Institution have the same growth rate. The pensions depend on the length of life and changes in this regard automatically influence the results of the pension system.

Each year each insured person receives the information about the funds on his/her pension account, both in the financial and non-financial system. In future, the information will also include the amount of the pension due from the accumulated capital. From 2003 all persons insured receive an annual information from the ZUS on the amount of contributions due in the previous years within the framework of the pension insurance (excluding the contributions transferred to open pension funds). The annual information about the state of the account is also provided to all members of open pension funds. In 2005, the regulation was introduced which harmonizes the information provided to the members of open pension funds which facilitated the comparison of information between individual funds. The receipt of individual information about the state of the accounts increases the "pension awareness" of the participants of the system. It also allows them to decide whether and to what extent they should make additional savings for their pension under the employee pension schemes, individual retirement accounts or in another form of voluntary savings.

The appropriate assessment of the pension system stability in the long term requires the creation of permanent mechanism of publishing the regular forecasts of inflows and expenditure of social insurance systems and the evaluation of the proposed changes with regard to those schemes from a long-term perspective. The development of a draft act on the National Actuary, the institution entrusted with the task of preparing and publishing such forecasts, is planned for 2009. In addition, the National Actuary will also receive the tasks related to the actuarial services for the capital pension systems, in particular the settlement system.

### ***3.3. Conclusions***

The key challenges faced by the functioning of the pension systems in Poland may be divided into two groups:

The first is the necessity to undertake ongoing activities necessary for the appropriate further functioning of those systems. The most important one is to complement the lacking regulations related to the functioning of the new pension system for the employees, which were described above.

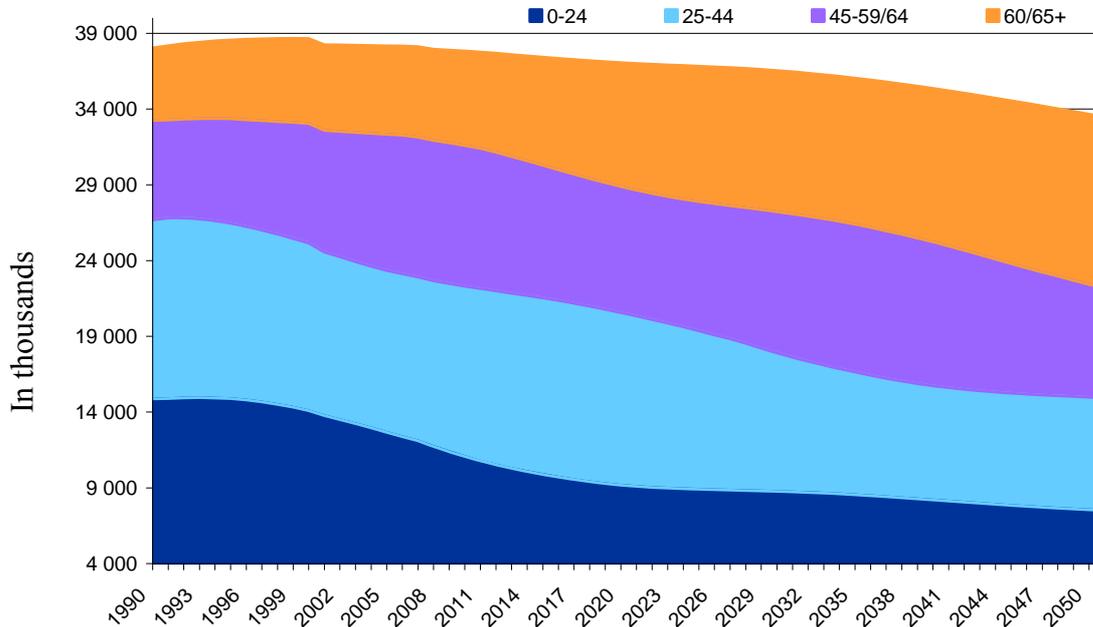
An equally important challenge is to prepare new solutions in the field of social insurance of farmers, which, on the one hand, would allow for better determination of the rules of the system functioning and management and, on the other hand, would introduce the changes in the payment of contributions by differentiating them on the basis of the incomes of farmers. Moreover, it is necessary to introduce the changes to the calculation of benefits in the system so as to better adjust the entire system functioning and to facilitate the restructuring of the labour market (growth of importance of non-agricultural sectors and the reduction in the employment in agriculture).

The changes on the labour market constitute another urgent and current challenge which is important also from the point of view of the functioning of the pension schemes. The financial stability of the Social Insurance Fund depends on further changes on the labour market. In particular, it is necessary to increase employment so as more people paid social insurance contributions to the system. It is to be facilitated by means of the solutions in the National Action Plan for Employment or those which result from the implementation of the European Employment Strategy and the "50+ Programme". The assessment of the extent to which the existing or planned solutions hamper the desired changes on the labour market is also necessary in this regard. It is necessary to counteract the increase in the burden of costs of the social insurance system functioning (such as the prolongation and extension of early retirement) and to promote the increase in employment (e.g. of disabled persons, also within the disability pension system, encouraging the disabled to undertake vocational activity).

The second group of activities proposed under the Programme includes long-term activities aimed at the creation of conditions for a stable development of pension systems in future. The most important tasks in this regard, apart from the implementation of the bridge pension scheme, include the preparation (preceded by the social consensus) of the method to make the retirement age for men and women more flexible and equal. Because of the different retirement age, the current system may lead to the discrimination of women due to the significantly lower amount of the pension since they retire 5 years earlier than men.

### Annex 3.1. – Statistical annex for chapter 3

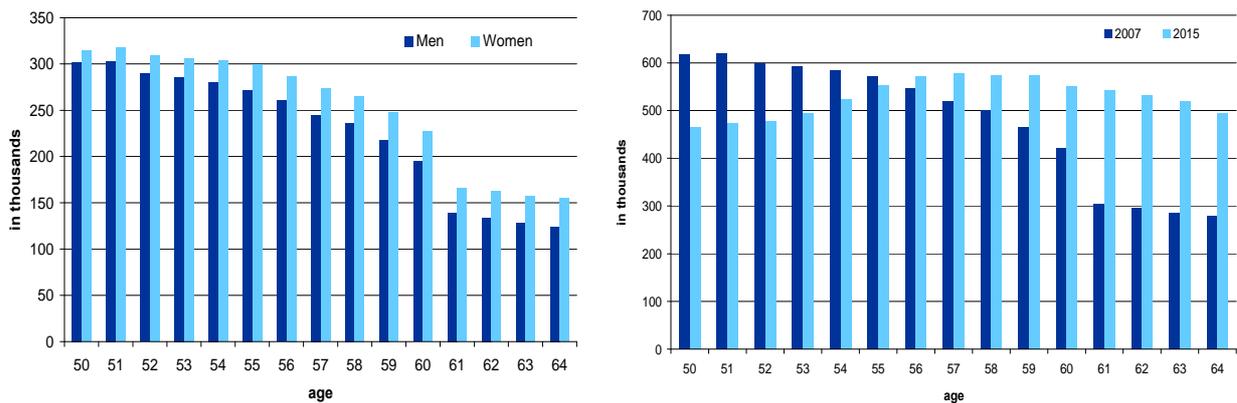
Graph 1. Population by age in 1990-2050



Comment: 1990-2007 – real data, from 2008 – prediction by Eurostat.

Source: MPiPS calculations based on Eurostat's data.

Graph 2. Population age group 50-64 by sex in 2007 (left graph) and by year (right graph)



Source: MPiPS calculations based on Eurostat's data.

**Table 1. Minimum monthly pensions in 2002-2007**

	Year					
	2002	2003	2004	2005	2006	2007
Minimum old-age pension in PLN	532.91	552.63	562.58	562.58	597.46	597.46
as % average pension	51.3%	50.6%	49.3%	48.1%	47.4%	46.0%
as % average wage	25.4%	25.3%	24.7%	23.8%	24.1%	22.2%
Minimum disability pension in PLN	409.92	425.09	432.74	432.74	459.57	459.57
as % average pension	39.4%	38.9%	37.9%	37.0%	36.4%	35.4%
as % average wage	19.5%	19.5%	19.0%	18.3%	18.6%	17.1%

Source: Social Insurance Institution.

**Table 2. Social Insurance Fund (FUS) incomes by kind in 2005-2007**

	2005	2006	2007
	in million PLN		
Revenues from insurance contributions and derivative outstanding to FUS	78 181.9	81 328.5	89 362.6
FUS non –contributory income, of which:	32 798.9	39 530.6	40 265.5
Refunding subsidy	3 612.4	3 531.2	230.1
Balance subsidy	16 499.7	20 952.2	23 662.9
Other incomes: of which:	12 686.8	15 047.2	16 372.5
Refund in respect of contributions' transfer to Open Pension Funds	12 575.4	14 920.4	16 219.3

Source: Social Insurance Institution

**Table 3. Social Insurance Fund (FUS) expenditures by funds in 2005-2007 in million PLN**

Specification	2005	2006	2007
<b>Total FUS</b>	<b>107 398.6</b>	<b>115 908.5</b>	<b>118 013.2</b>
Of which:			
Old-age pensions fund	61 017.1	69 161.7	73 698.2
Disability pensions fund	37 265.1	37 230.6	34 114.6
Sickness fund	4 949.8	5 164.5	5 825.8
Work accident fund	4 165.6	4 351.7	4 374.6

Source: Social Insurance Institution

**Table 4. Social Insurance Fund (FUS) expenditures by funds in 2005-2007 as % GDP**

Specification	2005	2006	2007
<b>Total SIF</b>	<b>11.0</b>	<b>11.1</b>	<b>10.1</b>
Of which:			
Old-age pensions fund	6.2	6.6	6.3
Disability pensions fund	3.8	3.6	2.9
Sickness fund	0.5	0.5	0.5
Work accident fund	0.4	0.4	0.4

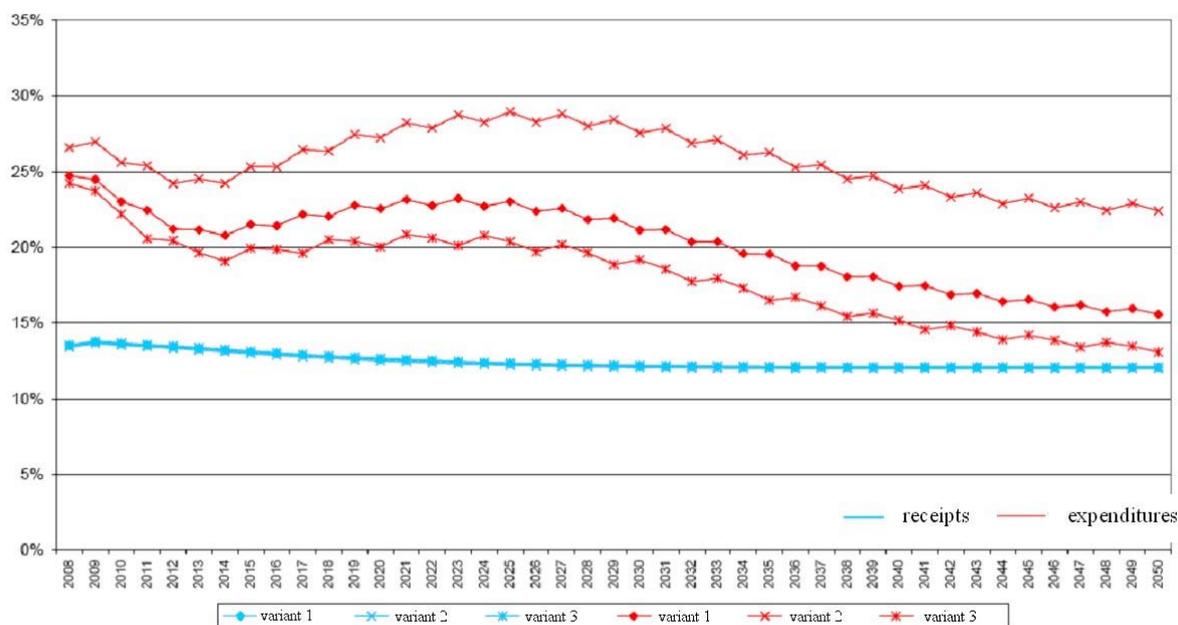
Source: Social Insurance Institution

**Table 5. Social Insurance Fund's expenditures on social benefits and contributions revenues and derivative outstanding to FUS in 2001-2007**

year	Expenditures on social benefits from FUS		Contributions revenues and derivative outstanding	Indicator financing expenditures by revenues from insurance contributions
	<i>in billion PLN</i>	in % FUS total expenditures		
			<i>in billion PLN</i>	<i>in %</i>
2001	92.5	96.2	69.9	75.6
2002	95.4	96.5	68.2	71.5
2003	98.6	96.5	70.3	71.3
2004	104.1	96.8	74.0	71.2
2005	107.5	96.8	78.2	72.8
2006	115.9	97.2	81.3	70.2
2007	118.0	97.3	88.0	75.7

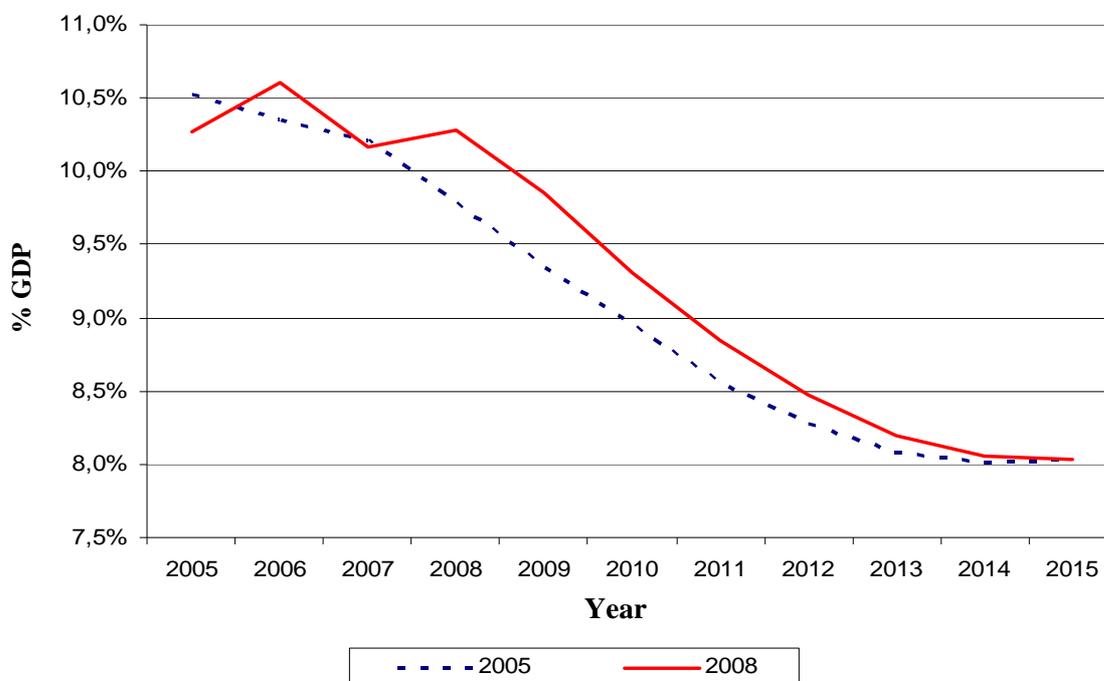
Source: Social Insurance Institution

**Graph 3. Receipts and expenditures of old-age pensions fund as a per cent of amount of basis of contributions assessment to old –age pensions fund in 2008-2050**



Comment: Result depends on macroeconomic assumptions which are different for each variant.  
 Source: Long-term projection of FUS revenues and expenditures in 2008-2050. Social Insurance Institution.

**Graph 4. Expenditures on pensions benefits as a result of changes in law which have been implemented in 2005-2008.**



Source: Social Insurance Institution’s calculations based on assumptions of AWG Group (EPC) in 2005.  
 Comment: Differences in level of expenditures in 2005-2007 are caused by the real Social Insurance Fund’s expenditures in 2005-2007 which are used to prediction.

## **Part 4. - National Plan for Health Care and Long-Term Care**

### **Introduction**

The National Plan for health care and long-term care was developed in accordance with the principles of the Open Coordination Method and consulted with the experts on public health.

The present report refers to three widely understood principles: availability, quality and financial stability. It describes the current situation in the health care system and the list of challenges and directions of change in health care.

It presents the rules of the financing of the health care system, the legal grounds for the functioning of the health care and long-term care system and includes a description of the indicators used for the health care system supervision and management.

The activities aimed at the improvement of the quality of provided services are an important point of the report. The report describes in detail the major tasks in the implementation of the planned reforms in the health care system.

As regards the issues related to long-term care which have a particular importance in the presented plan, it should be noted that while planning the activities aimed at the improvement of the situation of elderly and dependent people, it is important to develop the services supporting the recipient and his/her family career, along with the expansion of the sector of long-term care, including the hospice care.

The presented report puts a special emphasis on the role of the long-term care, as well as palliative and hospice care, in the services for elderly and disabled people, as well as the people at the end of their life, by providing those persons with a common and permanent access to health care services in the place where they live, in the outpatient clinics and at their homes.

While presenting the report, we must also draw attention to the use of certain terms in separate meanings upon the presentation of social assistance and health care activities. Therefore, the term *long-term care* means the provision of care and medical services for chronically ill people but does not involve the support in the performance of different social roles. Rehabilitation shall mean the comprehensive activities aimed at restoring health and fitness, in particular the activities of therapeutic nature. This term shall not include a variety of activities referred to as the social rehabilitation. Prevention - the activities aimed at the prevention of the occurrence and development of diseases.

## **4.1. Health care**

### **4.1.1. Legal basis**

Article 68 of the Constitution of the Republic of Poland imposes an obligation on the public authorities to guarantee equal access to health care services, financed from public funds, to all citizens irrespective of their financial situation. The conditions and scope of the provision of health care services are regulated by the Act of 27 August 2004 on health care benefits financed from public funds (Dz.U. No 210, item 2135, as amended). The Act entered into force on 1 October 2004.

Public authorities are obliged to provide special health care to children, pregnant women, the disabled and elderly persons and to combat infectious diseases and prevent the adverse impact of the environmental pollution on health. The Constitution establishes the responsibility of the public authorities for the health safety of the citizens, and thus also for the availability and quality of health care services.

The common access to health care benefits is effected through the fact that the right to use the health care benefits financed from public funds is provided to the insured and other people than the insured who have the Polish citizenship and a place of residence on the territory of the Republic of Poland, who have a low social and economic status assessed according to the same criteria which authorize them to use the social assistance benefits. In addition, persons below 18 years of age and pregnant and lactating women are provided with health care on conditions and in the scope specified for the insured, as do the persons addicted to alcohol and drugs and suffering from selected mental and infectious diseases.

According to the Act, the health care benefit means:

- a health service, i.e. the activity aimed at the prevention of diseases, preservation, saving, recovery or improvement of health and other medical activity resulting from the treatment or separate provisions regulating the rules of their provision;
- material health benefits include medicinal products, medical products, including products being orthopaedic items and auxiliary means, related to the medical treatment,
- accompanying benefit, i.e. board and accommodation in the 24-hours or daily health care centre, and the medical transport services.

The health care benefits are financed by the National Health Fund or the competent ministers on conditions and within the scope laid down in the Act of 27 August 2004 on health care benefits financed from public funds (Dz.U. No 210, item 2135, as amended). The structure of the National Health Fund consists of the head office and 16 voivodeship branches. The voivodeship branches are created according to the territorial division of the state. The voivodeship branches may also create regional centres.

The Act on health care benefits financed from public funds specifies in detail the tasks of public authorities aimed at the provision of equal access to health care benefits to all citizens. Those tasks include the analysis and assessment of health needs of the population and the factors causing their changes, the preparation and implementation, as well as the evaluation of the results, on the basis of the conducted analysis, as well as the promotion of health and the prevention of diseases to create the conditions favourable for health. In addition, the own tasks of the gminas, poviats and the voivodeship government include among others the preparation and assessment, on the basis of conducted analysis of health needs and the health of the inhabitants, of health programmes which constitute a group of planned and intended

activities in the field of health care, assessed as efficient, safe and justified, which allow for achieving the assumed objectives in the specific period of time, consisting in the detection and meeting of specific health needs and the improvement of health of a specific group of people. The health programmes may be developed, implemented and financed by the ministers, local government units and the National Health Funds. The programmes concern in particular the important epidemiological phenomena and other important health programmes concerning the whole population or a specific group of people, with the existing possibilities of their elimination or reduction and the implementation of new medical procedures and prevention measures.

The provisions of the Act on health care benefits financed from public funds provide the insured with an equal access to the benefits and the right to choose the benefit provider from among those who concluded a contract with the National Health Fund. However, in emergency situations the necessary benefits may be granted by any provider. The Act grants the insured the right to health care benefits, the aim of which is to preserve health, prevent diseases and injuries, early detection of diseases, treatment, nursing, prevention of disability and its reduction. The Act includes the so-called „negative basket” i.e. the list of health care benefits which are not financed from the public funds.

Outpatient treatment is provided under primary health care together with home care and access to diagnostic tests. A separate contract is concluded for primary health care services provided outside the working hours specified in a contract for health care provision, on public holidays, if signing such a contract is necessary in order to ensure that beneficiaries are provided with continuous health care. Outpatient specialty services financed from public resources are provided on the basis of a referral issued by a health insurance doctor. Referrals are not required in the case of consultations with gynaecologists and obstetricians, dentists, dermatologists, venerologists, oncologists, ophthalmologists and psychiatrists. Besides, referrals are not required from persons suffering from tuberculosis, persons infected with HIV, war veterans and victims of repressions as well as in substance abuse treatment from persons addicted to alcohol, abusive substances and psychotropic substances. Hospital treatment is provided on the basis of a doctor's referral if it is not possible to achieve the treatment objective through outpatient treatment, in emergency situation health services are provided without the required referral.

Health care treatment in hospitals and specialty services in outpatients' clinics is provided on a first come, first served basis. Healthcare provider decides in what order medical services will be provided taking into account the patient's notification and informs in writing about the day when medical services will be provided including a justification of the chosen date. Entering a patient in a waiting list and notifying in a written form about the day when medical services will be provided together with a reason why a healthcare provider has chosen this date is equivalent to making a commitment towards the provision of services. If the patient's state of health changes in a way which makes it necessary to provide medical services earlier than at the agreed date, a patient notifies the healthcare provider, who if it is justified by medical considerations, appropriately modifies the date when medical services will be provided. In order to be provided with one healthcare service on the basis of a referral, a patient is allowed to be entered in one waiting list kept by one healthcare provider. A list of patients waiting for a health care service is an integral part of medical documentation. Regional Branches of the National Health Fund publish on their websites waiting lists for health care services, number of persons and average waiting time.

A patient who is admitted to hospital or another health care institution for persons requiring twenty-four-hour or daylong health care services and also in the case of treatment and care, diagnostic and rehabilitating procedures conducted by institutions authorized to the provision

of medical services and also in situations when these institutions provide medical services in emergencies is entitled to free medicinal products and medical devices if they prove necessary for the provision of a medical service.

Medicines in open sale include both prescription medicines as well as nonprescription medicines. Reimbursed medicines in the Polish legal system are included in the list of basic and supplementary medicines as well as in the list of medicines for patients suffering from infectious or mental diseases and for mentally disabled patients and also for patients suffering from some chronic illnesses. Reimbursed medicines from the list of basic medicines are available against making a fixed payment, supplementary medicines once a payment amounting to 30% or 50% of the medicine price has been made and medicines for patients suffering from infectious or mental diseases and for mentally disabled patients as well as patients suffering from some chronic illnesses are available free of charge, against a fixed payment or after making a payment amounting to 30% or 50% of the medicine price. Price limits have been introduced for the medicines from the above mentioned lists. The lists are published in a form of regulations under the Act of 27th August 2004 on health care services financed from public funds (Journal of Laws No. 210, item 2135 with further amendments). Financial resources assigned for the reimbursement of medicines are among the highest costs in total expenditure on health care, therefore for each new medicine to be included in one of the above mentioned lists it is required that a requesting authority submitted a relatively wide scope of information about a given medicinal product.

The authority financing health care services from public resources may conduct inspections of the provision of services, in particular inspections of the organization and method of the provision of health care services as well as their availability, the provision of health care services taking into consideration their consistency with the requirements specified in the contract for health care provision, appropriateness of choosing medicinal products and medical devices, including orthopedic items and aids used in treatment, rehabilitation and diagnostic tests.

In the Act on health care services financed from public funds special emphasis has been put on health care services aimed at preserving health, disease prevention and early detection of diseases. Tasks under this scope include:

- promotion of healthy behaviour, in particular by providing encouragement to take individual responsibility for one's own health;
- early, multi-specialist and complex care for children who are in danger of mental or physical disability or for disabled children;
- preventive medical examinations aimed at early detection of diseases, especially cardiovascular diseases and cancer;
- promotion of health and prevention, including dental prevention covering children and young people under 19 years of age;
- preventive examinations covering pregnant women, including prenatal examinations recommended in risk groups and for women over 40 years of age and dental prevention;
- preventive health care for children and young people in schools and educational environment;
- performing prophylactic vaccinations;
- performing sports medicine examinations covering children and young people under 21 years of age who practice amateur sports.

#### 4.1.2. Resources

In Poland health care services may be provided by health care institutions, individual persons pursuing medical professions or by group practices of doctors and group practices of nurses and midwives. Health care system in Poland is based on primary and specialist outpatient health care as well as on in-patient health care. Under health care funded from public resources at each of these levels public and non-public care facilities may operate.

Table 1. Resources of the health care system - data as of 31st December 2006

<b>Specification</b>	<b>Absolute number</b>
Number of general hospitals	742
including non-public hospitals	153
Number of mental hospitals	50
Number of beds in general hospitals	176 673
including number of beds in non-public hospitals	9 318
Number of beds in mental hospitals	20 155
Persons treated in general hospitals within a year	7 167 958
Outpatient health care facilities	13 473
including non-public facilities	3 154

Source: Own study based on "2006 Basic Health Care Data" – The Central Statistical Office

In 2006 general hospital bed ratio was 70% and average time spent in hospital was 6.4 days. Although the number of non-public hospitals in Poland is increasing, it is not followed by a significant growth in the number of beds in these facilities. These hospitals are usually small facilities and health care in that scope is still mainly provided by public facilities. In the case of health care services provided in the outpatient setting, there are more and more non-public healthcare providers, both those providing health care services under public health care system (have contracts with the National Health Fund) and those which operate outside this system.

Table 2. Selected medical personnel as of 31st December 2006

<b>Specification</b>	<b>Absolute number</b>	<b>to 10 000 inhabitants ratio</b>
Number of licensed doctors	129 391	33.9
Doctors employed in health care facilities	81 597	21.4
including public health care facilities	57 880	15.2
Number of doctors (of all specialties) employed in primary health care establishments	20 937	
Number of licensed dentists	34 973	9.2
Dentists employed in health care establishments	12 483	3.3
including doctors employed in public health care facilities	2 540	0.7
Number of licensed nurses	275 188	72.2
Nurses employed in health care establishments	186 076	48.8
including nurses employed in public health care facilities	147 684	38.7
Number of nurses employed in primary health care	25 231	
Number of licensed midwives	33 069	8.7
Midwives employed in health care establishments	21 300	5.6
including midwives employed in public health care facilities	16 995	4.5
Number of midwives employed in primary health care	5 090	

Source: Own study based on "2006 Basic Health Care Data" – the Central Statistical Office and 2007 Statistical Bulletin of the Ministry of Health – National Centre for Health Information Systems

Analysis of medical personnel migrations after entering the European Union indicates that although it is not a mass phenomenon it still should be treated as a considerable loss of qualified medical personnel. Doctor migrations mostly occur among certain groups of specialists. One effect of migration that we are experiencing right now is a deficit of specialists from such specialties as anesthesiology and intensive care.

#### 4.1.3. Providing finance<sup>40</sup>

The Act on health care services financed from public funds introduces a rule that health contribution is paid by persons subject to health insurance (excluding situations in which as regulated by the legislator a contribution is paid from the national budget). The sum of contribution increased every year by 0.25% starting from 7.5% of the base sum in 2000 to 9% of the base sum in 2007. Due to rising contributions as well as the observed economic growth which entails increase in salaries and lower unemployment rate gradually more and more financial resources flows into the health care system.

Health contribution is the most important source of income for the health care system. Other sources of income which mainly aim at counteracting inequality of access to health care services and social exclusion are: national budget, which funds health contributions for some groups of persons enumerated in detail in the Act on health care services financed from public funds, e.g. farmers and the unemployed who do not receive unemployment benefits or scholarship, services provided to persons other than the insured and highly specialist services.

Another source of income are budgets of territorial self-government units, enterprises and patients themselves financing non-standard health care services specified in an annex to the Act on health care services financed from public funds.

Financial stability of the health care system increased with the implementation of the emergency medical system and the funding of its operation within the scope of pre-hospital services from the national budget and excluding the funding of emergency rescue teams from the National Health Fund.

In connection with high levels of indebtedness of public health care facilities in compliance with the Act of 15th April 2005 on state aid and restructuring of public health care facilities (Journal of Laws of 2005, No. 78, item 684) since 2005 some activities have been undertaken with a view to improve financial situation of public health care facilities.

As of 31st December 2007 total value of all liabilities in the country amounted to PLN 9 527.8 million and in comparison with the year 2006 was lower by 7.9% and by 7.3% in comparison with the year 2005. In the 1<sup>st</sup> quarter of the year 2008 total liabilities decreased to the level of PLN 9 492 million. Whereas, due liabilities at the end of the year 2007 amounted to PLN 2 665.9 million and a decrease in the value of due liabilities was noted in comparison with the 3rd quarter of the year 2007 by 20.9%, when the value of due liabilities was PLN 3 370.7 million. In the 1<sup>st</sup> quarter of the year 2008 due liabilities increased to the level of PLN 2 683.6 million.

Analysis of the dynamics of due liabilities of independent public health care facilities in the years 2003-2007 shows that the biggest growth of indebtedness was noted in the first half of 2004, due liabilities increased in this period by over PLN 1 billion. In the second half of 2004 and in the 1st quarter of 2005 the rate of growth of indebtedness was slower, whereas since

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<sup>40</sup> The information in this section was prepared on the basis of survey data included in the project 'Information from implementation of the Law on state aid and restructuring of public health care facilities from 15 of April 2005.

the second half of 2005 the value of liabilities has started to decrease steadily and in the period between 30th June 2005 and 31st December 2007 it fell by PLN 3.57 billion. It is also worthwhile to notice that by the end of 2007 the number of unindebted facilities was growing and according to the data as of 31<sup>st</sup> December 2007 facilities without due liabilities constituted 55.0% of all independent public health care facilities, whereas in the 1<sup>st</sup> quarter of 2008 facilities without due liabilities constituted 53.3% of all independent health care facilities.

One essential problem that the health care system has been struggling with is the matter of remunerations for employees of public health care facilities. The problem intensified when Poland joined the European Union and as a result a growth in economic emigration among medical personnel could be observed. One tool for solving this problem was to be the Act of 22<sup>nd</sup> July 2006 on transferring to health care providers financial resources intended for increasing remunerations (Journal of Laws No. 149, item 1076 with further amendments), which aims at increasing remunerations of health care employees. In addition, the Directive 2003/88/EC of the European Parliament and of the Council of 4th July 2003 concerning certain aspects of the organization of working time (Official Journal of the EU L 299 of 18<sup>th</sup> November 2003) was implemented and had an indirect influence on increasing remunerations of health care employees. However, it is still too early to evaluate the scale of this growth.

#### 4.1.4. Strategic and operational objectives of health care development included in the 2007-2013 Health Strategy.

The Health Strategy for Poland for the years 2007-2013<sup>41</sup> is a document that accompanies the implementation of the National Development Plan for 2007-2013. This document points out a method for the development of Poland through aiming at building the society that enjoys good health and longer life span. This could be achieved through establishing the right balance between promoting health, prophylactics of diseases and health education as well as treating disease states and if necessary – rehabilitation, as these are essential factors for the improvement of people's health and the related quality of life and work. Good health and in consequence longer and healthier life might be the key to the country's economic growth and improving the quality of individual and social life.

Strategic and operational objectives and also a description of activities aimed at reaching these objectives are included in the Strategy. They are:

1. Increasing society's health-care safety:
  - development of medical emergency system;
  - preventing negative health consequences of the exposure to harmful physical, chemical and biological environmental factors;
  - preventing the dangers related to food safety through the implementation of biological risk assessment indicators including monitoring of chemical pollution;
  - preventing negative health consequences of exposure to harmful environmental factors present in drinking water.
2. Improving effectiveness of health care system operation:
  - maximalization of health benefits by increasing the effectiveness and higher quality of treatment;
  - reducing information shortages in the course of shaping health policy;

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<sup>41</sup> The Health Strategy for Poland for the years 2007-2013 was approved by Council of Ministries on the 21<sup>st</sup> of June 2005

- implementing in the sphere of health care services regulatory elements that rationalize demand;
  - optimalization of the use and cost of medicinal products;
  - investing in health care infrastructure.
3. Adapting health care to the dynamics of long-term demographic trends:
    - improving the health of women in the reproductive age, newborns and infants;
    - improving the health of children and young people;
    - ensuring proper health care for the employees in work environment;
    - ensuring proper health care for the elderly people, lengthening the period during which their psychophysical performance is still high and they are capable of performing their social functions.
  4. Improving the state of health of Polish society to such an extent that would make it possible to bridge the gap existing between Poland and an average level of health in the European Union:
    - execution of the updated National Health Program for the years 2006-2015;
    - strengthening society's participation in the activities making it possible to achieve the objectives included in the National Health Program for the years 2006-2015;
    - decreasing the number of incidences of and deaths from chronic non-infectious diseases.

Activity priorities included in the National Plan concerning health care and long-term care, both the ones established for the years 2006-2008 and 2008-2013 result from the objectives of the Health Strategy for Poland for the years 2007-2013 mentioned herein.

#### ***4.2. Priorities established within the scope of health care in 2006-2008 and the degree of their execution***

Taking into account the National Plan for health care and long-time care for the years 2006-2008 the execution of a selection of tasks described as having a high priority is significantly advanced. Due to political changes it was decided that some tasks would not be executed.

##### **1. Medical emergency system**

Building a modern medical emergency system constitutes a precondition for improving the health safety of people. In connection with the need to facilitate the operation of the medical emergency system in Poland the Act of 8<sup>th</sup> September 2006 concerning State Emergency Medical Services (Journal of Laws No. 191, item 1410 with further amendments) was passed. The Act came into force on 1st January 2007. The medical emergency system started to operate at the beginning of 2007. Experiences gathered during the period of its implementation indicated the need to work out amendments that would more precisely define or change some regulations. The works are now in progress.

##### **2. A network of hospitals**

The process of creating a network of hospitals was supposed to start along with putting into operation the medical emergency system. The network was to constitute a pillar of the public health care system and to guarantee health safety for the people.

However the execution of this task was abandoned as it was decided that as a result of the implementation to the health care of other system changes the network of hospitals will be adapted to the needs of health care without any administrative activities.

### **3. Building a new health care system**

A role of the health care “Constitution” will be performed by several legal acts (the Act concerning public health, the Act defining the guaranteed health care service basket, the Act on supplementary health insurance, the Medical Profession Act) describing the scope of competences and responsibilities of individual organs of public authority within the scope of health care, the scope of rights and obligations of patients as well as the regulations related to individual professional groups within health care.

In connection with the execution of the task a package of five draft acts related to health care was presented to the Parliament: on health care establishments, on the protection of individual and collective patients rights as well as on Ombudsman of the Patients Rights, on special rights of the employees of health care facilities, on accreditation in health care and on national and provincial health care consultants. The package fulfills the tasks specified in the priority; however, it also takes account of the changes in health policy that result from political changes.

### **4. The guaranteed health care service basket**

A list of health care services guaranteed by the state under the system of universal health insurance and performed using the technologies which effectiveness has been scientifically confirmed and in the conditions ensuring safety standards, the so called “basket” will be the most important part of the new health care system. At the same time a cost estimate for the performing of individual procedures will be presented. Thanks to creating the “basket” it will be possible to determine which procedures and how many of them can in reality be performed within the financial resources intended for treatment under the existing health care system.

In the course of developing the basket of guaranteed services the institution appointed for this purpose – The Agency of Health Technology Assessment prepared a Central Base of Health Services and a draft of service catalogue which will constitute basis for further works aimed at the implementation of the system.

### **5. Voluntary supplementary insurance**

The introduction of new forms of funding health care services will give those interested access to improved standards of health care not included in the “basket” and at the same time will result in additional resources flowing into the system. This type of insurance will significantly limit the grey zone and lead to improvements in the operation of the health care system. Insurers being given a possibility to select between health care providers will indirectly trigger activities aimed at continuous improvement of services and ensuring higher standards of the procedures.

The draft act concerning voluntary supplementary health insurance presented to Parliament introduces into the health care system a possibility of concluding health care agreements in compliance with the Act on Insurance Activities, thus concluding the supplementary health insurance on a voluntary basis.

### **6. Nursing insurance**

The introduction of this form of insurance is a direct consequence of the continuous process of aging of the Polish society. It is necessary to implement suitable measures aimed at ensuring care and treatment services for people who are no longer capable of solitary existence due to illnesses, injuries or old age.

The appointed team of experts worked out a draft of a legal act and also organizational activities necessary for the implementation of the task.

## **7. Improvement of the health insurance system**

The execution of the abovementioned will be continuous in nature. The first document to be worked out will be a draft of an amendment to the Act on health care services financed from public funds introducing a number of changes among other things related to the operation of the National Health Fund, making real the value of health contribution paid by some groups of people, limiting pathologies in the turnover of medicinal products, the division of financial resources between individual regions in the country, solutions to be used in the case of circumstances threatening accessibility of health care services.

In the course of preparing for the execution of the priority a pilot monitoring of doctors regulation has been conducted, which is to constitute basis for the evaluation of possibility and validity of the activities planned in that scope.

## **8. Creating a system of information about health care**

The health care information system which is currently in use does not guarantee availability of complete data or possibilities of making comparisons of data within the scope of needs of the society in terms of health care with an extent to which these needs are met. The level of available information is insufficient in relation to the needs of institutions responsible for the provision of health care. Therefore, it has been planned that the information system will be regulated. As a result it will be possible to make use of a complete bank of objective and comparable data. Among other things it will facilitate evaluation of the scope of health care service accessibility and will provide support for rational planning of major activities in health care. In connection with the realization of this priority a draft act on the information system in health care was prepared and at present this draft is subject to legislative works. Simultaneously activities aimed at preparing instrumentation necessary for the collecting of information about health care are being conducted on the basis of an electronic system “rejestr zoz mail” (“register health care facility email”).

## **9. Funding the costs of treatment of persons who suffered due to injuries caused by road traffic accidents under an obligatory third party liability insurance**

The health care system incurs substantial costs of treatment of persons who suffered injuries as a result of road traffic accidents. The implementation of this solution will be in compliance with the universal sense of justice and a basic civil law regulation, namely that the person liable for damage is obliged to repair the damage. It will create a possibility of obtaining additional financial resources for the health care system and combating pathologies such as drunk drivers by means of additional financial burdens.

This task was fulfilled but the experiences gathered in the course of its execution caused that some changes in its operation have been prepared. A relevant draft of the regulation is at present subject to legislative works.

## **10. Including the sickness scheme in the health insurance system**

The aforementioned solution aims at standardization of the existing system of health insurance against the risk of illness. At present financial benefits on the grounds of temporary inability to work are funded by employers and ZUS (the Social Insurance Institution), whereas diagnosis, treatment and rehabilitation are funded by the NFZ (National Health Fund).

### ***4.3. Action plan for the years 2008 -2010***

The analysis of the advancement and execution of activities in health policy presented above points out to the necessity to maintain certain priorities in activities for subsequent years and to establish further activities essential for continued development of health care to be performed in subsequent years, thus health policy will focus on the following activities:

#### **1. Change of an organizational and legal form of health care provider's operation**

Activities undertaken in the nearest two years will aim at the preparation and implementation of legal solutions leading to building such legal form of operation of the health care provider in the health care system that will enable its stable economic operation. Economic stabilization of the health care provider together with the conducted in parallel activities for quality of management and organization of the health care services provision process will make it possible to ensure better access to health care services and improved effectiveness of the use of public resources.

#### **2. A basket of guaranteed health care services**

A list of health care services guaranteed by the state under the universal health insurance system and performed using technologies which effectiveness has been scientifically confirmed and in conditions ensuring safety standards, the so called "basket" still constitutes a priority among the activities conducted in the health care system. It is also an activity very important for the realization of other priority activities, such as for example a system of supplementary health insurance.

#### **3. Medical emergency system**

Building a modern medical emergency system constitutes a condition for improving the feeling of health safety among people.

#### **4. Voluntary supplementary insurance**

The introduction of new forms of funding health care services will give those interested access to improved standards of health care not included in the "basket" and at the same time will result in additional resources flowing into the system. Supplementary health insurance will also function as a stimulus for development and improvement of health care quality as well as an element of shaping in the society a greater sense of responsibility for one's own health.

#### **5. Nursing insurance**

The introduction of this form of insurance is a direct consequence of the continuous process of aging of the Polish society. It is necessary to implement suitable measures aimed at ensuring care and treatment services for people who are no longer capable of solitary existence due to illnesses, injuries or old age.

The appointed team of experts worked out a draft of a legal act and also organizational activities necessary for the implementation of the task.

#### **6. Improvement of the health insurance system**

The execution of the abovementioned will be continuous in nature. The first document to be worked out will be a draft of an amendment to the Act on health care services financed from public funds introducing a number of changes among other things related to the operation of the National Health Fund, limiting pathologies in the turnover of medicinal products, introducing new methods for funding health care services resulting in better financial

resources management and greater supervision over their use, in consequence ensuring a wider access to health care services.

### **7. Creating a system of information about health care**

The health care information system which is currently in use does not guarantee availability of complete data or possibilities of making comparisons of data within the scope of needs of the society in terms of health care with an extent to which these needs are met. The level of information is insufficient in relation to the needs of institutions responsible for the provision of health care. Therefore, it has been planned that the information system will be regulated. As a result it will be possible to make use of a complete bank of objective and comparable data. Among other things it will facilitate evaluation of the scope of health care service accessibility and will provide support for rational planning of major activities in health care.

### **8. Development of the system of evaluation of health care services quality**

Increased importance and development of the system of evaluation of health care services taking into account their effectiveness and quality with a view to increase the quality of the provided health care services.

### **9. Development within the scope of diagnostics and treatment of cancer**

Due to the increased incidence of disease caused by cancer in Poland it is necessary to focus on strengthening the process of diagnostics and treatment of cancer in the health care system both in terms of providing wider access to state-of-the-art diagnostic and therapeutic equipment, improving the activities undertaken under primary health care within the scope of prevention and early detection of cancer as well as popularization of prophylactic activities in the society.

#### ***4.4. Long-term, palliative and hospice care***

While analysing demographic and health situation of the Polish society it is worthwhile to notice a slow but systematic growth of the elderly population and health needs of this population. Majority of developing countries, including Poland, have not experienced this problem in a dramatic form yet; nevertheless, it is necessary to start preparing for the tasks which in the not-so-distant future will result from the aging process of societies and a lengthened life span.

Knowledge about society's aging process and problems of the elderly is necessary for rational planning and making effective use of the existing resources in order to ensure proper care over the elderly. Despite a generally accepted statement that health protection counts for only 10% of our state of health, as far as the elderly and disabled are concerned this relation is different. A well operating health protection system on the one hand must have influence on a lengthened life span and on the other hand will undoubtedly entail epidemic danger of chronic illnesses together with the need to provide extended care for this group of people.

Among social and environment factors having a decisive influence on the quality of health of the elderly, of significant importance is the nature of state health policy, namely the chosen method of raising resources for treatment together with a package of health and care services as well as social services for those people and mechanisms which guarantee access to these services.

Another factor which has influence on the quality of life of the elderly is: preparing care and social, architectural and utility infrastructure adapted to the needs of aging population. Of

considerable importance for maintaining good health of an older part of the society are also: the condition of natural environment, state food policy, awareness and knowledge about limited resources of one's own health, encouraging physical and intellectual engagement in a range of activities, facilitating access to sports facilities, availability of rehabilitation services, limiting social marginalization caused by age.

Elderly people are especially vulnerable to the influences of social traumatizing factors, such as: loneliness, widowhood, poverty, helplessness, lack of support while ill or disabled. Physical and mental infirmities accompanying advanced age and the co-existing illnesses require support and help offered by the other family members. Among the tasks related to care over the elderly is cooperation with the patient and his/her relatives in particular in difficult life situations experienced by the patient. Treatment and diagnosis of old age pathologies on the one hand requires knowledge of aging process consequences and on the other hand knowledge about pathophysiology and symptomatology of age-related illnesses, which are not very characteristic and often totally different than in the case of younger people.

At present long-term care is realized in Poland in two departments of government administration, namely health and social security.

Care over the elderly, chronically ill or disabled is based on mutual cooperation of institutions providing services in the health care and social assistance sector, *non-governmental organizations, where of exceptional importance are their activities aimed at offering support and education to the relatives taking care of chronically ill patients*. A basic principle which determines directions of such cooperation is aiming at organizing health and social care in such a way that would guarantee its longest possible provision at home.

Primary health care which is the main part of the health care system ensuring universal and continuous access to health care services in the place of residence in a form of outpatient services or home care plays a special role in taking care over the elderly, disabled and older persons. An element which must be taken into consideration while planning activities aimed at improving access to care for this group of people should be ensuring in the existing health protection system access to geriatric care and a possibility of making use of specialist services. Specialist services are health care services in all branches of medicine excluding primary health care. A significant element in the treatment process is also a possibility of using rehabilitation services. The main aim of rehabilitation is to preserve or restore abilities to be self-sufficient in activities of daily living, in particular in terms of basic activities of every day life as well as the improved functioning of individual senses or systems with dysfunctions.

A patient suffering from health problems may make use of long-term care. Among patients who qualify for long-term care are persons suffering from chronic illnesses, with progressing disability with complications or a risk of complications resulting from being immobilized for a long-term. These are patients with significant deficits in self-care, who do not qualify for hospital treatment but require constant professional care and rehabilitation.

Dying patients and patients with far advanced illnesses may be covered by palliative and hospice care. Palliative and hospice care is a universal and complex care over patients suffering from incurable, far advanced diseases, in the case of which curative treatment procedures can not be used. This care includes preventing and alleviating pain and other somatic symptoms, reducing psychic, spiritual and social suffering as well as supporting relatives during the illness and also after the patient's death in the time of bereavement.

#### 4.4.1. Long-term care

As regards Poland, the definition of long-term care was developed in order to facilitate contracting of health care services *of the long-term care type*. Long-term care is about nursing and rehabilitating in a long lasting, continuous and professional manner, as well as proceeding with pharmacologic and diet treatment. This kind of care is provided at stationary care facilities and at the patient's home. According to the directive of the President of the National Health Fund no. 61/2007/DSOZ of 19 September 2007 laying down rules for conclusion and execution of contracts concerning long-term care, the said kind of care is designed for bedridden and chronically ill persons, who do not require hospitalisation, who do not manage to take care of themselves properly and who require round the clock, professional and intensive care and nursing, as well as further treatment. *Long-term care covers also education in the field of caring of family members and others addressed to the relatives providing care.* Continuation of treatment refers to further medical procedure adjusted to the patient's health condition, including administration of medicines, conduct of diagnostic examinations required where an illness of a chronic nature is present and application of instructions after treatment at a hospital ward is finished and after an individual assessment has been made by a doctor from a long-term care facility.

Long-term care is not designed for persons qualifying to be admitted to social assistance homes or those who should be provided with care mainly due to difficult social conditions or an advanced cancer.

Organisational forms of long-term care: A patient can be assisted through:

1. stationary long-term care provided at:
  - a) wards for the chronically ill;
  - b) care and treatment facilities (ZOL) as well as at nursing and care facilities (ZPO) (also where the patient is in the vegetative/apallic state or is mechanically ventilated).
2. stationary long-term care provided at home in the forms of
  - a) nursing long-term care provided at the patient's home;
  - b) home care of mechanically ventilated patients.

A ward for the chronically ill provides round the clock care and treatment to persons who have been treated in short term care wards, have been fully diagnosed, have gone through surgery or intensive non-invasive treatment, yet they require further hospitalisation. In addition, due to the health condition, the level of disability and inability to function independently at home, patients require constant doctor's supervision, professional nursing and rehabilitation.

Care and nursing facilities are tasked with periodic (periodic or constant in the case of care and treatment facilities) and round the clock nursing and further treatment of chronically ill persons and those who have been treated at hospital, have been fully diagnosed, have gone through surgery or intensive non-invasive treatment, do not require further hospitalisation, who nevertheless suffer, due to their health condition and level of disability, from inability to function independently at home, are unable to take care of themselves and require doctor's attention, professional nursing and rehabilitation, as well as must be provided with nursing care.

A care and treatment facility for patients in the vegetative state provides round the clock health care services to patients in whose case a prognosis is unfavourable, whose treatment has been finished, who do not require hospitalisation either at intensive care units or at

surgery, neurosurgery, neurology, cardiology wards and who do not need complex doctor's and nursing care or rehabilitation.

A care and treatment facility for mechanically ventilated patients provides round the clock health care services to bedridden patients suffering from respiratory insufficiency, requiring constant respiratory treatment to be provided with the use of a respirator, yet not requiring hospitalisation at intensive care units, who have to give a conscious consent for this kind of treatment to be used. In the case of children, legal caretakers' consent is required.

The services provided by long-term home care teams to mechanically ventilated patients:

A long-term home care team provides assistance to bedridden patients suffering from respiratory insufficiency in whose case invasive treatment (performed with the use of tracheotomy tube) or non-invasive one (performed with the use of various mouthpieces, masks or helmets), whether continuous or periodic, or periodic treatment to be provided with the use of respirator is necessary, who do not require hospitalisation at intensive care units or do not need to stay at round the clock care facilities, who nevertheless require constant specialist doctor's supervision, professional nursing and rehabilitation and who have to give a conscious consent for this kind of treatment to be used (in the case of children, legal caretakers' consent is required). The said consent is registered in the medical documentation.

Long-term home care services can be provided to patients who can be properly cared of at home and whose families (legal caretakers) have been trained on using medical devices and giving first aid, so that the patient's safety is ensured during treatment.

Nursing long-term care is about taking care of bedridden and chronically ill persons who stay at home. The patients provided with nursing long-term care do not require hospitalisation at stationary treatment wards, although, due to important health problems, they do require systematic and intensive nursing care provided at home and in cooperation with a general practitioner to whom a selection declaration is given.

The aim of long-term nursing care is to:

- a) provide nursing assistance to bedridden patients at their homes,
- b) prepare the patient (and his/her family) to take care (including nursing care) of himself/herself, among others by developing skills allowing to manage disability.

The procedure for grating long-term care to service takers:

A patient is sent to a ward for the chronically ill directly by his/her attending doctor from a hospital ward. A patient can temporary stay at a ward for the chronically ill for maximum of 30 days. In case there is a need to continue long-term care, the service provider is obliged to undertake actions aimed at putting the patient at a care and treatment facility or a nursing and care facility within 30 days.

The way and procedure of sending patients to nursing and care facilities and care and treatment facilities as well the detailed rules on payment for staying at those facilities are laid down in the Ordinance of the Minister of Health and Social Welfare of 30 December 1998 on the way and procedure of referring patients to nursing and care facilities and care and treatment facilities as well the rules on refunding staying at those facilities (Dz. U. No. 166, item 1265).

According to the above mentioned ordinance, a referral to a care and treatment facility or a nursing and care facility can be requested by: a person applying for a referral, his/her statutory representative or, provided that the appropriate consent is given by that person or his/her statutory representative, by another person or a health care facility.

Neither care and treatment facilities or nursing and care facilities are not social assistance homes, but instead facilities for persons having specific health problems, unable to properly take care of themselves properly or requiring specialist supervision. Thus, those facilities are not designed for insured persons qualifying to be admitted to social assistance homes or those in whose cases who should be provided with care only because of difficult social conditions.

According to data from the GUS (Central Statistical Office) as of December 2006, the number of care and treatment facilities and nursing and care facilities has been steadily rising. The increase in the number of beds and the number of long-term facilities is depicted in the following table.

Table 3. The number of beds and the number of care and treatment facilities as well as of nursing and care facilities.

YEAR	TYPE OF FACILITY			
	Care and treatment facilities		Nursing and care facilities	
	Number of beds	Number of facilities	Number of beds	Number of facilities
1999	8 521	95	861	20
2000	9 633	126	1 800	49
2001	10 195	149	3 146	85
2002	11 623	174	3 642	100
2003	13 387	190	3 863	104
2004	13 439	227	4 595	119
2005	14 726	251	5 165	128
2006	16 099	300	4 847	119

Source: Own study, based on data from the Central Statistical Office (GUS).

The above data indicate that the number of care and treatment facilities and nursing and care facilities as well as the number of beds in those facilities have been increasing. In **1999**, there were **115** long-term care facilities, which had **9 382** beds in total. In **2006**, the number of long-term facilities rose to **419**, and the number of beds in those facilities reached **20 946**, while the number of beds in those facilities amounted to **20 946**.

According to data presented by the National Health Fund, there was an increase in the number of organisational units providing long-term care services in 2007. The number of care and treatment facilities (ZOL) and nursing and care facilities (ZPO) carrying out contract with the National Health Fund in 2007 amounted to 418, and that includes:

- 1) ZOLs for adults – 299
  - 2) ZOLs for children and youths – 13
  - 3) ZPOs for adults – 104
  - 4) ZPOs for children and youths – 2
2. The number of patients staying at ZOLs and ZPOs at the moment – 16 539 persons in total, and that includes:
- 1) ZOLs for adults – 12 345
  - 2) ZOLs for children and youths – 419
  - 3) ZPOs for adults – 3 720
  - 4) ZPOs for children and youths – 55

3. The average time of staying and those facilities as of the period January-May 2007
  - 1) ZOLs for adults – 95.23 days
  - 2) ZOLs for children and youths – 123.33 days
  - 3) ZPO for adults – 85.68 days
  - 4) ZPOs for children and youths – 92.73 days

Among data on the average time of staying at a facility there is also separate information on patients in the vegetative/appalic state and mechanically ventilated patients (adults and children). As regards them, the average times of stay are 68.22 days, 60.48 days and 99.00 days respectively.

The analysis on accessibility of health care services of different types in 2006 carried out by the National Health Fund indicates that times of waiting for long-term care services have been lengthening. Most regional agencies of the National Health Fund report that the highest number of service takers are waiting for services at care and treatment facilities or wards (2 744 persons in total). The average waiting time for those services varies on the region, from 22 days (the Warmińsko-Mazurskie Agency) to 259 days (the Małopolskie Agency).

Table 4. The average waiting times for long-term services provided by selected organisational forms requiring the longest waiting, counted in days (as of the end of 2006)

<b>Voivodeship Agency of the NHF</b>	<b>home oxygen treatment teams</b>	<b>care and treatment facilities/wards</b>	<b>nursing and care facilities/wards</b>	<b>long-term nursing care</b>
Dolnośląskie	84	87	134	56
Kujawsko-Pomorskie	35	56	116	64
Lubelskie	174	123	50	20
Lubuskie	0	45	60	0
Łódzkie	53	25	48	20
Małopolskie	0	259	88	34
Mazowieckie	128	83	73	40
Opolskie	183	158	0	0
Podkarpackie	0	49	106	38
Podlaskie	146	58	20	35
Pomorskie	122	71	60	0
Śląskie	89	155	58	0
Świętokrzyskie	0	41	37	0
Warmińsko-Mazurskie	73	22	52	54
Wielkopolskie	249	26	52	23
Zachodniopomorskie	0	27	45	0

Source: data from the National Health Fund (NHF)

Among organisational forms linked with the longest waiting lines and times, there are also: nursing and care facilities/wards, home oxygen treatment teams and long-term nursing care. Waiting time for the above mentioned services is still long, despite the fact that the number of purchased services was significantly higher in 2006 as compared with 2005, which was recorded in the case of care and treatment facilities (for example, the Lubelskie Agency noted an increase of 22%, the Małopolskie Agency – of 10%, and the Opolskie Agency – of 7%), as

well as in the cases of nursing and care facilities and long-term nursing care (an increase was recorded by all the voivodeship agencies).

An analysis on existing regulations concerning organisation, performance and provision of long-term care services was carried out in 2007. As there were information and signals on irregularities regarding operations of care and treatment facilities and nursing and care facilities, particularly violation of patients' rights appearing, the Minister of Health, motioned voivodes to perform, 65 (1) control of care and treatment facilities and nursing and care facilities conducting operations in the area of specific voivodeships, by virtue of Article of the Act of 30 August 1991 on health care facilities, and to provide information on results of those controls and actions undertaken in relation to the said subject. The analysis was based also on a report on a control regarding competences of the National Sanitary Inspectorate, which was carried out at care and treatment facilities and nursing and care facilities all over the country in 2006, prepared by the Chief Sanitary Inspector, as well as on information from the Patient's Rights Bureau and from operational departments of the Health Ministry.

Information gathered through previous controls and an analysis of law regulations in force indicate that at the time being there is no need to amend the law regulations concerning organisation and operation of care and treatment facilities and nursing and care facilities other than that related to a proposal concerning the way and procedure of referring patients to long-term care facilities. That said, it would be appropriate to strengthen supervision over operations of those entities.

In view of the need to standardise the way and procedure of referring patients to care and treatment facilities and nursing and care facilities public and non-public belonging either to the public or the non-public sectors it was decided that amendment to the Ordinance of the Minister of Health and Social Welfare of 30 December on the way and procedure of referring patients to nursing and care facilities and care and treatment facilities as well the detailed rules on payment for staying at those facilities. In 2007, the Ministry of Health began to work on an amendment to the said ordinance.

However, it should be noted that the growing expectations for a better quality of life, as well as the changing structure of the family made dependence caused by illnesses, injuries or old age become a social problem. Nowadays, when most families consist of two generations, many persons unable to function independently are not provided with suitable care and nursing.

An improvement in the quality of provided long-term care services may be achieved through training of non-professionals (the family, the direct caretaker) taking care of the dependent person at his/her home and educating candidates for the medical caretaker's profession.

An analysis on professions existing within the system of social protection and health care have indicated that the present human resources, both within the department of labour and social policy and the department of health, are insufficient. A new profession of medical caretaker is envisaged to be created in order to secure provision of care and nursing services to those in dire need. The profession of medical caretaker was entered into the Ordinance of the Minister of National Education and of 26 June 2006 on the classification of vocation education fields (Dz. U. No 124, item 860). In September 2007, education of the said profession was initiated across the country. In December 2007, 103 persons declared their readiness to take an exam certifying qualifications required to practice the profession of medical caretaker during the 2007/2008 summer exam session.

The medical caretaker will be tasked with securing hygiene and providing care, and that will result with an increase of efficiency and quality of nursing services.

Among elderly patients there are many disabled and dependent persons. Even simple everyday tasks are serious challenges for them, often constituting unbreakable barriers. Another group that may support families caring of elderly persons at home are the volunteers. The act of 24 April on public benefit activity and volunteering (Dz. U. No. 96, item 873, as amended) specifies the rules on provision of services by volunteers and on receiving those services.

#### 4.4.2. Palliative and hospice care

According to the definition (formulated by the WHO), palliative care is the active, comprehensive and total care of patients suffering from incurable and advancing diseases that are in the last stages of their life. Like a coat (latin pallium means coat), it covers incurable patients and their tormented families. Its aim is to improve the live quality of patients and their families. It consists of countering pain that is difficult to control and other somatic symptoms, relieving mental, spiritual and social suffering and support for patients' families both during the illness and after the death of their loved ones.

Palliative care is an effort aimed at improvement of the live quality of patients and their families facing problems related to the illness limiting life through prevention and alleviation of suffering facilitated by early detection, assessment and treatment of pain and other physical symptoms as well as psychosocial and spiritual problems. (Sepúlveda C et al. Palliative Care: The World Health Organization's Global Perspective. J Pain Symptom Manage 2002; 24(2):91-96).

This kind of care is provided at the patient's home, at specialist clinics, stationary wards for palliative care, daycare centres and by hospital support teams.

Palliative care, which bases on work performed by a interdisciplinary team:

- is aimed at alleviation of pain and other symptoms
- alleviates mental and spiritual suffering
- provides assistance in solving social problems
- support the family during the illness and after the death of the loved one.

An interdisciplinary team consists of: a doctor specialised in palliative medicine, a nurse specialised in the palliative medicine, a psychologist, a physiotherapist, an occupational therapist, a chaplain and volunteers.

Palliative care is different from long-term care. Long-term care consists of nursing care provided by nurses in cooperation with a general practitioner to a diagnosed patient, whose health condition is stable and whose treatment has been decided. On the other hand, palliative care consists of efforts aimed at alleviation of suffering through early detection, assessment and treatment of pain and other physical symptoms as well as psychosocial problems. This activity takes place during dynamic changes in the patient's health condition and requires intensive efforts, such as urgent diagnostic examinations and implementation of therapeutic methods.

The decision on referring the patient to palliative care is made by a doctor specialised in palliative medicine, who takes into account medical and overall assessments of the way in which the patient's health condition impacts the life limiting disease.

Life limiting disease (in the last stages) refers to an incurable condition that is reasonably predicted to resist any treatment and due of which premature death will occur. The terms refers not only to cancer diseases, but also to other conditions, such as amyotrophic lateral

sclerosis (an advancing disease of the nerve system), advanced heart insufficiency or advanced chronic obstructive pulmonary disease.

Reference to palliative care should be decided with regard to current and actual needs of the patient, in particular of medical nature, rather than on the basis of the predicted life expectancy. Thus, the new definition stresses necessity for palliative care being to be accessible during the period between the detection of the condition and the patient's death (this is especially true in the cases of cancer diseases and amyotrophic lateral sclerosis). In view of the need to secure this access, it is advised that various structures of the palliative care system are created. Hospital support teams tasked with palliative care and palliative medicine clinics are to provide assistance to patients in early stages of diseases. On the other hand, home palliative care teams, palliative medicine wards, stationary hospices and other palliative care facilities are tasked mainly with providing assistance to patients in advanced stages of diseases. In addition, clinics providing support to families and orphans are mainly responsible for granting psychological, social and spiritual support to families, in particular where pathologic grief takes place. *Such clinics are often run by non-governmental organisations.*

Palliative and hospice care services consist of:

- 1) services provided at palliative medicine wards;
- 2) services provided at stationary hospices;
- 3) services provided at stationary hospices for adults;
- 4) services provided at stationary hospices for children;
- 5) services provided at palliative medicine clinics;

The developing system of palliative and hospice care, taking advantage of British experience and rich traditions, was a spur for home palliative and hospice care to dynamically develop all over the country.

It should be noted that since 1992 the palliative and hospice care system has been developing dynamically – the number of palliative and hospice care centres amounted to 81 already in 1993, while it reached 160 in 1996. In 2001, there were 260 centres, including 90 non-public ones, and 5 hospices for children and juveniles. In 2002, there were 270 palliative and hospice care centres in total, whereas in 2003 that number rose to 400.

According to 2004 data, there were 450 palliative and hospice care centres, including: 110 stationary wards with 868 beds in total (of those, 34 were non-public wards that had 260 beds), approximately 200 home palliative and hospice care teams, 126 palliative medicine and pain treatment clinics, lymphedema treatment clinics, 12 daycare centres, 7 home hospices for children and some hospital support teams. The quantitative dynamics of palliative care forms in the period 2003-2007 is depicted in the following table.

Table 5. The quantitative dynamics of palliative care forms in the period 2003-2007 is depicted in the following table, data combined by MD Małgorzata Krajnik, the National Consultant for Palliative Medicine.

No.	Voivodship	Number of beds					Number of facilities				
		31.12.2003	31.12.2004	31.12.2005	31.12.2006	31.12.2007	31.12.2003	31.12.2004	31.12.2005	31.12.2006	31.12.2007
1	2	3	4	5	6	7	8	9	10	11	12
1	Dolnośląskie	33	36	44	52	63	22	24	24	28	33
2	Kujawsko-pomorskie	36	40	45	52	51	17	19	23	26	25
3	Lubelskie	27	33	34	35	38	17	18	19	21	22
4	Lubuskie	21	25	30	28	27	14	14	16	15	14
5	Łódzkie	51	65	78	85	85	33	44	50	55	54
6	Małopolskie	32	32	38	47	47	25	25	29	31	33
7	Mazowieckie	138	143	133	153	152	91	90	90	92	93
8	Opolskie	26	26	39	45	48	7	6	10	13	13
9	Podkarpackie	23	25	31	43	47	13	14	20	27	29
10	Podlaskie	18	21	32	33	32	10	12	15	14	13
11	Pomorskie	47	57	55	55	55	28	32	30	30	30
12	Śląskie	100	102	111	110	110	42	41	45	45	45
13	Świętokrzyskie	14	16	23	26	29	7	8	13	14	13
14	Warmińsko-Mazurskie	52	43	47	47	50	32	27	27	27	28
15	Wielkopolskie	54	63	84	90	94	39	42	49	54	55
16	Zachodniopomorskie	19	20	27	40	43	15	15	17	22	24
17	<b>In total</b>	<b>691</b>	<b>747</b>	<b>851</b>	<b>941</b>	<b>971</b>	<b>412</b>	<b>431</b>	<b>477</b>	<b>514</b>	<b>524</b>

The above table indicates that the number of registered palliative care units has increased and the number of beds in the national scale and in most voivodeship has been steadily rising. Grey marks the data showing a decrease in the number of facilities and beds in Kujawsko-Pomorskie, Mazowieckie, Podlaskie and Świętokrzyskie voivodeships and a regression in Lubuskie voivodeship and, to a lower extent, in Podlaskie voivodeship, which has been lasting for the second year in a row.

The gathered data indicate that in some of the voivodeships there are facilities where:

- ❖ there are only units providing services to children (Dolnośląskie, Lubelskie, Łódzkie, Małopolskie, Mazowieckie, Opolskie voivodeships) or
- ❖ there are facilities providing services to both adults and children (Kujawsko-Pomorskie, Lubelskie, Łódzkie, Małopolskie, Mazowieckie, Podkarpackie, Podlaskie, Pomorskie, Śląskie, Świętokrzyskie, Warmińsko-Mazurskie, Wielkopolskie i Zachodniopomorskie).

An important achievement was also the creation of the first hospice for children in Poland which was located in Warsaw. The Warsaw Home Hospice for Children became not only a Polish but also an European educational centre.

In November 2007 the Polish Forum of Palliative Care was established which functions as a federation and associates the hospices for children operating on the territory of Poland.

The activities of palliative and hospice care centres deserve a high praise. They are characterised by high involvement and skills of the personnel, combined with empathy and

respect for dignity of seriously ill and dying people, their close ones and by the will to provide the highest standard of services.

The palliative and hospice care is an important and integral part of health care and its development constitutes an important elements of the activities of the Minister of Health and should take into account the recommendations from the „Recommendations of the Committee of Ministers to Member States on the organisation of palliative care”, adopted by the Committee of Ministers on 12 November 2003.

The document states that palliative care is not only institutional care but is rather a philosophy of care which may be used in all the places where the ill person is. Usually the teams are created which offer care over the ill person in his/her own home or in the social care unit. Other models of palliative care offered in hospitals are equally frequent. If possible, the ill persons should have the opportunity to use various forms of care, depending on their health needs and personal preferences.

The document recommends that the governments of Member States:

- 1) adopt policies, legislative and other measures necessary for a coherent and comprehensive national policy framework for palliative care;
- 2) aimed at the implementation, whenever feasible, of the activities included in the document;
- 3) promote international networking between organisations, research institutions and other agencies that are active in the palliative care field.

In respect of the above recommendations the Ministry of Health undertook actions to work out legal frameworks for the development of palliative care, and in particular to increase the quality of services provided within the field of palliative and hospice care. The Ministry launched works on the Minister of Health draft regulation on the standard procedures and medical procedures as regards palliative and hospice care in healthcare institutions, which when adopted, will certainly contribute to the improvement of care services provision to patients in need of palliative and hospice care.

The works undertaken in Poland to develop palliative care resulted in:

1. fixed position of palliative medicine and care both in the healthcare system, as well as in social awareness;
2. better access to palliative care, which is manifested in less “white spaces” (number of poviats with no access to palliative care in-house teams);
3. introducing palliative medicine specialisation for physicians and palliative care for nurses, and educating first specialists in the field;
4. introducing pre-graduate education in the field of palliative medicine for physicians in most of medical universities;
5. entering palliative medicine elements into the specialist curriculum in some branches of science (e.g. clinical oncology, oncological gynaecology, geriatrics);
6. better access to different groups of analgesic medicinal products not only for people with cancer but also in some cases of chronic non-cancer pain.

#### 4.4.3. Sources of the financing of long-term care and palliative and hospice care benefits

The conditions and scope of the provision of health care benefits financed from public funds, as well as the rules and method of financing those benefits are regulated by the Act of 27 August 2004 on health care benefits financed from public funds.

According to Article 15 (2) (13) and (13a) of the abovementioned Act, the nursing and care benefits, as well as palliative and hospice care, for the benefit recipient are financed from the public funds. The benefits are financed from public funds by the National Health Fund. The details of contracting and providing the benefits in 2008 were laid down in the order of the President of the National Health Fund No 61/2007/DSOZ of 19 September 2007 on specifying the conditions for the conclusion and implementation of contracts such as long-term care, with the amendments issued pursuant to Article 102 (5) (21) and (25) and Article 146 (1) (1) and (3) of the abovementioned act.

The payer, i.e. the National Health Fund, finances the health services in the care and treatment centre or nursing and care centre, but does not pay the costs of board and accommodation. According to Article 34a of the Act of 30 August 1991 on health care centres, the person staying in the care and treatment centre or nursing and care centre pays the costs of accommodation and board. The monthly payment is established at the level of 250% of the lowest pension, but the fee cannot be higher than the amount equivalent to 70% of the monthly income, within the meaning of the regulations on social assistance, of the person staying in the care and treatment centre or nursing and care centre.

There is a special rule for the patients using the palliative and hospice care, according to which the patient does not bear any costs related to the scope of provided services. The palliative and hospice centres are financed by the National Health Fund under the concluded contract.

#### 4.4.4. Social assistance

As regards the social policy towards elderly persons, there are numerous systems, such as the social insurance system, health care system, rehabilitation system, etc. One of such systems includes also social assistance aimed at helping individuals and families cope with difficult life situations which they are unable to overcome using their own rights, resources and possibilities. In order to attain this objective, social assistance services support individuals and families in their efforts aimed at meeting their basic needs and enables them to live in the conditions appropriate for human dignity.

According to the Act of 12 March 2004 on social assistance (Dz.U. 04.64.593, as amended), a social assistance centre may provide a single person, who due to his/her age, illness or other reasons requires assistance of others, with nursing services which include the assistance in meeting everyday needs, hygienic care, treatment recommended by a doctor and, to the extent possible, the contacts with the surrounding people (nursing services may also be granted to persons whose family is unable to provide them with care).

Another form of benefits available to a person in need of assistance includes specialist nursing services which are adjusted to particular needs resulting from the type of illness or disability and provided by persons with special professional skills.

In the nursing services cannot be provided at the place of residence, the person in need of others' assistance due to her/his age may use the nursing and living services in the form of family assistance centre which is a form of 24 hours a day nursing and living services.

An elderly person who needs support in everyday functioning but does not require care for 24 hours a day can be granted a stay in a protected flat, the aim of which is to create the conditions for independent functioning in one's environment and integration with the local population.

When a person requires care 24 hours a day due to his/her age, illness or disability and the assistance cannot be provided in the form of nursing services, he/she has the right to stay in a social assistance centre.

The expenditure related to the provision of 24 hour a day care and the meeting of necessary living and social needs is fully covered by the social assistance centre. The social assistance centre enables and organises assistance for its inhabitants in using health care benefits they are entitled to pursuant to separate provisions, as well as covers the lump sum fees and a part of the fee to the price limit, provided for in the provisions on common insurance in the National Health Fund. The social assistance centre may cover the expenditure required for nursing services to the extent exceeding the rights stemming from the provisions on common insurance in the National Health Fund. The decision about the referral to a social assistance centre and the decision about the fee for the stay in such a centre are issued by the authority of the gmina competent for a given person on the day this person is referred to the social assistance centre.

The social assistance centre provides, at the level of the standard in force, the persons requiring 24 hour a day care due to old age, illness or disability with the following services: living, nursing, supporting and educational in the forms and scope resulting from individual needs. Depending on to whom they are intended, the centres are divided into the centres for:

- elderly people;
- chronically somatically ill people;
- chronically mentally ill people;
- mentally disabled adult people;
- mentally disabled children and young people;
- physically disabled people.

The decision about the referral to a social assistance centre and the decision about the fee for the stay in such a centre are issued by the authority of the gmina competent for a given person on the day this person is referred to the centre. The decision about the referral to a social assistance centre is issued by the authority of the gmina running the centre or the head of the powiat running the centre. In the case of regional social assistance centres, the decision is issued by the marshal of the voivodeship.

The fee for the stay in a social assistance centre is paid by:

- the inhabitant of the centre, however, not more than 70% of his/her income, and in the case of minors, their statutory representative from the income of the child, but not more than 70% of that income;
- spouse, descendants before ascendants:
  - (a) in the case of a person who is the only member of a household, if the income is higher than 250% of the income criterion of a person who is the only member of a household, but the amount of income left after the payment of the fee cannot be lower than 250% of the criterion;
  - (b) in the case of a person in a family, if the income per head is higher than 250% of the income criterion for a person in the family, but the amount of income left after the

payment of the fee cannot be lower than 250% of the income criterion for a person in a family;

- gmina, from which a given person was referred to a social assistance centre, to the amount of the difference between the average costs of maintenance in a social assistance centre and the fees paid by the centre inhabitant and the spouse, descendant before ascendants.

The activities of organisations and foundations, also those addressed to elderly people, within the framework of creation of the so-called civil society has been developing for years. Numerous local governments cooperate with and support such organisations as the „PENSIONER” Foundation, the Polish Association of Pensioners and Invalids, the Fullness of Life Academy Association, the John Paul II Samaritan Society, the Sadecki Third Age University Association and others.

The Voivodeship Policy and Social Assistance Programme for Old Age 2004-2006, prepared and adopted by the resolution of the government of the Małopolskie Voivodeship is an example of the cooperation of local government with the non-governmental organisations with regard to the activities for elderly persons. The aim of the Programme is to prevent the social marginalization of elderly people which is reflected in a more difficult use of citizen rights, as well as the poor access to public services.

The adopted programme is a continuation of the Voivodeship Policy and Social Assistance Programme for Old Age implemented between 2001 and 2003 and coordinated by the Regional Social Policy Centre in Kraków.

#### ***4.5. Priority directions of activities in the field of long-term care and palliative and hospice care***

The document which sets the directions of activities for providing elderly people with appropriate care and prolonging the period of mental and physical fitness and the possibility to perform social roles is the **Health Strategy 2007-2013**, adopted by the Council of Ministers on 21 June 2005. The document is currently being updated.

In Objective 3 concerning the adjustment of health care to the dynamics of long-term demographic trends, the operational objective 3.4 was dedicated in full to the activities aimed at providing appropriate medical care to elderly persons, and thus to prolong the period of mental and physical fitness and the possibility to perform social roles by the elderly people.

The activities include:

1. The preparation and implementation of nursing and medical procedures allowing for rational care over elderly people.
2. The organisation of the forms of home care over elderly people.
3. The restructuring of the hospital network and the establishment of clinics adapted to the provision of long-term care, nursing care and palliative and hospice care.
4. The functional integration of health care with social assistance and the adjustment of the rules of financing in order to comprehensively meet the needs of elderly people.
5. The development of education and practical preparation of medical personnel for the prevention, treatment and the improvement of the functioning of elderly people.

6. The support for the activities of non-governmental organisations dealing with health care for elderly people.
7. The development of social infrastructure in rural areas which would allow for the improvement of the provision of health care services to elderly persons.

The second document which sets the directions of activities aimed at improving health of individuals and social groups is the National Health Programme 2007–2015, adopted by the Council of Ministers on 15 May 2007. The overview of programme tasks addressed at individual populations, including the elderly and disabled people, was included in the operational objective 9 which was dedicated to „The creation of conditions for health and active life of elderly people”.

The choice of the objective was justified by the ageing of the populations which has become visible in Europe in recent decades. In European countries one in seven persons is over 65, while the number of persons aged 0-19 significantly decreases. The decrease in the birth rate is also recorded as well as the increase in the length of life. Therefore, the relative burden of main dependant groups in the society, i.e. children, young people and elderly people is clearly shifting towards the latter. The problem of the ageing of populations became so important that in 2002 in Madrid the WHO presented the Framework Policy on Active Ageing. Two other documents were also adopted: the Political Declaration and the International Plan of Action on Ageing. They both include a message for the societies of the world to strengthen social behaviour aimed at full acceptance and possibilities of the development of elderly people. The objective 9 includes the tasks for the central and local government administration, as well as for non-governmental organisations. The tasks include the following:

#### **Central government administration:**

1. Promotion of health and prevention of diseases during the whole life.
2. The development and implementation of health programmes aimed at creating conditions for a physically and mentally active lifestyle of people aged over 60;
3. The creation of systemic solutions allowing for care over elderly and/or disabled people in the place where they live, respecting their rights and ensuring the highest possible quality of nursing and medical services;
4. The creation of legal and administrative solutions supporting the development of health lifestyle by activating economic mechanisms encouraging the individual activities for physical activity;
5. The system activities to ensure the protection, safety and respect for dignity of elderly people’
6. The activities aimed at ensuring a common and equal access to health services, including medicine for elderly people.

#### **Local government administration:**

1. The enhancement of activities aimed at creating living conditions which would be friendly and safe for old people;
2. The reduction of risk factors related to diseases and the support for positive health factors in the place of living;
3. The activation of training and education for people with direct impact on the creation of health-friendly behaviour in the population of people aged over 50;

4. The activation of local communities with regard to activities aimed at promoting healthy lifestyle in the population of people aged over 50.

#### **Non-governmental organisations:**

1. The promotion of a positive image of elderly people in the society and their importance for its existence and the development opportunities of younger populations;
2. The support for elderly people in full participation in family and social life;
3. The building of an image of physically, psychologically and socially active people over 60 in the mass media.

#### **Expected health benefits:**

1. A decrease in the number of the disabled in the group of people aged over 60;
2. A decrease in the number of deaths in the group of people aged over 60;
3. A decrease in the number of people suffering from non-infectious diseases in the group of people aged over 60;
4. Increased healthy life expectancy (HALE);
5. The longer average life expectancy.

#### **Expected results by 2015:**

1. The promotion of „active ageing”;
2. The feeling of full health, safety and active participation in economic, cultural, social and political life among elderly people;
3. The reduction of disability, chronic diseases and premature deaths in the population of people aged over 60;
4. The reduction of risk factors related to non-infectious diseases in the population of elderly people.

#### **Conclusion**

The current situation in the health care system results in the disturbances in the access to health care services in some areas. It may concern in particular the social groups which are at the greatest risk of social marginalization, i.e. people affected by poverty, the disabled and elderly people. The reasons for this lie mainly in the methods of collection and allocation of financial resources and the mistakes in the management of the change implementation process. The adverse phenomena result also from the low level of the financing of the public health care system, which is particularly visible in view of high growth rate of costs based on the prices which are external to the health care system (prices of medicinal products, medical equipment, use of infrastructure, non-salary labour costs) and the increase in the so-called health needs (generated by the growth of education, advertisements, demographic processes). Upon Poland's accession to the EU, a chance appeared that new stages of changes will be more precise than in the past and will aim at the changes useful for the citizens.

The activities so far do not fully meet the needs of elderly and chronically ill people. The different needs of this population require integrated, long-term activities aimed at improving the situation of those people. The increase in expenditure for health care in the last years of life results in a rapid growth of the costs in the budget of the ill person, the carer of such a person and the state budget, if there are no funds allocated for such a situation thanks to the additional insurance system.

With age, the demand for medical services will increase, in particular for medical and care services and medical and rehabilitation services, there will be a growing need of home visits of doctors and the need of geriatric consultation and care which, as a result, will be translated into the higher cost of care.

Despite numerous achievements in the development of palliative and hospice care, it should be noted that the patients which qualify for palliative care not always can benefit from health care services provided within the framework of contracted palliative care. The differences in the distribution of palliative care centres results in the unequal access of the patients to such care. The palliative and hospice care centres are fewer in rural areas and more frequent near large cities.