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INSTRUMENTS SUPPORTING SELFEMPLOYMENT

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Summary. The article presents the instruments supporting employment of people with disabilities that exist in the Polish system of vocational rehabilitation. Polish labour market of people with disabilities is a difficult one. It is characterised by a small increase in the number of employed people, and rapid growth of the unemployed. According to statistics, nationwide unemployment among people with disabilities is higher than among the non-disabled, and, what is alarming, the structure of education of the disabled does not meet the expectations of the Polish labour market. In response to these trends the relevant state authorities take action to enhance economic activity, including encouraging entrepreneurship.

Keywords: people with disabilities; self-employment; supporting; instruments.

The promotion of individual entrepreneurship is the fourth instrument of this policy. This direction of activities in the context of the economy is currently popular in the countries of the European Union and the United States. In Poland there are different forms and ways to stimulate private initiative among the disabled, although they are not as effective. Their effectiveness varies, and the evaluation of the effectiveness are imbued with a large dose of subjectivity. The system of favourable loans, granted by the district offices for business activities, as well as targeted PFRON programmes are also important instruments.

Self-employment "fashion" is very encouraged by the authorities in the United States. It also has supporters in the member states of the European Union. Its effects are particularly evident in industry and services in Greece, Italy, Spain and Portugal. Family businesses are very popular in these countries, and they are particularly attractive for people with disabilities. Who, if not family, is able to help the disa-

bled and to ensure the best business. One should therefore encourage this way of vocational activation and create economic policy tools that will be conducive to the development of family entrepreneurship among the disabled.

The concept of an instrument of economic policy is understood as overall activities shaping economic reality which are established, implemented and controlled by the state authorities. Generally, the instruments at the time of their use in business practice becomes the means of this policy.

Among the relatively large number of instruments of policy to employ the disabled, shaped by the theory and practice, there are also those concerning self-employment (in other words – running ones own business).

Currently, there are several possibilities of obtaining money for starting a business. Anyone who meets the certain criteria may apply for such funds. The main source of financial support are loans from the Labour Fund. One can also apply for support



from European Union funds, for example, granted under the Operational Programme "Human Capital". Funds for this purpose are also available from PFRON.

People with disabilities can apply to the PFRON for one-time funds for starting a business, agricultural activities as well as for contribution to the social cooperative. The amount of this support is defined in an agreement with the governor and it may not exceed fifteen times the average wage. The legislator has also introduced some restrictions, which make receiving of the funds possible only for people who did not get non-reimbursable public funds for this purpose from any other sources [Rehabilitation Act, Art. 12a].

It is also possible for a person with disability, who already runs their business or have their own or leased farm, to obtain financing up to 50% of the bank loan interest rates taken to continue their activities [Rehabilitation Act, Art. 13]. In order to receive such funding the disabled person:

- did not previously benefit from the loan for starting a business or farm, or the loan has been fully repaid or remitted,
- did not receive non-reimbursable funds to start a business or farm, or conducted this activity for at least 24 months from the date of receipt of assistance for this purpose.

Such funding follows the conclusion of an agreement between the governor and the person applying for this type of support.

Labour Fund means may be used to finance starting a business by the following persons:

- the unemployed,
- graduates of schools and universities, in the period of 48 months from the date of graduation or the date of obtaining professional title,
- final year students.

One can also finance training and advisory services aimed at people who have been granted such a loan [Employment

Promotion Act, Art. 61e]. These services can be financed up to 30% of the average wage per eligible person [Employment Promotion Act, Art. 61s]. Loans and advisory services and training are granted in accordance with the terms of the aid admissibility – de minimis. The support for these activities is provided by financial intermediaries selected by Bank Gospodarstwa Krajowego.

Here as well the legislature included additional restrictions when considering loan applications [Employment Promotion Act, Art. 61l]. The borrower, in the period of two years before applying for a loan: may not be punished for a crime against business transactions, may not be employed or may not perform other paid work and may not run a business in 12 months before applying for a loan.

The loan for starting a business is granted on the basis of an agreement drawn up at the request of the person concerned, after the presentation of its content and cost estimate of the intended business activity, in the amount specified in the contract. This loan can be up to 100% of its cost, however, it can not be higher than 20 times the average salary. The loan repayment period can not be longer than 7 years, with the possibility of grace in the repayment of capital for a period of up to one year. After registering a business by the borrower, financing for the loan is paid by the financial intermediary based on the schedule [Employment Promotion Act, Art. 61 I]. Under the act, a blank promissory note and the guarantee of two individuals are a form of security for the repayment of loans [Employment Promotion Act, Art. 61m].

The results of the Labour Force Survey of Poles (LFSP) show significant improvement in the situation of people with disabilities in the labour market in recent years, which undoubtedly was influenced by the great interest of employers in employing the disabled, which resulted from the support they received.



According to data from the Government Plenipotentiary for Persons with Disabilities [<http://www.niepelnosprawni.gov.pl/niepelnosprawnosc-w-liczbach-rynek-pracy/>] since 2007 a significant increase in the participation rate and the employment rate of people with disabilities especially those of working age has been recorded. While in 2007 the activity rate of the disabled of working age was 22,6% in 2008 – 23,9% in 2009 – 24,6%, in 2010 it was 25,9% in 2011 it increased to 26,4%. According to the latest data recalculated based on the new population balance sheets after the National Census of 2011 and on a new LFSP methodology, activity rate in 2010 amounted to 25,7%, in 2011 it increased to 26,3%, and in 2013 to 27,3%. The share of the employed among people with disabilities of working age in 2013 reached the value of 22,4% (in 2012. – 23,0%, in 2011 – 22,2%). The unemployment rate of the disabled of working age in 2013 increased to 17,9% (in 2012 – 16,2%, in 2011 – 15,5%).

In 2013, 17,3% of disabled people aged 15 years and more were professionally active, and the share of employment among people with disabilities aged 15 and older in 2013 amounted to 14,4%, with unemployment rate at the level of 16,9%.

The System of Financing and Refunds (SFR), run by the State Fund for Rehabilitation of Persons with Disabilities, at the end of December 2013 registered 251,2 thousand people with disabilities, including 84,4 thousand of persons employed on the open labour market and 166,8 thousand people working in sheltered workshops.

Although the share of workers in sheltered workshops in relation to the total number of disabled workers, registered in SFR is still very high (in December 2013 it amounted to 66,4%), the downward trend in the share is clearly noticeable. For comparison, in December 2004 the share of workers in sheltered workshops in the total number of disabled workers registered in SFR amounted to 86%.

Participation of the disabled among all persons registered in the district labour offices in December 2013 amounted to 6,2%, while among the registered unemployed – 5,4 and 46,7% among registered as a job seeker.

In 2013, 59,3 thousand jobs for people with disabilities were reported to labour offices by the employers. 14,8% of the offers (8,8 thousand) referred to subsidised job opportunities. Compared to last year the number of jobs for people with disabilities has increased by 8,5% (and amounted to 54,6 thousand).

The Polish Government has a number of socio-economic policy instruments to enable activation of the disabled in the labour market. Unfortunately, they are not effectively used, and public money is wasted. Their supervision is reduced only to the formal control. While the technical supervision of these activities does not almost exist. Unfortunately, the initiatives undertaken by NGOs, the unions of disabled people and other non-profit entities are not seen by government officials. This all means that the effect of these actions is miserable. Frequent amendments to the Law, wrong use of the European Union guidelines disregard of the opinion and comments of people with disabilities, causes widespread criticism of the whole system, and of course its failure.

As for the self-employed, the increase in the number of entrepreneurs with disabilities began at the start of the economic crisis and lasted until mid 2011. This may indicate that people with disabilities – experiencing difficulties in finding work in such conditions, – began to look for a solution in creation of their own workplace (in 2008 there was a significant increase in the number of new entrepreneurs, who received a one-time funding for start-up). However, long-term crisis caused growing problems in business (eg. the difficulty of entering the market, acquiring customers, retention of payment or inability to pay off the debt), which then caused the loss of



possibilities to apply for a refund of social insurance contributions, the withdrawal of some of the disabled from running a business, as well as reducing the inflow of new entrepreneurs.

There were also positive change in the structure of the entrepreneurs in terms of incomplete performance in favour of people with moderate disability, combined with the migration of people with light disabilities.

When creating their own business, people with disabilities rarely benefited from one-time start-up funding for agriculture and for contribution to the social cooperatives (annual number of those who were awarded such grants do not

exceed 20 people in the whole country). Slightly more entrepreneurs applied for and received subsidies for a bank loan interest rates necessary to sustain economic activity.

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