

The situation on the labour market in Poland

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Economic situation

- 26 years after the transition
- 11 years in the EU

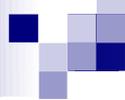
- GDP growth – 3,3%
- GDP per capita – 70% of the average for EU (2004 – some 50%)
- average salary – c.a. 910 EUR gross
- minimum wage – c.a. 450 EUR gross
- unemployment – 9,9% (September 2015 – first month of reaching less than 10% since 2008)
- youth unemployment (15-24 years old) – 22% (end of 2014)

Mayor influence on the labour market

- EU funds
- growing international trade – growing export (that became higher than import)
- inflow of foreign direct investment
- being out of the Euro zone
- emigration – more than 2 million people emigrated from Poland since 2004

Nowadays Polish labour market characteristics - positives

- It starts not to be an employer's market any more and to become an **employee market** where candidates for work have a stronger position than the employers.
- Companies start to complain about the **lack of adequate candidates** for work, mostly in western Poland. Branches where it is the most difficult to find workers are: **industrial production, logistics, IT, modern services for business.**
- There are more and more deficit professions. In the first half of 2015 the most deficit jobs were: **computer system analysts, call centre workers, nurses and some specialised technical production and construction workers.**
- Employers have also difficulties in finding workers for works like **sellers in shops, waiters for restaurants.** The solution for this problem in big cities are students, but they don't take full time jobs usually.



Nowadays Polish labour market characteristics – positives

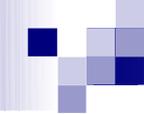
- Increased **sense of stability** and security in employment - almost 80% of workers are not afraid of losing their jobs.
- Polish employee is also optimistic about the **time of new job search**. More than half of workers are confident that they will be able to find a new job within three months.
- **Stable condition of Polish companies** - 78% of employers plan to maintain the current level of jobs or increase it, 12% of companies intend to increase the level of employment in the coming quarter and only 6% think about reducing the number of employers (June 2014).
- Improvement of the situation on the labour market makes that less people are thinking about **emigration**.

Nowadays Polish labour market characteristics - positives

- increasing employment of **workers from the East** by Polish employers. Particularly strong growth in demand for the work of foreigners in sectors such as **construction, manufacturing and transport**
 - 2014 – 60% of all foreign workers were Ukrainians
 - The **war in eastern Ukraine** influences our labour market – more workers, more students, entrepreneurs from Western Ukraine are transferring their business into Poland, support&advisory companies are being founded to help them to move their business; buying and renting flats, sending their kids to schools...

Nowadays Polish labour market characteristics - negatives

- quite high **youth unemployment** and a **mismatch between the qualifications of young graduates and needs of the labour market** – lack of practical education
- **deep disparities** of local labour markets due to the uneven economic development of Polish regions (East-West)
- **low wages** – 87% of employers intend to maintain current wage levels, and only 5% of companies think about increasing wages while 49% of employees expect to achieve an increase in the near future (June 2014). According to OECD report 2014 the level of Polish wages ranked 26 out of 32 countries studied
- **abuse of civil contracts**
- **fix-term contracts** – 27% of Poles are employed on a fix-term contract (young people – 55%)
- **stress at work** – almost half of workers claim to work under high pressure while the average for OECD countries is 36% - difficult to reach work-life balance



Job satisfaction

- The Poles are basically **glad with their jobs**, mostly the young ones (up to 34 years old).
- 9 out of 10 workers have a positive opinion on their jobs.
- Only 2 out of 100 Polish employees declare strong dissatisfaction with the work, and the total percentage of people negatively evaluating the current place of employment is less than 9%.

Job satisfaction

Reasons for positive ratings:

- good atmosphere in the team,
- work organization
- care for employees

Reasons for negative ratings:

- inability to realize their professional ambitions
- violation of labour code by the employer
- the lack of flexible working hours

Low wages are not a common reason for dissatisfaction. Only 12,5% of respondents mention low wages as an argument in a negative assessment of employment.

Unemployment characteristics

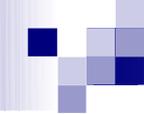
- **Seasonality.** Traditionally, increased registrations occur in the months at the year's beginning and end. That was due to the start of seasonal work in the construction and agricultural sectors and the beginning of the tourist season.
- **Differentiation between the regions** which results from both uneven socio-economic development of the regions and their geographical locations. This is illustrated by the rate of unemployment. As at the end of August 2015, **the difference in unemployment rates between the lowest and highest figures in particular regions** was almost 10% (wielkopolskie – 6,5%, warmińsko-mazurskie – 16,2%).
- Registered unemployment is **dominated by men** who constitute 50.3% of the total unemployment figure. At the end of March 2014 there were 101 men per 100 unemployed women.

Unemployment characteristics

- 17.5% of registered unemployed are people aged 18-24. **Youth unemployment** reaches 22%.
- Only 15% of unemployed have the **right for the unemployment benefit**.
- People with the **highest qualifications** are in the most favourable situation on the labour market with registered women being much better educated than men.
- **Long-term unemployment** - Unemployed people remaining out of work for more than 12 months constitute 39.8% of the total registered figure at the end of March 2014. A younger age and better education reduce the risk of remaining unemployed for more than 12 months. Also, the average duration of registered unemployment among men is shorter than the figure for women.

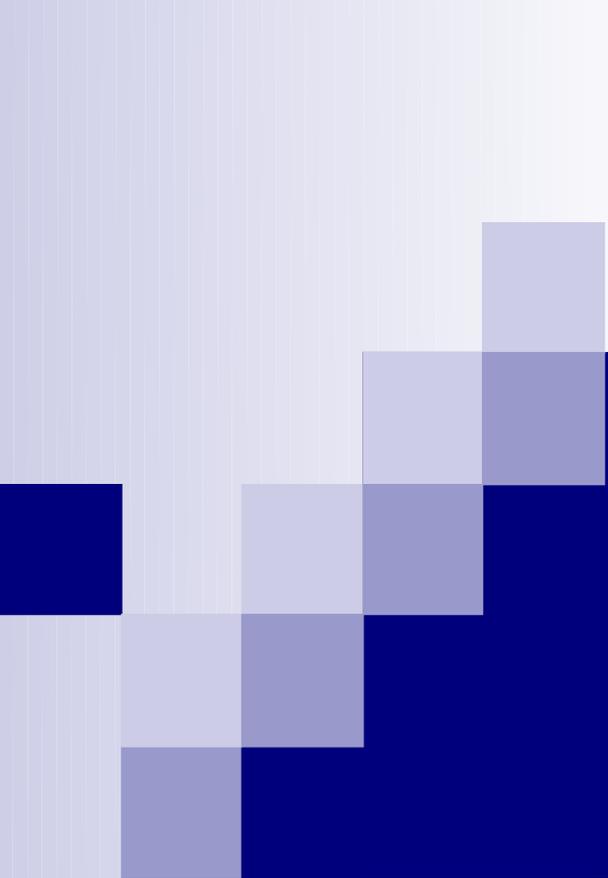
Unemployment benefit

- The unemployment benefits do not encourage to stay unemployed for a longer while – the benefit is low and given for a short period – only 6 months (in some specific cases – 12 months). It is only for the ones who have worked at least 12 months in the last 18 months.
- Only 15% of unemployed have the right for the unemployment benefit.
- Levels of benefits:
 - first 3 months – 200 EUR
 - next months – 160 EUR
- Activation subsidy – for the ones who have found a job on their own while receiving the unemployment benefit – 100 EUR



Conclusions, challenges...

- Poland will soon face a serious lack of workers
- Can become in the near future an immigration country
- A hot issue in Poland - how to encourage Polish and foreign students to stay in Poland, how to attract them to stay in Eastern Poland
- Need for: good quality working places, higher wages, making labour market more flexible, better preparation of young people for work, practical education, retraining of the unemployed



Thank you for your
attention!