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## **The phenomenon of unemployment in Poland among people with a specific situation on the labour market**

**Summary:** The paper deals with changes in the unemployment rate in Poland. The analysis of unemployment, covering the period of 2008 to 2016, is based on the statistical data, including registered unemployment, the unemployed with a specific situation on the labour market, the duration of being unemployed, age groups, levels of educational attainment, as well as the length of service.

**Keywords:** unemployment, labour market, unemployed person.

### **Introduction**

It may be noted that the problem of unemployment has existed in market economy for years, which results from its crucial economic, social and political role. Unemployment appears to lead to the loss of a steady income, significantly affecting and bringing lower living standards [4].

Long-term unemployment constitutes a considerable portion of unemployment in Poland and has an adverse impact on the country economy. Consequently, social pathology emerges as another threat. This situation arises from the fact that the long-term unemployed tend to get services provided by Social Welfare Centres. Furthermore, individuals officially classified as the long-term unemployed have difficulty in finding their way back on the labour market, subsequently they feel discouraged and fall into inactivity.

Unfortunately, the gradual increase in unemployment mainly concerns young people, particularly recent graduates. After successful completion of education, they tend to register as unemployed in labour offices. People experience social isolation due to lack of employment which can lower their self-esteem. Unemployment occurs when there are not enough employment opportunities for all those who are willing to take up employment or there are no ways to create and increase more employment opportunities due to lack of profits. The paper

presents the analysis of unemployment in Poland among the unemployed with a specific situation on the labour market.

## 1. Types of unemployment from an economic perspective

There are various categories of unemployment that are typically discussed in economic literature, e.g.,

- frictional unemployment is a temporary phenomenon and occurs when workers are in the process of transition from one job to another as a result of changing their place of residence, returning to work after childbirth and years of childrearing or their inability to find jobs after completing school [5],
- structural unemployment is defined as a long-term form of unemployment caused by a serious mismatch between supply and demand observed in the labour market or some persistent labour market imbalances, taking into account specific qualifications in certain regions of the country [2],
- cyclical unemployment is associated with an insufficient level of demand as a result of an economic downturn affecting the goods and services market [2],
- voluntary unemployment is considered, according to the neoclassical theory, to be consistent with unemployment that comprises full employment and it is defined as the difference between the potential for capability to work and individuals who are already employed. Voluntary unemployment refers to existing and unused capabilities for work. Some people choose to be unemployed voluntarily [2].

Besides the definitions mentioned above, there is still a wide of various types of unemployment closely related to its duration, for example:

- short-term unemployment lasts no longer than three months,
- medium-term unemployment is defined as out of work from three to twelve months,
- long-term unemployment refers to those who have been unemployed for twelve months or more [3].

## 2. The legal concept of unemployment

The definition of the term “the unemployed” in Poland has been evolving since 1990.

According to the Act of 16 October 1991 on employment and unemployment, an unemployed person is somebody who is ready and able to undertake full-time employment; somebody who is not performing any form of paid work; somebody who has finished their education, except for evening and extramural courses if the unemployed took education during their employment; somebody

who is registered in the district labour office having jurisdiction over their place of residence. In subsequent years, various modifications of definitions of the term “an unemployed person” were made in the act on employment and counter-acting unemployment [1].

Nevertheless, the profound changes seem to have been introduced in the act of 20 April 2004 on the promotion of employment and labour market institutions. According to this act, a person is classified as unemployed if she/he is seeking employment or other gainful work or, more precisely,

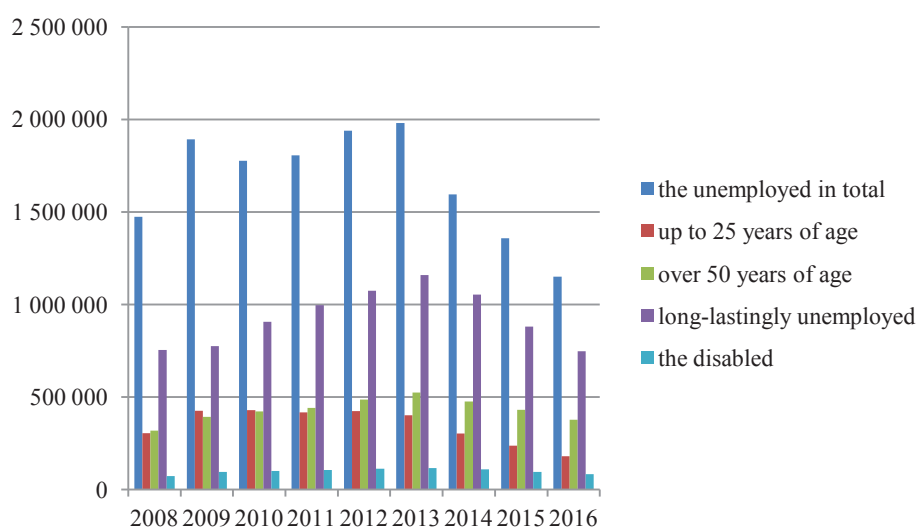
- “the person is over 18, but under the age of 60 – women or 65 – men,
- the person is not engaged in non-agricultural activities or is not subject to social insurance, except for farmers’ social insurance,
- the person is not eligible for a pension in virtue of incapacity for work and does not receive a sickness, pre-retirement, maternity and rehabilitation benefit,
- the person is not temporarily arrested, neither does the person serve a sentence of imprisonment,
- the person does not own nor is in possession of an agricultural real estate with the arable land area exceeding 2 hectares,
- the person does not earn monthly income that exceeds a half of the minimum remuneration for work,
- the person does not receive a training allowance,
- the person does not receive a nursing benefit or family allowance supplement,
- the person does not receive a permanent benefit” [7].

The main changes made in the above-mentioned act on the definition of an unemployed person have identified a number of various categories of people who are particularly exposed to the risk of unemployment due to their selected characteristics and situation. The unemployed belonging to the groups mentioned in the act have been defined as unemployed persons with a specific situation on the labour market.

- the unemployed under 25 are unemployed persons who were under 25 at the time when the labour market services or instruments were applied to them,
- the unemployed over 50 are unemployed persons who were over 50 years old at the time when the labour market services or instruments were applied to them,
- a long-term unemployed persons are the unemployed who have been registered in the district labour offices for a total of more than 12 months in the past 2 years,
- the unemployed who singly-handedly raise at least one child under the age of 7,
- the unemployed with no occupational qualifications,
- the unemployed with disabilities [7].

The definitions of the term “the unemployed” from an economic perspective differ widely from the legal concept of “the unemployed”, however, it is seen that they have one thing in common obtaining and maintaining unemployment.

The following chart shows the data on unemployed individuals being in a specific situation on the labour market in Poland from 2008 to 2016.



**Chart 1.** The unemployed with a specific situation on the labour market in the years of 2008–2016

Source: own materials, <http://psz.praca.gov.pl/rynek-pracy/statystyki-i-analzy/bezrobocie-rejestrowane>.

As it results from the data presented in the chart, the year 2013 witnessed the biggest number of registered unemployed being in a difficult situation on the labour market in Poland. There has been observed an evident decrease of the said unemployed since that year. Despite some fluctuations, a group of those long-lastingly unemployed being a bigger half of the whole group of the increased risk, is on the highest level.

The unemployment of people up to 25 years of age is in decline and it has been evidently decreasing since 2012. The unemployment in this group is of frictional nature and appears in relation to the young entering the labour market when one's education process has been completed or when somebody has moved to a new city [2]. Despite a high unemployment rate, there has been observed a little decline of unemployment in the group of the unemployed over 50 years of age. In comparison with the said groups of the unemployed, the disabled have been classified on the lowest level, but it does not mean that the problem of unemployment does not pertain to this group.

**Table 1.** The unemployed with a specific situation on the labour market according to the period of unemployment in the years of 2008–2016

For the period of		2008	2009	2010	2011	2012	2013	2014	2015	2016
The time of being unemployed counted in months	up to 1	183 866	197 347	191 950	160 528	174 893	162 933	132 492	120 835	98 667
	1–3	344 777	452 396	394 602	335 998	361 533	323 756	262 569	235 025	192 797
	3–6	233 784	373 881	311 667	300 250	314 341	316 112	213 728	186 058	150 064
	6–12	209 986	380 158	311 457	325 396	332 038	350 965	227 975	196 891	167 145
	12–24	180 656	243 246	334 712	381 595	376 225	397 461	327 090	241 275	215 653
	over 24	320 683	245 652	232 522	302 522	379 780	428 372	430 493	378 348	326 135

Source: own materials, <http://psz.praca.gov.pl/rynek-pracy/statystyki-i-analizy/bezrobocie-rejestrowane>.

Analysing the data in the chart presenting the unemployed with a specific situation on the labour market according to the period of unemployment in the successive years, we can observe the following facts:

- in the years of 2008–2010 the biggest number of unemployed were those being unemployed in the time scale of 1–3 months,
- in the year 2013 the biggest number of unemployed were those being unemployed in the time scale of 12–24 months,
- in the years of 2012–2016 the biggest number of unemployed were those being unemployed in the time scale of over 24 months.

It can be observed that the biggest number of unemployed people with a specific situation on the labour market according to the period of unemployment was the time scale of 1–3 months in 2009. The extent of long-term unemployment is decreasing and growing up according to the situation on the labour market. We can see, however, that in case of long-term unemployment there is the highest level of unemployment rather than its decrease.

Even if it falls one year, as it happened in 2010, it is still on a high level.

**Table 2.** The unemployed with a specific situation on the labour market according to their age in the years of 2008–2016

For the period of		2008	2009	2010	2011	2012	2013	2014	2015	2016
Age	18–24	304 553	425 869	428 296	416 077	424 227	401 037	301 952	236 837	179 203
	25–34	418 740	547 837	452 413	465 576	499 601	504 141	442 088	369 745	315 925
	35–44	273 866	345 393	316 447	328 693	364 920	382 479	266 602	230 247	201 881
	45–54	347 923	404 377	380 190	369 948	383 398	387 037	291 627	245 694	202 320
	55–59	109 065	141 448	162 611	179 498	207 169	231 861	208 284	185 599	157 411
	60–64 years	19 605	27 756	36 953	46 497	59 495	73 044	83 794	90 310	93 721

Source: <http://psz.praca.gov.pl/rynek-pracy/statystyki-i-analizy/bezrobocie-rejestrowane>.

Analysing the age ranges of the unemployed with a specific situation on the labour market in the years of 2008–2016, we can observe the following facts:

- in the year 2008 the biggest group of unemployed was a group of people aged 25–34 years,
- the smaller group was a group of unemployed aged 45–54 years, and the smallest group was a group of people aged 60–64 years,
- in the year 2009 the biggest group of unemployed was a group of people aged 18–24 years,
- the smaller group was a group of unemployed aged 25–34 years, and the smallest group was a group of people aged 60–64 years,
- analogically in the years of 2010–2015 the biggest group of unemployed was a group of people aged 18–24 years, the smaller group was a group of unemployed aged 25–34 years, and the smallest group was a group of people aged 60–64 years,
- in the year 2016 the biggest group of unemployed was a group of people aged 25–34 years,
- the smaller group was a group of unemployed aged 45–54 years, and the smallest group was a group of people aged 60–64 years.

Comparing data in the above age groups in the successive years, we can observe a noticeable fall of the number of persons in the younger age groups for the benefit of a considerable increase of persons aged 60–64. The rise of unemployment in that group and the high level of unemployment in the group aged 45–54 comes from the fact that the elderly show resistance when it comes to a possible retraining or a change of the place of living in order to easily find a job.

**Table 3.** The unemployed with a specific situation on the labour market according to their education in the years of 2008–2016

For the period of		2008	2009	2010	2011	2012	2013	2014	2015	2016
Education	Higher	124 848	178 328	142 007	157 986	171 725	184 840	190 520	166 270	145 027
	post-secondary and vocational	328 485	418 381	332 598	351 146	376 042	392 630	351 066	296 481	249 184
	secondary school	150 106	203 800	195 293	195 469	203 947	207 937	173 125	146 896	123 950
	basic vocational	422 057	547 725	556 193	555 826	603 912	605 664	433 809	365 432	304 969
	gymnasium and lower	448 256	544 446	550 819	545 862	583 184	588 528	445 827	383 353	327 331

Source: own materials, <http://psz.praca.gov.pl/rynek-pracy/statystyki-i-analizy/bezrobocie-rejestrowane>.

Analysing the status of the unemployed with a specific situation according to the level of education in the successive years, we can observe the following facts:

- in the year 2008 the biggest group of the unemployed was a group of people who finished gymnasium and those with a lower level of education, the smaller group was a group of people with basic vocational education, and the smallest group consisted of the unemployed with higher education,
- in the years of 2009–2013 the biggest group of the unemployed was a group of people with basic vocational education, the smaller group was a group of people who finished gymnasium and those with a lower level of education, and the smallest group was a group of people with higher education,
- in the years 2014–2016 the biggest group of the unemployed was a group of people who finished gymnasium and those with a lower level of education, the smaller group was a group of people with basic vocational education, and the smallest group consisted of the unemployed with secondary school education.

Comparing factors under analysis in those groups in the following years, it can be noticed that the need for people with various levels of education on the labour market changes every few years. Such a situation has been influenced by Poland's joining the EU and the outflow of qualified staff to other countries. However, in comparison with the other examples in that group, there is a fall of unemployment regarding all options in the specified years.

**Table 4.** The unemployed with a specific situation on the labour market according to work experience in the years of 2008–2016

For the period of		2008	2009	2010	2011	2012	2013	2014	2015	2016
Years of work experience in total	up to 1 year	223 401	282 106	274 678	286 207	305 773	321 053	281 563	255 166	226 275
	1–5	302 377	415 506	365 680	378 748	415 535	416 946	346 856	296 827	257 943
	5–10	194 274	248 710	214 858	222 208	246 551	255 665	201 548	172 724	150 980
	10–20	229 605	284 268	257 049	260 151	279 698	289 427	216 259	185 653	160 079
	20–30	158 773	204 885	196 778	197 536	212 763	219 729	173 237	147 545	121 996
	30 years and more	36 417	58 452	62 733	67 371	82 039	84 750	71 706	61 577	49 116
	without any work experience	328 905	398 753	405 134	394 068	396 451	392 029	303 178	238 940	184 072

Source: own materials, <http://psz.praca.gov.pl/rynek-pracy/statystyki-i-analizy/bezrobocie-rejestrowane>.

On the grounds of factors' comparison concerning the years of work experience, it can be noticed that people without any work experience or with work

experience up to one year were in the most difficult situation. Employees with 30 or more years of work experience were the most wanted ones.

## Literature

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### **Zjawisko bezrobocia osób będących w szczególnej sytuacji na rynku pracy w Polsce**

**Synopsis:** Celem artykułu jest pokazanie zmian wielkości bezrobocia w Polsce. Analiza bezrobocia obejmuje lata 2008–2016. Wykorzystano dane statystyczne „Bezrobocie rejestrowanego, osób bezrobotnych będących w szczególnej sytuacji na rynku pracy, według czasu pozostawania bez pracy, grup wieku, poziomu wykształcenia oraz stażu pracy”.

**Słowa kluczowe:** bezrobocie, rynek pracy, bezrobotny.