



# Working out Employment

Human Development Report Poland 2004



## Executive Summary

This Summary has been prepared by Stanisława Golinowska, Michał Boni and Lucyna Nowak, on the basis of the full text of the Human Development Report Poland 2004 'Working out Employment' and reflects its main directions. Full text of the Report can be found on the attached CD.

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## **Human Development Report Poland 2004 „Working out Employment”**

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# Foreword

This year's Human Development Report Poland 2004 'Working out Employment' is the eighth example of the Polish national report in the United Nations Human Development Report series. It has been prepared on the initiative of the UNDP Office in Warsaw jointly with the CASE Foundation (Center for Social and Economic Research). Its principal subjects are the transformations of the contemporary labour market and problems with employment growth in Poland — a country subjected, over a short time, to the parallel influence of several processes: systemic transformation, modernisation and globalisation.

The considerable economic growth achieved recently has not been accompanied by an increase in employment. The proportion of people in employment in the working-age population is below 50%, and unemployment in the country is dramatically high. In some regions, its rate is even above 40%, and it is currently 19.6% nationwide (GUS [Central Statistical Office], May 2004). This is more than twice as high as the EU average. More than three million people are registered as unemployed, and hidden unemployment is estimated to include another million people mainly from agricultural areas. More than 10% of Poles live in poverty, below the minimum existence level, and are threatened by social exclusion. In such conditions, millions of people in Poland stand little chance of human development, and the Millennium Goals are threatened. There is also an indication that the effects of the recent disturbing tendencies in Poland's human development are already noticeable in comparison to other countries. In the global ranking of human development reports, Poland's position in 2002 was lower than in the previous year (37th in 2002, as compared with 35th in 2001).

Economic growth is an important, though not the only element of human development, and the authors of the report ask the basic question: how does the Gross Domestic Product growth translate into increased opportunities for choosing a better life path? This very criterion, by combining the economic, social and political factors, enables a comprehensive approach to the evaluation of development and points not only to the improvement in the economic potential but its distribution as well.

Long-term development of the country based on employment at the highest possible level is particularly important during the period of accession to the European structures. The Lisbon Strategy assumes that the rate of employment in Europe will reach 70% in 2010, which requires the creation of 15.4 million new jobs. In order to attain that objective, the European Commission is working to ensure suitable organisational and financial conditions. As emphasised in the report, in view of the foregoing there are a number of opportunities which may help Poland considerably improve the situation in the labour market. This, however, requires major effort and partnership amongst many participants in the process: not only the government but the all tiers of local self-government, social partners, civil society organisations and also people themselves through an increase in education in all its dimensions.

The report contains extensive analyses of the changes in the nature of labour and the structure of employment worldwide, and in Poland, the effectiveness of the education system, the prospects for social dialogue, conditions of employment by gender, age, and special risk groups, and present tendencies in labour market development. Numerous examples have been provided of interesting solutions applied in western countries and examples of good practices in Poland. Current human development indicators have also been expanded and their relation to the rate of unemployment has been presented. Numerous conclusions and recommendations have been

made the most important of them being the postulate of ranking the problems of employment as the highest of the priorities of the country's development.

The report was prepared by a wide team of more than 50 Polish specialists in consultation with many labour market institutions and experts. I wish to express my best thanks to all of the people and institutions who welcomed our initiative and provided their valuable assistance in the preparation of our elaboration, including in particular: Director F. Buttler and his team at ILO Geneva; Deputy Minister M. Szczepański and the specialists at the Ministry of Economy and Labour; Director J. Wiśniewski and the specialists at the Ministry of National Education and Sports; Mayor J. Brzeziński and local self-government authorities of Łomża, Deputy Mayor T. J. Kayser and local self-government authorities of Poznań, Mayor R. Dutkiewicz and local self-government authorities of Wrocław; representatives of trade unions: Vice-Chairman of All-Poland Alliance of Trade Unions (OPZZ) R. Łepik, member of the National Commission (KK) of the Solidarity Trade Union J. Smagowicz, and D. Janiak of the Trade Unions Forum (FZZ); representatives of employers' associations: Vice-Chairman of the Polish Confederation of Private Employers (PKPP) J. P. Krawczyk, Vice-Chairman of the Confederation of Polish Employers (KPP) L. Karwowski, and Director M. Prószyński of the Union of Polish Crafts; President of the Polish Bank Association (ZBP) K. Pietraszkiewicz; and Vice-President of the Central Statistical Office (GUS) J. Witkowski.

I do hope that the report on 'Working out Employment' will help in all efforts aimed at accelerated and sustainable human development of Poland.

Colin Glennie  
United Nations Development Programme  
Resident Representative

Warsaw, July 2004

# Acknowledgements

The report on 'Working out Employment' was prepared with the involvement of an exceptionally broad team of authors. The idea of the subject was born during discussions between representatives of the UNDP Office in Warsaw and experts of the CASE Foundation and was put into effect after numerous external consultations. The initial parameters of the report were elaborated after extensive discussions with specialists, members of the Steering Committee and Mr. Colin Glennie, the UNDP Resident Representative in Poland. The team of authors comprised 45 authors of basic elaborations and 25 authors of auxiliary texts. We wish to extend our sincere thanks to

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*Stanisława Golinowska and Michał Boni*  
*Scientific Editors of the Report*



# Introduction

Shortage of jobs is a common concern not only of individuals worried about their own future and the future of their children, but also many other players in our life: national states and local self-governments, social partners and organisations of civil society, international organizations and the European Union (EU). The threat of unemployment in current times is different than it was a hundred years ago: less related to macroeconomic conditions and more structural in its nature, but it still exists. Moreover, there is increasing differentiation of work in terms of its nature, form, social security and pay. Work may be 'good', giving people a lot of satisfaction, but it sometimes tends to be 'inferior', done in the informal economy or demeaning to human dignity.

In the transformation countries, work-related problems occur to a greater degree than in the more affluent world of western countries. Opening to the external world, rapid modernisation and development of a market economy have increased the risk of losing existing employment and a shortage of jobs for groups only just entering the labour market. Problems with work become manifest against the background of the difficulties of adapting to new technologies, firms, occupations and forms of labour.

The difficulties in the Polish labour market are currently magnified because the supply of labour is relatively higher than in other European countries as a result of a higher inflow of young people, in a situation of reduced demand for labour. Furthermore, the structure of the supply is not adapting itself, at an appropriate rate, to new and future economic needs. This applies in particular to qualifications and geographical mobility. It could therefore be said that Poland is a model country for analysing work-related problems since we find here now most of both the traditional and the new problems relating to transformations and developments on the labour market.

„Working out Employment” is one of the major objectives of the activity of the United Nations Organisation. Certain features of the report presented herein: the tackling of the social dimension of labour to a broad extent (work from the perspective of various population groups and solving contemporary social issues), and a general consideration of educational and participative aspects for developing the labour market, as well as the adaptation to the changes in its nature of, and the situation in the labour market, bring the approach adopted in the report close to the broad concept of sustainable human development, the flagship concept of UNDP. In this concept, transformations are judged through the perspective of three components of development: economic growth and distribution of its effects, intellectual development and the health status of the population. Each of these components is connected with work. Work is a growth factor and is simultaneously a condition for benefiting from its effects. Better education is necessary for good work, and changes in the nature of work pose new intellectual challenges. Work is a key factor for a good quality of life and health, and well-being does affect its character and effects. On the other hand, lack of work has a destructive effect on people and undermines the foundations for the lives of individuals and their families. Indeed, long-term unemployment is one of the causes for poverty. In the United Nations Millennium Development Goals, the combating of poverty was put down as the primary and fundamental objective of the activity of societies and states. In European countries, poverty is caused mainly by shortage of jobs and inequalities in the distribution of income. In other regions of the world, its causes are more basic. They are rooted in underdevelopment which means famine, diseases, threat of environmental disasters, lack of access to education and discrimination against women. The eight United Nations Millennium Development Goals are addressed above all to developing countries: (1) eradicate extreme poverty

and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, above all through full access to education at each level, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS, malaria and other diseases, (7) ensure environmental sustainability, mainly in terms of securing access to drinking water, reversing the losses of environmental resources and improvement in the lives of slum dwellers, (8) develop a global partnership for development to implement the idea of sustainable human development which has been set the tasks of creating conditions for the achievement of the Goals. The Millennium Development Goals for Poland, classed as one of the highly-developed countries, mean slightly different priorities in combating poverty. The main one is real access to employment. One has to be aware at the same time, however, that making education universal, improving health or creating greater equality between genders are not achievements that are attained once and for ever. They require constant attention in political decisions. Even temporary periods of neglect immediately manifest themselves in the worsening of the position in the ranking of the countries of the world based on the Human Development Index (HDI). This has also been the case with Poland. In 2002, the country's position went two places down compared to the previous year.

„Working out Employment” has a political dimension of great importance. Work is still the basis for social inclusion, and its shortage on a mass scale poses a threat to civic peace and democracy.

Work can have a variety of characteristics, it may be a source of many values, it may bring satisfaction and pay, but it may also be a great burden and cause of suffering. In the market economy, the price of labour has become more telling. It does not always have a market value though.

Non-market work is something that we most frequently see in the house. We call it housework or unpaid work. This means providing supplies to the household (shopping), preparing food and serving meals, furnishing and cleaning the house, washing and ironing clothes, child care and care of the ill, and maintaining family and social contacts.

Unpaid work also means voluntary work done for a community: in a housing estate, in the town, for some group to which support is provided.

A serious problem in the contemporary world is work done in the informal economy or even „black” market.

Even though the contemporary market-economy state has not assumed responsibility for ensuring full employment, it has begun to apply numerous instruments for supporting labour and combating unemployment. The concepts underlying this activity of the state are beginning to form themselves into a social **philosophy called the philosophy of the workfare state — as opposed to the concept of the welfare state**. The concept was born in response to a deficit of labour in its traditional form — socially secured and highly organised industrial work — and in response to the welfare state becoming limited<sup>1</sup>. Highly-efficient industrial work as the dominating form of the industrial era is now giving room to labour of a service nature. There are various services: specialised, requiring very high qualifications and precise organisation, and simpler ones — which require more strength and concentration than intellect. This significantly differentiates the labour market. We see considerable segmentation of that market. In the diversified labour market, social security for employees is not universal any more. Social benefits are becoming less accessible and the opportunities for getting income from such benefits are more and more limited.

Work in market conditions is strongly differentiated. In Poland, the division into permanent work (full-time posts) and irregular employment (contracts for specific periods of time or assignment-based ones, temporary jobs, casual work, etc.) is more and more evident. This dichotomy initially corresponded to the division of employment in the public and private sectors. Currently, it is also in the public sector that forms of employment other than permanent full-time jobs have appeared.

Work is the basis for income and thus ensures the conditions for existence and development for working people and their families. In the conditions of the capitalist system groups appeared which generate income not only from their work but also from capital and property, for instance renting houses and apartments. It is hard to estimate the size of the latter group especially as this type of income is usually combined with income from work or social benefits.

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<sup>1</sup> The concept of workfare has originated in the USA. It originally related to 'welfare- for- work' programmes where the idea was to oblige benefit recipients to do something for themselves to become independent, and was then extended and adopted as an alternative to the passive social policy (Standing, G. (2002), *Beyond the New Paternalism. Basic Security as Equality*, Verso, London, New York).

In the market conditions of the transformation countries the co-called „proper” or — more ambitiously — „quality” work is becoming a scarce commodity for many population groups, especially where candidates for employment do not have suitable qualifications or experience, or have features which make it difficult for them to work in standard conditions, especially disabled people. In fact, work for such people is not only the source of necessary income, but it also has therapeutic significance and is a condition for social inclusion. A need occurs to prepare and adapt to the labour market groups who have lower employability potential. The functions of the state are changing: from a more protective role it is becoming transformed into a situation where it is supporting labour, i. e. supporting activity that prepares for work and supporting participation in the performance of work.

The approaches to supporting work are different. With some oversimplification, two can be highlighted. One — the American approach — with little direct support, is characterised by considerable freedom of setting up businesses, flexibility in employment and very varied work conditions in terms of pay and employees' rights. As a result, work is more available (low unemployment), employees are more mobile, but working standards may be challenging, and labour relations may not guarantee good feeling or even dignity. The other — European — approach is characterised by good working conditions and labour relations and high pay for qualified and efficient employees. Groups having difficulty finding jobs and those less qualified and less efficient (with so-called low employability), if they cannot stay on the open labour market, use various forms of labour market support measures. When they do not take up employment, they also use extended social allowances.

Western Europe decided to change its hitherto labour policy. The change was programmed in the European Employment Strategy and subsequently in the European Strategy to combat poverty and social exclusion also referred to as the Social Inclusion Strategy (Lisbon Strategy and Social Agenda 2000). EU Member States are encouraged to pursue a labour market policy that will increase access to work to everyone, including those with considerable difficulties in employment: less efficient, less qualified, less experienced, disabled, and those against whom discrimination occurs. There are two aspects to this turn in the EU policy. One — economic, relating to the high cost of supporting non-working people who require increasing re-distribution of income in their favour, which reduces the competitiveness of the economy. Instead of paying benefits to them, it will be less expensive to create jobs for them, even jobs that are less productive and require financial subsidy. The other — political, relates to the concern about democracy. Excluded groups are more susceptible to manipulation of extreme political options, as they are less informed, less socially involved and not infrequently completely excluded from the mainstream of community life.

## Aim of the report

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The report on „Working out Employment” addresses the **problem of the dramatic change in the nature of work and the labour market structure** in the situation of a country subjected to four big processes: economic and systemic transformation, modernisation, EU integration and globalisation. Its aim is to show the basic directions of changes in labour and explain the negative trends in the development of the situation in the labour market: reduction in employment levels and increase in unemployment, including long-term unemployment. The report analyses in parallel the possible and desired policies for counteracting and alleviating these negative tendencies. This policy is addressed not exclusively to the government which still has considerable potential for action, but is not making use of it, because it either pursues other priorities or is ineffective. There are other active players in the labour market: social partners, local self-government, the banking system, civil society organisations. How do their activities affect the labour market? Could „Working out Employment” be their agenda for action? The report seeks to find the answer to these questions as well. At the same time, the report presents the policy towards the work of international organizations and the EU.

The structure of the report enables the commencement of the analysis of the process of change in labour and the labour market situation from general issues: an analysis of universal tenden-

cies and those specific to a country in transformation, the challenges posed by that change to education, the conditions of work and social security, and in particular, the financing of pension systems, as well as the consequences on the issues of poverty and social exclusion. In addition, the report analyses the basic tendencies in the policy towards labour of the basic participants in the decision-making processes concerning the labour market: not only the government but also local self-governments and social partners.

The report also addresses the issue of work for various groups considering the variables which differentiate between their situations in the labour market: gender ('women's' and 'men's' work), age (work of young and older people), place of residence (country and town). It also presents the difficulties with work in situations of disability and social exclusion.

## Method of work on the report

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The report is a product which has its roots in the widest community. There are several facts which make up the community dimension of development of the report.

Firstly — the report's outline was the subject of broad consultation with society and experts. The process of consultation was announced and initiated during a conference of the UNDP's Office in Poland specially organized for that purpose in March 2003, and its results were made public at a press conference on 24 June 2003.

Secondly — the report was developed as a result of involvement of a wide team of authors. More than 50 people prepared the source documents, statistical data and detailed information about specific facts or activities placed in the boxes herein.

Thirdly — special surveys were conducted for the needs of the report. Since the processes of changes in labour influenced by the processes of transformation (reforms carried out) and the EU accession are not the subject yet of sufficiently documented research or even experts' studies, the editors of the report conducted their own preliminary investigations using the method of structured interviews with the principal participants of the labour market — the social partners: trade unions (the three main ones: Solidarity, OPZZ (All-Poland Alliance of Trade Unions) and the Trade Unions Forum), employers' organisations (KPP (Confederation of Polish Employers), Union of Polish Crafts and PKPP (Polish Confederation of Private Employers)), representatives of local self-governments (in Poznań, Wrocław and Łomża) and an organisation representing the banking system (Union of Polish Banks).

Fourthly — each chapter of the report was posted on the dedicated website as it was written: [www.undp.org.pl/nhdr/2003](http://www.undp.org.pl/nhdr/2003). Until the 15th of March comments could be submitted and passed on to the editors of the report. In this way the report reached many interested circles. Some of the suggestions and comments were incorporated even before the report was taken off the website.

The outline of the report and the main problems of its contents were also the subject of a consultation held at the International Labour Organisation. Comments and suggestions were used from many distinguished experts of that organisation: F. Buttler, P. de Lame, A. Nesporova, K. Hagemeyer, D. Vaughan — Whitehead, P. Auer, B. Murray and L. L. Lim.

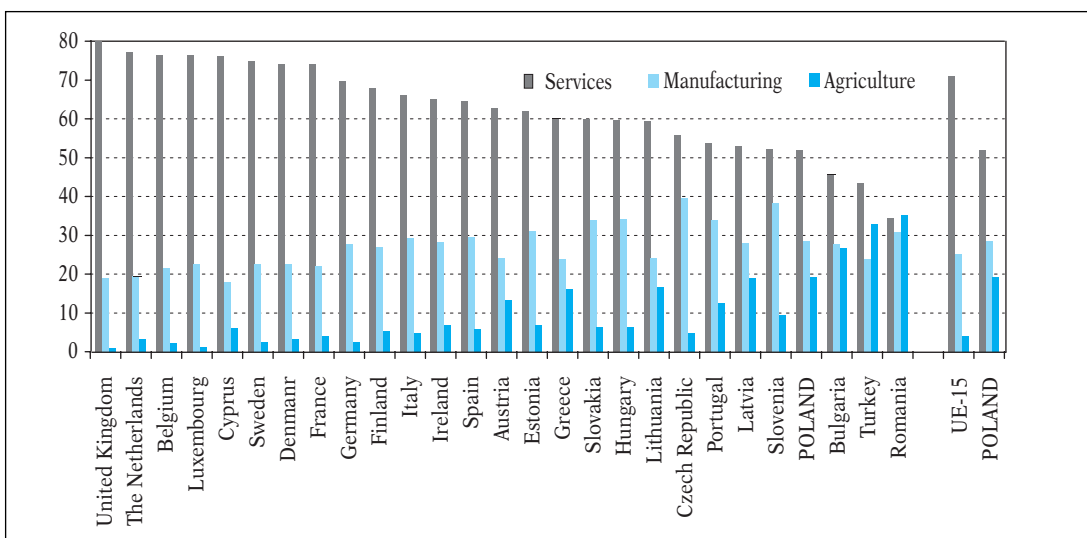
The report was also subjected to a process of review. On the 18th May 2004, a conference was organised at the Ministry of Economy, Labour and Social Policy during which the reviewers — Irena Kotowska and Bartłomiej Piotrowski — initiated another round of discussions. The conclusions from that discussion and the comments submitted thereafter resulted in the preparation of the succeeding — final version of the report.

# Basic Results of the Report

The changes now taking place in the Polish labour market have dimensions that are both universal and specific, in that they affect all of the transformation countries and not Poland alone. The changes in labour and the phenomenon of the difficult labour market are particularly evident in transformation countries. The rate of employment has decreased significantly in the economies undergoing systemic and technological changes. At the same time, problems relating to limited access to employment have not always been given due account in the labour policy.

## Universal changes in labour

The contemporary era, called the post-industrial or post-Fordist age is characterised by a dynamic increase in the share of services (third sector) in the structure of developing the national product and in the structure of employment at the expense of manufacturing (second sector) and agriculture (first sector). Industrialised economies have entered a phase of development referred to as post-industrial or post-Fordist one. Highly-efficient industry is absorbing less and less labour. The world of labour is dominated by services. Among the service sectors which are the fastest to develop in the EU in terms of employment the first are business services, followed by health protection and welfare services as second, IT services as third, and educational services as fourth.



**Graph 1.**  
Employment in Particular Sectors as a Percentage of the Total Number of Employed People Aged 15-64, in 2002

Source: Eurostat

The increase in the services sector of the economy changes quite considerably the nature of labour, labour relations and labour organisation. Service work is less standardised. It requires more customised adaptation to its various features. There is an increase in assignment-based and temporary contracts of employment, with a drop in work based on long-term contracts. Flexible

work organisation and the application of flexible working time is becoming common, with respect to the working day, week, year and the whole of an occupational career.

A decrease in hired work is apparent with a parallel increase in self-employment and employment in micro-enterprises (with up to 9 employees). At the same time, increased demand for employees who are more disposed to accept flexible terms stimulates the increase in employment in the informal economy and "black" market.

The labour market is being segmented into "better" and "worse" markets. There are differences between them not only in the work itself but the pay, both of which are becoming more and more varied.

In the better markets, high qualifications are becoming increasingly important (both in creative and non-creative work). This evokes an increase in the interest in learning. The educational aspirations of parents and children are growing. An increase is also noted in the demand for highly-qualified foreign employees. The worse markets employ people with low qualifications and mainly migrants from countries at a lower level of development (so-called supply countries).

A paradox of the contemporary times is that despite reduced physical effort in the performance of work and increased safety as a result of improvement in health and safety at work (above all in western countries), mental tension is increasing. This relates to the intensity of certain types of work, pressure for creativity, independence and responsibility. The unpredictability of conditions and effects is increasing.

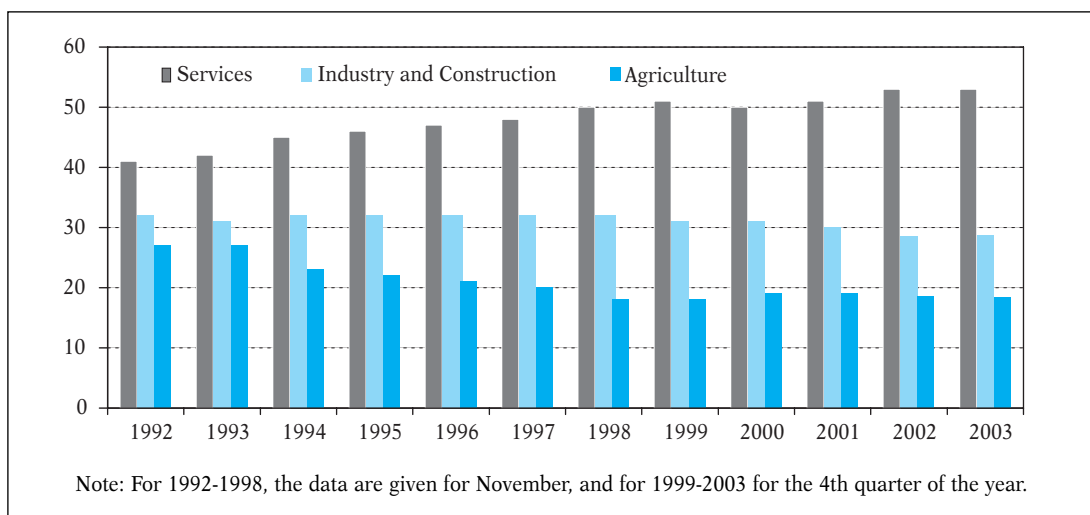
Non-standard work arrangements, offered increasingly frequently in small firms, are reducing, quite naturally, the involvement of employees in trade unions. Difficulties arise in engaging in the social dialogue under the traditional industrial relations structures. There is a danger of conflicts "spilling over" and there being increasing difficulties in solving them.

## Changes in labour in Poland and the transformation countries

In transformation countries, changes in labour are more dynamic and - as a consequence - more dramatic. It was only recently that nations of those countries made efforts to conduct an earlier phase of industrialisation (in Poland, that took place in the 1970s). Currently, rapid de-industrialisation is now taking place, and, additionally, there is a pressure on accelerating the changes in agriculture.<sup>2</sup>

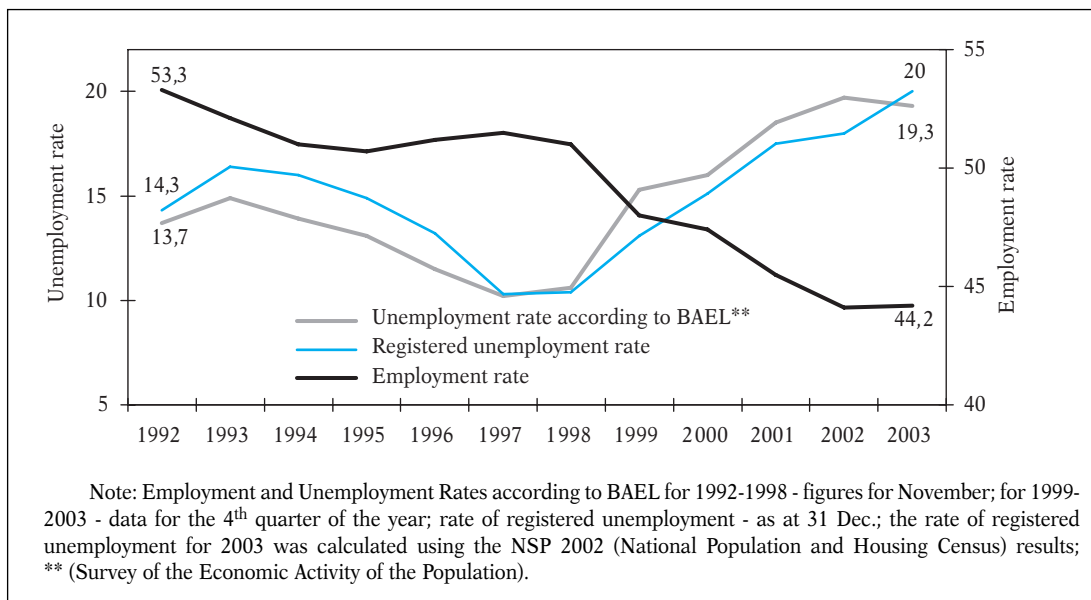
**Graph 2.**  
**Structure of Employment by Sectors of the Economy in Poland, 1992-2003 (in %)**

Source: GUS (Central Statistical Office), BAEL (Survey of the Economic Activity of the Population), editions of the relevant years.



<sup>2</sup> Not all transformation countries have difficulties in employment in agriculture on the same scale as Poland. In the Czech Republic and Slovakia, and partly in Hungary too, transformations in agriculture took place earlier.

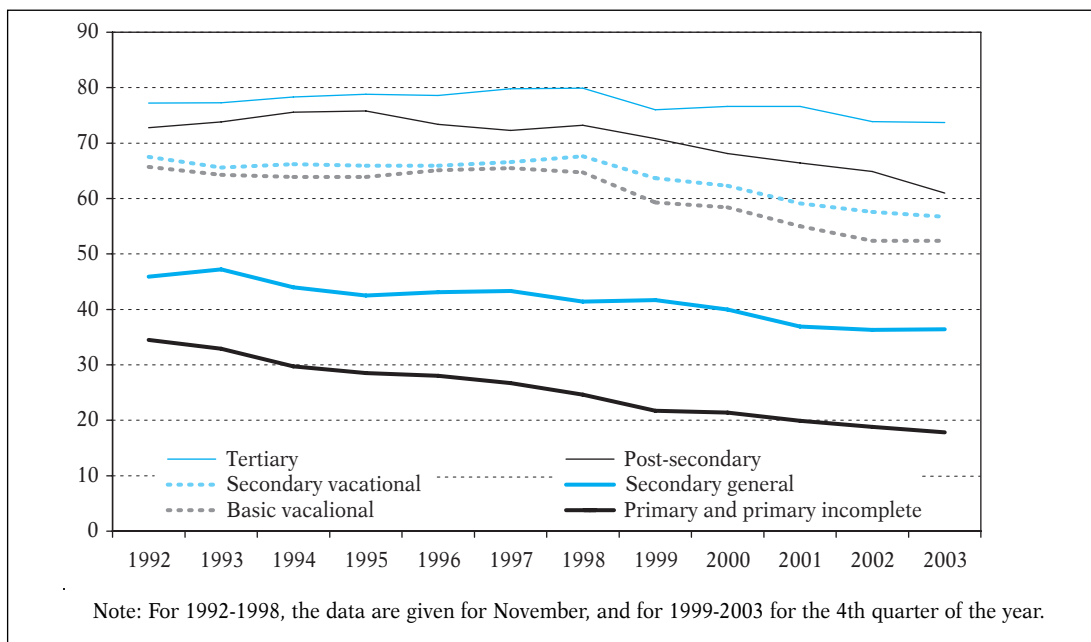
The process of changes in labour has been particularly intensive over the past dozen or so years, causing difficulties in adaptation and social tensions. The labour resources<sup>3</sup> are not utilised effectively. Unemployment is a recognised phenomenon and stands at a very high rate.



**Graph 3.**  
Employment and Unemployment Rates in Poland, 1990-2003 (in %)

Source: GUS - *Statistical Yearbook* - editions of the relevant years; GUS BAEL, editions of the relevant years.

As a result of the opening up of the economies and the inflow of new technologies, work productivity is increasing strongly and, as a consequence, the demand is decreasing for labour-intensive types of employment. The difference in the rates of employment among people with tertiary education compared to those with primary education has increased to an unprecedented scale. The rate of employment among people with tertiary education is 70%- 80%, and that of people with primary education is below 20%.



**Graph 4.**  
Rates of Employment by Levels of Education (in %)

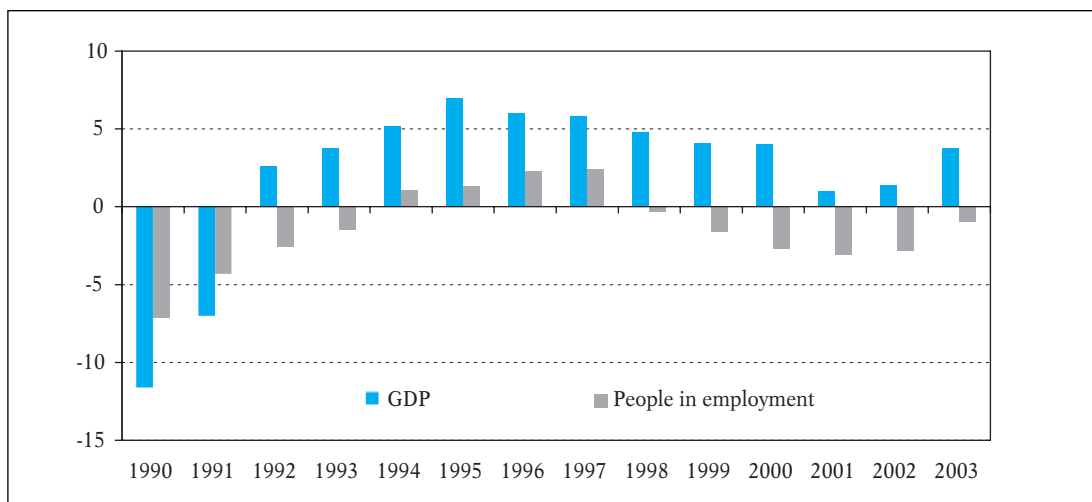
Source: GUS, BAEL, editions of the relevant years.

During the transformation period, trends were revealed for jobless growth. Poland needs an increase of more than 5% economic growth to generate employment increase in excess of the current reduction in existing jobs. Improvement in the labour market could also be favoured by the development of activities with higher labour intensity.

<sup>3</sup> The increase in new labour resources at the turn of each decade in Poland magnified the scale of unemployment even though it did not play a leading role in its development.

**Graph 5.**  
**GDP Growth and**  
**the Rate of Increase**  
**in Employment in**  
**Poland, 1990-2002**  
**(in % compared to**  
**the previous year)**

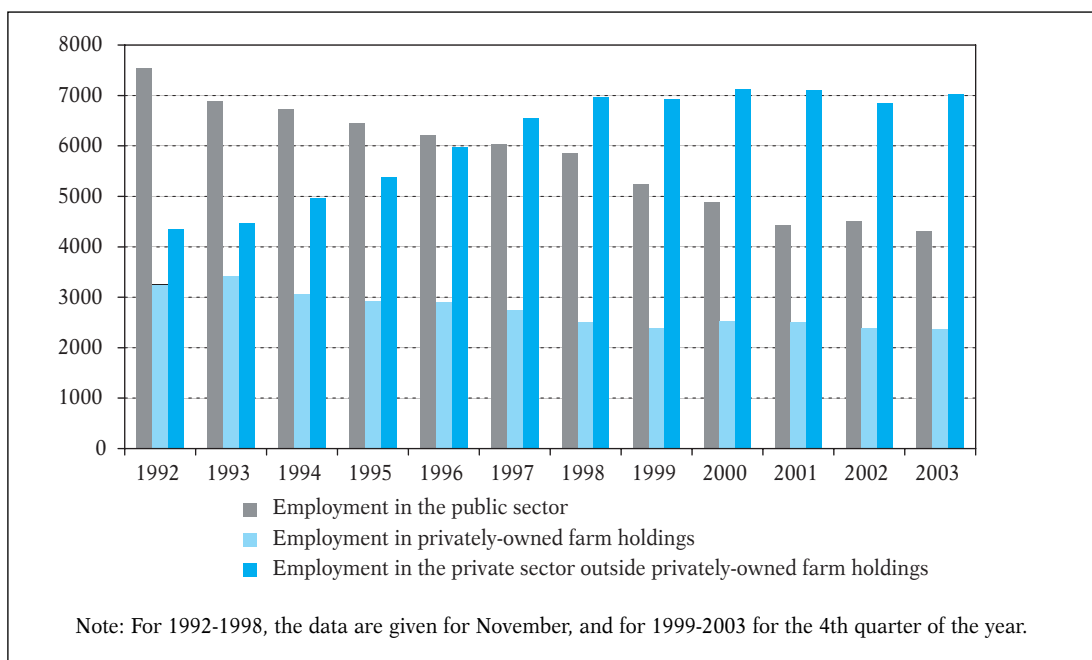
Source: GUS- Statistical Yearbook, editions of the relevant years.



Significant structural changes have occurred in the sector-grouping of employed people. The rapid development of the private sector, an increase in the average level of education, as well as the development of the service sector, bring the structure of Polish economy closer to the structures of developed countries. On the other hand, a stabilisation of the labour-market share of the agricultural sector is taking place at a significantly high level. In rural areas, there are considerable surpluses in labour resources and such a situation is expected to continue for at least a decade to come.

**Graph 6.**  
**Employment by**  
**Sectors of**  
**Ownership (in thou)**

Source: GUS, BAEL, editions of the relevant years.



The migration from the country to town and emigration abroad lost their importance in the 1990s and it does not seem very likely that they should become significantly dynamic in the near future. No mass-scale emigration for paid employment to Western Europe is anticipated. However, the policy of selective admission of labour from the new Member States to the labour markets of the old EU Member States may distort the balance in some segments of the labour markets of the former. In Poland, this may apply to various groups of specialists: IT specialists, engineers and health service workers, especially nurses. It should be mentioned at this point that the education of nurses in Poland was considerably limited in the second half of the 1990s, even though the rate of nurses per 10,000 of population is approximately 50% lower than in the EU. The selectivity of emigration for paid work also has criteria related to age. The young people who go abroad to seek employment have human capital much higher than ever possessed by previous



young generations in Poland. This is a loss which will be particularly felt in a few years' time when the current surplus in labour resources is a thing of the past and deficits in some types of qualifications will be revealed in the economy.

A characteristic feature of the labour market in the period of transformation is the development of the informal economy. Particularly disturbing is the considerable participation in that area of young employees with relatively high levels of education.

In conclusion - a sign of the coming times is structural deficit of labour, varied employment and varied pay.

## The labour policy pursued

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To date, the response to the changes has not been consistent and has not been supported with a uniform labour policy concept. Since this policy is pursued by various entities (players): not only national state governments, but also international structures (in European countries the EU in particular), decentralized state structures (tiers local self-government) and social partners and non-governmental organisations, its co-ordination is made more difficult. The obtaining of agreed acceptance for the direction called for in "Working out Employment" is in these circumstances much more difficult than it would have been before. In addition, because in quantitative terms the labour force is no longer such a key development factor as it was the case in the industrial age.

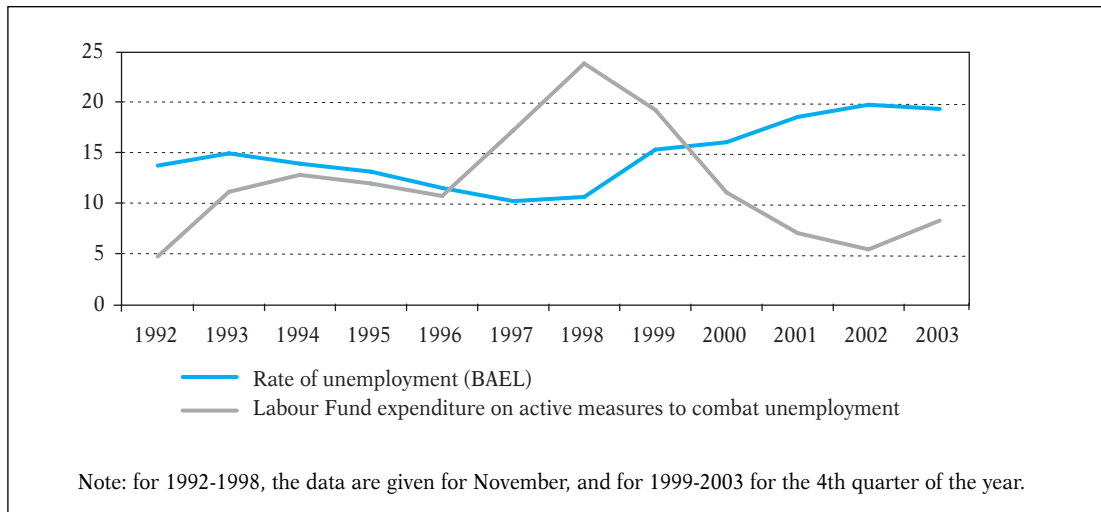
An analysis of the labour policy in Poland has resulted in formulating eight basic theses concerning its evolution and features:

- (1) The period of transformation of the economic system towards a market economy, and the opening of the economy in Poland and in other countries of the region caused a "release" of ineffective employment leading to the phenomenon of unemployment. In Poland, due to more radical market changes during the first period of transformation, the scale of unemployment was large, much larger than in other countries.
- (2) When creating the labour market policy, particularly during the initial period, due to the considerable extent and nature of the hitherto unknown phenomenon of unemployment, attention focused on measures which were to provide social protection to the unemployed. As a consequence, a host of 2 million working people left the labour market using early retirement schemes and quite a lenient system of disability qualification. The normal proportions between working and economically inactive people were distorted, causing excessive burdens on extra pay-related costs of labour providing the source of financing the income for those who left the labour market.
- (3) The priorities for economic transformation focused on creating conditions for privatisation and stimulating private entrepreneurship, and the restructuring of sectors and enterprises to adapt them to market requirements, as well as the pursuance of macro-economic objectives which were to stabilize the economy (the inflation objective) - which pushed objectives related to effective co-ordination and the development of a comprehensive labour market policy into the background.
- (4) In the situation of the lack of a priority for objectives relating to employment growth, the Active Labour Market Policy (ALMP) did not have great significance. Paradoxically - particularly when it was the most needed, it in fact ceased to play any role in 1999 - 2002, during the period of accumulation of the second wave of unemployment in Poland. This was a period of decentralisation, where a new tier of local self-government (poviat) took over the responsibilities concerning the ALMP. The foundations were undermined for the development of employment services during the period of that change.

Describing the Polish ALMP in general terms it can be said that its principal feature is the imbalance between the application of active measures and the pursuance of a protection policy. The resources for social protection greatly dominated the Labour Fund expenditure. At

**Graph 7.**  
**Labour Fund Expenditure and the Unemployment Rate\* (in %)**

Source: GUS, BAEL, editions of the relevant years.



the same time, unemployment benefits designed to encourage motivation return to the labour market were used to little extent. Pre-retirement allowances which in fact perform the function of early-retirement schemes, had a high level of take-up.

- (5) The lack of preparation in regulatory and institutional terms, absence of a comprehensive approach to labour market problems and the lack of a macro-economic policy that included a priority for employment growth all made it impossible to address challenges relating to the second wave of unemployment in Poland. This wave of unemployment was the effect of both negative consequences of economic slowdown, and structural economic causes, as well as the mismatch between the education system and the labour market needs and the divergence between the labour resources (periodical strong increase) and the demand for labour (considerable drop).
- (6) The new and difficult circumstances of the labour market policy were brought about by decentralisation processes and solutions, were introduced in a period unfavourable to the labour market. New organisational models were implemented in a period of increased unemployment and rapidly increasing deficit in public funds which might have been allocated to an active labour market policy. As a consequence, the policy pursued by local self-governments, to which responsibilities were shifted for the creation of approaches that would support the labour market and combat unemployment, did not take account of, and did not address the challenges involved in the new wave of unemployment.
- (7) EU requirements and the lessons from the implementation of the European Employment Strategy present additional factors that support re-orientation of the labour market policy. In that context, it is important to analyse the chances (opportunities and barriers) for the use in the Polish labour market policy of EU resources in line with the main directions of EU priorities. But this must also take into account the specific difficulties of Poland, a country still getting itself established and now subjected to numerous influences. In these circumstances, the articulation of public interests is not an easy task, and their implementation is even more difficult.
- (8) For the future of the labour market policy it is important to be able to use the experience and the models of good practice in pursuing labour market policies in various countries. The Polish approach to the employment policy will be changing in the course of time, modified by indications of good and bad practices. However, even the best foreign practice may not be successful in Poland if it is not put in the context of specific circumstances, enabling its adaptation to the local implementation potential.

# Recommendations

The analysis carried out, the professional literature on the subject, reports of international organisations and national documents provide a number of recommendations directed at increasing the number of employed people, reducing unemployment and increasing the extent of decent work. The emphasis on each of those proposals varies. In an attempt to organize them, those, which are of particular significance to the Polish conditions, have been indicated.

## Develop and implement comprehensive programmes for employment growth

The first recommendation concerns the pursuance of a **consciously targeted policy for employment growth**. In the macroeconomic policy of the state, the growth in employment should be ranked the same as reducing inflation (so-called inflation objective), which does not mean of course that the "watch of the inflation objective" may be abandoned. Currently, however, it is the policy for employment growth that should be given a priority. The current low proportion of employed people in the structure of labour resources, poses a serious threat to the achievement of sustainable development. Moreover, it facilitates the extension of the scale of social marginalisation and political radicalisation and, as a minimum impact it evokes social support for destructive populism.

We postulate the **development and consistent implementation of a comprehensive national programme for employment growth** inspired by the European Employment Strategy.

A comprehensive policy for employment growth requires the co-ordination of many areas, going beyond the remits of particular ministries. For that purpose it is necessary to make a thorough appraisal (verification) of the entirety of the activities that contribute to structural changes in the economy: implementation of privatisation programmes, taking into account their effects on employment and oriented at a long-term structure of job creation in Poland, preparation and management of the processes of restructuring economic sectors including the so-called old industries and the public sector (education, health, social services) so that it serves the purposes of long-term employment policy.

In this kind of dynamic restructuring, the process of creating new jobs and not just defending the existing ones should be emphasized, even though this thesis may not be absolute. There are various jobs: good and productive non-productive, and sometimes harmful to the environment and health. In such diverse conditions, where there are multi-directional changes going on, cases of unnecessary losses of good jobs occur. Hence, there is the need for a greater level of "institutionalised thoughtfulness" in labour-related decisions. In the uncoordinated policy in that area, sometimes jobs are defended especially at the level of some local self-governments, dictated by political criteria (to get electoral support) and not by a substantive longer-term analysis and with account being taken of a comprehensive programme of action.

Consideration of the employment criterion is required to be introduced in the investment policy, including direct foreign investment projects. Indeed, in the current Polish circumstances it is necessary to pay attention also to labour-intensive areas and, in respect of foreign investment, above all in greenfield projects.

A comprehensive approach is required to the policy of entrepreneurship development in order to improve access to capital for firms in particular small and micro enterprises; eliminate administrative barriers; create mechanisms supporting entrepreneurs starting up business; make the fiscal system more flexible; and reduce the scale of the "tax wedge", in particular for small enterprises in self-employment and for organisations employing people in low-paid jobs.

A comprehensive approach is also required to the educational policy in terms of both the short- and long-term demands of the labour market. An urgent task is to regulate the rules for the co-existence of school education and commonly accessible lifelong learning services offered by various entities operating on the market so that it is possible to achieve the effect of compatibility on the one hand and flexibility enabling rapid response to the challenges of the economy on the other. The attainment of this kind of comprehensiveness also requires that new institutional solutions be put in place - and the entity in charge of this area be nominated.

Labour-oriented activities have these key dimensions: labour supply, labour demand and labour market institutions. Over the recent years, analyses and conclusions concerning the supply side have attracted the greatest level of interest. Without disregarding this factor, it should be concluded that in Poland it is problems relating to the demand for labour that are now decisive.

The development of comprehensive programmes for employment growth should use the Open Method of Coordination (OMC): management through objectives, the use of benchmarking, and identification of examples of good practice. In the Polish realities, of particular importance is the ability to become involved in European strategies and the use of resources of Structural Funds.

In the pursuance of a comprehensive employment policy it would be helpful to have in place a procedure for the submission of annual reports by the government (the Ministry of Economy and Labour) on the implementation of the programme for employment growth, independently of the evaluation of the National Action Plans, undertaken jointly with the EU.

## Increase the demand for labour

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The recommendations concerning an increase in the demand for labour comprise, in the first place, intensification of, and long-term consistency in approaches to creating jobs.

### **Promote entrepreneurship**

Job creation requires that essential and consistent priority be placed on the support for entrepreneurship. Capital limitations pose a major barrier to the development of entrepreneurship in Poland. In the period of development of the market economy in Poland to date, capital has been expensive and hard to get access to for institutional reasons. In order to overcome the capital barrier it is necessary for the state and the banking system to share the risk involved in the development of new entrepreneurship.

The development of local banking requires public support. Globalisation is pushing the banking system towards so-called consolidation which will lead to complete loss of interest on the part of banks in providing credit for the development of small and medium-sized enterprises. In the Polish realities, co-operative banks could perform such a function. However, some system of "preferences" to national banks is necessary.

One of the basic conditions for supporting entrepreneurship is the elimination of numerous bureaucratic barriers, which not only discourage people from taking the risk of setting up a business but also contribute to the collapse of existing firms which have potential for further development. Activities in that area have already been taken up by employers' associations in supporting the promulgation of regulations (within the framework of the Act on the Freedom of Business Activities) restricting the scope for irresponsible behaviours and decisions by public administration.

Contrary to the domination of demand for highly productive labour now being formulated, also jobs need to be developed for special-risk and low-employability groups. This requires the acceptance and implementation of an activity strategy for them instead of just being reduced to income support measures. The activity strategy is not a strategy of forcing people to work. This is a strategy of social inclusion through some work which does not necessarily mean employment as perceived in the traditional way. For this reason various forms of doing work are so important: occupational therapy-type workshops, social enterprises, co-operatives and any other non-profit initiatives, with the co-existence of a broad formula of market and for-profit solutions. This direction is supported by the European Social Inclusion Strategy which Poland joined in 2004 developing its own National Strategy on Social Inclusion.

## **Reduce the taxation of pay**

The thesis that the higher the taxation of labour (taxes and contributions), the more expensive it is and the lower its amount offered on the market, is quite obvious. The analyses conducted had not pointed immediately to the significant relationship between the taxation rates and unemployment. It was only Daveri and Tabellini<sup>4</sup>, using cross-section data over time from 14 OECD countries, who proved a significant relationship between the level of taxation of pay and unemployment. They showed in addition that the strength of that relationship depended on the institutional shape of the labour market in the particular country. It is the strongest in the countries of continental Europe where the markets are relatively rigid, and negotiations with strong trade unions are not fully centralized. It is weaker in Anglo-Saxon countries with flexible labour markets and weak trade unions, and at its weakest in Nordic countries characterised by rigid labour market institutions and strongly centralized negotiations. This is an important distinction from the perspective of Poland since its labour market institutions are based to the greatest extent on the continental model.

A major factor restricting demand for labour on the part of firms are high costs of engaging in business activities manifesting themselves in the phenomenon of the so-called "tax wedge" (see Chapter IV). Its main source comprises high extra pay-related costs of labour and above all high social security contributions including a high obligatory pension contribution. Their reduction is not possible in the nearest future, however, without encroaching on the financial stability of the system of securing income for the old age, on-going pension reform which generates the so-called transition costs. For this reason it is so important to reduce the contribution to other social security elements and, above all, disability pensions and illness-related benefits.

## **Deregulate and maintain the standard of quality work**

Postulations about the flexibility of labour, so characteristic now of all reports on labour, give rise to some impatience in transformation countries, especially in Poland. In fact, real flexibility is considerable, particularly in the private sector. Moreover, there is a considerable informal economy, where labour relations are maximally flexible. "Turning a blind eye" to the labour relations and conditions of irresponsible employment characteristic of the "wild capitalism" do not fall within the scope of the European social policy. That is why it is necessary to demand the application of the standard of quality work. The defence of the traditional core of decent work promoted by the ILO means prohibition of work in "non-social" hours, non-discrimination of "weaker" employees (women, disabled people, immigrants, representatives of ethnic groups) and the maintenance of minimum pay.

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<sup>4</sup> Daveri F., Tabellini G. (2000), *Unemployment, growth and taxation in industrial countries*, *Economic Policy*, Vol. 15, April.

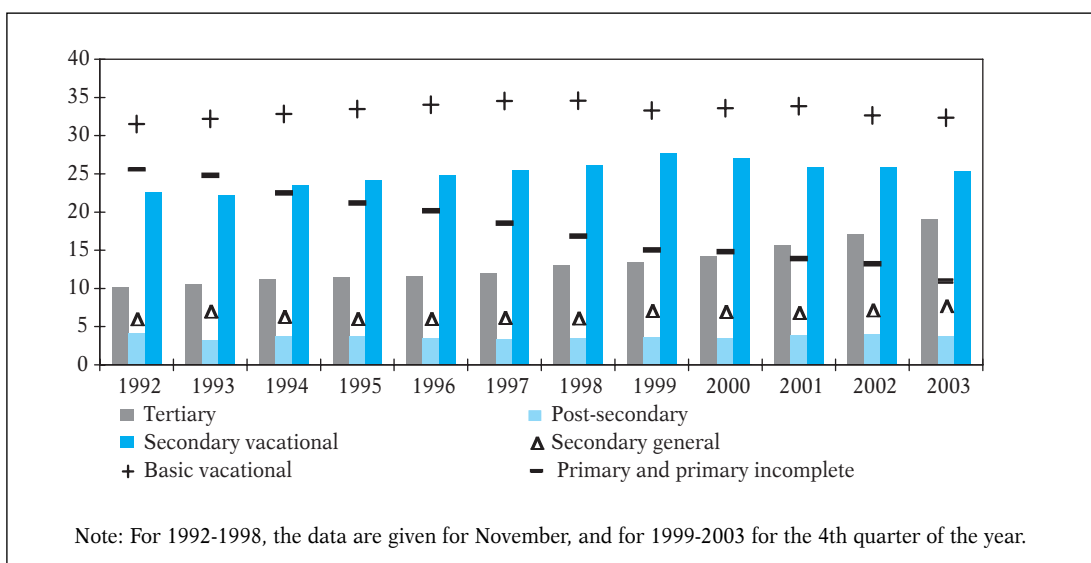
# Reduce restrictions on the side of labour supply

## Improve the qualifications of Polish labour resources

Labour resources are plentiful in Poland considering the European conditions and will remain at that level for several years to come. The composition of the resources is very diversified in terms of their qualifications, inclination to mobility and life (above all family and social) circumstances.

The young generation has a much higher educational potential than older people. However, its preparation to enter the labour market in relation to the skills employers expect is limited. A particularly urgent task is faced by the education system: to improve the quality of education adapted to match the needs of the new labour market and the new economy: the economy of services, high productivity, information and knowledge-based. However, the implementation of this task, which is also faced by other countries, will be more difficult in Poland. There are still effects of previous periods of negligence of the education system to be eliminated and the current differentiations will have to be discontinued.

**Graph 8.**  
**Structure of**  
**Employment by**  
**Levels of Education**  
**(in %)**



Source: GUS, BAEL, editions of the relevant years.

The policy in the area of vocational education should not be the policy of the state alone. Increased involvement of employers is needed in the following activities: to allow supplementation and adaptation of vocational education, and adaptation of lifelong learning to the labour market requirements; development of vocational counselling; support for occupational mobility and development of skills concerning the management of one's own career. School and academic curricula on the other hand require that many more elements be introduced relating to the development of skills and competences useful in the process of seeking and maintaining employment.

Comprehensive solutions are also required in adult education - also referred to as lifelong learning. The first steps have already been made (amongst other things, the Strategy for the Development of Lifelong Learning to 2010 has been adopted for implementation), but the development of activity in this field is still awaiting a "big push". Maybe a special agency combining the separate responsibilities of the Ministries of Labour, Economy and Education would favour that approach.

## Increase motivation for work

Motivation for work is created on the one hand by the supply of decent (quality) work but also is reduced by alternative sources of generating income on the other. If the latter forms exist and

are more competitive than legal employment, motivation for work is reduced. What can these alternative forms be?

Firstly - work in the informal economy. Its source, from the employee's point of view, may be higher pay. Many young people decide to take up employment in the grey economy because, even though sometimes it is work that is criminal in its nature. That inclination is the higher the greater the differentiation in the income levels in society and the stronger the effect of demonstrable luxurious consumption.

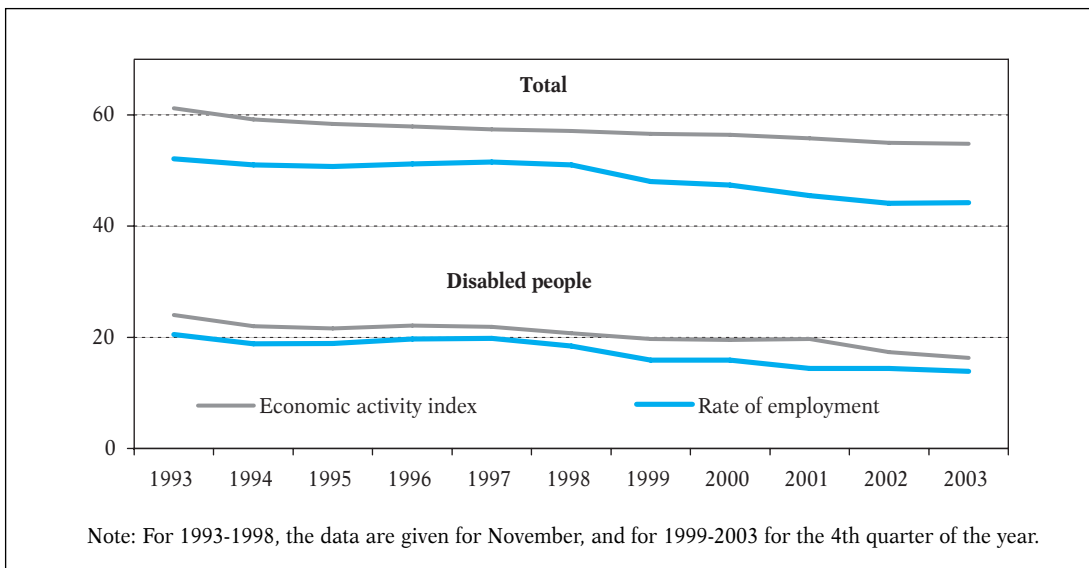
Secondly - social transfers. Their objective is to replace income from employment where no work is available or where the workers' capacity is limited but the division line is not clear-cut in practice. As a consequence, where transfers can replace income to a considerable extent, the motivation is to leave the labour market: using early retirement schemes, disability pensions, collecting unemployment benefits for a long period of time, etc.

## Improve the employability of groups threatened by a higher risk of unemployment

Groups exposed to a higher risk of unemployment are in similar Poland to those in other countries, although the distribution of particular categories is slightly different. The analysis carried out indicates that the strong risk factors include: disability, extreme age groups (the young and the old) residence in the countryside or in small towns and generating income from work in agriculture and the child-bearing phase in the lives of women.

### Disabled people

The chances of disabled people on the labour market are lower mainly due to the obvious reason - limited ability and potentially lower productivity, but also commonly due to their relatively low qualifications, infrastructural barriers to mobility and relatively low motivation for work.



**Graph 9.**  
Index of Economic Activity of Disabled People

Source: GUS, BAEL, editions of the relevant years.

The education of disabled people (at the secondary and tertiary levels), in conditions adapted to match the type and level of ability, constitutes the first condition for improving their chances on the labour market. Furthermore, a change is needed in the strategy for the support of disabled people. This requires the restructuring of activities: a shift is needed from the domination of support to be passive to support which will assist people to become more active, and in particular activity enabling social inclusion through some form of work - which does not necessarily mean traditionally perceived employment. Hence the importance of having available various forms of doing work. This strategy of activity also requires active social integration. Passive integration means mainly participation in the funding (through the taxation system or an organized system

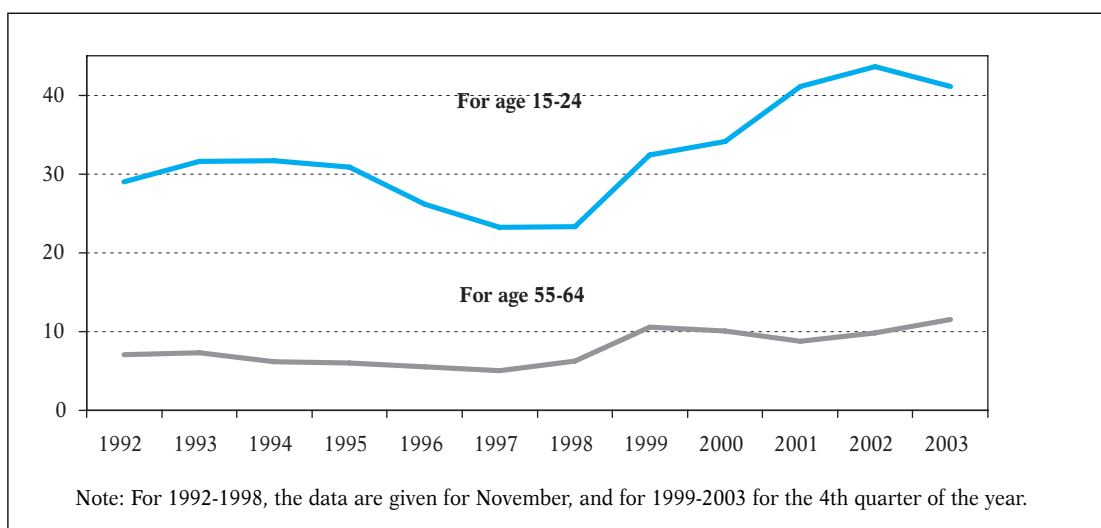
of donations). Active integration means in addition acceptance of, and support for the presence of disabled people every day and in every area of the life of society: in the street, at work, at an office, and in cultural facilities.

### Young and older people

The difficulties young people have in entering the labour market relate to the natural reluctance of employers to hire people without any work experience, particularly, where they offer low general skills. Polish firms, mainly small and medium-sized ones, do not have resources sufficient to financially support the preparation of school leavers to their needs. High supply of young labour resources, which we have seen in Poland over recent years, makes the situation of employers easier. They can pick and choose. This, however, puts young people in a more difficult situation. Non-relevant content of education, its poor quality, lack of any practical work experience, inability to find their way around the labour market, are translated into unemployment at the start of their adult life. Programmes supporting the start of career for young people are of great importance to them. There are too few of such programmes though.

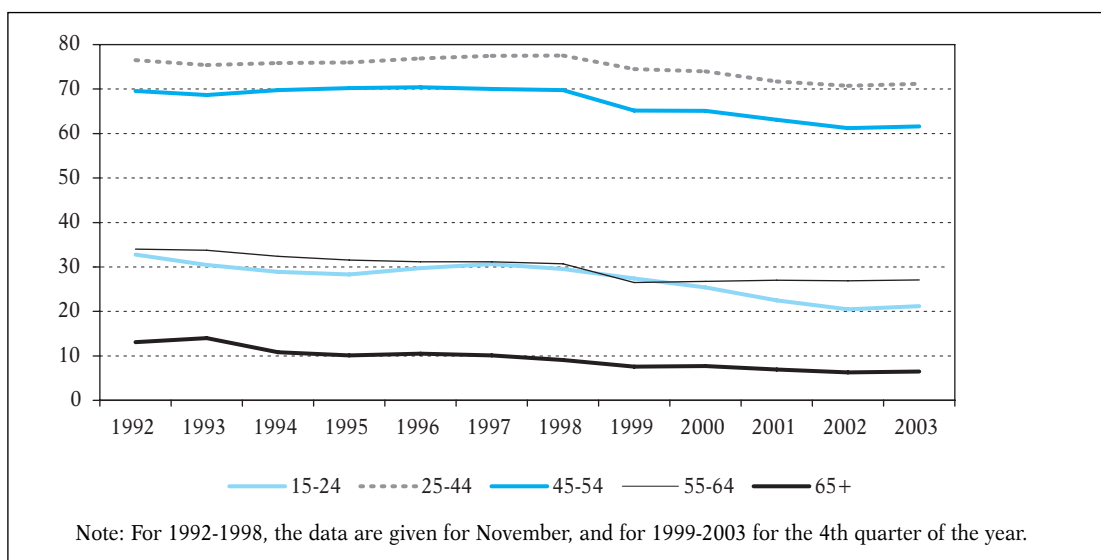
**Graph 10.**  
Unemployment Rates of Young and Older People

Source: GUS, BAEL, editions of the relevant years.



**Graph 11.**  
Employment Rates by Age Groups

Source: GUS, BAEL, editions of the relevant years.



Difficulties of older people in Poland in maintaining employment relate mainly to the restructuring processes in the economy. As a result, they lose jobs before reaching retirement age and stand no significant chance of finding new employment. The qualifications of the older generation are quite often too low and do not match the needs of the transforming economy. It would seem that it would be the easiest to leave the labour market by participating in some

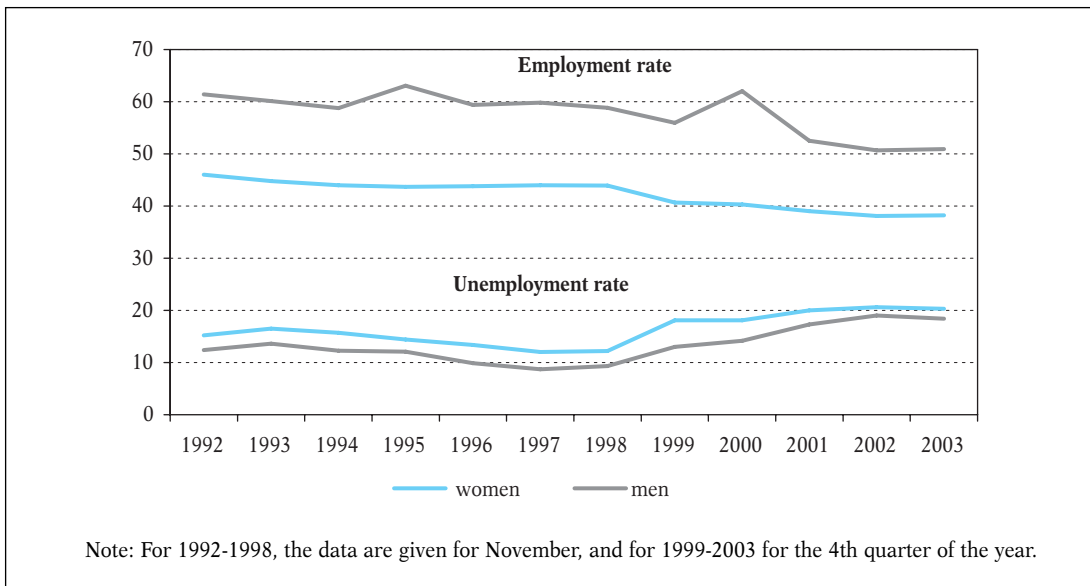


programme of pre-retirement benefits. This is a solution that has been applied on a large scale to date. Also people at the pre-retirement age must subject themselves to strategies of activity: improving their qualifications, re-skilling, or undergoing social rehabilitation. This requires significant broadening of educational opportunities in the area of lifelong learning.

Programmes for supporting young and older people can perfectly complement one another on the labour market but this requires a co-ordinated and widely accepted labour market policy.

### Women

The difficulties women face in entering and maintaining their position in the market are not the result of their lower qualifications or difficulties in adapting themselves to increased requirements of employers. On the contrary, women in Poland have relatively higher qualifications (compared with men) and much greater interest in improving them. The most significant causes for the inequality in the status of women in the market include the institutional and cultural background about the perception of the role of women. The family functions of women dominate over all others. It is the mother who is expected to be the parent whose obligation it is to take care of the child. In the face of the infrastructural underdevelopment and insufficiency of support from public funds that would make it possible to reconcile family and occupational responsibilities combined with mutual responsibility within the family, employers are led to avoid hiring women of child-bearing age due to the risk of incurring higher labour costs.



**Graph 12.**  
Employment and  
Unemployment  
Rates by Genders (in  
%)

Source: GUS, BAEL,  
editions of the relevant  
years.

Real equalisation of the status of women and men requires on the one hand motivation to change the attitudes of employers and, on the other, the development of institutions supporting the reconciliation of parental and occupational responsibilities. The state should provide for such objectives in its employment growth policy analysing the existing inequalities and monitoring the effects of the activities undertaken by various players in civic life. The EU accession may favour the putting of gender equality as a priority for not only governmental activities but also those undertaken by local self-governments and social partners.

Since the tendencies to perceive the role of the woman in a traditional way are strong in Poland, there is scope for the activity of non-governmental organisations which can contribute to the shaping of, and changing the awareness of society, promote tolerance for various models of family life, support partnership and lobby for equality-oriented changes in political programmes.

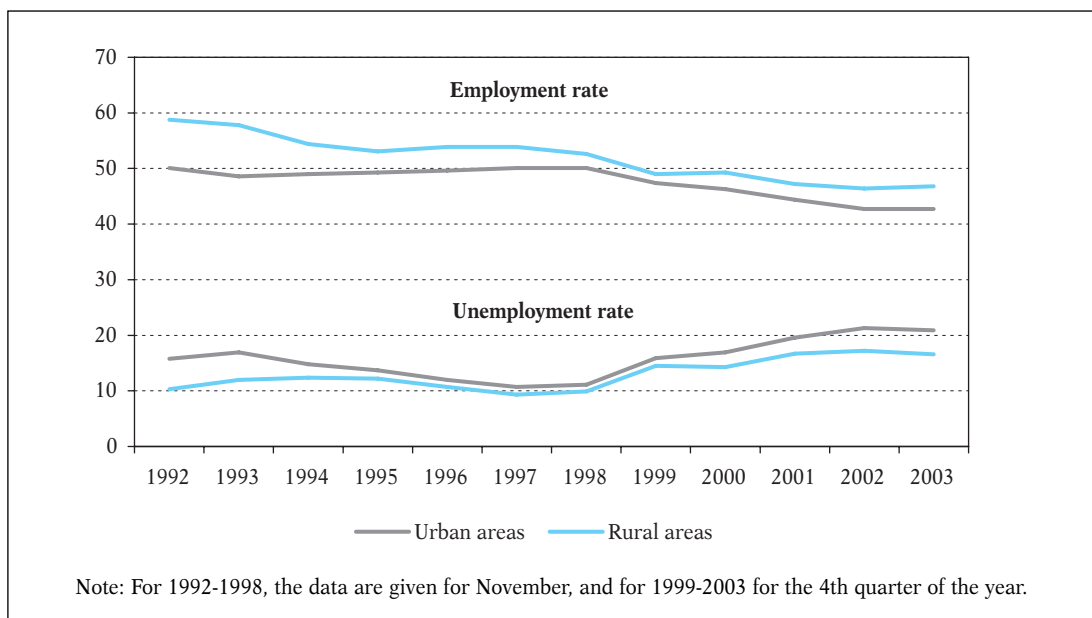
### Rural population

Increase in the employability of people inhabiting rural areas relate to the creation of jobs outside agriculture. The state policy needs to be changed in this regard. Sectoral policy measures should be shifting, by proportion, from the current measures of supporting prices and income,

towards measures supporting structural changes. The EU accession may be helpful in that respect. It should not be expected though during the first years after accession that the Common Agricultural Policy and the Structural Funds will provide instruments which can be used, quickly and effectively, to create new jobs in rural areas. Over a longer-term perspective, however, as the ability to utilise EU funds by potential beneficiaries increases, and programmes of structural changes become adapted to the specifics of the problems of the national labour market, their importance in solving problems of rural areas will be growing.

**Graph 13.**  
**Employment and**  
**Unemployment**  
**Rates by Places of**  
**Residence (in %)**

Source: GUS, BAEL,  
 editions of the relevant  
 years.



## Pursue an active labour market policy

The Active Labour Market Policy (ALMP) is not always viewed positively in the professional literature on the subject. There is empirical evidence that some of its instruments are not sufficiently effective, such as for instance community projects. However, we consider that ignoring it in its entirety would be one of the most serious drawbacks of the socio-economic policy of the state. In the situation of unemployment growth and an increase in the proportion of long-term unemployment, the Active Labour Market Policy constitutes the basic tool for motivating and making people active in their efforts to return to the labour market.

### Be in the possession of basic tools for pursuing the ALMP

The main instruments of this policy indicated by the OECD<sup>5</sup> and the EU are as follows:

- Professional and accessible employment administration,
- Training for the unemployed,
- Support to young people entering the labour market (mainly through job placements and motivating employers to hire young employees),
- Subsidising the employment of certain groups with low employability potential,
- Supporting the creation of jobs for disabled people.

Polish experience indicates that the development of the abovementioned instruments encounters essential difficulties. What is needed is stable financing, specialised staff, and

<sup>5</sup> OECD (2003), *Managing Decentralisation: A New Role for Labour Market Policy*, Paris.

openness of the employment services to co-operation with non-public agencies. A change in approach is also required: from schematic to more diversified and customised to adapt the tools to the needs of the different groups seeking employment depending on their employability levels. This means in consequence the need to define at least two labour market policies: addressed to people with higher and those with and lower levels of employability.

### **Engage in a policy of social protection making unemployed people active**

There is an urgent need to re-formulate the concept of social protection for the unemployed. The proportion of financial allowances paid to the unemployed in the Labour Fund resources should be much lower and those financial allowances within the Labour Fund programmes should be enhanced which aim at strengthening the motivation to seek employment (higher benefits, degressive and paid out for a shorter period of time).

Long-term unemployed people remain outside the system of social protection. This is a category which has increased in number quite dynamically and now forms the core of Polish poverty. Social welfare benefits (periodical or special means-tested benefits) are in fact inaccessible or remain at a very low level. There is a pressing need to prepare appropriate welfare programmes for that group but not in the shape of additional passive pecuniary allowances but active measures falling within the scope of the concept of social inclusion. This would mean relating allowances to the participation in some form of preparation to become active (education, training, vocational counselling, occupational therapy-type workshops, etc.).

### **Pursue the labour market policy in a partnership-based manner**

Mobilisation and involvement of social partners, civil society organisations, local self-governments and community organisations as well as other players in the life of society, in the process of making decisions connected with the labour market is a standard of European democracy originating from the tradition of formulating industrial relations. The current inspiration to take up partnership-based activity has been written down in the Lisbon Strategy constituting one of four directions for action of the so-called Nice objectives of the European Social Inclusion Strategy.

The partnership-based approach to pursuing a labour market strategy oriented at employment growth is to serve the purpose of not only democratising the decision-making, but, above all, the pursuance of such commonly acceptable policy through the involvement of all possible players interested in its creation (development of strategies and programmes), promotion and implementation.

The role of numerous community organisations in transformation countries, Poland included, is increasing systematically. In addition the role of employers' associations, business chambers and local self-governments is also growing. How to use the potential of the values contributed by the particular partners without multiplying the transaction costs involved in partnership and prolonging the necessary arrangements in the decision-making process - this is a real question, which is valid not in the Polish conditions alone.

# Addressees of the Recommendations

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In a democratic market economy "Working out Employment" is not only of concern for the government even though it still has a major role in launching and initiating activities in the pursuance of a policy of employment growth and its co-ordination. "Working out Employment" should be the concern of any institution and any citizen (which does not mean a depreciation) of its fundamental objectives and criteria for action. Institutions will be able to help deliver "Working out Employment" without compromising their own basic objectives and criteria for action, but even if they do not engage in positive action, they should avoid doing anything that will have a negative impact.

## Political elites and their expert support

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"Working out Employment" requires the understanding and recognition of the priority of employment growth (increase in the employment rate) in political programmes, that must then be translated into legislative initiatives of the government, promulgated by the parliament and implemented by various executive bodies. The recognition of the priority of employment growth is an expression of the understanding that the use of human resources is a condition of an effective state, and, at the same time, the basis for its social and political stability. When the rate of employment drops in Poland below 50% of the working-age population, the situation should be judged to be a threat to the country's sustainable development.

"Working out Employment" should be pursued under permanent rules of macroeconomic order. This means that it is not activities in the nature of extraordinary demand-dictated or institutional interventions that should be undertaken, but itemised activities that are systematic, undertaken in many areas, mutually compatible and that have synergy in their impact. This, in turn, requires the observance of the objectives of a comprehensive programme. Its development is facilitated by the requirements set by the implementation of the Amsterdam Treaty and the Lisbon Strategy concerning the European Employment Strategy. However, the experience to date with "test" implementation of that strategy in Poland shows exceptionally poor translation of the objectives set out in the National Action Plan (referred to as the National Strategy for Employment and Human Resources Development) into the decisions that are actually made. This means that in fact, contrary to the political rhetoric of the main political parties, "Working out Employment" does not form the essential contents of their practical activities.

Real "Working out Employment" also involves the recognition of the need for incurring labour market policy costs for:

- the infrastructure of the functioning of the employment services, improving their quality and motivating them to operate actively,
- programmes for making the unemployed, especially long-term unemployed people and people with low employability, active,
- social protection of the unemployed.

Despite the scale of unemployment and their expressions of concern, the approach of the political elites and a majority of other well-informed opinion-creating elites of experts to date to the problem of employment, does not indicate that they accept sufficiently the necessity for programmes and expenditure relating to the support of job creation and helping make unemployed people active. Information is used selectively to undermine the use of labour market programmes, exaggerating the individual situations that lead to dismissal (e.g. inclination to drink alcohol, break the law, laziness, permanent discontentment and depressiveness). As a consequence, pressure is not exerted on systematic development of, and support to, programmes of employment growth and helping make unemployed people active.

A certain group of politicians and experts reduce the approaches to combating unemployment exclusively to the policy of growth in the domestic product. They fail to recognise the limitations of this policy in terms of employment due to the phenomenon of jobless growth also occurring in Poland and without attaching sufficient importance to the conflicting contrast between the rapid increase in work productivity and the limitations of employing labour resources with lower qualifications.

The problem is that despite the positive statements and declarations of political elites, Polish education is developing only because individual people bear increasing costs of education themselves, in the conditions of inadequately supervised quality of educational services.

## Government administration

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The role of the government is to undertake legislative initiatives (prepare regulative concepts), pursue the macroeconomic policy and the social policy. The government is charged with the responsibility for the public finance. However, possibilities of the government exerting a direct influence on the microeconomic sphere are limited in the market economy. In the sphere of labour, the government's responsibility should comprise the following elements:

- Development and implementation of mid-term national strategy for labour alongside the work on the European Employment Strategy and the preparation of National Action Plans (NAP) in that area. Because of the high scale of unemployment and its negative social and economic effects, the strategy should contain an "instruction" to undertake more effective remedial measures in order to improve the situation in the labour market.
- A component of the labour Policy which is significant but insufficiently appreciated is the educational policy. The education system needs solutions which incorporate the processes of changes in labour and in the labour market in teaching curricula and in the structure of organisation and funding of education. It is also necessary to undertake activities oriented at improving the quality of education and discontinuing the processes of differentiation within the education system in Poland.
- A policy of support to entrepreneurship that involves real actions and not only declarations. A major element of that policy is support in getting access to capital by small and micro enterprises which employ approx. 80% of labour resources (by increasing government loan guarantees and introducing more user-friendly financial regulations).
- A mid-term government strategy for labour should take into account the processes of transformation in agriculture, including the following circumstances:
  - Problems in the rural labour market must be solved on the one hand by increasing work productivity in agriculture in relation to the productivity in non-agricultural sectors (so that the sector can generate income comparable to that in other sectors of the economy). On the other hand it should address the issues by generating additional income in farm holdings, abandoning agricultural activity and creating new jobs outside agriculture, amongst other things in services, trade and industry (the concept of multi-functional rural areas).
  - During the first years after EU accession it should not be expected that the EU Common Agricultural Policy and structural programmes will be able to offer instruments which can be

used quickly and effectively to create new jobs in rural areas. However, in the longer term, their importance in solving labour problems in rural areas will be growing, together with an increase in the ability of potential beneficiaries to utilise those funds by adapting the programmes to their own needs.

- The expected faster rate of economic growth after EU accession may increase the demand for unqualified labour which may be an opportunity for some of the rural population even though it is expected that immigrants from the East constitute additional competition in the non-agricultural labour market.

"Working out Employment" requires governmental structures where integrated activities will be possible, going beyond the remits of particular ministries, especially in four fields: economy, agriculture, education and labour market. The experience to date of the functioning of governmental structures in Poland demonstrates poor inter-ministerial co-operation which is sometimes due to political divisions between particular ministries (in coalition governments a minister from one party would not cooperate or cooperate more poorly with a minister from another party). On the other hand, attempts to increase the comprehensiveness and co-ordination of activities through merging several ministries into one (as was the case in 2003 when the Ministry of Economy was merged with the Ministry of Labour and Social Policy) result in the formation of institutional 'behemoths' where internal management becomes less effective.

Co-ordination difficulties also relate to the weakness of government administration which still does not constitute stable and highly competent public service which preserves the continuity and consistency of specific measures adopted.

In the situation of continued difficulties with co-ordination and co-operation at government level, a helpful solution can be offered by special institutions such as agencies or government plenipotentiaries designated to implement special programmes over a specified period of time. Therefore the recommendations of the report also include a proposal concerning the establishment of an agency for lifelong learning. Due to the significance of the problem it is advisable to designate a responsible institution combining the competencies of several ministries in this realm of activity. Given the difficulties to date in the co-operation between the Ministry of Education with other ministries, and the required co-operation with the Ministry of Economy, Labour and Social Policy, such an institution is particularly necessary.

## Public-trust institutions and public services

The awareness of the need of "Working out Employment" should be shared by any public-trust institution which provides major public services: the banking and insurance systems, fiscal services, the judicial system, and the authorities supervising and controlling the media and communications.

Poland experiences negative effects of too restrictive precautionary regulations in the banking system concerning access to credit by small and medium-sized enterprises; unscrupulous operation of the fiscal administration destroying whole enterprises, sometimes undeservedly; an excessive number of inspections that make it difficult for companies to function normally; irresponsible work by the media which, seeking sensational stories, disregard the side-effect of undermining the trust in those institutions; or entrepreneurs who, somehow implicated, even though innocent, lose the chance for further development.

A particular example of an institution that disregards the problems of the labour market is the judicial system. The difficulty of access to judicial institutions and the tardiness of the courts of law means that, even where cases are won, companies have gone bankrupt in the meantime, thus causing losses of jobs, which have not survived to see justice being enforced.

Economic, social and civic awareness must be radically increased about the work which is being inadequately being done by public trust institutions. This purpose may be served by the urgent introduction of suitable educational programmes for the regular training of public servants during the course of their work.

# Local self-governments and self-government administration

The priority of "Working out Employment" constitutes a relatively new requirement in the autonomous policy of local self-governments. Until 2000 it was the National Labour Office - a government institution - that was responsible for the implementation of certain pre-defined priorities, and had the required competences, services and financial instruments. The local self-government was, in a sense, a passive partner in these activities.

Since 2000, the responsibility for the development and creation of labour has been in the hands of the local self-government at its various levels. Local self-government authorities have certain regulatory competences and the ability to directly influence real economic processes in their respective localities.

- The local self-government manages the infrastructural resources and is in charge of the related investment projects. Good infrastructure is then the basis for business locating its ventures in particular places by helping set up firms and create jobs. The local self-government should formulate and consistently implement long-term infrastructural policy that facilitates business development.
- Small and medium-sized enterprises register locally. The local self-government can help eliminate barriers in this regard.
- The local self-government owns secondary schools whose leavers not only continue their education or but also stay locally and increase local labour resources. The local self-government should develop methods for influencing the profile and quality of education, match the demands for qualifications of local employers with the potential of schools and aspirations of young people.
- The local self-government has been made responsible for the Active Labour Market Policy (ALMP). It should be equipped with appropriate tools and knowledge to enable sensible and effective application of the ALMP.
- The responsibility has been placed at the level of local self-government for stimulating people threatened by social exclusion who are said to be characterised by low employability; these include older people, those with low qualifications, people with disabilities, chronically ill and addicts, ex-prisoners and those rejected by their families.

The local self-government at the poviats level has been entrusted with the special responsibility to pursue labour market policy and management. The results of surveys about their efficiency in the new realities indicate that poviats self-governments and poviats labour offices (PUP) require significant support. This support should comprise four essential components:

Firstly - it is necessary to design a basic set of informational and analytical tools for the pursuance of the labour market policy.<sup>6</sup>

Secondly - it is necessary to develop programmes essential for the delivery of the labour market policy<sup>7</sup>, and in particular:

- programmes for increasing access to capital by small firms (loan fund, credit guarantee fund),
- a programme for supporting local entrepreneurship,
- a programme for the development of infrastructural investment,
- a programme for attracting inward (including foreign) investment: access to land and premises, fiscal policy, employment arrangements,

<sup>6</sup> Increasingly, surveys which evaluate local labour market policies in EU Member States frequently point out that the information and surveys that enable the evaluation and anticipation of the labour market constitute the basic condition for the pursuance of a decentralized labour market policy in an effective manner. For that reason, the so-called *Labour Market Studies* form one of the first instruments postulated by the European Commission in the work on local employment strategies (ICLEI (2001), *Local Action Planning for Employment, A Manual for Practitioners*, Freiburg).

<sup>7</sup> An example of a set of required programmes for poviats within the local self-government with a view to improving the labour market was developed for the poviats of Łomża (Golinowska S., Radziwiłł A., Sobolewski M., Walewski M. (2003), *Localny rynek pracy w Łomży i w powiecie łomżyńskim*, CASE, Warszawa).

- a programme for the development of trade through the establishment of local trade exchange networks and revival of internal trade,
- an environmental programme to prepare investment improving the quality the environment and enabling the utilisation of local energy sources,
- a concept for the development of instruments of the ALMP in line with the priority of supporting the activity of the unemployed and people threatened by social exclusion,
- a programme promoting regional and local products, services and agriculture (e.g. organic farming), tourism and agribusiness,
- a programme of changes in education, above all at the secondary school level, to match long-term demands of the labour market, extended to include a programme of support for tertiary education with incentives to return to work in the local environment,
- a programme for the development of adult education institutions,
- programmes to provide income support to people with low employability and threatened by social exclusion, e.g. by organising occupational therapy-type workshops for disabled people and co-operating with NGOs to stimulate the activity of socially excluded people.

The preparation of all programmes as listed above is not possible over a short period of time and some of them may not constitute a priority in a specific local environment at a given time. Moreover, the development of programmes can be approached in a comprehensive fashion and within a single programme that integrates all of the priorities under the banner of the "Poviat Employment Strategy". This could be the starting point for developing programmes under local and regional employment strategies which are based on the concepts of the European Employment Strategy.

Thirdly - the establishment of priorities and development of action plans therefore requires the mobilisation of local social and political forces not only to gain support for the programmes but, above all, to involve them in their actual implementation. That is the reason why agreements are needed between the various actual and potential stakeholders of the poviat employment policy. The agreements should be both at various levels of the local self-government, and with various public institutions administered by local self-government authorities - those responsible for education, health care and social welfare. Despite their subordination to the self-government authorities, these institutions are characterised by high levels of autonomy stemming from the nature of their activities and their reporting to national authorities in terms of the contents and quality of their services. Agreement is also required for co-operation with social partners - local employers' organisations or business self-government on the one hand, and local trade union organisations and NGOs on the other.

Fourthly - the pursuance of each of the programmes postulated requires co-operation with the voivodship and central government authorities. Currently, major benefits can be drawn from involvement in the undertaking of independent initiatives encouraged by, and funded from EU programmes. It should also be noted that the local self-government in Poland is becoming an independent partner of local authorities in other EU Member States. The identification of a suitable partner would create a platform for inspiration, following good practices but will also be a major support for potential joint initiatives.

## Entrepreneurs

Employers are the most obvious players in the labour market directly involved in "Working out Employment"; their role in generating demand for work and creating jobs is the greatest factor. The theory of economics and numerous empirical studies indicate an extensive list of conditions to be met for employers to be motivated to create jobs: access to capital, appropriate labour resources, good infrastructure in their environment, low fiscal burdens, favourable regulations in the sphere of labour law, lack of administrative barriers, etc. These conditions are frequently unfulfilled for Polish employers and employers themselves do not always follow the mission of creating jobs in



their activities. The recommendations formulated for employers are about the solutions which would enable the reconciliation of the current interest of enterprises relating to profit generation with a more general long-term concept of "Working out Employment". In the first place it is important to recognise that the mission of employers' associations is to have the right conditions for the development of their firms, including job creation. The conditions can be realised through:

- activities aimed at increasing access to capital, especially for small, medium-sized and micro enterprises,
- elimination of the mismatch between vocational education and the demands of the contemporary labour market, amongst other things through the involvement in developing vocational education curricula, developing on-the-job training and apprenticeships, and also through participation in the financing of vocational education,
- creating pressure on the development of a business-friendly infrastructure,
- reacting to cases of wilful or thoughtless damaging of firms by their owners themselves (both old state-owned and new private enterprises), and cases of unethical or corruptive behaviour,
- promotion of the concept and development of standards of decent work, as promoted by the ILO, and demanding that they be applied by employers,
- raising awareness of problems relating to excessive differentiation in pay, in particular between management and employees; and developing a position which would lead to the prevention of excessive and unfounded differentiations,
- promotion of the idea of ethical and social responsibility in the business world.

## Social partners

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In their individual activities, social partners are oriented towards their statutory objectives. Trade union organizations focus on representing the world of labour and defending the interests of employees. Employers' organizations on the other hand - concentrate on representing the employers' circles and lobbying for their interests. In those activities, "Working out Employment" is not their principal objective. Trade unions traditionally tend to guard the pay, working conditions and employees' privileges more than worry about unemployment, and employers press more on reducing taxes and increasing productivity than job creation. It is only through social dialogue that a position can be developed that would favour an increase in employment and combat unemployment. For this reason social dialogue institutions are of significant importance in activities oriented at employment growth. The point is to have a concept of mature dialogue where each of the parties is sufficiently representative of its circles, aware of its mission and prepared not only to force that mission, but also to make a compromise in the general interest. The maturity of social dialogue also leads to the possibility of its being pursued autonomously, that is mutually, without the need to involve the government any more.

The concern for job creation has not been a priority of the Polish social dialogue to date. Apart from their political activities, trade unions have protected the conditions of work and pay, just like the Polish labour law. An improvement in the rate of employment has become the subject of declarations of employers' associations for whom this is a natural interest as long as it helps reduce the costs of labour and facilitates effective work of those in employment.

In the current conditions when membership in trade unions is decreasing, the problem of protecting employees' rights is again becoming a valid issue. However, it may be concluded that the right to consultation and information as provided for under EU law and the resulting institution of employees' representation where there are no trade unions (although not only in such situations) will enable an extension of protection of employees through the functioning of so-called employees' councils. This requires new (legislative) institutions and a change in the attitudes of employers, especially in small and medium-sized enterprises.

In the conditions of decentralisation of the labour market policy, a positive role could be played by regional social dialogue committees (WKDS) in "Working out Employment". They

would meet the need for social partnership supporting independent regional development and as boards of appeal and institutions monitoring the relations between employees and employers in various businesses where employees' representations are weak or non-existent.

"Working out Employment" also requires the development of collective labour agreements. This requires regulatory changes leading to a balance of expected benefits for the parties, and a change in the balance of forces in the company. On the one hand, the role of the employer needs to be fully appreciated and on the other the employees' representation needs to be made realistic.

Yet unknown consequences in the area of social dialogue will be brought about by the EU accession. At the EU level, structures of social partners' organisations have already developed. What will they contribute to the social dialogue at the European and national levels? Will "Working out Employment" be their principal objective? A recommendation which is addressed to Polish representations of social partners' organisations is to ask them to make "Working out Employment" a priority subject.

## Community organisations

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Community organisations, NGOs in particular, have major functions to perform in the labour market. They may be partners with the public employment services in the implementation of their role to make unemployed people active (under the ALMP). They can also prepare groups with low employability and those threatened by social exclusion for work and then provide support to them.

Recent government initiatives, including in particular the Act on Charity and Voluntary Work, the Act on Social Employment, the Act on the Promotion of Employment and Labour Market Institutions, provide a framework enabling and helping non-governmental organisations to engage in activities that are oriented at the social and occupational stimulation of groups who are underprivileged in the development of the market economy, people with disabilities and those having problems with social adaptation.

The activity of NGOs is particularly needed in the process of increasing life skills and improvement of qualifications through systems of non-standard education adapted to meet the needs and capabilities of people with disabilities and other limitations which makes social adaptation more difficult. Non-governmental organizations are also needed to support employment of people who are not independent socially and economically, people with health problems, people with disabilities and those who have suffered deep life crises. This support consists not infrequently of creating jobs for people in special firms defined by the general term of social enterprises, which in the Polish legal circumstances may be described as occupational therapy-type workshops or occupational stimulation establishments. In Poland there are several excellent examples of the functioning of NGOs in these areas (see Chapter IX of the report). These examples should be followed and promoted so that they are a common standard for action and not just isolated instances in a general scene of passivity and/or helplessness.

# Human Development Index

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A measure of development used in UNDP work is the Human Development Index (HDI). The introduction of the index pointed to the importance of non-economic data in the evaluation of sustainable development of particular countries, where this type of data was regarded as secondary compared to macroeconomic indices - with the GDP as the prime indicator. The HDI enables a more comprehensive assessment of the level of development than the GDP per capita or any other economic measure, especially if it is analysed together with other indices recommended by the UNDP. The wider range of indices includes particular areas (fields) of economic, social and demographic development, including data illustrating environmental pollution, the degree of personal safety and other aspects of life in a country.

The HDI is a synthetic measure based on the average of indices comprising three basic spheres of life. These are the spheres of health (measured by the average lifespan); education (literacy rate, and the school enrolment rate); and the GDP per capita. The design of the index defines the extreme target values in each of these spheres. The information contained in the HDI does not comprise the entirety of the elements contained in the human development concept, since not all qualitative features of development are measurable, and information is missing for many others because source data are not gathered or relevant estimates are not made.

The HDI is complemented with three synthetic indices based on similar principles. They take into account distributive effects of development by gender (GDI - Gender-related Development Index) and the participation of women in decision-making processes (GEM - Gender Empowerment Measure), as well as the poverty level measured in terms of human development (HPI - Human Poverty Index). Introduced in 1997, the poverty index sets the poverty line in accordance with the stipulations of the human development concept, based on the weighted average of three indices comprising the minimums of health, education and financial conditions. It is worth noting that for developing countries where many people do not have regular income, it was not GDP per capita that was used to define the minimum of financial conditions, but the weighted average concerning the satisfaction of basic needs for food, access to water and medical services. For highly developed countries on the other hand, the HPI comprises the long-term unemployment rate and the level of functional illiteracy.

The HDI enables more comprehensive international comparisons. Using a uniform methodology recommended by the UNDP, it describes the human development effects in particular countries. It is a measure used as a criterion to rank countries by their general - social and economic - development in a given time. By comparing these indices between countries it is possible to determine the distance between the poorest and the richest ones (in other words - the developing countries and the developed ones) in terms of human development.

Four basic measures are used to calculate the synthetic HDI measure:

- Life expectancy at birth,
- Combined gross enrolment ratio for primary, secondary and tertiary school - first introduced to determine the HDI in 1992 - replacing the previously applied average number of years of school education for adults aged 25 and above,
- Adult literacy rate; with the two last rates combined into one measure illustrating the average educational attainment of society,
- Gross National Product (GDP) in US\$ per capita, calculated at the purchasing power parity (PPP\$).

**Table 1. Human Development Index (HDI) - Poland 2000-2001**

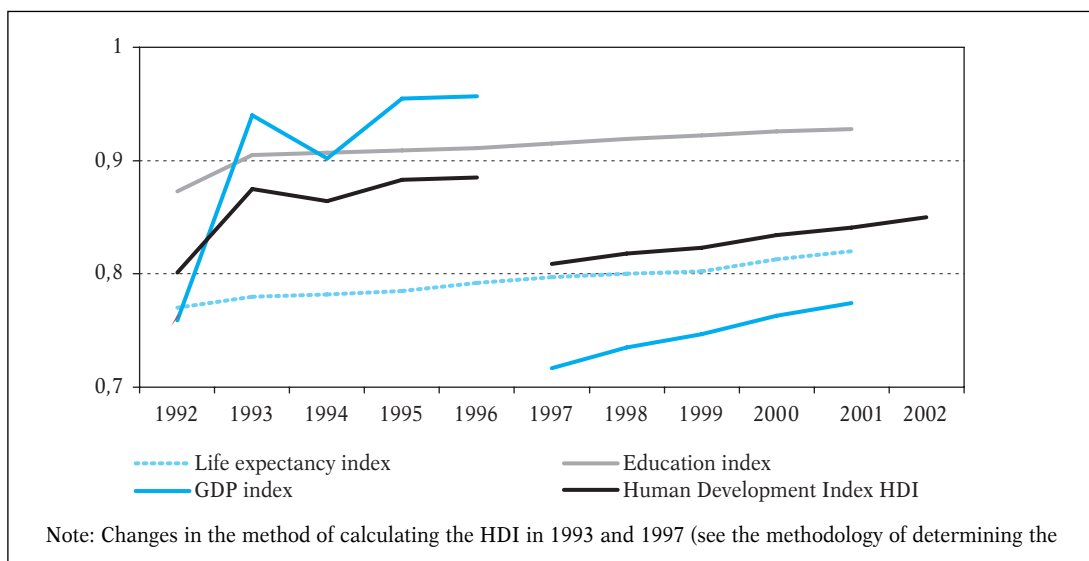
Item	2000	2001
<b>Basic measures to determine the HDI</b>		
1. Life expectancy at birth (in years)	73.8	74.2
2. Adult literacy rate (in %)	99	99
3. Gross enrolment ratio (in %)	79.9	80.5
4. GDP per capita (PPP \$ US)	9685	10300
<b>Indices</b>		
1. Life expectancy index	0.813	0.820
2. Literacy index	0.990	0.990
3. Enrolment index	0.799	0.805
4. Educational attainment index	0.926	0.928
5. GDP index PKB (new method)	0.763	0.774
<b>General HDI Index</b>	<b>0.834</b>	<b>0.840*</b>

Note: \* The HDI was estimated with the assumption that in 2001, the GDP calculated at the purchasing power parity (PPP \$ US) per capita was 10300 \$US.

Source: GUS, calculations of L. Nowak with the methodology presented in UNDP's Human Development Report 2003, Oxford University Press, New York.

**Graph 14.**  
**Change in the Human Development Index (HDI), 1992-2002**

Source: Own calculations; GUS - *Statistical Yearbooks*, editions of the relevant years GUS (2002)- *Demographic Yearbook 2002*, Warsaw; UNDP - *Human Development Report*, editions of the relevant years.



## Poland as compared to other countries

The HDI may define the level of development of a country in relation to other countries, both at a given point in time and over a longer period.

Poland, with the index of 0.85 is among the highly-developed countries.

The criteria for the classification of countries as highly- medium- and weakly developed with the HDI taken into account are as follows:

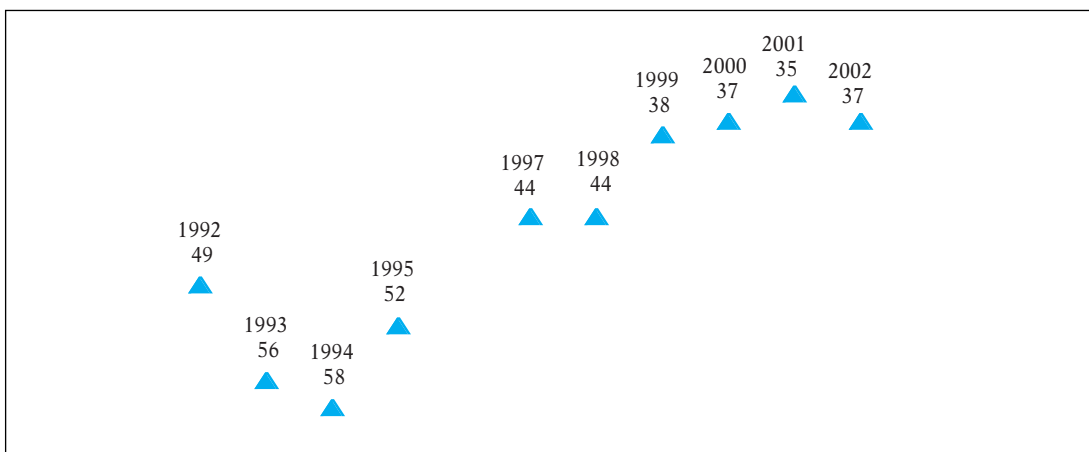
- 0 - 0.5 - weakly developed country (lagging behind)
- 0.501 - 0.8 - medium-developed
- 0.801 - 1.0 - highly-developed.

In 2002, Poland ranked 37th (among the 55 most developed countries) - on a list of 175 countries of the world<sup>8</sup>. The gap between Poland and the first twenty countries is relatively high

(approx. 0.1 point of HDI). In 2002, as in previous years, the group of 20 most developed countries included almost all EU Member States (except Greece, Portugal and Italy), along with Norway, Switzerland and Iceland in Europe. There were five non-European countries with as many as 4 of them - Australia, the USA, Canada and Japan - being among the top ten whilst New Zealand ranked lower. Among European countries the highest places were taken in 2002 by Norway, Sweden, The Netherlands, Belgium and Iceland (see tabular annex, Table 23).

Poland's position in the HDI ranking is higher (37th) than its GDP per capita rating (50th). This indicates that the health status and the educational effects are higher than the level of economic development. There are marked differences between economic development and social development, showing higher assessments in favour of the latter, in Sweden and post-socialist countries, as well as the South American countries (except Brazil).

In the first half of the 1990s, Poland went down in the international ranking of the countries of the world from 49th place in 1992 to 58th in 1994 (after changes in the method of calculation) and it was the lowest place in the world ranking in terms of social development. In successive years Poland took increasingly higher places. In 1998, Poland was in one of the last places - 44th in a group of 46 countries of the world which are highly developed in social terms. It should be borne in mind, however, that beginning with 1997, changes were made again in the method of calculating the HDI, published by the UNDP in its global reports.



**Graph 15.**  
**Poland's HDI**  
**Ranking Position in**  
**HDR Reports**

Source: UNDP - Human Development Report, editions of the relevant years.

Poland's position improved markedly in the HDI ranking over the period 1992 - 2001, especially compared with the worst year of 1994 - by 23 places. This means that Poland developed faster than other countries. During that period, a clear progression was made in each of the aspects under analysis: financial, health and education. In 2002, Poland's position worsened compared to the preceding year. This is a disturbing indication even though the HDI value is slightly higher. This suggests that in 2002, countries at a level of human development close to that of Poland developed faster.

## HDI and the labour market

In this national report, devoted to a thorough analysis of the Polish labour market, an attempt has been made to include a synthetic measure of human development, the HDI, in determining the economic activity of society, even though the increase in the GDP per capita should positively reflect the state of economic activity of the population. In brief, it should be expected that a growth in the gross national product and the income per capita will be accompanied by an increase in the number of employed people. However, with the occurrence in Poland of jobless growth, the inclusion of the employment rate in the HDI has caused a decrease in its value.

Two rates concerning the labour market have been taken into account in the calculations:

<sup>8</sup> UNDP (2004), *Human Development Report 2004*, Oxford University Press, New York.

- The rate of employment which shows the proportion of employed in the total number of people aged 15 and more,
- Long-term employment rate, as opposed to long-term unemployment, which is a relationship between the number of people unemployed for more than 12 months and the number of people of working age.

The results show that the inclusion in the calculation of the synthetic measure, the HDI, of any of these rates results in a drop in the HDI value because the employment rate has a much stronger effect on them. The human development index calculated using the method described earlier, taking into account the long-term unemployment rate, was at the level of 0.834 in 2001. With the employment rate taken into consideration and the unemployment rate eliminated - it became 0.744. With the incorporation of both rates describing the situation on the labour market - the synthetic HDI value was 0.758. Hence, the Polish labour market has a strong effect on the general appraisal of the country's sustainable development (which moved Poland into the group of medium-developed countries). It should be noted that according to the most recent data (NSP 2002 (National Population and Housing Census)), the employment rate of people aged 15 and more was 43.7% and in 2002 it was among the lowest in European countries.

# Statistical Annex

All presented tables were developed basing on a standard recommended by UNDP in the global Human Development Reports for years 1996-2002.

All volumes presented in tables (absolute numbers, structures, ratios and dynamics indices) are derived from the official Polish statistics of GUS or other organisations, which carry on surveys, researches within public statistics. In numerous cases subsequent indicators have been estimated, what was noted in references to each table.

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**Table 1. Human development index HDI**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1992	71,2	99,0	73,1	4137	4137	0,770	0,873	0,759	0,801	49
1993	71,8	99,0	73,5	5114	5114	0,780	0,905	0,940	0,875 <sup>c)</sup>	56
1994	71,9	99,0	74,1	5459	5459	0,782	0,907	0,902	0,864	58
1995	72,1	99,0	74,7	6350	5880	0,785	0,909	0,955	0,883	52
1996	72,5	99,0	75,2	6663	6042	0,792	0,911	0,957	0,886	,
1997	72,8	99,0	76,5	7320	X	0,797	0,915	0,717 <sup>d)</sup>	0,809 <sup>d)</sup>	44 <sup>d)</sup>
1998	73,0	99,0	77,6	8167	X	0,800	0,919	0,735 <sup>d)</sup>	0,818 <sup>d)</sup>	44
1999	73,1	99,0	78,5	8763	X	0,802	0,922	0,747 <sup>d)</sup>	0,823 <sup>d)</sup>	38
2000	73,8	99,0	79,9	9685	X	0,813	0,926	0,763	0,834	37
2001	74,2	99,0	80,5	10300 <sup>e)</sup>	X	0,820	0,928	0,774	0,840	35

(A) Years; (B) Life expectancy at birth (in years); (C) Adult literacy rate (%); (D) Combined first-, second- and third-level gross enrolment ratio<sup>a)</sup> (%); (E) Real GDP per capita (PPP\$ US); (F) Adjusted real GDP per capita (PPP\$ US); (G) Life expectancy index; (H) Educational attainment index; (I) GDP Adjusted Index; (J) Human development index value (HDI); (K) HDI rank for Poland for specific years<sup>b)</sup>

Notes: a) on primary and secondary level without schools for adults; calculated for children and teenagers at age 6-24

b) according to the global report "Human Development Report 2003" (UNDP), Oxford University Press, New York 2003

c) since 1993 the change of the HDI calculation method

d) since 1997 the change of the HDI calculation method

e) author's estimation

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Demographic Yearbook of Poland 2002, GUS, Warsaw 2002. Author's calculation on the basis of the Polish data.

**Table 2. Gender-related development index GDI**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1993	76,0	67,4	98,5	99,5	74,3	72,7	39,6	60,4	0,825	37
1994	76,1	67,5	98,5	99,5	75,3	73,0	40,0	60,0	0,845	37
1995	76,4	67,6	98,5	99,5	76,3	73,1	40,2	59,8	0,866	35
1996	76,6	68,1	98,5	99,5	77,1	73,4	40,2	59,8	0,870	44
1997	77,0	68,5	98,5	99,5	78,6	74,5	40,0	60,0	0,874	40
1998	77,3	68,9	98,5	99,5	79,8	75,5	40,6	59,4	0,879	40
1999	77,5	68,8	98,5	99,5	81,1	76,0	40,6	59,4	0,880	36
2000	78,0	69,7	98,5	99,5	82,0	77,9	39,0	61,0	0,833	36
2001	78,4	70,2	98,5	99,5	82,2	78,8	39,6	60,4	0,839	35

(A) Years ; (B) Life expectancy at birth - Female (years); (C) Life expectancy at birth - Male (years);

(D) Adult literacy rate - Female (%); (E) Adult literacy rate - Male (%); (F) Combined primary, secondary and tertiary gross enrolment ratio - Female (%); (G) Combined primary, secondary and tertiary gross enrolment ratio - Male (%); (H) Earned income share - Female (%); (I) Earned income share - Male (%); (J) GDI Value; (K) GDI rank for Poland for specific years<sup>a)</sup>

Notes: a) according to the global report "Human Development Report 2003" (UNDP), Oxford University Press, New York 2003.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Demographic Yearbook of Poland 2002, GUS, Warsaw 2002; Labour Statistical Yearbook 2001, GUS, Warsaw 2001, Author's calculation on the basis of the Polish data.



**Table 3. Gender empowerment measure GEM**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
1993	9,0	38,2	56,5	39,6	0,466	41
1994	13,0	34,3	62,4	40,0	0,497	42
1995	13,0	34,5	63,2	40,2	0,503	29
1996	13,0	35,4	61,9	40,2	0,510	31
1997	13,0	35,4	61,9	40,0	0,514	35
1998	13,0	35,4	61,9	40,6	0,522	36
1999	13,0	35,4	61,9	40,6	0,524	32
2000	13,0	31,9	60,7	39,0	0,527	24
2001	20,2	32,8	60,2	39,6	0,599	25

(A) Years; (B) Seats held in parliament (% women); (C) Administrators and managers (% women); (D) Professional and technical workers (% women); (E) Earned income share (% women); (F) GEM value; (G) GEM rank for Poland for specific years<sup>a)</sup>

Notes: a) according to the global report "Human Development Report 2003" (UNDP), Oxford University Press, New York 2003

Source: Statistical Yearbooks of Poland: 1997-2003, GUS, Warsaw; Labour Statistical Yearbook 2001, GUS, Warsaw 2001; Author`s calculation on the basis of the Polish data.

**Table 4. Profile of human development**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1992	71,2	10	429	1,6	73,1	15	16	16	30	4697	-
1993	71,8	12	423	1,6	73,5	18	19	17	30	5114	-
1994	71,9	11	414	1,6	74,1	20	22	14	31	5459	-
1995	72,1	6,0	404	1,7	74,7	22	25	15	32	6350	3221
1996	72,5	3,7	400	1,7	75,2	25	29	14	32	6663	3457
1997	72,8	5,8	424	2,1	76,5	29	34	13	38	7320	3672
1998	73,0	6,1	429	2,3	77,6	34	39	13	38	8167	4037
1999	73,1	5,5	442	-	78,5	37	43	12	36	8763	3988
2000	73,8	7,9	454	-	79,9	41	47	12	34	9685	4200
2001	74,2	4,0	442	-	80,5	44	50	12	36	-	4754

(A) Years ; (B) Life expectancy at birth (in years); (C) Maternal mortality ratea) (per 100000 live births); (D) Population per doctor; (E) R & D scientists and technicians (per 1000 people); (F) Combined first-, second- and third-level gross enrolment ratio (at age 6-24 (%)); (G) Tertiary full-time equivalent gross enrolment ratio - Total; (H) Tertiary full-time equivalent gross enrolment ratio - Female; (I) Daily newspapers (copies per 100 people); (J) Televisions used (per 100 people); (K) Real GDP per capita (PPP\$ US); (L) GNP per capita (US\$).

Notes: a) by diseases caused pregnancy, childbirth and the puerperium; b) for all level of school education; on primary and secondary level without schools for adults.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Demographic Yearbook of Poland 2002, GUS, Warsaw 2002; Author`s calculation on the basis of the Polish data.

**Table 5. Profile of human distress**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1992	13,7	27,2	31,1	59,2	-	142,4	243,6	177
1993	14,9	29,4	34,2	58,3	4,0	134,6	327,9	169
1994	13,9	29,3	34,8	57,4	-	130,7	428,6	185
1995	13,1	28,7	33,7	56,2	-	126,8	543,5	200
1996	11,5	23,4	29,5	55,0	-	119,4	648,9	201
1997	10,2	20,5	26,5	53,8	5,1	114,8	744,9	234
1998	10,6	21,3	25,6	49,5	4,6	111,6	831,3	219
1999	15,3	28,5	36,9	48,4	4,6	107,4	892,8	195
2000	16,0	32,1	36,4	46,8	5,4	110,4	985,7	202
2001	18,5	40,0	41,8	43,8	4,7	105,5	1040	193

(A) Years; (B) Unemployment ratea) (%); (C) Youth unemployment rate (%) (at age 15-24) - Male; (D) Youth unemployment rate (%) (at age 15-24) - Female; (E) Adults with less than uppersecondary education (as % of population at age 18-59/64)b); (F) Ratio of income of highest 20% of house-holds to lowest 20%c); (G) Average annual rate of inflation (%) - previous period=100; (H) Average annual rate of inflation (%) - 1990=100; (I) Injuries and killed in road accidents (per 100000 people).

Notes: a) according to the ILO definition of unemployment; b) working age for women 18-59 and for men - 18-64; c) in employees' households.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Labour Statistical Yearbooks: 1995, 1997, 1999 and 2001, GUS, Warsaw; Living Conditions of Population 1999, 2001, GUS, Warsaw.

**Table 6. Violence and crime**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
1992	122,5	2,6	2,6	1,9	25,3	5,0
1993	122,3	2,9	5,8	2,0	24,8	5,0
1994	121,1	3,0	4,8	2,0	24,7	4,5
1995	116,0	2,9	4,8	2,3	24,3	4,7
1996	108,5	2,9	4,5	2,0	23,4	4,8
1997	114,2	2,8	3,8	2,3	22,5	4,1
1998	109,0	2,8	,	2,2	22,9	3,9
1999	107,8	2,7	5,9	2,0	21,1	3,7
2000	124,2	3,3	7,4	2,4	25,9	4,9
2001	146,0	3,4	11,2	2,3	22,6	4,0

(A) Years; (B) Prisoners (per 100000 people); (C) Homicides (per 100000 people); (D) Drug crimes a) (per 100000 people); (E) Total number of rapes reported by adult (thous.); (F) Suicides - Male (per 100000 people); (G) Suicides - Female (per 100000 people).

Notes: a) adults sentenced by common courts

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw.

**Table 7. Health profile**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(K)	(L)	(Ł)	(M)	(N)
1992	-	-	8,7	91	46	145	73	0,1	9,9	-	14,4	-	5,1 <sup>d)</sup>
1993	-	-	9,4	91	48	151	76	0,2	9,9	-	13,5	-	4,7 <sup>d)</sup>
1994	-	-	9,4	84	45	150	75	0,2	9,9	-	13,8	-	4,7 <sup>d)</sup>
1995	-	-	8,8	83	44	154	76	0,3	9,9	-	10,1	-	4,6
1996	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	7,3	81	43	149	75	0,3	14,3 <sup>c)</sup>	-	10,9	-	4,9
1997	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	7,0	-	-	-	-	0,3	14,3 <sup>c)</sup>	-	10,1	-	4,5
1998	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	5,9	-	-	-	-	0,3	14,3 <sup>c)</sup>	-	10,0	-	4,3
1999	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	5,3	115	78	157	76	0,3	14,3 <sup>c)</sup>	-	9,8	-	4,3
2000	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	5,0	111	75	161	80	0,30	14,3 <sup>c)</sup>	-	9,8	-	4,1
2001	47,3 <sup>c)</sup>	24,5 <sup>c)</sup>	4,3	106	71	164	80	0,32	14,3 <sup>e)</sup>	-	9,5	-	4,2

(A) Years ; (B) Adults who smoke (% of people at 15 years and more) - Male; (C) Adults who smoke (% of people at 15 years and more) - Female; (D) Alcohol consumption per capitaa)(in litres); (E) Likelihood of dying after age 65 of (per 10000 people) - heart diseases - Male; (F) Likelihood of dying after age 65 of (per 10000 people) - heart diseases - Female; (G) Likelihood of dying after age 65 of (per 10000 people) - malignant neoplasms - Male; (H) Likelihood of dying after age 65 of (per 10000 people) - malignant neoplasms - Female; (I) AIDS cases (per 100000 people); (J) People with disabilities (as % of total popula-tion); (K) Health bills paid by public insurance (%); (L) Public expendi-ture on health (as % of total public expenditures); (M) Private expendi-ture on health (as% of total health expenditure); (N) Total expenditures on Health (as % of GDP)<sup>b)</sup>

Notes: a) 40% vol. alcohol; b) only the public expenditures; c) results of the sample questionnaire survey of population health status in Poland in 1996; d) estimates for 1992-1995 years on the basis of the Polish data; for other years consolidated expenditures calculated by GUS on the basis of data of the Finance Ministry; e) data for 2001 has been re-calculated on the population census results 2002.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Author`s calculation on the basis of the Polish data.

**Table 8. Urbanisation**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
1980	58,7	1,8	6,8	11,6	1596	1,2
1990	61,8	0,9	6,6	10,6	1656	0,1
1993	61,8	0,5	6,4	10,4	1643	-0,1
1994	61,8	0,3	6,4	10,3	1641	-0,1
1995	61,8	0,03	6,4	10,3	1635	-0,4
1996	61,9	0,11	6,3	10,2	1629	-0,4
1997	61,9	0,09	6,3	10,2	1625	-0,3
1998	61,9	- 0,01	6,3	10,1	1618	-0,4
1999	61,8	- 0,12	6,3	10,1	1615	-0,2
2000	61,8	- 0,08	6,3	10,1	1610	-0,3
2001	61,7	- 0,12	6,5	10,5	1689	-0,04
2002	61,7	- 0,23	6,5	10,5	1688	-0,05

(A) Years; (B) Urban population (% of total population); (C) Urban population annual growth rate (%); (D) Population in cities with more than 750000 inhabitants as % of total population; (E) Population in cities with more than 750000 inhabitants as % of urban population; (F) Largest city - Warsaw population (thous.); (G) Largest city - Warsaw growth rate (%).

Notes: a) data for 2001 has been re-calculated on the population census results 2002.

Source: Demographic Yearbook of Poland 2002 and 2003, GUS, Warsaw.

**Table 9. Demographic profile**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
1980	35735	0,90	2,28	-	69	10,0
1990	38183	0,38	2,04	-	74	10,2
1993	38505	0,23	1,85	-	72	10,7
1994	38581	0,20	1,80	-	71	10,9
1995	38609	0,07	1,61	-	70	11,2
1996	38639	0,08	1,58	70	69	11,5
1997	38660	0,05	1,51	70	68	11,7
1998	38667	0,02	1,43	70	66	11,9
1999	38654	-0,03	1,37	70	66	12,1
2000	38644	-0,02	1,34	70	65	12,3
2001	38242 <sup>a)</sup>	-0,03	1,29	-	63	12,5
2002	38219	-0,06	1,25	-	61	12,8

(A) Years; (B) Estimated population in millions (31 Dec.); (C) Annual population growth rate (%); (D) Total fertility rate; (E) Contraceptive prevalence rate (any method) (%); (F) Dependency ratio of population at working age (%); (G) Population aged 65 and above (as % of total population).

Notes: a) data for 2001 has been re-calculated on the population census results 2002.

Source: Demographic Yearbook of Poland 2002, GUS, Warsaw 2002; Health Population Status in Poland in 1996, GUS, Warsaw 1997.

**Table 10. Education profile**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1992	60,2	76,6	45,4	51,8	12,3	0,88	1518	14,6	5,4 <sup>d)</sup>
1993	60,7	77,9	48,2	51,5	14,0	0,82	1214	14,7	5,4 <sup>d)</sup>
1994	62,5	79,1	50,7	51,1	15,6	0,78	1063	14,6	5,3 <sup>d)</sup>
1995	63,2	80,1	52,9	51,0	17,2	0,71	1144	11,5	5,2
1996	62,0	80,8	54,9	50,8	19,3	0,78	1218	12,3	5,5
1997	62,8	81,2	56,8	50,5	22,2	0,80	1061	12,8	5,7
1998	63,3	82,3	59,3	50,2	25,4	0,78	960	13,1	5,6
1999	63,4	84,0	62,0	49,3	28,7	0,82	849	13,1	5,7
2000	64,0	84,0	64,5	48,1	30,6	0,75	773	13,7	5,7
2001	63,7	86,6 <sup>e)</sup>	69,4	48,0	32,7	0,85	906	13,8	6,0

(A) Years; (B) Full-time students per 100 people (at age 6-29); (C) Secondary full-time net enrolment ratio<sup>a)</sup> at age 15-18 (%); (D) Secondary full-time net enrolment ratio<sup>a)</sup>(without basic vocational) at age 15-18 (in%); (E) Upper-secondary technical enrolment<sup>a)</sup> (as % of total upper secondary); (F) Tertiary net enrolment ratio<sup>b)</sup> (as % of age 19-24); (G) Public expenditure on higher education (as % of GDP); (H) Public expenditure on education per tertiary student<sup>b)</sup>(US\$); (I) Public expenditure on education (as % of total public expend.); (J) Total expenditure on education<sup>c)</sup>(as % of GDP).

Notes: a) without schools for adults; b) high schools students of tertiary education level only (included university and non-university); c) public expenditure only; d) estimates on the basis of the Polish data; for other years consolidated expenditures calculated by GUS on the basis of data of the Finance Ministry.

Source: Statistical Yearbooks of Poland: 1993 - 2002, GUS, Warsaw; Author`s calculation on the basis of the Polish data.

**Table 11. Communication profile**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1992	435	295	37	6613	24	7,1	8,1	-	-
1993	439	298	41	6671	25	6,1	9,2	-	-
1994	441	308	43	6893	25	6,3	10,6	-	0,1
1995	470	311	44	7023	27	7,5	12,2	-	0,2
1996	455	337	45	7176	37	6,8	14,0	-	0,6
1997	249	337	46	7222	36	6,8	16,1	-	2,1
1998	248	313	48	7314	38	6,1	22,8	-	5,0
1999	245	238	41	7332	50	7,8	26,1	-	10,2
2000	241	235	43	7392	56	-	28,1	-	17,6
2001	241	235	39	7436	50	-	28,2	-	24,9

(A) Years; (B) Subscribers of radio- sets (per 1000 people); (C) Subscribers of TV sets (per 1000 people); (D) Annual museum visits (per 100 people); (E) Registered public library users (thous.); (F) Book titles published (per 100000 people); (G) Printing and writing paper consumed (metric tons per 1000 people); (H) Wire telephone subscribers (per 100 people); (I) Fax machines (per 100 people); (J) Cellular telephone subscribers (per 100 people).

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw.

**Tabela 12. Employment**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1992	53,3	27	32	41	119	-2,7	-	41,0	2,1 <sup>d)</sup>
1993	52,1	27	31	42	117	-2,9	-	40,0	2,0 <sup>d)</sup>
1994	51,0	23	32	45	113	0,5	-	41,3	2,1 <sup>d)</sup>
1995	50,7	22	32	46	109	2,8	-	40,8	2,1
1996	51,2	21	32	47	106	5,5	-	41,5	1,9
1997	51,5	20	32	48	101	5,9	-	41,2	1,4
1998	51,0	18	32	50	96	3,3	-	40,4	0,9
1999	48,0	18	31	51	92	4,7	-	41,0	0,9
2000	47,4	19	31	50	88	1,0	-	40,5	1,0
2001	45,5	19	30	51	85	2,5	-	39,9	1,1

(A) Years; (B) Labour force (as % of total population); (C) Percentage of labour force in sectorsa) - Agriculture (%); (D) Percentage of labour force in sectorsa) - Industry and construction (%); (E) Percentage of labour force in sectorsa) - Services (%); (F) Future labour force replacement ratio; (G) Real gross earnings per employee - annual growth rate (%); (H) Labour force unionized (%); (I) Weekly hours of work (per person in manufacturing); (J) Expenditures on labour market programmes (as % of GDP).

Notes: a) according to the ILO definition of labour force; b) number of population under 15 divided by one-third of population aged 15-59; c) monthly gross earnings; d) estimates on the basis of the Polish data; for other years consolidated expenditures calculated by GUS on the basis of data of the Finance Ministry.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Labour Statistical Yearbook 2001, GUS, Warsaw 2001; Labour Force Survey in Poland IV q. 2001, GUS, Warsaw; Economic Activity of Population in Poland in 1992-2001, Warsaw 2002; Author's calculation on the basis of the Polish data.

**Table 13. Unemployment**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(Ł)	(M)
1992	2394	13,7	12,4	15,2	27,2	31,1	62	68	38	42	0,9	0,8	3,9
1993	2595	14,9	13,6	16,5	29,4	34,2	58	63	33	40	1,0	1,2	3,6
1994	2375	13,9	12,3	15,7	29,3	34,8	60	68	37	47	1,2	1,8	3,7
1995	2233	13,1	12,1	14,4	28,7	33,7	59	64	37	45	1,6	1,8	4,0
1996	1961	11,5	9,9	13,4	23,4	29,5	58	64	37	43	1,6	1,4	4,0
1997	1737	10,2	8,7	12,0	20,5	26,5	53	62	30	38	0,8	1,9	2,6
1998	1827	10,6	9,3	12,2	21,3	25,6	51	62	30	41	1,5	1,4	1,7
1999	2641	15,3	13,0	18,1	28,5	36,9	55	59	29	33	1,7	1,1	,
2000	2760	16,0	14,2	18,1	32,1	36,4	59	68	36	46	1,7	0,9	0,6
2001	3186	18,5	17,3	20,0	40,0	41,8	64	69	43	48	2,1	0,4	1,5

(A) Years; (B) Unemployed people (thous.); (C) Total unemployment rate (%); (D) Unemployment rate by gender (%) - Male; (E) Unemployment rate by gender (%) - Female; (F) Youth unemployment rate (at age 15-24) (%) - Male; (G) Youth unemployment rate (at age 15-24) (%) - Female; (H) Incidence of long-term unemployment more than 6 months (%) - Male; (I) Incidence of long-term unemployment more than 6 months (%) - Female; (J) Incidence of long-term unemployment more than 12 months (%) - Male; (K) Incidence of long-term unemployment more than 12 months (%) - Female; (L) Discouraged workers (as % of total labour force); (M) Involuntary part-time workers (as % of total labour force); (N) Unemployment benefits expenditures (as % of total government expend.).

Note: a) according to the ILO definition of unemployment.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Labour Statistical Yearbook 2001, GUS, Warsaw 2001; Labour Force Survey in Poland IV q. 2001, GUS.

**Table 14. Women and capabilities**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1992	96,8	97,4	80,1	73,3	17	17	75,7	100	1,93	95	10
1993	96,9	97,5	81,6	74,2	20	19	76,0	101	1,85	91	12
1994	96,9	97,3	82,6	75,8	24	21	76,1	101	1,80	88	11
1995	97,0	97,3	84,2	76,2	28	24	76,4	101	1,61	79	6,0
1996	97,3	97,5	84,7	76,8	33	27	76,6	101	1,58	77	3,7
1997	97,9	98,1	83,3	79,9	39	32	77,0	102	1,51	74	5,8
1998	98,0	98,1	84,1	80,6	45	37	77,3	102	1,43	70	6,1
1999	98,2	98,3	85,5	81,2	50	41	77,5	103	1,37	67	5,5
2000	98,6	98,6	87,3	82,3	55	45	78,0	103	1,34	66	7,9
2001	99,0	98,8	89,7	84,8	60	50	78,4	104	1,29	63	4,0

(A) Years; (B) Net enrolment ratio on level of education (%) primary<sup>a</sup>) - Female; (C) Net enrolment ratio on level of education (%) primary<sup>a</sup>) - Male; (D) Net enrolment ratio on level of education (%) secondary<sup>a</sup>) - Female; (E) Net enrolment ratio on level of education (%) secondary<sup>a</sup>) - Male; (F) Tertiary students<sup>b</sup>) per 1000 people at age 15+ - Female; (G) Tertiary students<sup>b</sup>) per 1000 people at age 15+ - Male; (H) Female life expectancy at birth (years); (I) Female life expectancy at birth (1990=100); (J) Total fertility rate (value); (K) Total fertility rate (1990=100); (L) Maternal mortality<sup>c</sup>) (per 100000 of live Births).

Notes: a) without schools for adults; b) high school students of tertiary education level only (included university and non-university); c) caused by pregnancy, childbirth and the puerperium diseases.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Demographic Yearbook of Poland 2002, GUS, Warsaw 2002; Author's calculation on the basis of the Polish data.

**Table 15. Women and political and economic participation**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1992	38	62	65	183	82	446	71	242	-	-	-
1993	38	62	64	178	81	411	71	240	-	-	-
1994	34	52	62	176	76	317	66	198	-	-	-
1995	35	53	63	187	75	301	67	199	8,0	6,0	9,0
1996	35	55	61	170	75	300	68	207	8,0	6,0	9,0
1997	34	51	61	154	76	318	66	198	19,0	13,0	20,7
1998	33	50	60	150	77	329	67	203	19,0	13,0	20,7
1999	35	53	61	156	72	246	64	180	-	-	-
2000	32	47	61	155	72	252	65	183	-	-	-
2001	33	49	60	151	72	256	65	183	14,3	-	-

(A) Years; (B) Deputies, senators administrators and managers - Female (%); (C) Deputies, senators, administrators and managers - Female as % of male; (D) Professional and technical workers - Female (%); (E) Professional and technical workers - Female as % of male; (F) Clerical workers - Female (%); (G) Clerical workers - Female as % of male; (H) Service workers (including sales workers) - Female (%); (I) Service workers (including sales workers) - Female as % of male; (J) Women in Government - total (%); (K) Women in Government - at ministerial level (%); (L) Women in Government - at subministerial level (%).

Note: Data on occupation comes from the Polish LFS.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Labour Force Survey in Poland IV q. 2001, GUS; Labour Statistical Yearbook 2001, GUS, Warsaw 2001; Economic Activity of Population in Poland in 1992-2001, Warsaw 2002.

**Table 16. Wealth, poverty and social investment**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1992	4697	-	34	-	-	17,0	5,4	5,1
1993	5114	-	33	-	4,0	16,9	5,4	4,7
1994	5459	-	28	-	-	17,5	5,3	4,7
1995	6350	3221	28	-	-	15,6	5,2	4,6
1996	6663	3457	27	-	-	15,4	5,5	4,9
1997	7320	3672	26	-	5,1	15,7	5,7	4,5
1998	8167	4037	24	-	4,6	15,3	5,6	4,3
1999	8763	3988	24	21,1	4,6	13,1	5,7	4,3
2000	9685	4200	23	20,0	5,4	12,6	5,7	4,1
2001	-	4754	21	21,3	4,7	13,2	6,0	4,2

(A) Years; (B) Real GDP per capita (PPP\$); (C) GNP per capita (US\$); (D) Share of total industry (as % of GDP); (E) Income share<sup>b)</sup> - lowest 40% of households (%); (F) Income share<sup>b)</sup> - ratio of highest 20% of household to lowest 20%; (G) Social security benefits expenditures<sup>a)</sup> (as % of GDP); (H) Public expenditures on education<sup>a)</sup> (as % of GDP); (I) Public expenditures on health<sup>a)</sup> (as % of GDP)

Note: a) for years 1992-1994 estimates on the basis of the Polish data; for other years consolidated expenditures calculated by GUS on the basis of data of the Finance Ministry; b) concerns of employees' households.

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw; Living Conditions of Population in: 1996-2002, GUS, Warsaw.

**Table 17. Military expenditures and resources use imbalances**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1992	1861	2,2	49	21,0	-	-	-	225	86,2
1993	1824	2,1	47	21,0	-	-	-	227	87,0
1994	1817	2,0	47	20,0	-	-	-	230	88,2
1995	2166	1,8	56	18,2	-	-	-	224	85,7
1996	2226	1,6	58	15,0	-	-	-	207	79,5
1997	2242	1,6	58	15,4	-	-	-	206	78,8
1998	2377	1,5	61	15,2	-	-	-	201	76,9
1999	2381	1,5	62	14,7	-	-	-	188	72,1
2000	2194	1,3	57	13,7	-	-	-	178	68,1
2001	2220	1,2	58	11,9	-	-	-	165	63,2

(A) Years; (B) Defence expenditures (current prices) - US\$ millions; (C) Defence expenditures (current prices) as % of GDP; (D) Defence expenditures (current prices) per capita (US\$); (E) Military expenditures (as % of combined education and health expenditures); (F) ODA disbursed (as % of defence expenditures); (G) Exports of conventional weapons to developing countries (current prices) US\$; (H) Exports of conventional weapons to developing countries (current prices) - (% of exports); (I) Total armed forces (thous. of persons); (J) Total armed forces - Index 1990=100.

Note: a) without civil workers.

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw; Author's calculation on the basis of the Polish data.

**Table 18. Resources flow imbalances**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1992	82	85,5	35	109,5	-	3,2	856
1993	76	83,5	38	107,8	-	2,7	-1924
1994	82	104,3	42	101,3	-	3,4	-779
1995	79	96,8	41	101,7	-	6,5	-1677
1996	66	85,7	43	97,3	-	6,5	-8363
1997	61	93,2	48	99,4	-	5,9	-10323
1998	61	95,5	48	104,3	-	6,8	-14228
1999	60	97,7	47	100,8	-	7,2	-16004
2000	65	113,1	49	96,0	922	7,1	-14854
2001	72	108,3	47	102,3	1090	6,8	-12651

(A) Years; (B) Export-import ratio (exports as % of imports); (C) Export growth rate (as % of import growth rate); (D) Trade dependency (exports plus imports as % of GDP); (E) Terms of trade (previous year=100); (F) Net workers' remittances from abroad (US\$ millions); (G) Gross national reserves (months of import coverage); (H) Current account balance before official transfers (US\$ millions).

Source: Statistical Yearbooks of Poland: 1996-2000, GUS, Warsaw.



**Table 19. National income accounts**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(Ł)
1992	84,3	6,7	34,0	55,2	61,7	21,6	16,8	20,1	21,4	33,2	23,7	22,2
1993	85,9	6,6	32,9	52,7	63,0	20,5	15,9	19,2	23,7	32,3	22,9	22,0
1994	92,6	6,3	28,3	54,2	64,3	18,8	16,2	20,4	24,5	32,7	24,0	23,0
1995	126,3	5,6	27,6	47,6	61,2	16,6	18,7	21,5	22,5	29,8	25,6	23,2
1996	134,6	6,0	27,1	46,5	63,1	16,5	20,8	22,8	21,8	28,2	24,5	26,0
1997	143,1	4,8	25,8	49,0	63,5	16,1	23,6	22,2	21,0	26,8	25,7	30,0
1998	157,3	4,1	24,2	51,6	63,3	15,6	25,3	22,1	20,7	25,4	17,8	29,4
1999	155,2	3,4	23,6	52,4	64,4	15,6	25,5	21,9	18,3	22,5	17,7	29,6
2000	163,8	3,3	23,4	53,8	63,8	17,8	23,9	20,4	16,8	21,2	19,4	29,9
2001	183,2	3,3	21,1	56,7	64,9	17,8	20,9	24,5	15,9	23,1	19,8	27,5

(A) Years; (B) GDP (US\$ billions); (C) Agriculture (as % of GDP); (D) Industry (as % of GDP); (E) Services (as % of GDP); (F) Consumption - private (as % of GDP); (G) Consumption - public (as % of GDP); (H) Gross domestic investment (as % of GDP); (I) Gross domestic savings (as % of GDP); (J) Tax revenue (as % of GDP); (K) Central government expenditures as % of GDP; (L) Exports (as % of GDP); (M) Imports (as % of GDP).

Note: a) gross fixed capital formation.

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw; Poland Quarterly Statistics 2000, CSO, Warsaw 2000.

**Table 20. Natural resources balance sheet**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1992	31269	28,5	45,9	0,44	1,0	32,8	328
1993	31269	28,5	45,7	0,44	1,1	29,0	319
1994	31269	28,6	45,7	0,43	1,5	20,7	311
1995	31269	28,6	45,7	0,42	1,6	19,6	313
1996	31269	28,8	45,1	0,42	1,4	22,2	311
1997	31269	28,9	45,0	0,41	1,7	17,9	305
1998	31269	29,0	45,1	0,40	1,9	15,4	293
1999	31269	29,1	45,2	0,40	2,1	14,0	292
2000	31269	29,2	45,0	0,38	1,6	12,7	286
2001	31269	29,3	44,9	0,38	1,6	12,4	276

(A) Years; (B) Land area (in 1000 ha); (C) Forest and woodland (as % of land area); (D) Arable land (as % of land area); (E) Irrigated land (as % of arable land area); (F) Internal renewable water resources per capita (in 1000 m<sup>3</sup> per year); (G) Annual fresh water withdrawals as % of water resources; (H) Annual fresh water withdrawals per capita (m<sup>3</sup>)

Source: Statistical Yearbooks of Poland: 1996-2002, GUS, Warsaw.

**Table 21. Energy consumption**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1992	0,6	3,6	1,9	- 1,4	0,2	2432	0,9	20,6
1993	0,6	4,2	2,1	3,4	7,9	2512	0,9	16,6
1994	0,6	3,8	2,4	0,0	- 0,6	2382	1,0	13,1
1995	0,6	3,8	2,2	1,8	2,2	2456	1,3	11,6
1996	0,6	4,0	2,4	2,6	3,3	2674	1,4	13,9
1997	0,6	4,0	2,1	- 6,7	- 3,7	2553	1,5	14,6
1998	0,6	4,0	2,6	- 7,9	- 6,1	2396	1,7	10,5
1999	0,6	1,7	3,1	- 0,5	- 1,1	2222	1,8	12,0
2000	0,4	1,5	5,4	-5,3	- 4,0	2207	1,9	16,7
2001	0,4	1,5	6,4	0,8	0,2	2212	2,1	14,1

(A) Years; (B) Production of energy as % of national energy reserves)) - coal; (C) Production of energy as % of national energy reserves)) - natural gas; (D) Production of energy as % of national energy reserves)) - crude oil; (E) Commercial energy production - average annual growth rate (%); (F) Commercial energy consumption - average annual growth rate (%); (G) Commercial energy use (in oil equivalent)b - kilograms per capita; (H) Commercial energy use (in oil equivalent)b - GDP output (US\$) per kilogram; (I) Commercial energy imports (as % of merchandise exports)

Note: a) geological documented and used; b) fuel value 44 MJ/kg.

Source: Statistical Yearbooks of Poland: 1997-2002, GUS, Warsaw; Author`s calculation on the basis of the Polish data.

**Table 22. Environment and pollution**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1992	363000	-	-	-	3444	-	-	-	-
1993	372000	1,7	9,8	-	-	-	37,3 <sup>a)</sup>	-	-
1994	348000	-	-	-	3188	-	38,5 <sup>a)</sup>	-	-
1995	330000	-	-	-	3866	1,1	41,5	-	-
1996	373200	-	9,3	-	5164	1,2	42,7	-	-
1997	362300	-	9,4	-	-	1,2	46,6	-	-
1998	338095	-	9,4	-	-	1,2	49,2	-	-
1999	329739	-	9,4	-	-	1,3	51,5	-	-
2000	314812	-	9,4	-	-	1,3	53,1	-	-
2001	-	-	9,4	-	-	287	54,7	-	-

(A) Years; (B) Greenhouse gas emissions (CO<sup>2</sup>) - thous. of tons; (C) Greenhouse gas emissions (CO<sup>2</sup>) - share in world total; (D) Major protected areas (as % of national territory); (E) Spent fuel produced (metric tons of Heavy metal); (F) Hazardous waste production (in thous. tons); (G) Municipal waste generated (in m<sup>3</sup> per person a) b); (H) Population served by municipal waste services (%); (I) Waste recycling (as% apparent consumption); (J) Waste recycling (as% apparent consumption) - Glass.

Note: a) urban population, b) since 2001 in kg per capita,

Source: Statistical Yearbooks of Poland: 1993-2002, GUS, Warsaw.

**Table 23. Rank of countries by a value of Human Development Index (HDI) in 2002**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	Norwegia	78,9	99,0	98	36 600	0,956	1
2	Szwecja	80	99,0	114	26 050	0,946	19
3	Australia	79,1	99,0	113	28 260	0,946	9
4	Kanada	79,3	99,0	95	29 480	0,943	5
5	Holandia	78,3	99,0	99	29 100	0,942	6
6	Belgia	78,7	99,0	111	27 570	0,942	7
7	Islandia	79,7	99,0	90	29 750	0,941	1
8	USA	77	99,0	92	35 750	0,939	-4
9	Japonia	81,5	99,0	84	26 940	0,938	6
10	Irlandia	76,9	99,0	90	36 360	0,936	-7
11	Szwajcaria	79,1	99,0	88	30 010	0,936	-4
12	Wielka Brytania	78,1	99,0	113	26 150	0,936	8
13	Finlandia	77,9	99,0	106	26 190	0,935	6
14	Austria	78,5	99,0	91	29 220	0,934	-4
15	Luksemburg	78,3	99,0	75	61 190	0,933	-14
16	Francja	78,9	99,0	91	26 920	0,932	0
17	Dania	76,6	99,0	96	30 940	0,932	-12
18	Nowa Zelandia	78,2	99,0	101	21 740	0,926	6
19	Niemcy	78,2	99,0	88	27 100	0,925	-5
20	Hiszpania	79,2	97,7	92	21 460	0,922	5
21	Włochy	78,7	98,5	82	26 430	0,92	-3
22	Izrael	79,1	95,3	92	19 530	0,908	5
23	Hong Kong	79,9	93,5	72	26 910	0,903	-6
24	Grecja	78,2	97,3	86	18 720	0,902	5
25	Singapur	78	92,5	87	24 040	0,902	-3
26	Portugalia	76,1	92,5	93	18 280	0,897	6
27	Słowenia	76,2	99,7	90	18 540	0,895	3
28	Korea	75,4	97,9	92	16 950	0,888	9
29	Barbados	77,1	99,7	88	15 290	0,888	11
30	Cypr	78,2	96,8	74	18 360	0,883	1
31	Malta	78,3	92,6	77	17 640	0,875	3
32	Czechy	75,3	99	78	15 780	0,868	7
33	Brunei	76,2	93,9	73	19 210	0,867	-5
34	Argentyna	74,1	97	94	10 880	0,853	14
35	Seszele	72,7	91,9	85	18 232	0,853	-2
36	Estonia	71,6	99,8	96	12 260	0,853	10
<b>37</b>	<b>Polska</b>	<b>73,8</b>	<b>99,7</b>	<b>90</b>	<b>10 560</b>	<b>0,85</b>	<b>13</b>
38	Węgry	71,7	99,3	86	13 400	0,848	3
39	Saint Kitts and Nevis	70	97,8	97	12 420	0,844	6
40	Bahrajn	73,9	88,5	79	17 170	0,843	-4
41	Litwa	72,5	99,6	90	10 320	0,842	10
42	Słowacja	73,6	99,7	74	12 840	0,842	1
43	Chile	76	95,7	79	9 820	0,839	11
44	Kuwejt	76,5	82,9	76	16 240	0,838	-6
45	Kostaryka	78	95,8	69	8 840	0,834	14
46	Urugwaj	75,2	97,7	85	7 830	0,833	16
47	Katar	72	84,2	82	19 844	0,833	-21
48	Chorwacja	74,1	98,1	73	10 240	0,83	4
49	Zjednoczone Emiraty Arabskie	74,6	77,3	68	22 420	0,824	-26
50	Łotwa	70,9	99,7	87	9 210	0,823	6

(A) HDI rank; (B) Country name; (C) Life expectancy at birth (in years); (D) Adult literacy ratio -persons aged 15 and more (in %); (E) Combined first-, second- and third- level gross enrolment rate (in %); (F) Real GDP per capita (PPP\$ US); (G) Human Development Index (HDI) value; (H) GDP per capita (PPP US \$) rank minus HDI rank.

Note: a) Data for Poland according to the global report HDR 2003.

Source: Human Development Report 2003 (UNDP), Oxford University Press, New York 2003.

