EVALUATION OF
PHARE PL 9811 INITIATIVE
PROGRAMME

FINAL REPORT

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1 Executive summary

This Report is a result of works completed within the project "Evaluation of PL9811 INITIATIVE Programme". The Phare PL 9811 INITIATIVE Programme was implemented in 1999-2001 within the framework of Accession Partnership. The strategic objective of the Programme was to facilitate coal and steel restructuring in Poland. The immediate objectives of the Programme included the following:

- Alleviation of social and regional costs of coal and steel restructuring,
- Maintenance of development of the regions under restructuring,
- Reduction of unemployment resulting from restructuring.

The Programme was managed and implemented by the Polish Agency for Enterprise Development. The INITIATIVE Programme budget totalled to EUR 30 million, out of which EUR 17.75 million has been spent. Within the Programme the following four instrument types were financed:

- vocational retraining,
- co-financing of social protective measures,
- alternative jobs creation,
- institutional component – institution building (twinning).

According to the adopted premises the Programme assumed the following results:

- in the coal sector: providing training to 4000 – 4200 persons, ca. 5300 persons were supposed to benefit from social allowances, and creation of 5000 – 5500 new jobs;
- in the steel sector: providing training to ca. 4000 persons, ca. 1800 persons were supposed to use social allowances, and creation of ca. 8000 new jobs.

The INITIATIVE Programme was a pilot programme, and it was continued with implementation of the INITIATIVE II Programme. Currently works are drawing to a close for initiating the INITIATIVE III Programme.

The purpose of this Report is ex-post evaluation of the PL 9811 INITIATIVE Programme based on the following criteria:

- effectiveness, i.e. achievement of the formulated programme objectives,
- efficiency, i.e. comparison of resources mobilised with achievements in terms of the products, results, and effects of the Programme,
- relevance, i.e. appropriateness of the objectives of the programme in relation to the needs of both sectors and regions under restructuring,
- sustainability durability of the Programme effects.

The restructuring process in the coal sector was based on the Government Reform Programme of hard coal mining industry in Poland during the period 1998 – 2002. With regard to human resources the programme assumed reduction of work force in the coal sector by ca. 105,000 persons. The adjustment to the programme adopted by the Government in 1999 assumed further reduction by ca. 118,000 persons. The process of
reducing unemployment was supported by the Mining Social Packet (MSP). MSP included various protective and activation measures designed for ca. 75,000 beneficiaries. The INITIATIVE Programme was supposed to support the MSP measures. Finally 66,700 persons left coal and steel sector and used the instruments of MSP. INITIATIVE supported ca. 3,600 of them.

The process of restructuring in steel sector was based on the Program of restructuring the steel industry in Poland adopted by the Government on 30 June 1998. The programme assumed the reduction of work force by ca. 40,000 persons in 1998 – 2003. Steel Social Package (SSP) designed for ca. 17,000 persons constituted an instrument facilitating the process of reducing employment. The INITIATIVE Programme was supposed to support the SSP. Finally, 17,500 persons leaving steel sector used SSP and ca. 1,400 benefited from the INITIATIVE Programme.

The objectives and instruments adopted in the INITIATIVE Programme were in compliance with the governmental restructuring plans in coal and steel sectors.

Overall utilisation of the funds allocated to Programme has amounted to 59.3%. Only funds earmarked for training projects, loans for miners, counselling for miners and interest rate subsidies were spent in significant degree. The fact that the number of laid off employees of coal and steel sectors was much greater than the number of Programme beneficiaries indicates that the sectors' needs for support significantly exceeded the INITIATIVE offered outlays. Rather low overall utilisation of the funds allocated to implementation of the Programme has resulted from inability to relocate funds between instruments.

In terms of enterprise support and new jobs creation the INITIATIVE Programme has contributed to creation (resulting from immediate aid provided under the Programme) of ca. 1,400 new jobs. This number could not significantly improve the condition of local labour markets. It may be claimed that the Programme has not been sufficiently adequate to the problems of the regions under restructuring. In particular the SME development instruments offered in the Programme were definitely too limited (both in terms of the implemented projects and the funds thereto allocated).

It should be underlined, however, that the Programme was de facto the only project providing quite comprehensive aid for discharged employees.

The most important element of the INITIATIVE Programme evaluation is the sustainability of the Programme effects (assessed by the current employment situation of Programme beneficiaries). The research revealed that the effects of the projects aimed at new job creation are much more durable than the effects of retraining and protective projects:

- 75% of beneficiaries of loans for setting up new businesses are still running their own companies,
- some companies set up by the beneficiaries of the INITIATIVE Programme have already created new workplaces,
- 38% of beneficiaries of social protective measures are currently employed,
- 24% of beneficiaries of re-training programs have found jobs in line with the re-training, but only 25% of them are still employed,
46% of companies that have benefited from interest rate subsidies still employ all the former miners or steel workers, 22% of these companies still employ at least half of the former miners and steel workers they have hired. The same indicators amount to 35% and 16% respectively with regard to companies that have benefited from preferential loans.

77% of companies that have benefited from refinance of social security costs still employ all employees hired under the INITIATIVE scheme, while another 7% employ at least half of them.
2 General information on PL 9811 INITIATIVE Programme

2.1 Programme objectives

The INITIATIVE PL 9811 Phare Programme was implemented within the framework of the Accession Partnership signed by the European Commission (acting on behalf of the European Communities) and the Government of the Republic of Poland. According to the PL 9811 INITIATIVE Phare Programme Financing Memorandum the strategic objective of the Programme was to facilitate coal and steel restructuring in Poland (implementation of the Accession Partnership short term objective).

The following immediate objectives of the INITIATIVE Programme were indicated:

- Alleviation of social and regional costs of coal and steel restructuring,
- Maintenance of development of the regions under the restructuring,
- Reduction of unemployment resulting from the restructuring.

Within its immediate objectives, including the „Maintenance of development of the regions under restructuring”, the INITIATIVE Programme implemented only enterprise supporting projects. No infrastructure projects directly affecting regional development were adopted. It is only INITIATIVE II that has introduced the „Local Grant Fund” aimed at co-financing infrastructure projects in municipalities suffering adverse effects of the restructuring process.

2.2 Implementation

The PL9811 INITIATIVE Programme was implemented in 1999-2001 (including the implementation’s extension by another 12 months).

The Programme was managed and implemented by the Polish Foundation for Promotion of Small and Medium Enterprises Development (the mandate of which has been taken over by the Polish Agency for Enterprise Development (PAED) since January 1, 2001) under supervision by the Ministry of Economy. The PAED, acting as the Programme Implementing Agency, submitted terms of references, regulations, and Programme implementation contracts to the Programme Authorising Officer (PAO) and the European Commission Delegation in Poland for approval.

The following organisations were involved in the Programme implementation at the regional level: Mining Employment Agency S.A., State Agency for Hard Coal Mining Restructuring S.A. in Katowice, Iron Metallurgy Institute in Gliwice, as well as enterprises subject to the restructuring, and the local, regional, and governmental administration (voivodeship offices, labour offices, and others).

Implementation of individual components/instruments of the Programme was entrusted to organisations or consortia of contractors selected in tenders.
2.3 Budget

The Programme budget amounted to EUR 30 million, out of which EUR 19.65 million was allocated to support of hard coal mining restructuring, and EUR 9.25 million to support of iron and steel restructuring. The remaining funds (EUR 1.1 million) were used to finance the institutional development component in the form of a twinning agreement between the Polish Ministry of Economy and its Spanish counterpart. The project was designed to support institutional capacity required for the implementation of the Programme.

2.4 Programme components

The following four instrument types were financed under the Programme:

**Vocational retraining:**
- Vocational retraining for laid off coal sector employees (budget – EUR 950.000). The project objective was to carry out retraining programs for coal worker leaving the coal sector. The contractor was a consortium of six educational agencies (leader: IMC Consulting Ltd.). The training (70 types) has been completed by 1.831 persons.

- Vocational retraining for laid off steel sector employees (budget – EUR 450.000). The project objective was to carry out retraining programs for laid off steel workers. The contractor was a consortium of eight educational agencies (leader: On Site). The training (40 types) has been completed by 402 persons.

**Co-financing of social protective measures:**
- Co-financing of social benefits for laid off miners (budget – EUR 10.500.000). The project involved co-financing of social benefits (since 2001 the project included also the activation packages and counselling) for laid off miners. Five coal companies, which were receiving grants for co-financing the social benefits, were the partners in this project. 475 persons have benefited from the measure, out of which 231 benefited from the activation package. Within the counselling framework 193 persons took part in career workshops, and 50 underwent individual counselling.

- Co-financing of vocational retraining benefits – training contracts for laid off steel workers (budget – EUR 3.000.000). The project involved co-financing of retraining benefits for laid off steelworkers. Nine steel enterprises, which were receiving grants for co-financing the training contracts, were the partners in the project implementation. 389 persons have benefited from the training contracts.

**Alternative jobs creation through SME development:**
- Loan fund for SMEs creating new jobs for laid off hard coal miners and for former coal sector employees starting new businesses (budget EUR 4.400.000). The project was implemented by a financial institution selected in a tender (consortium led by Upper Silesian Regional Development Agency). The project involved granting loans for laid off miners or their spouses starting new businesses, and for SMEs creating new jobs for former miners. 366 loans were granted including 224 loans for individuals starting new businesses.
Credit interest subsidies for SMEs creating new jobs for laid off miners (budget: EUR 3.000.000). Credit interest subsidies were provided by five banks, the partners in this project. The project was designed for small and medium-size enterprises and aimed at supporting them in creation of new jobs for laid off miners. 86 enterprises benefited from the subsidies and 369 new jobs were created.

Refinancing of social security for employers hiring laid off miners (budget: EUR 600.000). The project involved refinancing of social security for small and medium-size enterprises which took on laid off miners. 129 employers have benefited from the refinance and 201 new jobs were created.

Co-financing of advisory services for former miners starting new businesses and for SMEs creating new jobs for former miners (budget: EUR 200.000). The project was designed for laid off miners or their spouses who started new businesses and for small and medium-size enterprises creating new jobs for former miners. The services were provided by a consortium (leader: Upper Silesian Regional Development Agency). 337 entities have received the advisory services.

Loan fund for SMEs creating new jobs for laid off steel workers and for former steel workers starting new businesses (budget: EUR 2.000.000). The project was implemented by a financial institution selected in a tender (consortium, leader: Industrial Development Agency S.A.). The project involved granting preferential loans for laid off steel workers or their spouses starting new businesses and for SMEs creating new jobs for former steel workers. 65 loans were granted, which resulted in creating 120 new jobs.

Credit interest subsidies for SMEs for SMEs creating new jobs for laid off steel workers (budget: EUR 3.500.000). Credit interest subsidies were provided by eight banks, which were the partners in this project. The project was designed for small and medium-size enterprises and aimed at supporting them in creation of new jobs for laid off steel workers. 103 enterprises benefited from the subsidies and 356 new jobs were created.

Co-financing of advisory services for laid off steel workers starting new businesses and for SMEs creating new jobs for laid off steel workers (budget: EUR 300.000). The advisory services were available to financial instrument beneficiaries: laid steel workers or their spouses starting new businesses and to small and medium-size enterprises creating new jobs for laid off steel workers. The services were provided by a consortium selected in a tender (leader: Upper Silesian Regional Development Agency). 129 entities received advisory services.

Institutional component

Institution building - twinning (budget: EUR 1.100.000). The twinning agreement involved advisory aid provided by a long-term expert from Spain and participation of short-term experts from Spain and the UK in training programs and workshops designed to support the Polish government. The instrument involved workshops, training programs for and edition of a text-book for career advisors.
2.5 Planned results

The expected results of the implementation of INITIATIVE Programme were indicated in the Financing Memorandum, in the Annexe „Standard Summary Project Fiche: PL 9811”. According to adopted premises the Programme assumed the following results:

- in the coal sector: providing training to 4000 – 4200 persons, granting social benefits to ca. 5300 persons, and under the new jobs creating instruments 5000 – 5500 jobs were to be created or identified (found at the labour market, considered available and feasible for assignment),

- in the steel sector: providing training to ca. 4000 persons, granting social benefits to ca. 1800 persons, and under the new jobs creating instruments ca. 8000 jobs were to be created or identified.

In the available documentation there is no information on whether, when, and for what reasons the quantitative results assumed in the Financing Memorandum were adjusted, neither there is detailed information about the expected results of each instrument separately. The report on the implementation of the PAED Action Plan in the period January – December 2002 (January 24, 2002) includes more details about the Programme results planned for 2001, however, the document features disparities between the quantitative results planned and eventually achieved. In the Final Report on implementation of PL 9811 INITIATIVE Programme (PAED, May 2002) only the causes of failure to utilise the funds allocated to some projects were mentioned. There is no indication of the causes for disparities between actually achieved results and results planned (in the Financing Memorandum and in contract with project partners). Comparison between the Programme actual results and the assumptions(together with resources involved and achieved effects) is given in part 5 of this Report.

2.6 Continuation of INITIATIVE Programme

The PL 9811 INITIATIVE Programme was continued with the INITIATIVE II Programme that was targeted at the same beneficiary group and additionally introduced an instrument to support infrastructure projects. Works are now in progress to implement the INITIATIVE III Programme.

The INITIATIVE III Programme shall support reduction of employment only in the steel sector.

According to the Government Programme for restructuring and development of iron and steel sector in Poland until 2006, by the year 2006 the workforce at the steel works, included into the governmental programme, shall be reduced by ca. 8,000 employees, i.e. down to the level of 15,600 employees (direct employment). Additionally, it has been assumed that 3,600 persons will benefit from the Steel Activation Package introduced by the Act of 24 August 2001 on steel restructuring (Chapter 3). The act included also the employees of subsidiary companies (enumerated in the act) to the group of the beneficiaries of the Activation Package. That may significantly extend the target group of this instrument.
The act provides for the following instruments of occupational activation of laid off employees in the steel sector:

a) Training contract granted for a period up to 10 months, available for the workers who declare to leave their job and take up training after this period; during the training contract such employee shall receive remuneration the same as for the holiday leave,

b) Career advice services and training programme for employees on the training contracts,

c) Dismissal payment available to any employee on the training contract who found out employment outside the sector within the contract period. The amount of dismissal payment shall depend on the date of dismissal and correspond to normal holiday leave for all full months remaining until the end of the contract period,

d) Provisory dismissal payment available to any employees (who was employed before January 10, 2003 and has remained employed for a period of at least six months) who voluntary decide to leave their job in the sector:

- in the amount of PLN 12,000 (available to any employee, who on the dismissal date shall have right to a pre-pension benefit),
- in amount corresponding to six months of paid leave (available to any employee who shall not have the right to a pre-pension benefit, who shall resign of the training contract, and who, after the dismissal date, shall undertake employment outside the sector in the company that does not benefit from a remuneration subsidies, or shall set up own business),

e) Subsidy to any employer outside the steel sector who shall create a new full-time job for a former steel worker that voluntary decided to leave job in the steel sector:

- for a period of 24 months – a subsidy in an amount of 50% of paid leave, not more however than PLN 900 over a period of 12 months,
- for a period of 36 months (available with regard to any employee lacking not more than 3 months until the pension eligibility age) - a subsidy in an amount of 75% of paid leave, not more however than PLN 1300 over a period of 18 months.

Each benefit may be granted to an eligible employee (of a steel works or a subsidiary company) only once, and at the employee's request. Provisory dismissal payments shall not be granted to any employee of any steel works or a subsidiary company, with respect of which bankruptcy has been declared. The act introduced also an additional condition to the subsidies - the employment must take place not later than December 31, 2005 and June 30, 2005 (in cases where employee is lacking 3 years until the pension eligibility age) When the employment will take place after these dates the subsidy shall be granted for the shorter period of time – until December 31, 2006, i.e. until the Programme completion date.

According to the available information on INITIATIVE III Programme, the Programme shall finance (or co-finance) the following seven complementary project types:

- training contracts and dismissal payments,
- re-training programs and one-off training,
- advisory services for start-ups run by former steel workers and companies willing to employ laid off steel workers,
- grants for start-ups run by former steel workers or enterprises employing laid off steel workers (co-financing of operating costs),
- subsidised employment (refundation of remuneration for employers hiring laid off steel workers),
- investment grants for SMEs employing laid off steel workers,
- infrastructure projects.

Projects which are going to be implemented under the INITIATIVE III schemes will, to a great extent, exceed the scope of the occupational activation instruments provided for in the sectorial restructuring programme and the relevant act.

The expected results of INITIATIVE III are as the following:
- 1500 new jobs shall be created ("1500 redundant steel workers shall find new jobs"),
- ca. 620 SMEs employing laid off steel workers shall be given advisory or investment assistance,
- 1500 beneficiaries shall be trained,
- 24 infrastructure projects shall be implemented.

Costs of the measures to be financed with PHARE funds amounts to EUR 12 million.
3 INITIATIVE Programme in relation to governmental restructuring plans

3.1 INITIATIVE Programme as an element of governmental plans of restructuring of coal mining and steel works sectors

3.1.1 Coal sector

The restructuring process in the coal sector was based on the Government Reform Programme of hard coal mining industry in Poland during the period 1998 – 2002, adopted by the Council of Ministers on 30 June 1998 (adjusted in 1999).

With regard to human resources the 1998-2002 reform of mining industry was based on the following assumptions:

- physical, complete liquidation of mines, social protective measures in mining, mining damages recovery because of old resources reactivation and new jobs creation in mining municipalities shall be financed in 1998-2002 by the state budget and other available funding sources,
- during the Programme implementation the social aspect should be taken into account in order to minimise the social effects coal sector reform.

The Programme adopted the following general objectives:

- adjustment of hard coal mining business entities to the market economy and maintenance of competitiveness of the Polish coal on the domestic market,
- by 2010 satisfying the domestic demand for hard coal and the needs of economically viable export, subject to adherence to environmental standards and competitiveness requirements specified by the European Union and maintenance of open market for all energy carriers subject to mutual benefit principle.

The reform's objectives were then specified through the immediate objectives, in particular through the following objective relating to the human resources:

- reduction of the hard coal mining work force to the level of ca. 138,000 employees by the end of 2002, i.e. by ca. 105,000 persons.

In 1999, in the face of declining economic standing of the mining companies, the government adopted the „Adjustment of the Government Reform Programme of hard coal mining industry in Poland during the period 1998 – 2002”.

The adjustment assumed that in 2000 – 2002 the mining labour force should be reduced by ca. 48,000 persons and the wholel reduction in the Programme implementation period should total to ca. 115,000 (or 118,000, as different versions of the document quote different figures).

The basic principles of the industry human resources' restructuring included the following:

- no group dismissals should be applied,
package of social protective and activation measures should be introduced for laid off miners.

creation of new jobs for redundant miners should be supported.

The process of reducing unemployment was supported by the Mining Social Packet (MSP) introduced by the Act of 26 November 1998 on the adjustment of hard coal mining industry to the market economy and the special eligibility and tasks of mining municipalities. The act provided for the following human resources restructuring instruments:

- mining holiday benefit, available to any employee lacking, because of the age, total length of service, or length of underground service, not more than five years until the pension eligibility age (before January 1, 2007). During such holiday a social benefit (75% of a monthly remuneration assessed as for holiday leave) shall be paid to employee, in the event of assuming employment during such holiday any such employee shall remained eligible for 50% of the benefit granted;

- social allowance, granted for a two-year period (before January 1, 2003), disbursed to any employee leaving job during a period of occupational retraining and searching for a new non-mining job (65% of a monthly remuneration assessed as for holiday leave); in the event of assuming non-mining employment or setting up own business any such employee shall remained eligible for 50% of the allowance granted;

- one-off pecuniary severance payment (from 7.2 to 14.4 average remuneration at a mine, depending on employment termination date) granted in order to intensify occupational activity, available to any person benefiting from the social allowance, who within a 24-month period after the employment termination date has assumed a non-mining job or set up own business;

- one-off unconditional pecuniary severance payment (from 12 to 24 average remuneration at a mine, depending on employment termination date), available to any discharged underground miner and not eligible for the mining holiday benefit, who has resigned of other benefits, i.e. the allowance and conditional severance payment;

- one-off unconditional pecuniary severance payment available to any ground employee with at last 5-year length of service at the company (3.6 average remuneration at a mine);

- one-off free of charge training program available to any employee, whose employment has been terminated because of a reason attributable to the employer, and who benefits from the social allowance, to any underground employee, and since 1999 to any employee benefiting from the social allowance or the unconditional severance payment;

- preferential loan for setting up own business, available to any employee, whose employment has been terminated because of a reason attributable to the employer;

- free of charge counselling assistance;

- preferential loan (with subsidised interest) available to any non-mining employer that has employed for an indefinite period (24 months minimum) a redundant miner,
whose employment has been terminated because of a reason attributable to the employer, to cover job creation related costs;

- reimbursement of contribution to social security and the Labour Fund and the Fund of Guaranteed Social allowances – not more than the monthly-average employer premium, available to any non-mining employer that has employed for an indefinite period (24 months minimum) a redundant miner, whose employment has been terminated because of a reason attributable to the employer.

According to the Programme, a package of social protection and activation instruments was supposed to enable discharging of ca. 75,000 miners:

- mining holiday benefits for ca. 35,000 employees,
- social allowances for ca. 10,000 employees,
- dismissal payment for ca. 30,000 employees.

The results of the undertaken actions were presented in the Information on the realization of Government Reform Program of hard coal mining industry in Poland from 1 January 1998 to 30 September 2002 (Ministry of Economy, November 2002). The Information includes a tabular listing of hard coal mining work force size at different moments during implementation of the Programme. According to the Information at the end of September 2002 (i.e. one quarter of year before completion of this part of the mining industry reform) the mining work force amounted to 142,600 employees. Current data presented by the Ministry of Economy, Labour and Social Policy indicate that at the end of 2002 the mining work force amounted to 140,700 employees. That means headcount reduction by 102,600 persons in the period of 1998 – 2002. Costs of the entire Programme incurred with regard to human resources restructuring amounted to a little over PLN 4.5 billion (in accordance with adopted premises).

3.1.2 Steel sector

The process of restructuring in the steel sector was based on the Program of restructuring the steel industry in Poland adopted on 30 June 1998 that assumed the following strategic objectives with respect to economy and human resources:

- increased economic effectiveness of individual steel works,
- modernisation of the technology and adjustment of the manufacturing capacity and work force to the level adequate to the products’ sales potential.

The recommendations on implementation of human resources reform assumed the following:

- reduction of the work force to the level appropriate for the manufacturing output and processing depth, as well as the work efficiency comparable to that of EU countries, i.e. by ca. 40,000 persons in 1998 – 2003,
- introduction of a package of social protective measures,
- formulation of detailed plans of work force reduction based on the Steel Social Package,
• launch of a system and services responsible for the programme of retraining and
  dismissals from steel works.

Availability of external sources of funding for social protective measures was conditioned
by completion of works on the restructuring programmes by steel works.

In addition, the implementation recommendations indicated necessary inclusion of issues
relating to the effects of steel industry restructuring into the regional development plans.

The Programme assumed expenditure of PLN 410 million for social protective measures
in 1998 – 2001, provided that ca. 17,000 persons would benefit from these measures (out
of 40,000 planned laid off steel workers).

The human resources restructuring in the steel sector was based on protective
instruments different than those provided for in the mining industry restructuring
program. First of all laid off employees had no right to sector-specific holidays. Instead,
within the framework of the Steel Social Package – SSP (1999) the period was
shortened that enabled redundant steel workers’ eligibility for pre-pension benefits (until
2000 redundant steel workers were vested with the right to this benefit subject to terms
and conditions more advantageous than other eligible groups). The main incentives to
quit steel works job and to search new employment at the labour marketplace included
the following:

• dismissal payments, disbursed mainly to employees employed at posts covered by so
called lists A and B (Regulation of the Council of Ministers on pension eligibility age of
employees working in special conditions) and to those employees who voluntarily
decided to leave their job in the sector (from 26,000PLN to 30,000PLN depending on
the date of dismissal). The workers who received dismissal payment were not allowed
to benefit from any other form of assistance-

• training contracts (awarded for a 12-month period followed by the date of dismissal)
in an amount corresponding to paid leave. During the contract period employee was
entitled to participate in a free of charge retraining program and to free of charge
counselling. Starting new employment outside the sector during the contract period
resulted with disbursement of dismissal payment in amount of the remuneration in
the period remaining until the contract completion also instruments aimed at
supporting new jobs creation were introduced, i.e. loans for starts-up created by
former steel sector employees or SMEs creating new jobs for former steel workers,
credit interest subsidy for SMEs creating new jobs for laid off steel workers and
refinancing of social security costs and the Labour Fund and the Fund of Guaranteed
Social allowances for employers hiring laid off steel workers over an up to 24 months
period (the last instrument was not implemented in the analysed period).

It was only in 2001, in relation with the Programme Update, that some instruments
provided for in the SSP found their grounds in the Act of 24 August 2001 on steel
restructuring, with changes. As this period de facto does not concern implementation
of the INITIATIVE Programme this Act is not analysed in the report.
3.1.3 Relevance of INITIATIVE Programme to governmental restructuring plans - evaluation

The INITIATIVE Programme was well adapted to the governmental plans of the hard coal mining and steel industry sectors’ restructuring and to the protective/activation instruments specified in the governmental programmes.

It should be noticed, however, that:

- The rules of granting social allowances and training contracts specified in the both governmental programmes determined little interest of potential beneficiaries in the project, and ultimately affected failure to utilise the funds allocated to the project. Potential beneficiaries perceived social allowances (in coal sector) and training contracts (in steel sector) as less attractive than dismissal payments, which guaranteed immediate economic benefits.

- Initially low interest in some projects designed for the steel industry (loans, advisory services) resulted from delays in implementation of the governmental programme, completely independent from the INITIATIVE Programme implementation.

- Projects designed for the steel industry did not include refinancing of social security costs for SMEs employing the former steel workers. Hence the INITIATIVE Programme did not realised all the objectives of the SSP and declared in the Financing Memorandum. According to the knowledge of persons involved in the implementation of the Programme there was no demand for such instrument in the steel sector.

- Implementation of a new element of the social allowance framework, i.e. the activation package designed for ground employees of the mining sector was purposeful and significantly improved the situation of the former coal workers in the labour market. Before 2001 the ground workers were not eligible for the INITIATIVE Programme’s measures. The activation package was highly appraised by its beneficiaries and constituted a significant element of assistance to the human resources restructuring programme.

3.2 INITIATIVE Programme and the needs of sectors under restructuring

3.2.1 Coal sector

The coal sector planned reduction of the work force by ca. 118,000 employees, out of which ca. 75,000 were supposed to benefit from the MSP instruments supported by INITIATIVE Programme. In fact, 100,700 employees were dismissed (until the IIIrd quarter of 2002) and 66,700 of them benefited from the protective and activation instruments available under the MSP schemes:

- 36,700 beneficiaries of mining holiday benefit, as compared to 35,000 planned,
- 400 beneficiaries of social allowance, as compared to 10,000 planned,
- 29,600 beneficiaries of dismissal payment, as compared to 30,000 planned.
It is important that nearly all the above mentioned laid off miners left their jobs before December 31, 2001 (only ca. 300 employees were dismissed in first three quarters of 2002 under the MSP scheme). This resulted largely from a „fading demand“ of potential beneficiaries (more active or determined ones had already left the sector), as well as a certain decline in the attractiveness of offered instruments (especially in the financial dimension) because of changing situation on the labour market. Additionally, the decrease in the number of job leaving employees resulted from reduction of budgetary funds (subsidies) and relocation of expenditure funding to mining companies.

The analysis of the utilisation of instruments supporting leaving employment in the coal sector shows that social allowance instrument attracted the smallest number beneficiaries (400 as compared to planned 10,000). Such little interest in this instrument was connected with the rules of funding. Potential beneficiaries did not find the social allowance attractive, preliminarily because of its financial dimension and relation between the benefit duration and the amount of dismissal payment.

Having in mind the fact that the mining holiday benefit was a typical protective instrument (de-activating, did not entitle to receive assistance in vocational activation) the population of potential beneficiaries of the Programme (i.e. employees leaving mining jobs to the labour market and eligible for assistance such as retraining, counselling, or loans to set up own business) was ca. 30,000 persons.

Total of ca. 3,600 laid off miners benefited from all INITIATIVE instruments.

3.2.2 Steel sector

The steel sector planned the reduction of work force by ca. 40,000 employees, out of which ca. 17,000 were supposed to benefit from the SSP instruments supported by the INITIATIVE Programme. In 1998 – 2001 (i.e. during implementation of the INITIATIVE Programme) headcount of steel works covered by the restructuring programme reduced from 78,200 employees to 31,600, i.e. by 46,600, out of which 17,500 benefited from the SSP, including:

- 13,200 beneficiaries of pre-pension benefits and allowances,
- 3,900 beneficiaries of dismissal payment,
- 400 beneficiaries of training contracts.

The INITIATIVE Programme provided assistance to ca. 1,400 laid off steel workers out of the total number of 17,500 SSP beneficiaries.

Alike in the mining sector reform (although to a much larger extent) the characteristics of each SSP instrument (their financial dimension) and rules adopted for the restructuring programmes (e.g. required approval of restructuring programs by particular steel works) limited the number of potential beneficiaries of INITIATIVE. Delays in the introduction of the restructuring by particular steel works caused additional problems. In the initial period of INITIATIVE Programme implementation there were difficulties with recruitment of workers entitled to benefit from particular projects. Also employers had problems with finding laid off steel workers that they could employ and benefit from the subsidies.
3.2.3 Relevance of INITIATIVE Programme to sectors’ needs - evaluation

The scope of the INITIATIVE Programme and its achieved results indicate that the Programme constituted an instrument with a significant impact on restructuring of mining sector and it was well-matched to the sector’s needs. INITIATIVE’s activation instruments (retraining, counselling, loans, credit interest subsidies) acting as an assistance to the mining sector were fully utilised. Low utilisation of funds allocated to social allowances and refinancing of social security costs did not result from actions undertaken and rules adopted under the INITIATIVE schemes, therefore it can not be considered as an element of the Programme’s mismatch with the sector’s needs. The Programme could better satisfy the sectors’ needs if the number of beneficiaries could be increased. That would require relocation of funds unused in some projects to other projects that enjoyed more interest but unfortunately, no such transfer was possible due to formal restrictions.

Like in the mining industry, the INITIATIVE Programme constituted an instrument with significant impact on restricting in the steel sector. However, the actual implementation of the steel sector restructuring programme was delayed with respect to INITIATIVE and that caused problems in implementation of some instruments. This concerns, first of all, problems with recruitment of trainees and candidates for jobs created under the credit interest subsidy scheme. Low utilisation of training contracts resulted from neither actions undertaken nor rules adopted under the INITIATIVE Programme, but rather from the rules of funding these measures provided for in the governmental programmes. Problems in utilisation of funds allocated to the loans were primarily connected with the difficulties in meeting formal requirements by potential borrowers.

The comparison of the number of laid off employees with the number of INITIATIVE Programme beneficiaries indicates that in both sectors the needs for support in human resources restructuring (through activation measures) significantly exceeded resources available in the INITIATIVE Programme.

3.3 INITIATIVE Programme and the needs of regions affected by the restructuring (Silesias and Malopolska)

The process of restructuring in both sectors and other related socio-economic factors adversely affected the regional labour markets. Both regions that suffered direct consequences of the restructuring process required support provided with economic-financial instruments. Neither the range nor the scope of the INITIATIVE Programme could counteract negative effects of restructuring in two regions. Moreover, the INITIATIVE Programme, within its immediate objective (maintenance of development of the regions under restructuring), implemented only projects supporting enterprise development and jobs creation. No infrastructure projects that could affect regional development in long term perspective were implemented. Only the INITIATIVE II Programme introduced the „Local Grant Fund”, which provided support for infrastructure projects in municipalities suffering effects of restructuring.

The Programme assumptions concerning support for regional development by creating new jobs in the SME segment or setting up own businesses by laid off miners and steel
workers were purposeful and appropriate. It can be claimed that work places created through these measures contributed to development of enterprise in the regions.

However, the interviews with persons involved in implementation of the Programme provides us with information that the SME development instruments were far too limited, both in terms of the number of projects applied and in terms of available funds. The number of loans and credits awarded, and hence the number of new jobs created, appeared to be quite insignificant as compared to work force reduction resulting from the restructuring. Another issue is that employers who benefited from measures aiming at new jobs creation in steel sector could hardly hire an employee (eligible beneficiary) for such newly created job. This resulted from two factors: firstly - potential beneficiaries quite often were not interested in starting a new job, secondly - delays in implementation of steel works’ restructuring programs „blocked” potential beneficiaries’ outlet to the labour market. It is also important, as some interviewed beneficiaries underlined, that occupational retraining programs were often implemented not in line with actual labour market demand, so they could not contribute (neither in short nor in long run) to unemployment alleviation in the both regions affected by the restructuring.

Generally, the reason of the Programme’s limited effectiveness in this respect was too much focus on protective instruments on which too large funds had been allocated (to a large extent left unused). Additionally, PHARE procedures did not allow for flexible relocation of funds according to changing demand, which reduced feasibility to stimulate local entrepreneurship.

In terms of enterprise development and jobs creation the INITIATIVE Programme contributed to creation (resulting from direct aid provided under the Programme) of 1,357 new jobs. This number could not, however, significantly improve the condition of local labour markets. Therefore the conclusion should be drawn that the Programme was not adequate to the regions’ needs for occupational activation of laid off employees in the restructured sectors.

It is important that the INITIATIVE was a pilot programme and the experience gathered during its implementation were useful for further actions and projects of regional development, e.g. for the „Assumptions to Programme of alleviation of employment restructuring in hard coal mining industry in Silesia region” (Warsaw, 4 February 2004).

3.4 INITIATIVE Programme and implementation of governmental restructuring plans

The assessment of INITIATIVE Programme’s achievements, in particular the achievement of its strategic objective (Facilitating restructuring of the hard coal mining and iron and steel metallurgy through alleviation of social and regional costs of the hard coal mining and iron and steel metallurgy restructuring, maintaining development of the regions affected by the restructuring and reduction of unemployment) should be concluded with the following remarks:

- Projects implemented under the INITIATIVE Programme ensured concentration of various activation instruments aimed at vocational activation of laid off employees and alternative job creation. Thus they have contributed to the achievement of
Programme objectives and guaranteed implementation of the governmental restructuring programmes.

- The evaluation of the extent to which the INITIATIVE Programme has contributed to implementation of both governmental programmes is very difficult. However, still it should be noticed that the results of such massive discharges of employees in both sectors and challenges of the local labour markets could not be satisfied solely by the measures available within the INITIATIVE Programme.

- Problems with utilisation of the funds allocated to some projects, and thus with stronger support to the governmental programmes, were not attributable to the INITIATIVE Programme itself. They resulted from the legal and financial regulations of given instruments (in particular social allowances and training contracts) provided for in the governmental programmes.

- Even if for many employees in both sectors the assistance available within the projects implemented under the INITIATIVE Programme was not the key factor determining their decision to leave employment, it is important that INITIATIVE was *de facto* the only programme that ensured quite comprehensive aid to laid off employees.
4 Evaluation of particular instruments of INITIATIVE Programme

4.1 Utilisation of funds allocated to the Programme and to particular instruments

According to available documentation implementation of the INITIATIVE Programme brought about the following quantitative results:

<table>
<thead>
<tr>
<th>Project</th>
<th>Budget</th>
<th>Expenditure</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EURO</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Training project PL9811-01-01</td>
<td>950.000</td>
<td>919.495</td>
<td>1868 participants, out of which 1831 completed training, unit cost EUR 492</td>
</tr>
<tr>
<td>Social benefit project PL9811-01-02</td>
<td>10.500.000</td>
<td>2.768.037</td>
<td>475 beneficiaries, out of which 164 benefited form dismissal payment and 231 benefited from activation package</td>
</tr>
<tr>
<td>Preferential loans project PL 9811-01-03-01</td>
<td>4.400.000</td>
<td>4.400.000</td>
<td>366 beneficiaries, out of which 224 started their own business, unit cost EUR 12.021</td>
</tr>
<tr>
<td>Credit interest subsidies project PL9811-01-03-02</td>
<td>3.000.000</td>
<td>2.995.872</td>
<td>86 beneficiaries, 369 jobs created, cost per job EUR 8.119</td>
</tr>
<tr>
<td>Refinancing of social security costs project PL9811-01-03-03</td>
<td>600.000</td>
<td>332.640</td>
<td>129 beneficiaries, 201 jobs created</td>
</tr>
<tr>
<td>Counselling services project PL9811-01-03-04</td>
<td>200.000</td>
<td>200.000</td>
<td>337 beneficiaries, out of which 220 started their own business</td>
</tr>
<tr>
<td>Coal sector Total</td>
<td>19.650.000</td>
<td>11.616.045</td>
<td>59.1</td>
</tr>
<tr>
<td>Training project PL9811-02-01</td>
<td>450.000</td>
<td>448.801</td>
<td>460 participants, 402 completed training, unit cost EUR 975</td>
</tr>
<tr>
<td>Training contracts project PL9811-02-02</td>
<td>3.000.000</td>
<td>643.280</td>
<td>389 beneficiaries, out of which 361 benefited form dismissal payment</td>
</tr>
<tr>
<td>Preferential loans project PL9811-02-03-01</td>
<td>2.000.000</td>
<td>1.000.000</td>
<td>65 loans, unit cost EUR 15.384</td>
</tr>
<tr>
<td>Credit interest subsidies project PL9811-02-03-02</td>
<td>3.500.000</td>
<td>3.063.566</td>
<td>103 beneficiaries, 356 jobs created, cost per job EUR 8.393</td>
</tr>
<tr>
<td>Counselling services project PL9811-02-03-03</td>
<td>300.000</td>
<td>104.160</td>
<td>129 beneficiaries, out of which 59 started their own business</td>
</tr>
<tr>
<td>Steel sector Total</td>
<td>9.250.000</td>
<td>5.259.807</td>
<td>56.9</td>
</tr>
<tr>
<td>Twinning project</td>
<td>1.100.000</td>
<td>875.198</td>
<td>79.8</td>
</tr>
<tr>
<td>Total</td>
<td>30.000.000</td>
<td>17.751.050</td>
<td>59.32</td>
</tr>
</tbody>
</table>

Source: Report summarizing the implementation of the European Union Phare Programme PL 9903.01 - INITIATIVE II – Project for alleviation of social and regional costs of coal and steel restructuring in Poland and Regional Development of the Silesia region, Warsaw, February 2003.

Overall utilisation of funds allocated to implementation of the Programme amounted to 59.3%. Projects of near complete utilisation of allocated funds include training, preferential loans (except loans for former steel workers), counselling services (except counselling for former steel workers), and credit interest subsidies.
As there are no benchmarks available no overall evaluation of the Programme's efficiency is feasible. Neither available documentation nor the interviews with people engaged in Programme's implementation supply information whether any benchmarks were ever set. Therefore there are no tools for assessing whether, for instance, the cost of creating one permanent job EUR 8,393 (in case of credit interest subsidies) is relatively high or low.

Still it can be assessed that objectives about the numbers of persons benefiting from particular instruments assumed in the Financing Memorandum have not been achieved (see the numerical data mentioned in Part 2).

Moreover, it is possible to compare the efficiency of particular instruments.

25% of laid off miners benefiting from training programs are currently working and the training cost was nearly EUR 500, which means that a cost of effective employment of one person using this instrument has amounted to ca. EUR 2000. This account assumes that there is a relation between training and employability, yet to verify this interdependence a test with a control group would be required.

A similar assessment for social protection beneficiaries indicates 38% effectiveness in creating permanent job at cost per person ca. EUR 5800 (EUR 2,800,000 for 475 persons), which means that the effective permanent employment for one person cost about EUR 15,200.

In case of credit interest subsidies and preferential loans the cost of one job amounted to EUR 8,000 and EUR 12,000 – 15,000 respectively. That, at the 60% and 75% level of effectiveness respectively, gives the actual cost in the range of 13,000 and EUR 16,000 – 20,000, respectively.

4.2 Alleviation of social and regional costs of restructuring

In order to estimate the extent to which the Programme contributed to alleviation of social cost of the restructuring the results of beneficiaries’ opinion research were used.

In case of the majority of respondents (58.3%) a decision to leave employment in the (coal or steel) sector was caused by the fact that their company went into the liquidation. Whereas uncertainty of employment (indicated by 17% of respondents) was the second factor determining the decision to leave the sector. The comments accompanying the telephone reviews with beneficiaries revealed that such decisions were often affected by informal pressure exerted by superiors urging to participate in social protective programme. The positive opinion about the restructuring programme constituted the basic incentive to leave a job only for 8% of interviewed beneficiaries.
This means that the decisions to leave employment in coal or steel sector were affected only to a marginal degree by positive assessment of ability to find good job at the labour market or attractiveness of available instruments (INITIATIVE projects). The psychological factors (outside pressure or own concerns) and, first of all, the actual restructuring of the industry (closing down the mines and steel works) had much greater influence on workers’ decisions. In this context availability of instruments offered under the INITIATIVE Programme was undoubtedly a factor increasing the prospects for success on the labour market, hence alleviating social cost of restructuring. However, it doesn’t change the fact that nearly 50% of respondents retrospectively assessed their departures from mine or steel works negatively (36% assessed it definitely negatively, and nearly 14% rather negatively). Only every tenth respondent (11%) tended to assess the decision as a definitely good choice, and 18% of respondents assessed it as rather positive.
Group interviews give more negative picture of the human resources restructuring process than telephone research results. This, to some extent, is relative to the research situation of group discussion that is conductive to negative emotions’ release.

The general conclusion that may be drawn from the group interview research is that the restructuring in mining and steel industries was unfavourable for the beneficiaries and was carried out in an inadequate manner. Respondents expressed their opinions about inappropriate preparation of the restructuring process, inadequately developed supporting systems, and lack of communication necessary to make well-informed decisions. Majority of respondents claimed that they would not decide to quit their jobs, if they were aware of the outcome of such decision. A large part of respondents maintained that, if it only could be possible, they would act differently than they actually did after having received a protective aid. In most cases, however, the respondents did not specify what such potential changes (different behaviours) could mean and what they would actually do. Therefore, the declarations of potentially different actions seem to result from negative consequences of individual decisions to quit job experienced by individual respondents rather than assessment of their own behaviour and identification of errors therein committed.

Inconsistencies of various kinds noticed by respondents, as well as failure to fulfil given promises, have only reinforced the respondents’ belief that the government is responsible for wasting money, that closing down mines was a political rather than economic decision, and that nobody has shown respect for laid off employees.

The details described above concern a psychological condition, and not necessarily they depict actual results of the workforce restructuring. Therefore it may be claimed that using Programme’s instruments in the condition of departure from job and industry caused a major stress in the beneficiaries and gave rise to many negative emotions. In this context, having compared the aforementioned opinions with details of the beneficiaries’ success on the labour marketplace, it should be claimed that there is no unambiguous answer to the question whether the INITIATIVE Programme affected mitigation of social costs of the restructuring.

Appraisal of the decision to quit job/industry in the groups of each instrument’s beneficiaries is clearly differentiated:

- Nearly 90% of respondents, who benefited from social protective measures negatively appraised their decision to quit job at mine or steel works. Only 8% of respondents – beneficiaries of the instrument - positively appraised the decision.
- The decision to quit job was positively appraised mostly by beneficiaries of loan to set up own business. Nearly half of those (49%) found the decision definitely favourable or rather favourable, while less than 1/3 (28%) appraised it negatively.
- The most evenly were distributed assessments of the respondents, who had benefited from retraining programs to achieve new qualification and occupational skills. 32% of them had experienced no favourable effect of their departure from mining job, while 37% appraised the effect as unfavourable, and 31% were unable to assess their new occupational situation and selected the „hard to tell” answer option.
There are no doubts that beneficiaries’ selection of an instrument and their ability to effectively use it had affected their appraisal of the decision to quit mine/steel works job. Most positive appraisals were given by loan beneficiaries, least - by beneficiaries of social protective measures. It is related to the current employment situation of these two groups (over ¾ of the borrowers still run their businesses, and only ¼ of the trainees were still employed – see Part 4.4)

Table 1. Appraisal of decision to quit mine/steel works job and INITIATIVE Programme instrument

<table>
<thead>
<tr>
<th></th>
<th>Social protective measures</th>
<th>Loan</th>
<th>Training</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>definitely positive</td>
<td>1</td>
<td>0,85</td>
<td>16</td>
<td>18,18</td>
</tr>
<tr>
<td>rather positive</td>
<td>9</td>
<td>7,69</td>
<td>27</td>
<td>30,68</td>
</tr>
<tr>
<td>rather negative</td>
<td>18</td>
<td>15,38</td>
<td>13</td>
<td>14,77</td>
</tr>
<tr>
<td>definitely negative</td>
<td>87</td>
<td>74,36</td>
<td>12</td>
<td>13,64</td>
</tr>
<tr>
<td>hard to tell</td>
<td>2</td>
<td>1,71</td>
<td>20</td>
<td>22,73</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>100</td>
<td>88</td>
<td>100</td>
</tr>
</tbody>
</table>

Although, the Programme had ensured a system of financial aid for laid off employees it had provided neither psychological assistance nor knowledge necessary to handle a new labour market situation. Basing on the focus research results it should be claimed that the resources involved and aid provided only to a limited extent had alleviated psychological/emotional effects of the restructuring. That is way the level of the negative appraisals of the decision to leave the sector was so high.

4.3 Achievement of objectives of individual instruments and Programme contribution to limiting unemployment resulting from restructuring

4.3.1 New jobs creation (preferential loans, credit interest subsidies, refinancing social security costs)

It turned out that the most effective form of assistance offered under the INITIATIVE scheme were the instruments supporting new jobs creation targeted at businesses and laid off employees willing to start their own business.

Funds allocated to the loan fund in the mining sector were nearly entirely disbursed, and the loans themselves enjoyed enormous popularity among beneficiaries of the project.

In the steel sector, where only 50% of available funds had been expedited, the situation was entirely different. The reasons for such unfavourable situation were the formal barriers in the primary regulations for this instrument (established de facto beyond the institution implementing the project). As a result of project implementation only 62 loan agreements were concluded. Thanks to reliable verification of the loan applications (especially in terms of collateral) there are no problems with loan repayment. The
problems concerned insufficient information campaign and the difficulties encountered by employers in finding employees who could meet eligibility requirements of the instrument. It is worth noting that the problem of information campaign insufficiency was reported by organisations involved in implementation of the active financial instruments.

The least popular among beneficiaries was the project of refining social security costs targeted at enterprises willing to employ laid off miners. The project apparently missed employers’ needs mainly because of the social security system reform introduced during the Programme implementation, which to the effect of partial transfer of the burden of social security premium to employees. The project assumed reimbursement of 40% of employer paid premium, while the aid extent shrunk to ca. 20% resulting from the reform and, consequently, became much less attractive money-wise. With the „rigid” reimbursement rules adopted there was no way to compensate such adverse effect of statutory amendment on the instrument’s performance.

The most attractive instrument targeted at employers was credit interest subsidy. The funds allocated to this instrument were disbursed very fast and nearly in 100% (the reason being not only the instrument’s general design, but also external circumstances relative to commercial credit cost). It is important that numerous respondents would willingly use such form of aid in subsequent editions of the Programme.

Research among beneficiaries indicated that for more than half of the interviewed miners and steel workers receiving the loan was the necessary condition for starting own business. Only around 1/3 of respondents would have decided to set up own business regardless of loan availability.

**Chart 3. Would you start your own business without loan (N=88)**

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>53.41%</td>
</tr>
<tr>
<td>Yes</td>
<td>36.36%</td>
</tr>
<tr>
<td>Does not concern</td>
<td>1.68%</td>
</tr>
<tr>
<td>Difficult to say</td>
<td>4.55%</td>
</tr>
</tbody>
</table>

More than 1/3 of respondents perceived the loan availability as greatly affecting their decision to start their own business, and for nearly 30% it was simple a necessary condition of doing it. Only 6% of respondents claimed that availability of the loan was irrelevant to their decision about self-employment.
The group interviews, in turn, provided negative comments, mainly relative to beneficiaries' feeling of being „left alone to own devices”. In addition, some respondents claimed that the loan was not much different from a commercial bank credit, and as such it could not be treated as satisfactory social protective or assistance measure.

*And just no interest at all, sir. They gave us those loans all right, and what – did they come over to check out what was going on? How did we do, had we managed? Nothing. This was just like any other bank loan, nothing more than that. And that’s it. (G3-2)*

**Chart 4.** How did loan availability influence decision to set up own business (N=88)

Half of companies benefiting from the Programme (52%) would not have employed new employees if any instrument of INICIATIE Programme was not available. Only one third of the respondents (38%) agreed that their company would have employed new employees even without benefiting from Programme instruments. 6% of them declared that they would have done it definitely and another 32% would have rather done it.

*Oznaczenia na końcach cytatów umieszczone są w celu ułatwienia identyfikacji danej wypowiedzi i przypisania jej konkretnemu uczestnikowi focusu - w tym przypadku jest to respondent nr 2 w trzeciej grupie focusowej.*
Chart 5. Would company employ new employees if it did not use instrument? (N=204)

Over two thirds of companies that benefited from the loan fund would not have hired new employees if the instrument was not available, which may evidence relatively the strongest incentive effect of the instrument. On the other hand only every third company that benefited from refinancing of social security costs would not have hired them if the instrument was not available. The comparison of these data may evidence relatively better standing of companies benefiting from refinancing of social security costs, due to which availability of the instrument did not so strongly condition increasing these companies’ workforce.

Table 2. Would company hire new employees even if it did not use instrument? vs. INITIATIVE Programme instrument used

<table>
<thead>
<tr>
<th></th>
<th>Credit</th>
<th>Social security</th>
<th>Loan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Definitely yes</td>
<td>6</td>
<td>8,82</td>
<td>3</td>
<td>6,98</td>
</tr>
<tr>
<td>Rather yes</td>
<td>24</td>
<td>35,29</td>
<td>18</td>
<td>41,86</td>
</tr>
<tr>
<td>Rather not</td>
<td>23</td>
<td>33,82</td>
<td>8</td>
<td>18,60</td>
</tr>
<tr>
<td>Definitely yes</td>
<td>10</td>
<td>14,71</td>
<td>4</td>
<td>9,30</td>
</tr>
<tr>
<td>Hard to tell</td>
<td>5</td>
<td>7,35</td>
<td>10</td>
<td>23,26</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
<td>43</td>
<td>100</td>
</tr>
</tbody>
</table>

Companies that benefited from loan fund or credit interest subsidy decided to hire more than one employee more often than those companies benefiting from refinancing of social security costs.
Table 3. How many employees were hired? vs. INITIATIVE Programme instrument used

<table>
<thead>
<tr>
<th></th>
<th>Credit N</th>
<th>%</th>
<th>Social security N</th>
<th>%</th>
<th>Loan N</th>
<th>%</th>
<th>Total N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>29,41</td>
<td>34</td>
<td>79,07</td>
<td>19</td>
<td>20,43</td>
<td>73</td>
<td>35,78</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>19,12</td>
<td>3</td>
<td>6,98</td>
<td>25</td>
<td>26,88</td>
<td>41</td>
<td>20,10</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>10,29</td>
<td>2</td>
<td>4,65</td>
<td>16</td>
<td>17,20</td>
<td>25</td>
<td>12,25</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>8,82</td>
<td>2</td>
<td>4,65</td>
<td>9</td>
<td>9,68</td>
<td>17</td>
<td>8,33</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
<td>5,88</td>
<td>0</td>
<td>0,00</td>
<td>2</td>
<td>2,15</td>
<td>6</td>
<td>2,94</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>2,94</td>
<td>0</td>
<td>0,00</td>
<td>5</td>
<td>5,38</td>
<td>7</td>
<td>3,43</td>
</tr>
<tr>
<td>7</td>
<td>3</td>
<td>4,41</td>
<td>0</td>
<td>0,00</td>
<td>0</td>
<td>0,00</td>
<td>3</td>
<td>1,47</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>2,94</td>
<td>0</td>
<td>0,00</td>
<td>3</td>
<td>3,23</td>
<td>5</td>
<td>2,45</td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>4,41</td>
<td>1</td>
<td>2,33</td>
<td>1</td>
<td>1,08</td>
<td>5</td>
<td>2,45</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>1,47</td>
<td>0</td>
<td>0,00</td>
<td>0</td>
<td>0,00</td>
<td>1</td>
<td>0,49</td>
</tr>
<tr>
<td>15</td>
<td>1</td>
<td>1,47</td>
<td>0</td>
<td>0,00</td>
<td>0</td>
<td>0,00</td>
<td>1</td>
<td>0,49</td>
</tr>
<tr>
<td>20</td>
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<td>3</td>
<td>1,47</td>
</tr>
<tr>
<td>42</td>
<td>1</td>
<td>1,47</td>
<td>0</td>
<td>0,00</td>
<td>0</td>
<td>0,00</td>
<td>1</td>
<td>0,49</td>
</tr>
<tr>
<td>50</td>
<td>0</td>
<td>0,00</td>
<td>1</td>
<td>2,33</td>
<td>0</td>
<td>0,00</td>
<td>1</td>
<td>0,49</td>
</tr>
<tr>
<td>Answer refused</td>
<td>1</td>
<td>2,94</td>
<td>0</td>
<td>0,00</td>
<td>2</td>
<td>13,98</td>
<td>3</td>
<td>7,35</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100,00</td>
<td>43</td>
<td>100,00</td>
<td>93</td>
<td>100,00</td>
<td>204</td>
<td>100,00</td>
</tr>
</tbody>
</table>

This research has confirmed results of earlier monitoring of Programme effects carried out by the PAED in 2001, where strong correlation was found between availability of instruments offered under the INITIATIVE Programme in the mining sector and decisions to set up own business or to hire new employees. Most of businesses (SMEs - 63%) then admitted that they decided to increase their workforce just in relation with availability of loans to hire redundant miners. By mid-2001 2.1 new jobs had been created at an average company benefiting from the instruments owing to availability thereof. It follows from the research carried out in 2003 that redundant employees, who had set up own business, and companies that had hired new employees owing to use of an INITIATIVE Programme instrument declared slightly less workforce increment (average 1,5). Such decline in the average number of new jobs does not mean that they were actually less than declared in 2001, but rather that as time went by the employers were less and less accurate in quoting the numbers of new jobs they had created earlier.

Nearly half (48%) of individuals and companies that used loans in the mining sector declared in 2001 having created a new job in trade (wholesale and retail). Funds acquired under loans received they allocated most often to furnishing facilities and purchase of equipment and tools (49%), purchase of goods (28% of all respondents), upgrade of manufacture/service facilities (24%), and purchase of vehicles (23%).

Companies set up by redundant miners and still steel workers that currently operate most often are involved in various types of trade and services, while only a few run manufacturing operations.
4.3.2 Vocational retraining

The funds allocated for the implementation of vocational retraining of steel workers have been disbursed almost completely. Steel workers taking advantage of the Programme could obtain a dismissal payment provided that they have taken up employment before the end of the contract period, that is within twelve months. There was correlation between the actual length of training and the amount of benefit (the sum of payment was reduced according to the length of training). Thereby, it was in the beneficiary’s interest to make the training period rather short, and to get the benefit as soon as possible. Therefore the assumed objectives have not always been met and the actual effect of the training - i.e. provision of knowledge, skills, and qualifications helpful in finding a new job - has very often not been achieved. In addition, delays in implementation of restructuring in particular steel works have triggered enormous delivery-related complications (as regards selection of training groups, organisation of the occupational usefulness assessment process, etc.)

Thus, the funds being allocated for implementation of training in the mining sector have been disbursed at a similar level as the funds in the steel sector. Within this project, as opposed to the same project in the coal sector, there have been no such considerable problems with ensuring consistency of the training courses with the actual labour market needs. This is due to the role of the Mining Employment Agency (MEA [abbr. in Polish as ‘GAP’]) which, apart from training, provided also the advisory services. However, the time limitation of the entire project proved to be a problem, and hence, forced to carry out the project within a very restricted temporal framework.
Among the individuals who took advantage of the training opportunity provided, more than a half of the polled have expressed their conviction, in retrospect, that the training they have been through has not increased their actual opportunities in the labour market. The question whether their having taken part in the training has appeared to be any helpful in finding a job, a fourth of the polled trainees responded in positive, whereas 55%, in negative, terms.

**Chart 7. Has the training you have participated in appeared of assistance in finding a job? (N=210)**

- **No**: 65.24%
- **Yes**: 23.33%
- **Hard to tell**: 21.43%

The answer to the question of whether, having been through the training, the respondents have found a job being in line with the retraining direction, confirms that only for 25% of the polled representing the relevant group, their participation in the training has contributed to an occupational success in the labour market.

**Chart 8. Has the respondent found a job proving in line with the retraining direction? (N=210)**

- **No**: 60.00%
- **Yes**: 23.81%
- **I don’t feel like answering this question.**: 16.19%

Utterances of the participants as expressed in group interviews were even more critical than that. Individuals having participated in the courses and subsequently striving for
getting a job in the newly learned profession, were encountering a barrier in the form of extra requirements of their prospective employers. The respondents were namely refused to be accepted as employees due to having had no experience in the job.

*Wherever I’d go and ask for a job, they would demand a minimum of two years of practice behind you, a minimum of five years of practical record, whether you’re going to work in a kitchen or be some executive.* (G1-4)

*Any private entrepreneur would ask you where you have worked before. It is obvious, isn’t it, that they need experienced people, and not some fresh course graduates* (G2-1).

This was particularly evident in case of those who have completed a fork truck operator course, but also other respondents were complaining that employers are reluctant to give employment to those who have just finished their training. The situation was entirely different in case of persons who have used training opportunities provided by their future employers: the experience they have gained was when staying in the plant ????has given them a chance to eventually get employed.

*... the course man, Mr. Duda was his name, guaranteed us that those who have left the mine were to be first accepted for a job, and for two years at least, would not be dismissed for the plant. And so it has been true, as I’ve been working [there] ever since.* (G2-7).

The course opportunity has been taken also by individuals who, using it, could develop their earlier competence. But those, in turn, complained about a low content-related level of the courses.

In case of retraining courses, the most criticised aspect has appeared to be the very manner in which the course had been selected. Some of the respondents were encouraged to take part in the Programme by being shown some lists offering a wide selection of various courses. After the documents were signed, however, it turned out that the choice was getting much narrowed. This was perceived as a manipulation by the respondents, and so they firmly criticised it.

The more inquisitive and stubborn respondents then decided to wait until the course of their selection is provided, whereas the others registered for the course ‘as it stood’.

*I don’t know what about you, ladies, for instance, but we didn’t have any choice to make as to the courses.

There’s been a computer-literacy training, a fork truck operator course, and this is it, speaking of [what has been offered to] the women.

[As it has turned out,] there were no courses on offer.

They’re apparently not going to hold training sessions for just one or two delegates.* (G1)LLLLLLLL

As to the courses/training sessions themselves, the respondents’ opinions on them varied. Part of the polled did have a high opinion of the competencies and involvement of the trainers. Most of them, however, had an impression that the courses were a sort of illusion, as the trainers were randomly appointed, turned up late or even did not turn up...
at all for the class, tried to teach using books rather than their own experience and expertise, that is, in an incompetent way. Also, specialist equipment required was often scarcely available.

I attended those same courses too, and then been through fourteen job interviews, with the result that no-one was courageous enough to employ me, as just someone who’s completed his training. Besides, in this computerised warehouse management era, they taught us things using some outdated forms.

I think that someone has made quite a deal using us, the miners. As I’ve already mentioned, the health-and-safety-at-work inspector training cost PLN 2,200 per persons. There were twenty of us there. A guy was joining us who did not deliver anything beneficial to us. He was distributing his notes on, among others, the labour law or the construction code, and we were making photocopies of those. 2,200 Zloty was the price for the course, and for such money, I’d be eager to train people myself. And it turned out afterwards that I did not get any entitlement or authorisation to anything. (G2-5)

Why is that? Because, frankly speaking, I did not learn much in that course. I didn’t learn a lot due to that the gentleman who was training us, took his task with a little pinch of salt, as he knew we are leaving the steelworks and are supposed to attend it there, just because the State has paid for the training. And he was there just to make some money for himself too, and therefore, the course as such disqualified itself at the very start. (G4-3)

It should be acknowledged in the context of the above quoted opinions that participation in the training has not contributed to the delegates’ enhanced opportunities in the labour market, whereas the major weak point of the training sessions was that they did not offer their participants such qualifications as would be required under their future employers.

### 4.3.3 Counselling services

Counselling services were of essence for individuals setting up their own businesses (economic activity). They primarily served as an opportunity to learn how to prepare a business plan or application for loan. The implementation of this measure was strictly related to the use of loan fund since taking part in counselling was the precondition for those who wanted to get a loan. Therefore a good utilisation of fund allocated to the loans in the coal sector was connected with the utilisation of available funds allocated to counselling services. It was assumed that the beneficiaries will be using such services also after they start their own businesses. However, the start-ups tended to use the offered advisory services not very frequently. They were probably using other sources of advice and did not report on the costs to be refinanced.

The start-ups tended to use the advisory services offered under the Programme much more frequently that the already established SME did. In fact, the opportunity for professional advice was used by more than a half (54%) of those who, having left coal/steel sector, set up a new business. They most frequently used counselling related to business plan, bookkeeping, and general rules of running a firm.
The beneficiaries interviewed in 2001 highly valued the quality of the counselling services, the mean mark being as high as 9, against a 1 to 10 scale (‘1’ standing for ‘very poor’, ‘10’ for ‘very good’). 17% of the interviewed beneficiaries declared that they were willing to use some additional counselling services.

With time the opinion about the counselling services deteriorated. Most recently, more than 50% of those using the services have decided that they proved of use whilst starting their businesses but a fourth declared that they were not useful at all.

**Chart 9.** Did the fact that you have used the counselling services prove to be helpful upon starting your own business/economic activity? (N=48)

Among companies having used the INITIATIVE Programme instruments for SMEs only a third took advantage of any advisory services. The most common subject of advice was the business plans (in 63% cases) and advisory concerning credits and loans (16%).

Most frequently (in 52% cases) counselling services were used by companies which had obtained; the services were least used (9%) by those companies which had used refinancing of social security. The respective rate for businesses drawing credits equalled 22%.

**Table 4.** Has your company used any counselling services?, vs. INITIATIVE Programme instruments.

<table>
<thead>
<tr>
<th></th>
<th>Credits</th>
<th>Social security (ZUS)</th>
<th>Loans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>15</td>
<td>22.06</td>
<td>4</td>
<td>9.30</td>
</tr>
<tr>
<td>No</td>
<td>53</td>
<td>77.94</td>
<td>39</td>
<td>90.70</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
<td>43</td>
<td>100</td>
</tr>
</tbody>
</table>

The use of counselling services has turned up to be ‘definitely helpful’, or ‘rather helpful’, in the recruitment process for 49% of enterprises interview. For 39% of them such services proved not to be of assistance as far as the employment process is concerned.
Chart 10. Did the use of counselling services prove to be of assistance in the recruitment process? (N=137)

- Definitely yes: 37.31%
- Rather yes: 23.88%
- Rather not: 14.93%
- Definitely not: 13.43%
- Hard to tell: 10.45%

4.3.4 Co-financing of social protective measures (social allowances and training contracts)

The main reason for a low level of expenditure of the Programme funds allocated to training contracts in the steel industry was that each training contract was associated with a dismissal payment which was much lower than that of a one-off unconditional dismissal payment. Therefore, this particular instrument was much less attractive to its potential beneficiaries.

The reasons for little popularity of social allowances should not be ascribed to the way the instrument was designed (it was proper indeed), it should rather be associated with the actual amount assigned for this purpose. In fact, it much in exceeded the factual demand. The reason was that the project’s assumptions were based on overestimated data regarding the number of planned resignations from the employment in the sector. Project implementers were received the data from the management boards of individual mines, however, the numbers did not correspond to the reality. Finally, the instrument would have probably enjoyed higher popularity, had it not been for the one-off unconditional dismissal payments.

Employees who, after leaving the mining industry, used the opportunity of benefiting form the social protective measures, most frequently used activation packages (75% of the population under review). The social allowance was used by 18%, one-off cash severance pay having been received by each twelfth polled. Most individuals who took advantage of one-off severance payment used it subsequently to satisfy their current needs.
Having left the sector, only 40% of former miners who have used social protective measures, found a new employment opportunity, whereof 15% took up their jobs virtually at once, and some 25% did so only 'after a time'.

As regards the group using social protective measures, males were the ones that have much better handled their labour-market situation. Nearly 2/3 of former miners, versus only less than a fourth of females having been associated with the industry, have found new jobs, whether immediately afterwards, or after a time.
Table 5. Did the respondent find a job after he left the coal mine?, vs. Respondent sex.

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th></th>
<th>Males</th>
<th></th>
<th>Total</th>
<th></th>
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<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Yes, at once.</td>
<td>8</td>
<td>10.81</td>
<td>9</td>
<td>20.93</td>
<td>17</td>
<td>14.53</td>
</tr>
<tr>
<td>Yes, after a time.</td>
<td>10</td>
<td>13.51</td>
<td>19</td>
<td>44.19</td>
<td>29</td>
<td>24.79</td>
</tr>
<tr>
<td>No.</td>
<td>56</td>
<td>75.68</td>
<td>15</td>
<td>34.88</td>
<td>71</td>
<td>60.68</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>100</td>
<td>43</td>
<td>100</td>
<td>117</td>
<td>100</td>
</tr>
</tbody>
</table>

In terms of age, relatively young people have dealt with their labour-market situation better than the others: 47% of those representing the group using social protective measures, who have by now turned thirty years of age, took up a job after leaving the mining sector.

Table 6. Did the respondent find a job after he left the coal mine?, vs. respondent age.

<table>
<thead>
<tr>
<th></th>
<th>25-29 years old</th>
<th>30-39 years old</th>
<th>40-49 years old</th>
<th>50-59 years old</th>
<th>‘I do not feel like answering this question.’</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Yes, at once.</td>
<td>0</td>
<td>0.00</td>
<td>5</td>
<td>13.89</td>
<td>8</td>
<td>12.70</td>
</tr>
<tr>
<td>Yes, after a time.</td>
<td>2</td>
<td>100</td>
<td>12</td>
<td>33.33</td>
<td>13</td>
<td>20.63</td>
</tr>
<tr>
<td>No.</td>
<td>0</td>
<td>0.00</td>
<td>19</td>
<td>52.78</td>
<td>42</td>
<td>66.67</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>100</td>
<td>36</td>
<td>100</td>
<td>63</td>
<td>100</td>
</tr>
</tbody>
</table>

One-off severance payment was assessed by individuals participating in the focus group interviews. Groups having used the instrument highly valued the opportunity to take advantage of a one-off cash severance pay. This allowed them to break up their bonds with the former workplace and start a ‘new life’. The opportunity was, in turn, criticised by persons using other instruments provided, and this being due to the ‘stupefying illusiveness of the amount at stake’. The respondents cited examples of individuals who, having received a relatively high amount of money (ca. PLN 50,000), tended to lose it in a not-too-well considered manner. In the course of interviews, examples were quoted of individuals who had used a major part of that amount to buy themselves new cars, or, wasted their severance pay cash on their drinking ‘tours across Poland’ which lasted for a few days. (Stories are told of what those miners did afterwards, of what has happened with the money, that it was spent on cars, and things like that; that they didn’t have a job, simply. That they walk around these days, collecting coal on slag heaps. (G2-1)

As a result, those individuals tended to lose their money within a short time, their living standards getting deteriorated drastically. According to the respondents, in some extreme cases, it led to suicide attempts (it being hard to decide to what an extent this information is based on the facts, or is a matter of gossiping). The respondents blamed the Programme organisers and implementers for all that, the miners being ‘unconscious victims of the system’ in their eyes.

I work in a quarter of Katowice called Nikiszowce, where things are so affected just by the restructuring, complete as it was. Most of them there received [their whacks]. And there is where they’ve wasted it on drinks by now. (G2)
What was the decisive factor? As to myself, I wanted to dissolve my steelworks relations as fast as possible; this is for the first thing, and for the second, I was thinking of opening a little shop. So I did need the money. (G4)

In turn, favourable assessments were won for the option to obtain a 100% monthly benefit payment within a year, as well as the option for getting 75% of the salary per month for a 24-month period. For those who have taken advantage of both of the above opportunities, a benefit of import was that the above said period has been included in the job seniority, as part of ZUS premium periods.

For those people, systematic inflow of minor amounts of money, as coupled with the protective measure ensuing from full social insurance, was the option’s major advantage.

I had my premiums paid in full for two years, I was covered by insurance, and if anything had happened to me then, I would [otherwise] have been left without an insurance. (G1-4)

4.3.5 Institution building (twinning)

The twinning project was implemented basing on an agreement between the Polish Government, and, the Spanish Government and the British Cabinet. As part of the institution building project, workshop sessions were organised for both local and regional authorities where Spanish and British experiences with the restructuring programmes were presented. The workshops and the project itself were highly valued by the participants. Within the confines of the project sociological studies on effects of the restructuring process have also been carried out. The research served the purpose of assessing the adequacy of INITIATIVE-related instruments and testing their efficacy. However the research was performed at a stage that was too late to use the results in improving the Programme.

4.3.6 Satisfaction of beneficiaries of particular instruments

In the course of CATI interviews, 41% of the interviewed beneficiaries declared that they were ‘rather satisfied’ with the instrument they had chosen. A definitely positive opinion on the chosen instrument was expressed by 12%. 31% stated they are ‘rather dissatisfied’ with the instrument having been utilised. Definite dissatisfaction was represented by 8% respondents.
Those who decided to take a loan are the most satisfied with the choice they made as part of INITIATIVE Programme (76%). Slightly more than each tenth respondent (12% in total) who got a loan declared that she or he was not satisfied. Those who benefited from the social protective measures have totally opposite view. The satisfied persons amounted to a little more than 35%, as versus nearly 60% of those being dissatisfied.

Table 7. Satisfaction with instrument selected vs. INITIATIVE Programme instrument

<table>
<thead>
<tr>
<th>Social protective measure</th>
<th>Loan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>%</td>
<td>3.48</td>
<td>23.81</td>
</tr>
<tr>
<td>Rather yes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td>%</td>
<td>32.17</td>
<td>52.38</td>
</tr>
<tr>
<td>Rather not.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td>4</td>
</tr>
<tr>
<td>%</td>
<td>49.57</td>
<td>4.76</td>
</tr>
<tr>
<td>Definitely not.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>%</td>
<td>9.57</td>
<td>7.14</td>
</tr>
<tr>
<td>‘Hard to tell.’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>%</td>
<td>5.22</td>
<td>11.90</td>
</tr>
<tr>
<td>Total</td>
<td>115</td>
<td>84</td>
</tr>
</tbody>
</table>

In the group of beneficiaries of training ‘rather satisfied’ individuals dominate. 24% of the interviewed were ‘definitely satisfied’ with the training they chose, 15% declared that they were rather dissatisfied with the training. The definitely dissatisfied group amounted to 9% of the respondents. 15% of the beneficiaries had no particular opinion on the training offer.

Miners more frequently than steelworkers shared their satisfaction with the training in which they participated. 60% of all ‘definitely satisfied’ or ‘rather satisfied’ beneficiaries were the miners. ‘Rather dissatisfied’ or ‘definitely dissatisfied’ miners accounted for 31% of all the respondents.

Only 39% of former steelworkers, included persons being definitely satisfied or rather satisfied with the training option of their choice.
Table 8.  Satisfaction with selected training option vs. Sector.

<table>
<thead>
<tr>
<th></th>
<th>Mining industry</th>
<th></th>
<th>Steel industry</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Definitely yes.</td>
<td>17</td>
<td>13.18</td>
<td>7</td>
<td>10.00</td>
</tr>
<tr>
<td>Rather yes.</td>
<td>61</td>
<td>47.29</td>
<td>20</td>
<td>28.57</td>
</tr>
<tr>
<td>Rather not.</td>
<td>28</td>
<td>21.71</td>
<td>33</td>
<td>47.14</td>
</tr>
<tr>
<td>Definitely not.</td>
<td>12</td>
<td>9.30</td>
<td>5</td>
<td>7.14</td>
</tr>
<tr>
<td>‘Hard to tell.’</td>
<td>11</td>
<td>8.53</td>
<td>5</td>
<td>7.14</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100</td>
<td>70</td>
<td>100</td>
</tr>
</tbody>
</table>

Satisfaction with the training proved to be clearly correlated with the assessment of its actual usefulness: the higher the usefulness was valued, the greater the satisfaction.

Table 9.  Satisfaction with selected training option vs. Assessment of usefulness of training in finding a job.

<table>
<thead>
<tr>
<th>Usefulness</th>
<th>Satisfaction</th>
<th>Yes</th>
<th>%</th>
<th>No</th>
<th>%</th>
<th>‘Hard to tell’</th>
<th>%</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Definitely yes.</td>
<td>24</td>
<td>48.98</td>
<td>16</td>
<td>13.79</td>
<td>11</td>
<td>24.44</td>
<td>51</td>
<td>24.29</td>
<td></td>
</tr>
<tr>
<td>Rather yes.</td>
<td>20</td>
<td>40.82</td>
<td>50</td>
<td>43.10</td>
<td>8</td>
<td>17.78</td>
<td>78</td>
<td>37.14</td>
<td></td>
</tr>
<tr>
<td>Rather not.</td>
<td>3</td>
<td>6.12</td>
<td>25</td>
<td>21.55</td>
<td>3</td>
<td>6.67</td>
<td>31</td>
<td>14.76</td>
<td></td>
</tr>
<tr>
<td>Definitely not.</td>
<td>1</td>
<td>2.04</td>
<td>16</td>
<td>13.79</td>
<td>2</td>
<td>4.44</td>
<td>19</td>
<td>9.05</td>
<td></td>
</tr>
<tr>
<td>‘Hard to tell.’</td>
<td>1</td>
<td>2.04</td>
<td>9</td>
<td>7.76</td>
<td>21</td>
<td>46.67</td>
<td>31</td>
<td>14.76</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100</td>
<td>116</td>
<td>100</td>
<td>45</td>
<td>100</td>
<td>210</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

More than 80% of companies interviewed appeared to be satisfied with instruments they have used as part of the INITIATIVE Programme. Definite satisfaction was declared by over 25% firms. One out of ten expressed its dissatisfaction with the Programme, whereof only 2% proved to be definitely dissatisfied.
Satisfaction with the instruments proved definitely correlated with the type of instrument being used. Credit interest subsidy assigned for creating jobs yielded satisfaction to nearly 90% businesses, of which definitely satisfied were 38% businesses. 5.9% companies expressed their discontent, whereas none of them spoke of its entire dissatisfaction.

Job creation loans provided satisfaction to more than 76% businesses that have benefited from this measure. Dissatisfaction with the loan option was the case with 10.76% companies, whereas definite dissatisfaction was expressed by each tenth business only (9.68%).

Re-financing of social security costs yielded satisfaction to as much as 93% businesses, this being a definitely highest percentage of those having used the opportunity; none of the companies was discontented with this particular instrument.

**Table 10. Are respondents satisfied with INITIATIVE Programme instrument offered?, vs. INITIATIVE Programme instrument.**

<table>
<thead>
<tr>
<th></th>
<th>Credit</th>
<th>Social security (ZUS)</th>
<th>Loan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Definitely yes.</td>
<td>26</td>
<td>38.24</td>
<td>24</td>
<td>55.81</td>
</tr>
<tr>
<td>Rather yes</td>
<td>35</td>
<td>51.47</td>
<td>16</td>
<td>37.21</td>
</tr>
<tr>
<td>Rather not</td>
<td>4</td>
<td>5.88</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Definitely not</td>
<td>0</td>
<td>0.00</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>'Hard to tell.'</td>
<td>3</td>
<td>4.41</td>
<td>3</td>
<td>6.98</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
<td>43</td>
<td>100</td>
</tr>
</tbody>
</table>
4.3.7 Declared interest in using Programme instruments in the future

In general, 2/3 of the interviews SMEs (66%) are interested in using Programme instruments in future, whereas slightly above a fourth of them would not be interested in using them again.

Chart 15. Would your company/firm decide to use a similar instrument once again? (N=204)

Among companies that have used the opportunity to get their social security costs refinanced, more that 72% declared their interest in using the instrument again. For the credit subsidy, the respective interest is at an analogous level. The weakest continuation incentive proved to be the loan, as only 59% of firms having used this particular measure have declared being interested in the instrument in the future.

Table 11. Would your company decide to use a similar instrument once again?, vs. INITIATIVE Programme instrument

<table>
<thead>
<tr>
<th></th>
<th>Credit N</th>
<th>%</th>
<th>Social security (ZUS) N</th>
<th>%</th>
<th>Loan N</th>
<th>%</th>
<th>Total N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes.</td>
<td>22</td>
<td>32.35</td>
<td>6</td>
<td>13.95</td>
<td>14</td>
<td>15.05</td>
<td>42</td>
<td>20.59</td>
</tr>
<tr>
<td>Rather yes.</td>
<td>27</td>
<td>39.71</td>
<td>25</td>
<td>58.14</td>
<td>41</td>
<td>44.09</td>
<td>93</td>
<td>45.59</td>
</tr>
<tr>
<td>Rather not.</td>
<td>11</td>
<td>16.18</td>
<td>6</td>
<td>13.95</td>
<td>25</td>
<td>26.88</td>
<td>42</td>
<td>20.59</td>
</tr>
<tr>
<td>Definitely not.</td>
<td>3</td>
<td>4.41</td>
<td>1</td>
<td>2.33</td>
<td>9</td>
<td>9.68</td>
<td>13</td>
<td>6.37</td>
</tr>
<tr>
<td>‘Hard to tell.’</td>
<td>5</td>
<td>7.35</td>
<td>5</td>
<td>11.63</td>
<td>4</td>
<td>4.30</td>
<td>14</td>
<td>6.86</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
<td>43</td>
<td>100</td>
<td>93</td>
<td>100</td>
<td>204</td>
<td>100</td>
</tr>
</tbody>
</table>

When comparing these data with the durability of employment of the employees under the use of INITIATIVE Programme instruments, it has to be found that the more efficient the instrument (higher percentage of those permanently employed), the more willing would employers be to use it again in a future.
However, a comparison of attractiveness of the various instruments shows that the existing Programme beneficiaries would first most willingly use job creation loans, reimbursement of social security (ZUS) contribution, contributions to the interest on loans, and refund of part of their remuneration (the replies given not getting aggregated up to 100, since more than one answer could be selected at a time). The thus shaped preferences ensue from the very essence of loans, being the enterprise’s measure of fast access to aid funds.

Chart 16. What sort of support would respondents be keen on in future? (N=135)

4.4 Durability of instruments’ results

The durability of the results of particular instruments offered within the framework of INITIATIVE Programme (measured by the current employment of former miners and steelworkers) is much differentiated. In general, it may be stated that the instrument aimed at direct creation of new jobs (addressed both to individuals taking up their own business as to the companies employing laid-off miners and steel workers) are more durable than to qualification enhancing instruments or protective measures.

4.4.1 Job creation (preferential loans, credit interest subsidies, refinancing of social security costs)

Among those who, having used loans upon leaving the mining/steel sector, set up a business of their own, 75% have been continuously run their businesses, against 18% of those having ceased to do so.
As the main reason for having wound-up their businesses (economic activity), those polled who have ceased or suspended their businesses quoted financial problems they had encountered (59%). Among other reasons for having liquidated/wound-up or suspended a business, market competition and issues of lot/acts of God were named (23% each), along with lacking demand and too-heavy tax- and insurance-related burdens (almost 18% each).

Ever since the 2001 Programme effects monitoring research, the number of entities created thanks to INITIATIVE Programme instruments, and employing additional workers, has dropped. Two years earlier, a third of borrowers who started their businesses after leaving the sector, offered employment in their businesses also to other people; today, there are less than a fourth of such businesses. The percentage of companies that employ extra persons at present may, however, be understated, having regard to that 30% polled refused to reply to the query. This might be indicative of that in doing their business, they in reality use the help of others whilst not necessarily employing them on an official basis.
Nearly a half of the polled businesses declared that they were, still then, employing all the employees having been accepted in connection with the use of funds provided by a given instrument. 50% or more workers were still employed by 16% of enterprises polled, the rate for less than 50% workers being 6%. 29% businesses have appeared not to be employing any employee having been accepted for a job thanks to advantage taken of INITIATIVE Programme instruments.

Those who have most frequently continued being employed are workers that were accepted for their jobs using the reimbursement of social security (ZUS) contribution (i.e.
75% employed). 41% businesses having once used the loans do not employ not even one of the former miners/steelworkers any more.

Table 12. How many employees still remain employed?, vs. INITIATIVE Programme instrument

<table>
<thead>
<tr>
<th></th>
<th>Credit N</th>
<th>%</th>
<th>Social security N</th>
<th>%</th>
<th>Loan N</th>
<th>%</th>
<th>Total N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>14</td>
<td>20.59</td>
<td>7</td>
<td>16.28</td>
<td>38</td>
<td>40.86</td>
<td>59</td>
<td>28.92</td>
</tr>
<tr>
<td>Less than 50%</td>
<td>7</td>
<td>10.29</td>
<td>0</td>
<td>0.00</td>
<td>5</td>
<td>5.38</td>
<td>12</td>
<td>5.88</td>
</tr>
<tr>
<td>50% or more</td>
<td>15</td>
<td>22.06</td>
<td>3</td>
<td>6.98</td>
<td>15</td>
<td>16.13</td>
<td>33</td>
<td>16.18</td>
</tr>
<tr>
<td>All</td>
<td>31</td>
<td>45.59</td>
<td>33</td>
<td>76.74</td>
<td>33</td>
<td>35.48</td>
<td>97</td>
<td>47.55</td>
</tr>
<tr>
<td>Answer refused</td>
<td>1</td>
<td>1.47</td>
<td>0</td>
<td>0.00</td>
<td>2</td>
<td>2.15</td>
<td>3</td>
<td>1.47</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>100</td>
<td>43</td>
<td>100</td>
<td>93</td>
<td>100</td>
<td>204</td>
<td>100</td>
</tr>
</tbody>
</table>

Companies or firms which have taken advantage of the loans or subsidised interest on credits, were deciding to employ more than one employee more frequently than businesses using ZUS contribution reimbursements. However, from the viewpoint of employment durability, it is social security contribution reimbursement that seems to be the most efficient INITIATIVE instrument targeted at businesses.

4.4.2 Occupational retraining

Among individuals who, having been through a training, found a job proving in line with their newly won qualifications, only a fourth have retained their employment to date.

Chart 20. Is the respondent still in employment? (N=50)

4.4.3 Co-financing of social protective measures (social allowances and training contracts)

At present, 38% individuals who have left the mining industry as part of the sector restructuring process, and used social protective measures, have retained their
employment, whilst more than a half of those who have taken advantage of protective instruments are in search of a new occupation. 5% have remained unemployed whilst not striving for getting a job.

**Chart 21. Is the respondent still in employment? (N=117)**

At present, much more men than women are in employment, as concerns those who have left the mining sector and used social protective measures. Some 60% males are employed today, whereas only each fourth female is employed. Two-thirds of women and one-third of men are presently searching for a new job for themselves.

**Table 13. Is the respondent still in employment?, vs. respondent sex.**

<table>
<thead>
<tr>
<th></th>
<th>Females</th>
<th></th>
<th>Males</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>19</td>
<td>25.68</td>
<td>26</td>
<td>60.47</td>
<td>45</td>
<td>38.46</td>
</tr>
<tr>
<td>No, but s/he is searching for a job</td>
<td>50</td>
<td>67.57</td>
<td>16</td>
<td>37.21</td>
<td>66</td>
<td>56.41</td>
</tr>
<tr>
<td>No, and s/he is not searching for a job</td>
<td>5</td>
<td>6.76</td>
<td>1</td>
<td>2.33</td>
<td>6</td>
<td>5.13</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>100.00</td>
<td>43</td>
<td>100.00</td>
<td>117</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The instrument targeted at individuals leaving the sectors in question, which has turned out to be the most efficient one in the longer run, is the loans. Most of those who set up a business having left their steel plants or coal mines have been pursuing their economic activity by this very day. Those, in turn, who used the opportunity of protective measures or training, are for most part not in employment.
5 INITIATIVE Programme implementation system appraisal

Implementation of the Programme was strongly determined by its designing phase. It is clearly evident that the design-making was not preceded by a minute analysis of the labour market, particularly as regards the supply (absorptive power). On preparing the Programme, overestimated data, taken from plants (coal mines and steelworks) then undergoing a restructuring process, were used as a basis. However, those data were not confirmed by the reality. As coupled with little flexibility employed in shifting funds between individual Programme instruments, data overestimation at the designing phase has determined the implementation and realisation phase. Therefore, a considerable pool of funds has not been used for the social protective measures project.

In the designing phase, regional institutions should have been more actively involved, which could make their contribution to the assessment of the market and its actual absorptive power. These institutions too require being more strongly involved in implementing individual instruments. A remark of essence is the fact that the efficiency of objectives assumed might have been enhanced through a more powerful inclusion of labour offices in the Programme promotion campaigning. These were not formally involved in implementing the INITIATIVE, and in fact, only acted as recipients of general information on the Programme’s course. Thus, they could not be a good transmitting link providing information to prospective (future) beneficiaries.

Another thing is that the Programme implementation phase was delayed as against the mining industry restructuring process, whereas in the metallurgic sector, the restructuring process appeared delayed as against the INITIATIVE’s actual implementation potential. It may be assumed that the implementation phase would have been better aligned with the activities of the mining and metallurgic (steel) enterprises, had an institution co-ordinating individual instruments been functioning on the regional level.

Programme implementation has encountered essential problems with access to information on the Programme. For physical persons, definitely the best source of information on the possibilities of getting a support as part of INITIATIVE Programme was their workplaces (mine/steel plant). Indeed, 62% miners have learned of the Programme in the mines where they worked.

In general, the informative campaign carried out in the mass media (television, radio, the press) or through posters and/or leaflets, was the source of information but for a slight part of individuals leaving their respective sectors. Also, labour offices did not represent an important source of information in this respect for the polled, as only 2% of the respondents gained information on the Programme right from there.
<table>
<thead>
<tr>
<th>Instrument</th>
<th>Social protective measure</th>
<th>Loan</th>
<th>Training</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Press advertisements</td>
<td>0.0</td>
<td>0.0</td>
<td>14.0</td>
<td>15.9</td>
</tr>
<tr>
<td>Posters</td>
<td>2.0</td>
<td>1.7</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Leaflets</td>
<td>2.0</td>
<td>1.7</td>
<td>9.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Labour office</td>
<td>0.0</td>
<td>0.0</td>
<td>4.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Conferences, seminars</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Radio</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Television</td>
<td>0.0</td>
<td>0.0</td>
<td>4.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Mine</td>
<td>116.0</td>
<td>99.1</td>
<td>48.0</td>
<td>54.5</td>
</tr>
<tr>
<td>Steelworks</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other employers</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Bank</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Acquaintances</td>
<td>1.0</td>
<td>0.9</td>
<td>8.0</td>
<td>9.1</td>
</tr>
<tr>
<td>‘No idea’/‘Hard to tell’</td>
<td>0.0</td>
<td>0.0</td>
<td>5.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Other</td>
<td>0.0</td>
<td>0.0</td>
<td>2.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>121.0</td>
<td>103.4</td>
<td>98.0</td>
<td>111.4</td>
</tr>
</tbody>
</table>

For businesses, the major source of information on INITIATIVE Programme was press advertisements (38%). The second most frequent sources of information, as indicated, were banks (17%). The respondents also mentioned labour offices, the mine, and/or their friends/acquaintances (14%, 13%, and 12%, respectively). Among the most frequently reappearing answer classed as ‘Other’, the internet and/or Governmental agencies were mentioned (9% in total).

**Chart 22  Sources of information on instrument (N=204, respondents having been allowed to give more than one reply)**

`0% 5% 10% 15% 20% 25% 30% 35% 40% 45%`

- Press ads: 38.24%
- Bank: 17.16%
- Labour office: 14.22%
- Mine: 12.75%
- Acquaintances: 12.25%
- Other: 9.31%
- TV: 8.82%
- Other employers: 5.39%
- Radio: 4.41%
- Steelworks: 1.96%
- Leaflets: 0.98%
- Conferences, seminars: 0.49%
A definite majority of former miners and steelworkers (84%) taking part in the survey have decided that information on INITIATIVE Programme instruments be easily accessible. Only each tenth respondent highlighted that information concerning the instruments was not easy to gain.

Chart 23. Was it easy to gain information on instruments? (N=415)

In contrast to those data, there stands information obtained during group interviews. Most respondents have then stated that they were not aware of that there existed various options to choose from, or that it was possible to use the protective assistance in its extensive form as offered, whereas their knowledge on the protective programme possibilities, as well as on the consequences of decisions being made, was very poor. Most respondents did not know what exactly was the protective programme about, the most frequent source of knowledge on the Programme being for them their workplace colleagues. Not infrequently, individuals working in the human resources department, or their superiors, were not in a position to indicate any specific possibilities of acting to persons who were considering, or indeed had to consider, the acceptance of a protective programme.

I mean, the Mining Employment Agency was established, and usually, a person was employed in each mine. This was neither a psychologist nor a sociologist, or specialist of any sort at all. It was a young man, a college graduate. They had bought him modern equipment: two computers, a photocopier, and he would just sit around there. He had a list of courses which were offered by the Agency. He could not be of help, actually, but could only check whether a given course is on the list and give us a call, saying when it is due to take place. (G2-5)

The decision to take part in the Programme and leave the then existing job was in most cases not really thought-over and made under pressure, whether from the group or in fear of losing the job, or, indeed, as influenced by manipulation on the part of the directors or managers. The respondents’ memory has registered the schematic rule saying, ‘You’d better go for one of those protective measures, as they’ll fire you anyway, at a later date and in a much more unprofitable way.’. After all, it is plausible that the
respondents are interested in cherishing their conviction that they have been pushed into an adverse position, rather than have made up their minds on their own.

*That activation package, I was forced to take it up. This was not our choice, but when our plant was to go into liquidation, other jobs were arranged only for underground workers. Exclusively, for them. The whole administration staff was supposed to be sacked. My colleague has already said that, we are from the same plant. (G1-3)*

The respondents feared that the protective programme is the last chance for those qualified for departure, or for workplaces which have turned out unprofitable, for various reasons. They were making decisions to leave their jobs, when influenced by fear and a low assessment of their own skills. The prospect of gaining some training and money to be guaranteed for some specific period appealed to them as an attractive and positive form of fighting against uncertainty of the tomorrow and the fear about their living standards.

*Why? ‘Cause at the time, I couldn’t be sure that anyone would fix up a job with me in another plant. In another mine, that is.*

*No-one has signed up for the Initiative, and so we got our notices. When the notices came, then we submitted those applications of ours for that Initiative thing. Why? Because, we had our salaries guaranteed for a year this way. And indeed, what they then did is they sacked those around forty and above. (G1-1)*

Almost all the respondents treated the instrument they have used as their only choice possible. Only a few respondents knew that any other instrument existed, or were themselves authorised to use it. In the respondents’ opinion, the entitlement to use a given instrument was dependent on the number of years worked in mining/metallurgic sector and on the type of job actually performed. However, a definite majority of the respondents were, in fact, deprived of a possibility to make any choice whatsoever.

Probably, only part of the beneficiaries made their decision resulting from having themselves analysed the potential benefits and losses related to having selected a given Programme instrument. The others participated in collective decision-making, as if rendering themselves subjected of ‘moving with the crowd’. In other words, a conviction was predominant in a given milieu about that one instrument is superior to another one. Interestingly, individuals using a given instrument knew only very little at all about the remaining instruments.

For businesses, to gain information on the Programme was not quite problematic. More than a half of them are of opinion that information on the INITIATIVE Programme instruments could be obtained rather easily, another 22% believing that it was ‘definitely easy’ to receive it. For each fifth enterprise, to find information on the Programme was rather difficult, or difficult.
Despite the accessibility of information on the Programme having been positively assessed, as declared by the beneficiaries, attention should be paid to the fact that less than 60% funds allocated to individual Programme instruments have been used, this being mainly due to a lack of interest in them on the part of their potential recipients. This means that implementation of the Programme has come across some cognitive barriers amongst potential beneficiaries. The Programme was difficult indeed, and it was targeted at a specific social group, being rather hard to ‘get through to’ in order to eventually arouse interest in the assistance being offered. This aspect shows a weakness of the system of information on, and promotion of, the Programme.

Most of the former miners or steelworkers participating in the poll positively assessed their own contacts with persons involved in Programme implementation: 40% respondents said the contacts were ‘rather good’, and 15%, ‘definitely good’. Dissatisfied respondents accounted for a significantly lower percentage; namely, 7% viewed their contacts as ‘definitely poor’, whilst 16%, ‘rather poor’. Each fifth of the polled (21%) was not able to assess their contacts with those involved in implementation of the Programme.
The group being definitely most satisfied with their contacts with persons involved in Programme implementation consisted of those who have used the loans. Nearly 80% of them deemed their contacts with Programme organisers to be good. Each eighth loan beneficiary considered his or her contacts with individuals involved in Programme implementation to be not fully satisfactory.

The least degree of satisfaction is the case with those who have taken advantage of social preventive measures. Only a fourth of them deemed the contacts to be good, whereas more 40% deemed them poor. Almost each third member of this respondent group gave a ‘hard to tell’ reply.

60% respondents taking part in training assessed in positive terms the people with which they have been in touch in the course of Programme implementation, a negative assessment being the case with 16% of those respondents. More than each fifth of the polled did not give any answer to the related question.

### Table 15. How do you assess your contacts with people involved in Programme implementation?, vs. INITIATIVE Programme instrument

<table>
<thead>
<tr>
<th>Social protective measure</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely good</td>
<td>3</td>
<td>2.56</td>
<td>18</td>
<td>20.45</td>
<td>40</td>
<td>19.05</td>
<td>61</td>
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<td>27</td>
<td>23.08</td>
<td>52</td>
<td>59.09</td>
<td>88</td>
<td>41.90</td>
<td>167</td>
<td>40.24</td>
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<tr>
<td>Rather poor</td>
<td>38</td>
<td>32.48</td>
<td>6</td>
<td>6.82</td>
<td>23</td>
<td>10.95</td>
<td>67</td>
<td>16.14</td>
</tr>
<tr>
<td>Definitely poor</td>
<td>14</td>
<td>11.97</td>
<td>5</td>
<td>5.68</td>
<td>12</td>
<td>5.71</td>
<td>31</td>
<td>7.47</td>
</tr>
<tr>
<td>‘Hard to tell’</td>
<td>35</td>
<td>29.91</td>
<td>7</td>
<td>7.95</td>
<td>47</td>
<td>22.38</td>
<td>89</td>
<td>21.45</td>
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<tr>
<td>Total</td>
<td>117</td>
<td>100</td>
<td>88</td>
<td>100</td>
<td>210</td>
<td>100</td>
<td>415</td>
<td>100</td>
</tr>
</tbody>
</table>

Half of enterprises polled valued their contacts with persons involved in Programme implementation in ‘rather good’ terms. Definitely good contacts were maintained in the opinion a fourth of the polled firms or companies. Rather poor, or poor, contacts with
those responsible for the Programme were recognised by 6% enterprises. And, more than a fifth of the polled did not express any opinion as to this assessment.

Chart 26. How do you assess your contacts with individuals involved in Programme implementation? (N=204)

The Programme assumptions were attractive because of the option having been offered to merge several instruments, and consequently, increase the synergy, and efficiency. In case e.g. a miner wanted to set up his own business (economic activity), then he could take advantage of the counselling services and training offer within the frame of the various Programme components. However, it has often turned out that the possibility of combining various instruments was only apparent. The implementing procedures of individual projects proved not always capable to ensure proper co-ordination in this respect between Programme servicing institutions. Another thing is that beneficiaries themselves were not always aware of the possibility of having certain of the instruments merged.

Attention should be paid to the Programme promotion, an aspect which should have been more strongly emphasised. This issue should be tackled by HR departments of workplaces (plants) undergoing a restructuring (which would require that the departments’ staff be adequately prepared to tackle the task), labour offices, or, information/consulting outlets specially established for the purpose.

In the implementation phase, the loan granting procedures, as accepted in the preparatory phase, have appeared to be of an issue. Monies from the loan fund for steelworkers have been expedited at a 50% level, the reasons therefor being:

- formal barriers to beneficiaries,
- rigid procedures – each amendment to the rules-and-regulations required a consent from the European Commission, which obstructed the use of funds.

As regards the general problems of implementation of loan projects, the following issues require being considered:
Loan securitising rules. This is a key question for several individuals willing to set up their own businesses (start an economic activity). The necessity to carry out a restrictive verification of security measures/collaterals and attention to protect the funds not infrequently causes that certain types of security or collateral are not accepted, such as e.g. physical person guarantees (being the most popular form of loan security), or securing with equipment purchased using the loan-based funds, such equipment being characterised by quick loss of value (e.g. computer hardware); the above described forms are, on the other hand, those most preferred by borrowers;

Delays in loan repayment. The only solution as proposed by the Programme rules-and-regulations in case of delays appearing in the payoff was penalty interest, no relief being provided for in case that the delay has resulted from e.g. reasons beyond the borrower's control, such as acts of God/force majeure (the regulations did not provide for any allowances in repayment by the borrower who has been injured resulting from a force majeure event of any sort).
6 CONCLUSIONS

1. The effectiveness of INITIATIVE Programme, understood as achievement of the assumed objectives which included:

   - to alleviate the social and regional costs of restructuring of the mining and metallurgic sectors,
   - to maintain the development of regions affected by the restructuring,
   - to limit the unemployment ensuing from the restructuring processes,

has generally been achieved, under reservation that the above goals have been attained in proportion to the funds involved. The effects of the then ongoing sectoral restructuring process could not be yet balanced by INITIATIVE Programme activities alone.

As regards the meeting of the effectiveness criterion, it has to be stated that the Programme goals were not established basing on the basis of assessed needs and possibilities of the Programme’s potential beneficiaries (formulating assumptions of the Programme should have been preceded by research conducted amongst entrepreneurs and employees of plants undergoing liquidation) and determined labour market absorptive power. In addition, efficiency of the Programme was restricted by scarce possibility of shifting funds between the instruments. The research conducted points at the necessity to minutely investigate the ‘demand’ or absorptive capacity of a given instrument at the very first stage of the instrument and allocation of funds planning. For instance, the absorptive capacity of loans for employees, and the number of persons envisaged to benefit from social allowances and/or training contracts, have been overestimated. This issue was reinforced by lack of flexibility as regards allocation of funds during the Programme implementation: errors committed at the planning stage (which are hardly avoidable) cannot be corrected at a subsequent stage.

2. As regards the criterion of efficiency, it should be stated that a global evaluation of the Programme’s efficiency (comparison of resources involved versus achievements on the products level) is not possible, since we do not have any relevant benchmarks at our disposal. However, it could be stated that the indices of number of persons covered by individual instruments assumed in the Financial Memorandum, have not been fulfilled.

3. The efficiency of separate instruments (projects), including in particular social protective measures, has been determined by the procedural and financial terms-and-conditions determined in the Governmental programmes and comprised in statutory regulations, which prevented any amendments to the terms of operation of some of the INITIATIVE instruments and consequently, the funds allocated for certain instruments have not been fully used.

4. The criterion of relevance has been met by appropriate matching of instruments which were aligned to the needs of the sector, the regions, and beneficiaries. However, implementation of the Programme could not act as an efficient stimulus for regional development or contribute to a significant reduction of unemployment, due to the
project’s limited time range and scale of financing. A programme directed at sectors or regions back-up should be allowed a longer temporal horizon and flexible funding to meet its objectives. During the Programme’s duration, the situation in the labour market and the sectors undergoing restructuring was changing, whereas the ‘rigid’ nature of the rules of financing did not allow efficient response to those changes. 5. As to the criterion of sustainability, it should be stated that the durability of the effects of individual INITIATIVE Programme instruments, as calculated in terms of durability of employment of former miners and steelworkers, is diversified. In general, long-term effects have mostly been generated by instruments relating to job creation rather than qualification enhancing instruments or strictly protective instruments.

- Among individuals who have used the opportunity of getting a loan to start their businesses with, 75% have been running their businesses until now. In addition, part of firms or companies which have been established owing to support provided by INITIATIVE have become employers to new employees. Among those who run a business the number of those assuming that the situation of their companies will rather improve within the next 12 months, is higher than the number of people presenting opinion that the situation will rather deteriorate (20% and 15%, respectively). At the same time it is the group of people who having left the mining or metallurgic sector set up their businesses that assess their own decision of leaving the former sector in the most positive terms, and they are much more satisfied with the chosen instrument(s) than those who have used social protective measures (76% and 36% for each group, respectively). A one third of the polled who have established business shares the conviction that since they had started pursuing a business activity, their financial situation has improved.

- Most of the individuals who have used social protective measures tend to regret decision made (90% of them considers it was amistake They also sufferi from their deteriorated financial situation. Only 38% of those who have used social protective measures are now employed.

- Participation in training has not resulted in enhanced opportunities on the labour market. More than 50% of the participants decided that the training they have been through appeared not to be any useful in getting a new job. Only 24% trainees have found jobs in compliance with the direction of retraining. Among persons who having completed their training found a job being in line with their newly gained qualifications, only 25% have retained their employment to date. These data seem to confirm the other research conclusions, stating that the training offered as part of INITIATIVE did not resulted in qualifications required by specific future employers. On top of that, lack of vocational advisory services or lack of coherence between vocational services and trainings significantly reduced efficiency which resulted in diminished durability of training provided.

- Although businesses which have used the options of loans or contributions to the interest on loans/credits decided to offer employment to more than one employee as compared with those using the social security liabilities (ZUS) reimbursement option in terms of durability of employment it is ZUS contribution refund that seems to be the most effective of the INITIATIVE instruments targeted at companies. 46% of companies which used the option of contributing to loan/credit
interest employ all the taken-over former miners or steelworkers, 22% employ a half or more of those; amongst businesses taking advantage of loans, the respective rates are 35% and 16%. As regards companies which have used the opportunity of contributing to social security liabilities, 77% provide employment to all previously employed, another 7% employ at least 50% of employees engaged within INITIATIVE.

The most popular forms of business support companies are interested in include :: loans to finance creation of sustainable new work places (55%), reimbursement of social security contribution (ZUS) (33%), as well as contribution to the loans/credits interest (31%). Of essence to an assessment of the effectiveness and durability of INITIATIVE is the fact that the Programme was aimed at implementing ‘projects’ rather than processes and/or instruments (understood as certain elements of a benefits package, designed to collectively meet an employment-related goal). The process of supporting employees leaving industrial sectors undergoing restructuring should be the nature of outplacement project that is aimed at leading the beneficiary from his or her existing employment or job into a new one, rather than performing individual services (whether projects or mobilising instruments). That a factor was lacking there which could have integrated individuals INITIATIVE projects into one chain, could be deemed to be an essential disadvantage of the accepted action pattern, from the viewpoint of ‘after-employment’ effectiveness.

2. In general, INITIATIVE Programme supported the implementation of the relative governmental schemes, although a number of detailed problems have been revealed concerning the implementation of individuals instruments, such problems having been generated by factors being external to the Programme itself. For example, delays in the steelworks restructuring processes and the related delayed workers’ exits from their sector-based employment caused that several decisions concerning the training were taken under pressure of expiring funds use deadlines. This has in turn led to several problems with properly selecting the training offer and then, to adequately implement it, which has resulted in the many negative opinions about this particular instrument among the beneficiaries.

3. On assessing the Programme, it should be taken into account that the project was being implemented in an unfavourable social climate. It is, to a considerable extent, the matter of the circumstances under which the Programme emerged, including the scale of employment restructuring process in the sectors concerned as well as the necessity for workers to leave their by-then-existing workplaces. Studies have documented that this situation is extremely stressful, and that people having experienced it found it difficult every so often to appropriately adapt themselves to the new situation. Difficulties triggered by the very situation in which one has to leave his or her workplace have often been intensified by their superiors – by exerting pressure, giving incomplete or wrongly provided information, as well as by errors in implementation of individual instruments, such as the way training is organised, improper training offer, or the necessity to bear extra fees or charges. Particularly unfavourable, as to its psychological effects, is promising people more benefits than the Programme might really yield, the result being a sense of having been ‘cheated’.
4. A certain implementation-related problem was also access of prospective beneficiaries to the information and the level of their being informed.

5. One advantage of the Programme was that its beneficiaries have been offered a wide array of concurrent instruments. This concentration of activities encouraged potential beneficiaries to take advantage of the opportunities being provided by the restructuring-process-supporting scheme, and hence, it exerted a positive impact on the outflows from the sectors being restructured.

6. The studies have confirmed, as well as documented, that it is necessary to investigate in detail into the ‘supply’ or absorptive power of a given instrument at as early a stage as the planning of, and allocation of funds to, the instrument. To quote an example, the absorption capacity of loans for employers has been overestimated. This particular issue was further strengthened by scarce flexibility in allocating the funds in the course of Programme implementation: errors committed at the planning stage (and which every so often prove hardly avoidable) cannot be corrected at a later stage.

7. A rather weak point of INITIATIVE Programme was that its individual projects were divided in accordance with instruments determined as per the relevant governmental schemes/programmes, as coupled with entrustment of implementation of individual projects to various implementers. This concerns, e.g., handling of loans in the metallurgic industry, or servicing of counselling services in the same sector. The way the Programme was organised did not make it any easier for those setting up a business activity to take advantage of the counselling package, benefit from training on how to conduct a business (or, how to complement the indispensable qualifications), and, at a final stage, be granted a loan. A similar problem appears at the meeting point of occupational counselling services being rendered by an institution which is not directly involved in the training project (the difficulty being co-ordination of the labour market review process (investigating employee needs)), the occupational counselling process, and the education pursued to meet the needs identified.

8. The scope of instruments employed as part of INITIATIVE was restricted to the forms of assistance as determined by the relevant governmental schemes. Basing on the outcomes of the present research, it would be difficult to draw a straightforward conclusion as to whether the Programme’s efficiency would have been better if some other, alternative, instruments had been used.

9. Despite the above remarks, it may be stated in general that the INITIATIVE Programme has met its basic objectives, namely, to mitigate the social and regional costs of restructuring the mining and metallurgic sectors, and to reduce the unemployment resulting from the restructuring process. Importantly, INITIATIVE was a pilot Programme, one that was first implemented at such a large scale as a sectoral restructuring support scheme. Therefore, of extreme importance is not only an evaluation of INITIATIVE Programme itself, but also the recommendations that may be pronounced for use by other similar projects or schemes.
7  Recommendations for INITIATIVE III Programme

7.1 Recommendations ensuing from evaluation of individual instruments

- The assessment carried out suggests that subsidising social insurance contributions has turned out to be an efficient instrument. Jobs created using this particular instrument have appeared to be the most durable. Importantly, employers taking advantage of this particular instrument were not making their decisions to employ a new person basing just on the opportunity to get a support. This means that those jobs were economically justified, the possibility to get a support being just a factor directing the employer toward a given particular group of people seeking jobs - i.e. ones covered by INITIATIVE Programme. Supporting the employment of individuals leaving sectors under restructuring, that is, strengthening the ‘attractiveness’ of that group in the labour market (particularly as regards the disclosed economically legitimate jobs), has resulted in a durable employment offer. The instrument in question should be continued within the frame of INITIATIVE III. However, the question needs being resolved what criteria and principles of such an assistance should be assumed.

- The rules of granting loans toward taking up economic activity should be considered, particularly as regards security/collateral measures, penalty interests, and waiting/grace periods for repayments in cases like acts of God.

- It should be pointed out that training projects should be associated with providing occupational advisory assistance to individuals leaving their existing jobs. This will be favourable in terms of enhanced efficiency of training expenditure and upgrading qualifications. Detailed analysis of employee skills and predisposition, and assessment of employee activity, carried out prior to selecting the type of training would increase the opportunities of training attendees in the labour market.

- Training project must take into consideration the funds to support the beneficiary costs of examination, certificates, or medical examinations (the general rule should be observed that training offers an opportunity to get a certificate testifying to qualifications acquired).

- Supplementing the INITITATIVE training instrument with practical internship (learning how to do the job at the real workplace). Increased number of hours of practical study of the occupation, or, inclusion of such element in the training, would improve the trainee's labour market opportunities.

- A supplementary element to projects aimed at job creation should be the possibility of providing training to employees taking up their new jobs under employers creating the opportunities for these new jobs. This would enable to enhance those people’s chance to retain their jobs and remain employed.

- It would be worth considering to include, as part of the Programme structure, an additional instrument being employment agency services. This would facilitate offering training in view of the specific identified jobs.
7.2 Recommendations ensuing from evaluation of INITIATIVE Programme implementation system

- The view should be shared as expressed in the Final Report on implementation of the European Union Programme PL 9811 INITIATIVE, and as confirmed in the Programme assessment carried out, stating that the Programme being ‘project-oriented’ rather than ‘instrument-oriented’ (instruments being understood as certain elements of the ‘benefits package’ implementing an employment-related goal) causes problems in adjusting the supply to the demand for individual instruments, and thus entails funds being unused in some individual projects, whereas in others, the demand remains unsatisfied.

- The present evaluation is indicative of that it would have been purposeful to ensure a better co-ordination of individual projects being implemented, on a given region’s level. It should be considered whether due to the Programme’s scope and its complexity, it would be necessary to implement a co-ordination system on the local level. This would primarily concern the establishment of a ‘steering committee’ consisting of implementers of individual projects. Such a solution would make it possible for the implementers to collaborate more efficiently, particularly as regards exchanging information on the effects of actions, implementation-related problems reported on, or co-ordination of actions against the whole group of beneficiaries.

- Within the confines of improved Programme co-ordination, a possibility needs also being considered of carrying out training (workshop) sessions for individuals implementing individual projects, so that knowledge may be unified on the possibilities and implementation rules of individual projects. We hereby propose that training be implemented which would prepare the persons involved for providing information on the Programme, as well as which would be used by institutions not being directly involved in the implementation, such as labour offices or local aid institutions. The purpose of training should primarily be to render uniform the pieces of information given on the Programme and its instruments. The training should be attended by individuals directly involved in providing information to potential Programme beneficiaries, regardless of where they are actually employed.

- In general, building a Programme should be considered basing on the structure of outplacement projects where effort is focused on leading the beneficiary from his or her existing job into a new one, and not on implementing individual services (projects or mobilising instruments). A possibility would also be worth considering (unless projects can be built around the outplacement rule) of establishing a beneficiary ‘servicing outlet’, as a first stage, from which they would be directed to those who perform individual services concerned.

- The Programme implementation phase should be preceded by a labour market examination. The purpose of such a survey should be to evaluate the market’s absorptive power in terms of individual instruments, particularly those targeted at employers. Publication of the examination results may also play an informative role for employers interested.
- It is indispensable to ensure flexibility of reallocation of funds between individual instruments. This will allow to adjust the amounts of funds afforded to implementation of individual instruments to the changing situation in the labour market.

- We suggest that information resources for people leaving their sectors be prepared at an earlier stage. The materials should contain, on the one hand, practical information concerning the possibility of using instruments being on offer as part of INITIATIVE III Programme (descriptions of individual instruments), and on the one hand, they should comprise guidelines specifying the individuals or groups for whom a given instrument might be most efficient or useful.