



Cost-effectiveness indicators

COST-EFFECTIVE INDICATORS (THE RATIO BETWEEN THE COSTS FOR ACTIVATION AND THE NUMBER OF PEOPLE EMPLOYED) HELP TO EVALUATE THE PERFORMANCE OF LOCAL PES, OPTIMISE RESOURCE ALLOCATION ACROSS PES OFFICES AND ENSURE EFFICIENT DELIVERY OF PES SERVICES.

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POLAND

To evaluate the effectiveness of (forms of) activation to systematise knowledge to provide a basis for optimising resource allocation across local PES and better support jobseekers' integration into the labour market.

Name of the PES

Ministry of Family, Labour and Social Policy (Polish PES)

Scope of measure (a pilot project or a national reform)

Data collected at local level and made available nationally by the Central Statistical Office through an annually published study.

When was the practice implemented? (including start and end date for pilot projects)

2014 – ongoing

What was the driver for introducing the practice? Was it internal or external?

In 2014, the PES in Poland underwent a major reform to improve its effectiveness. The aim was to streamline the information provided by the PES and increase the rationality of spending of the Labour Funds. Prior to 2014, outcomes were measured by the number of participants in each activation activity. However, since 2014, activation is only considered completed when an unemployed person has worked for at least 30 days within three months after completing their participation in a form of support.

Which organisation was involved in its implementation?

District labour offices across Poland, the Ministry of Family, Labour and Social Policy and the Central Statistical Office.

Which groups were targeted by the practice?

People activated through labour market services and instruments (PFAZ), including unemployed persons and jobseekers.

What were the practice's main objectives?

- ▶ Increase efficiency in delivering employment services.
- ▶ Monitor labour market trends and adjust strategies accordingly.
- ▶ Balance cost-efficiency and quality.
- ▶ Increase effectiveness in achieving employment outcomes.

What activities were carried out?

- ▶ Cost indicators were developed to assess activation activities' cost-effectiveness (the ratio between cost of activation activity and number of people employed) and activities' employment effectiveness (number of people who gained employment after completing an activation activity).
- ▶ The research on the cost-effectiveness of activities is presented annually in a [study](#) published by the Ministry of Family, Labour and Social Policy.
- ▶ Cost-effectiveness indicators are considered when assessing applications for the implementation of programmes financed by the Labour Fund reserve and are used by voivodeships (the highest-level administrative divisions of Poland) when establishing criteria for the distribution of Labour Fund resources.
- ▶ Introduction of a moderate performance-based financing of local PES, determined by the needs in the region and the effectiveness of specific forms of support.
- ▶ Support for employers recruiting young and older (aged 50+) unemployed people.

What resources and other relevant organisational aspects were involved?

Human resources of the Ministry, local labour offices, the Central Statistical Office, the IT company Sygnity. Meetings, conferences and training were also used to introduce the new research method.

What were the source(s) of funding?

Financed by the Polish Labour Fund which is managed by the Ministry of Family, Labour, and Social Policy.

What were the outputs of the practice: people reached and products?

- ▶ Data on the number of people activated under PFAZ and their employment outcomes were collected from all 16 voivodeships.
- ▶ Annual publishing of a [catalogue](#) of basic forms of professional activation (PFAZ - labour market services and instruments), for which employment and cost-effectiveness indicators are determined every year, and the annual publishing of an effectiveness [study](#).

What outcomes have been identified?

- ▶ The use of cost-effectiveness indicators has enabled more effective and rational management of the Labour Fund.
- ▶ The effectiveness research so far has not shown the need to correct or change active forms of support.
- ▶ The modifications have increased the reliability of data on the numbers of people employed after completing an activation support financed by the Labour Fund. This has improved planning and the rational use of public funds.
- ▶ Improved quality of services that are tailored to individual needs.

What are the lessons learnt and success factors?

The study of cost-effectiveness indicators illustrates labour offices' diversity in individual forms of professional activation and in individual regions of the country. It systematises knowledge and provides a basis for managing resources in the office.



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