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EUROPEAN SOCIAL FUND IN THE PERSPECTIVE 2014-2020 IN POLAND. NEW CHALLENGES FOR HUMAN RESOURCE DEVELOPMENT

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Summary: The subject of this article is the main instrument of the European Communities social policy, i.e. European Social Fund (ESF) in the new 2014-2020 perspective. The main purpose of the publication is to present new challenges for human resource development for Poland in the new programming period. At the beginning, the European Social Fund was presented in certain phases of growth. Then the concept of human resource development is explained. In the further part, the new programming period 2014-2020 is described. The last part discusses the Operational Programme responsibility for all ESF interventions in Poland in 2014-2020 and it lists the challenges for Polish human resource development. Considerations of the paper are based on the review of Polish and foreign literature studies from the field of the European Social Fund and development of human resources.

Keywords: European Union, European Social Fund, human resource development, Poland.

1. Introduction

For many years a growing interest in the EU funds has been noted. The funds could be obtained for widely understood investments in human capital. Poland, being a full-fledged member of the Union, has also become a recipient of the financial assistance, which serves the implementation of the European cohesion policy. A fundamental instrument of social policy of the European Communities, whose intervention aims are long-term and long-range, consisting of investment in human capital linked to the improvement of competitiveness of regions and growth of entrepreneurship, is the European Social Fund. It is an instrument of the modern human resource development policy with a focus on contributing to achievement of socio-economic cohesion.

Poland, in the first programming period 2004-2006, received 12,8 billion Euro, which represented more than half of the EU funds for the ten new Member States. In the financial perspective for the period 2007-2013 Poland with the amount of 68 billion Euro became the largest beneficiary of the EU funds among all the Member States of the European Union. In the newest period 2014-2020, Poland will receive 82,5 billion Euro from the cohesion budget. In this context, a question arises about the importance of the European Social Fund as an instrument of human resource development. Thus, the main subject of interest in this article is the European Social Fund (ESF), and the main purpose of this article is to present new challenges for human resource development for Poland in the 2014-2020 programming period.

2. European Social Fund - the phases of growth

The European Social Fund (ESF) is one of the five European Structural and Investment Funds (ESIF). The European Social Fund (ESF) was created in 1958 on the basis of the European Economic Community Treaty as the first structural fund of the European Communities (European Commission, 1958). In the initial period the ESF was to increase the chances of obtaining work in the community by promoting employment and increasing the mobility of

workforce. Starting in the sixties, the ESF has evolved many times adjusting to the changes in the economic and social cohesion policy and according to the broader social policy of the EU that mainly concerned employment (Grewiński 2003).

From the very beginning of the functioning the Fund focused on the creation of mechanisms to support development of the labor market. The original idea was to support the national labor market policies. On the basis of the subsequent reforms the actions of ESF began to incorporate the transnational objectives (Kubisz 2001). To a large extent the role of the Fund resulted from the establishment of the European Regional Development Fund (ERDF) in 1975, which took over the tasks related to the promotion of economically backward regions (Auleytner 1997).

The years 2000-2006 were a new activity period for the ESF. Its entire potential was joined on the level of all Member States in order to implement the priority tasks of the European Employment Strategy. The fundamental pillars of the Strategy were: improvement of employability, development of entrepreneurship, improvement of adaptability of businesses and their employees. The ESF was to support the Member States of the European Union in the field of implementation of modern, active employment policies and the systems aimed at providing financial support for the up-skilling of workers (Sobotka 2001).

On the basis of Regulation 1784/1999/EC of the European Parliament and of the Council of Europe on 12 July 1999, *the Fund shall support actions oriented to prevent and counteract the unemployment and to develop the human potential and social integration of the labor market, to promote the growth of employment, equal opportunities for men and women, harmonious and sustainable development and economic and social cohesion. The Fund shall support actions within the implementation of the European Employment Strategy.* The European Social Fund is therefore a fundamental instrument of the structural policy of the European Union, which is to serve the implementation of the employment policy and development of human resources.

3. Theoretical concept of employee development and human resource development

For the clarity of considerations presented in this article, it is necessary to explain the key concepts such as employee development and human resource development. In Polish literature on the subject there is no agreement as for the one, common definition of the concept human resource development (HRD) or employee development. The term employee development was defined by T. Listwan as one of the first Polish researchers. According to Listwan it is *the process of preparation to carry out tasks and occupy positions of greater complexity and responsibility* (1998). This reflects the narrow approach to HRD in which development is treated as an element of personal activity.

Different point of view holds J. Strużyna who considers human resource development as a concept which is tightly linked to the subject of human resource management, yet it is not equivalent. According to the researcher human resource development, has exceeded the traditional functions of human resource management and entered the field of a specific type of management style (OD) (2008). Through the review of foreign literature Strużyna argues that HRD developed simultaneously with human resource management, creating three main research areas: organizational development, career development, training and employee development. It is the exemplification of a broad approach to development of human resources.

In the English literature there are two terms regarding the above described development of human resources: employee development, which is equivalent to a narrow approach to employee development (Garavan et al. 2008, p. 615) and human resource development (HRD), which reflects the broader definition of human resource development (Garavan,

Costin & Heraty, 1996). The author of this article, pointing to the challenges of the new programming period 2014-2014, included both the narrow and the wider context of human resource development.

4. New 2014-2020 programming period in the European Union - main areas of support

In 2014-2020 European Union will have allocated more than 80 billion euro into the European Social Fund. Its allocations amount to 24.8% of the Structural Funds budget. The main tasks of the ESF in current period consist of support of the following priorities:

1. promoting employment and supporting labor mobility;
2. promoting social inclusion and combating poverty;
3. investing in education skills and lifelong learning;
4. enhancing institutional capacity and an efficient public administration.

Within the tasks of the first Priority, the ESF will support organizations around the EU to put in place projects focused on training people and helping them obtain employment. Initiatives supporting entrepreneurs with start-up funding and companies that need restructuring or lack qualified workers will also be financed. Helping young people enter the labour market will be the top priority for the ESF in all EU countries. Within this Priority a great emphasis is placed on combating youth unemployment.

The second Priority relates to the social inclusion, which is strongly connected with employment as the most effective way of giving people independence, financial security and a sense of belonging. The ESF will continue to finance many thousands of projects that help people in difficulty and those from disadvantaged groups to get qualifications and jobs and have the same opportunities as others.

The Priority number three is equal to better education. Across the EU the ESF is financing initiatives to improve education and training and ensure young people finish their education and get the skills that make them more competitive on the job market.

The last Priority emphasizes stronger public administration. The ESF will support Member States' actions to improve the quality of public administration and governance and so support their structural reforms by giving them the necessary administrative and institutional capacities.

5. Polish European Social Fund Operational Programme in 2014 - 2020

Member States transfer the objectives included in the documents of the EU onto the local ground in the form of relevant entries in the Operational Programs (OP), which break down the overarching strategic objectives agreed in the Partnership Agreement into investment priorities, specific objectives and further into concrete actions.

In the 2014-2020 perspective the whole intervention of ESF will have been taken over by the Operational Programme Knowledge Education Development (OP KDG) and the Youth Employment Initiative (YEI), whose total value amounts to EUR 4.689 billion of which EUR 4.436 billion is from the EU budget including EUR 252 million from the Youth Employment Initiative. This operational Programme will support measures in line with the priorities of the Europe 2020 Strategy to guarantee smart, sustainable and inclusive growth. Investments will cover the following main areas:

- promoting sustainable and quality employment and supporting labour mobility;
- promoting social inclusion and combating poverty;
- investing in education, skills and lifelong learning;
- enhancing institutional capacity and efficient public administration.

The main beneficiaries of the planned actions are: central government bodies, territorial self-government bodies and municipalities, courts and judiciary institutions, social partners and relevant civil sector organisations (Ministry of Infrastructure and Development, 2014).

One of the major challenges connected with the field of Human Resource Development which Poland has to face in the current programming period are:

1. Undertaking long-term development activities by the SME sector. The research conducted by PARP (Polish Agency for Enterprise Development) indicates that only 12% of enterprises in Poland have development strategy (PARP, 2010) and 26% of medium-sized enterprises have a strategy for human resource development. Therefore, effective use of the EFS funds for employee education and training on the regional level requires implementation of educational actions addressed to management staff and owners of enterprises.
2. Implementation of complex solutions based on demand approach allowing for quality assurance and monitoring of the services offered by training institutions. The results of studies show that the policy of human resource development in SME should on one hand, make easier access to training for the enterprises which want to invest in their staff and on the other hand, it should increase the level of demand for development services of enterprises which so far have not been interested, do not see such need nor are they aware of such services benefits which in fact are directly linked to their development. The above measure should take into account both microeconomic dimension and structural – macroeconomic.
3. Making equal access to lifelong learning for adults, including those with low skills. Poland among other European Union countries is negatively distinguished by the adults' low level of qualification and engagement into expanding and filling qualifications after completion of formal education. The percentage of people aged 25-64, participating in formal and informal education in Poland equals 21% and that is lower by half compared to the 41% average for the OECD countries.
4. Support of cooperation between universities and businesses, strengthening the pro-employment role of higher education. In Poland, the percentage of people aged 30-34 who completed higher education is among the highest in Europe, at the level 40.5%. The percentage of unemployed graduates with higher education equals 22%. It is necessary to strengthen the involvement of employers in the education process and the implementation of high-quality internship programs (Ministry of Infrastructure and Development 2014).

6. Conclusions

Studies on the literature of the subject suggest the growing importance of the European Social Fund as an instrument of human resource development. For the 2014-2020 programming period the following results will have been expected:

- the most disadvantaged persons in an especially difficult situation on the labor market will have a greater chance to actively enter the labor market;
- ESF funds will contribute to reduction in the level of unemployment, to support youth employment and creation of micro-enterprises;
- owing to the ESF interventions people on the labor market and those entering it will have the skills matching to a greater extent the needs of employers;
- interventions undertaken by the ESF will improve conditions for running a business, including enhancement of the business environment of enterprises and improvement of strategic management quality.

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