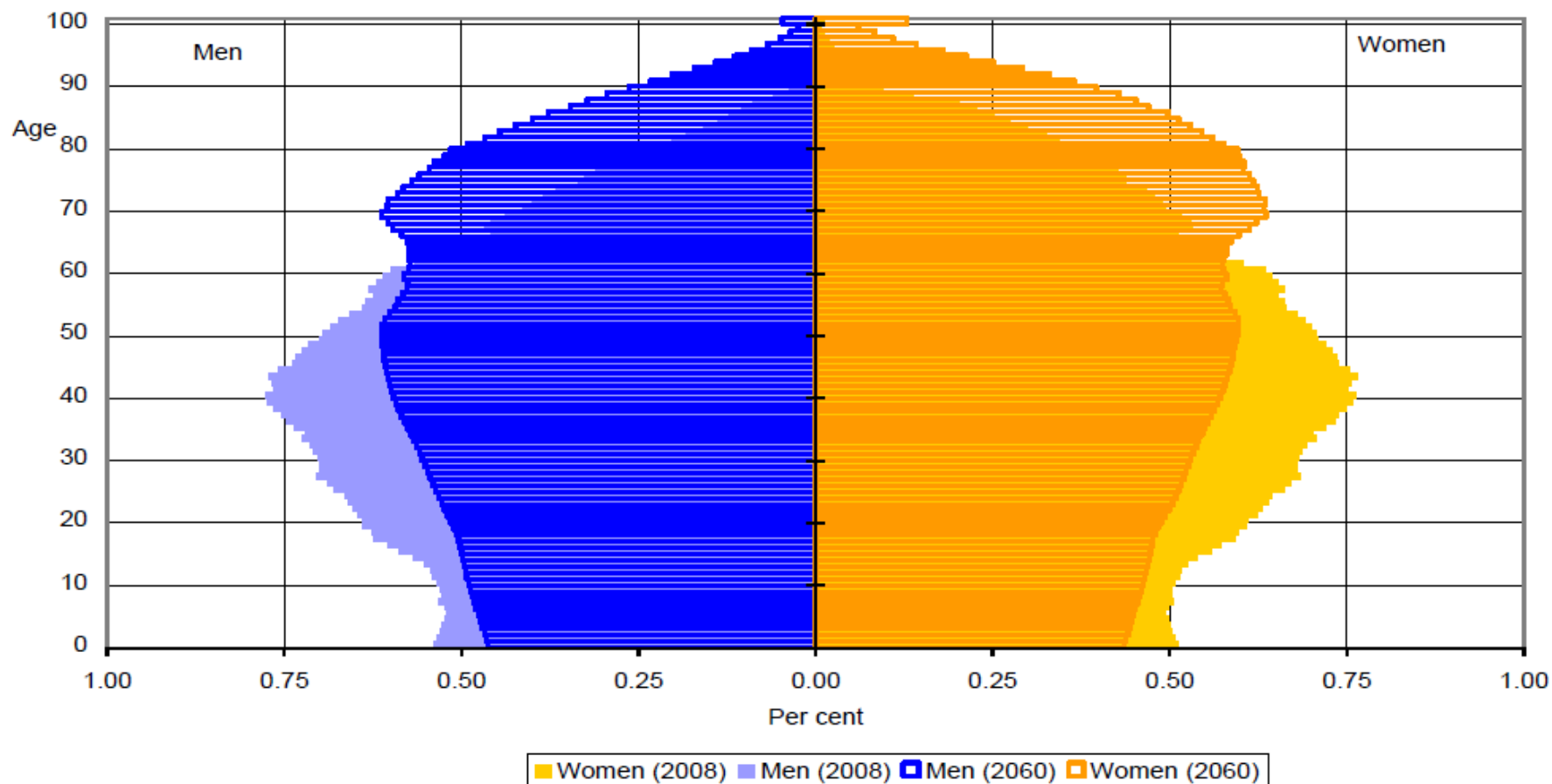


**Grzegorz Baczewski, Ministry of Labour and Social Policy**

# **Labour Market Situation and Challenges in Poland**

**IV Transnational Partner Forum  
25th of April 2012, Warszawa**

*The meeting is co-financed by the European Union under the European Social Fund*

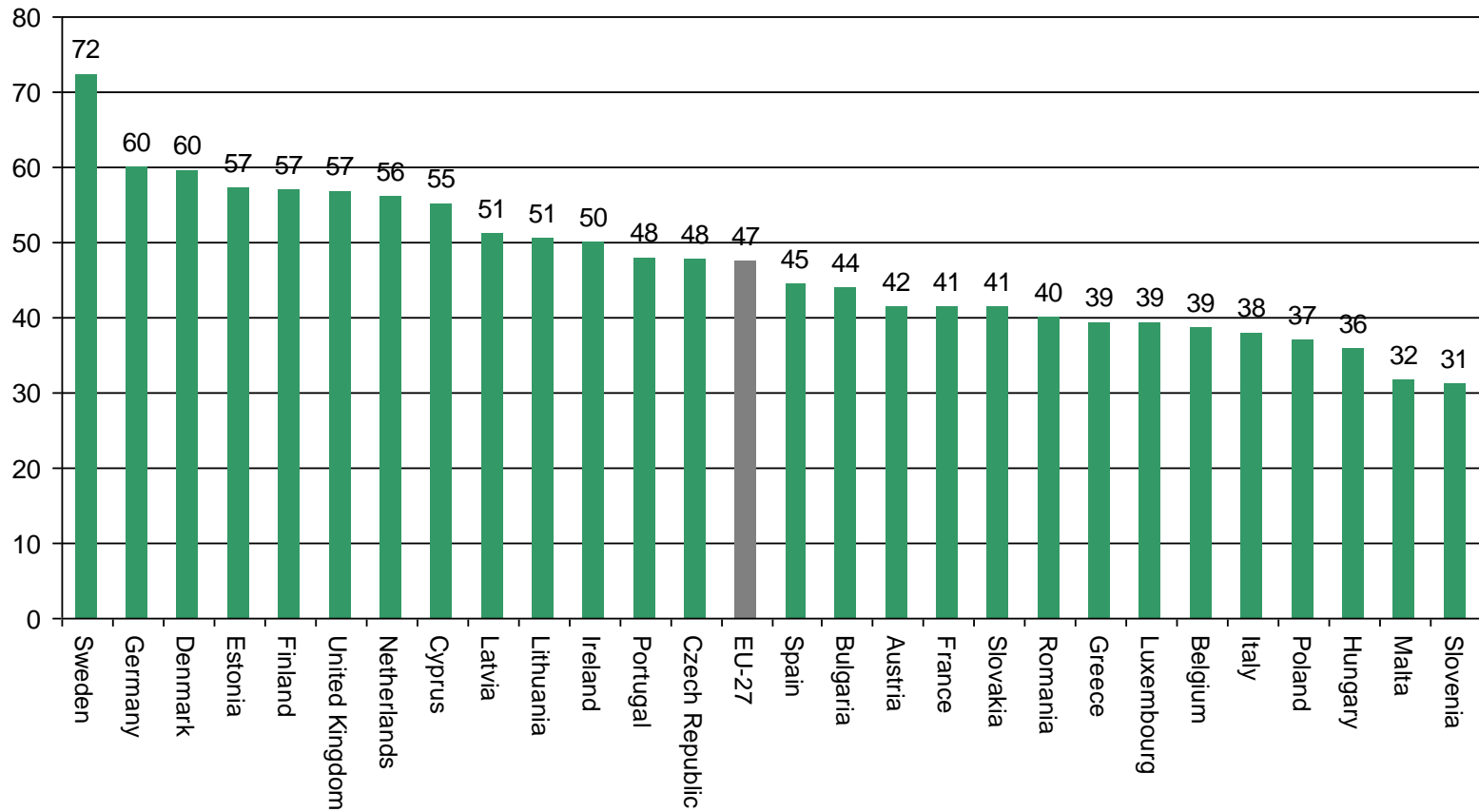


## Population pyramids, EU-27, 2008, 2060

Source: Eurostat, Europop data.

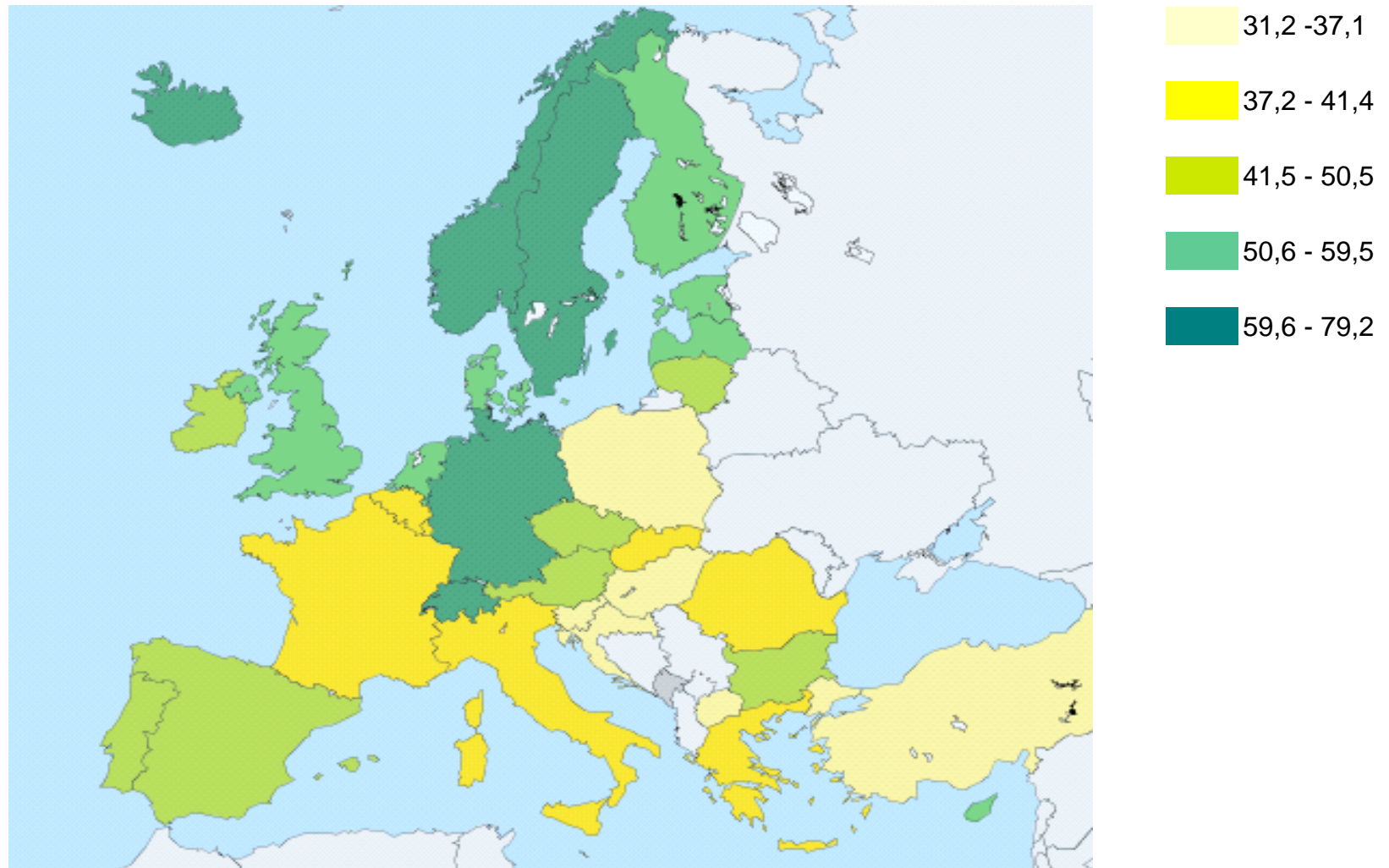
- Q1. Which EU member state has the highest employment rate in the age group 55-64?
- a. Germany
- b. Sweden
- c. Netherlands

# b. Sweden 72%



Employment rate, age group 55-64 in 2011

Source: Eurostat, LFS data.

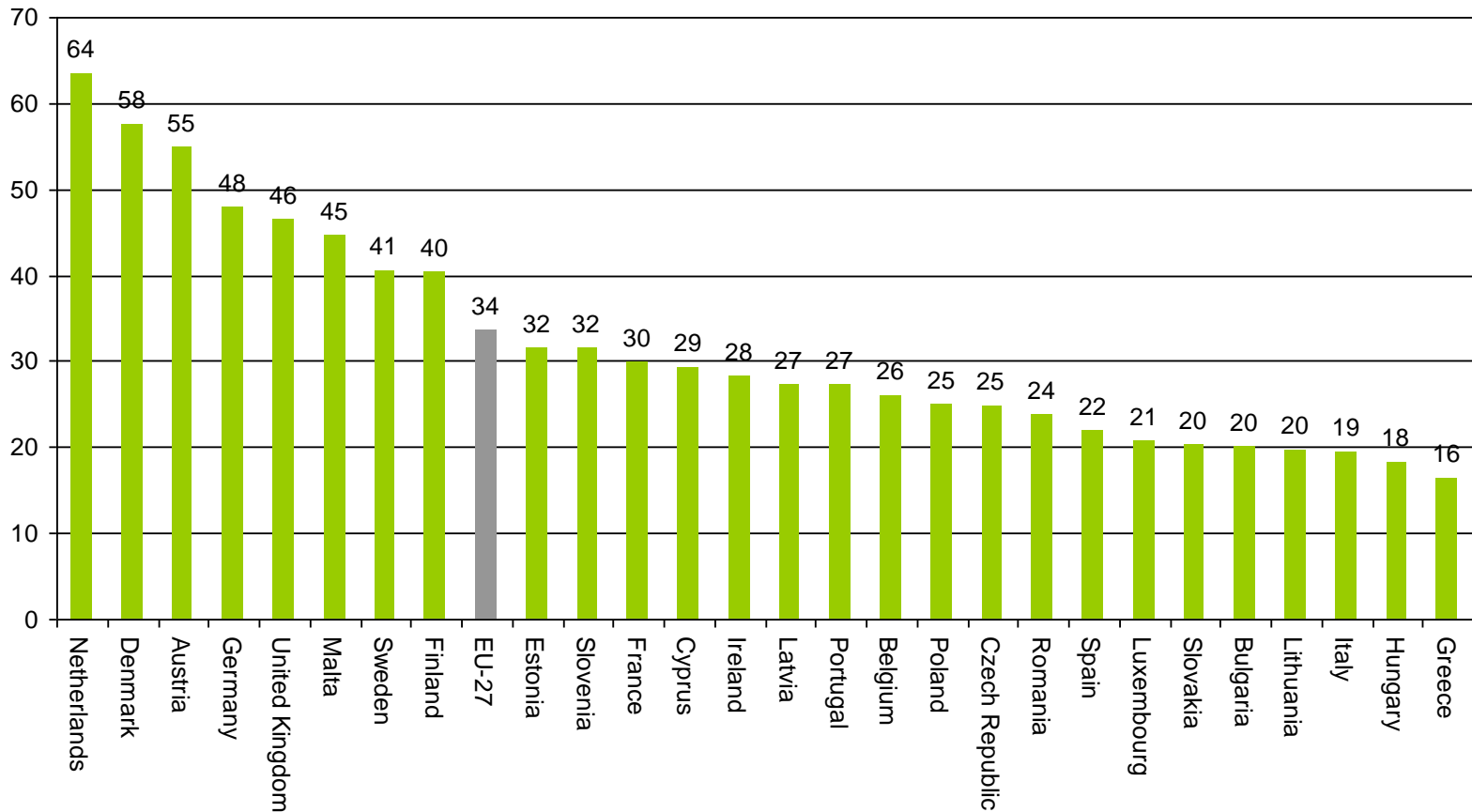


## Employment rate, age group 55-64 in 2011

Source: Eurostat, LFS data.

- Q2. Which EU member state has the highest employment rate in the age group 15-24?
- a. Germany
- b. Austria
- c. Netherlands

# c. Netherlands 64%



Employment rate, age group 55-64 in 2011

Source: Eurostat, LFS data.

Q3. Does encouraging people to work longer  
deprive youth of jobs?

- a. Yes
- b. No



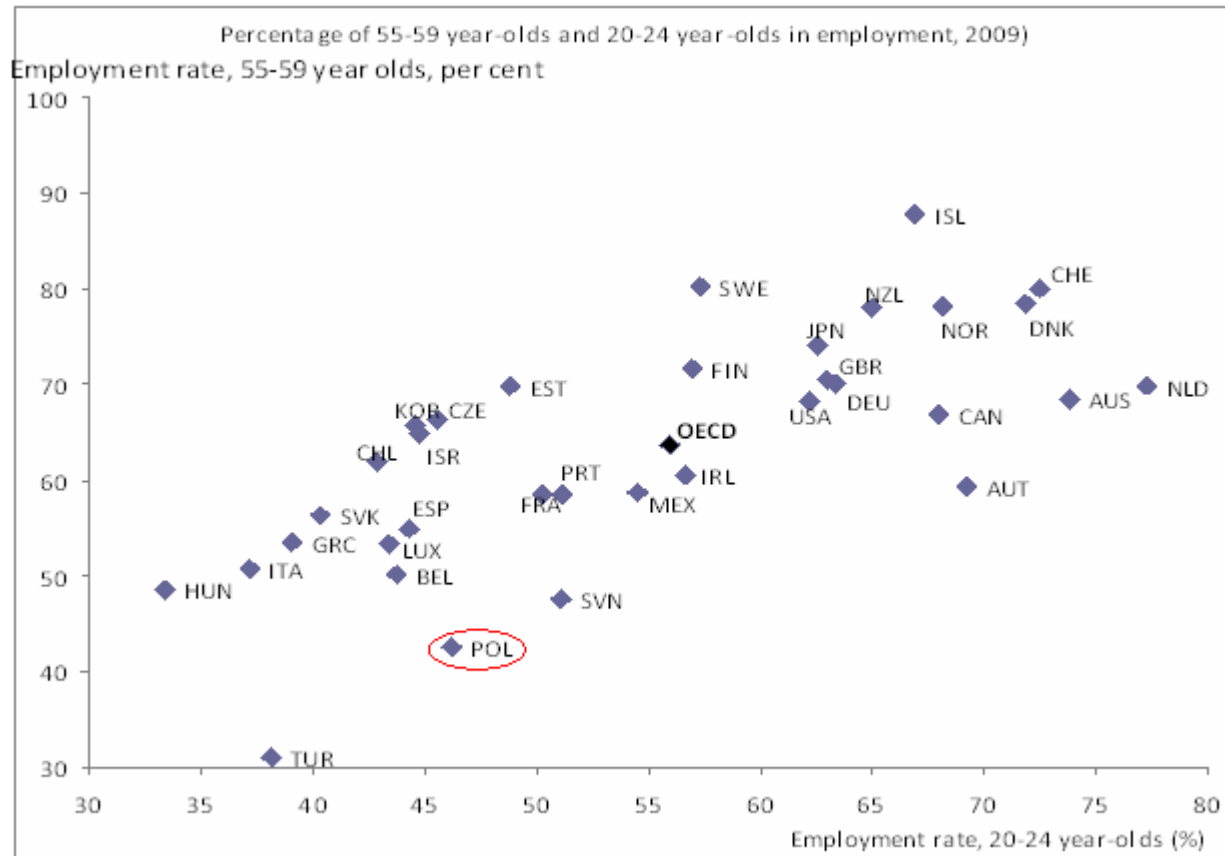
## **b. NO**

One concern often voiced in the debate about encouraging people to work longer and defer their retirement is that this will deprive youth of jobs. Economists call this the “lump-of-labour fallacy”.

The idea that public policy can re-shuffle a fixed number of jobs between workers of different ages is simply not true.

Source: OECD (2010), *Off to a good Start? Jobs for Youth*, OECD Publishing, Paris.

# Intergenerational solidarity means more work for both young and older

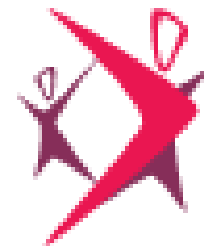


Employment rates of young and older in the OECD countries in 2009

Source: OECD.



## European Year for **Active Ageing** and **Solidarity between Generations 2012**



**Employment** – better chances for older persons in the labour market

**Participation in society** – greater recognition of what older people bring to society and creation of more supportive conditions for such activities

**Independent living** – empowering people as they grow old to stay in charge of their own lives as long as possible



# Poland:

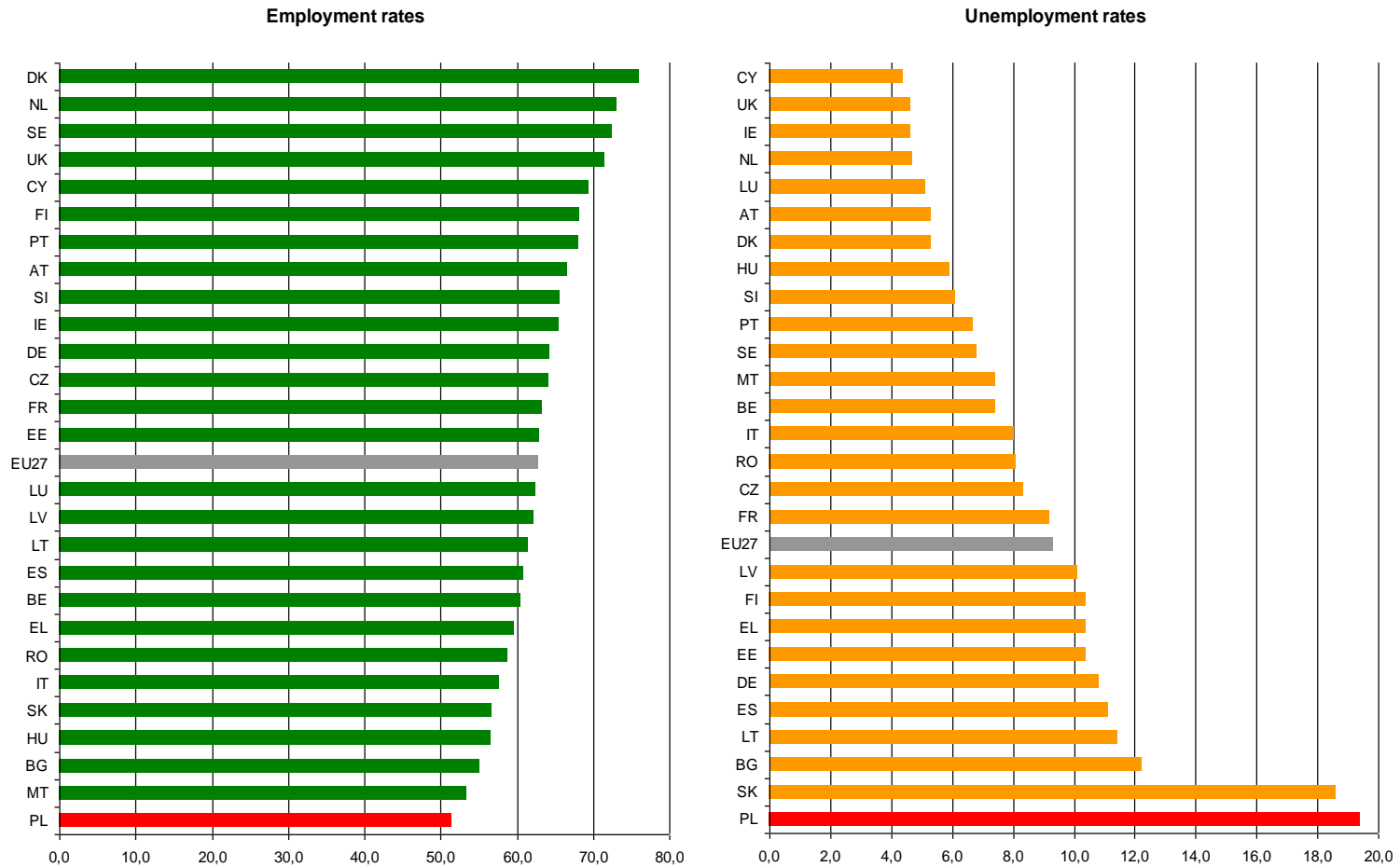
38 million inhabitants of which 11 million and 400 thousand are people under the age of 24 years

- one of the countries with the youngest demographics in the European Union
- but will soon start growing older in the highest in the UE pace
- old age dependency ratio will grow from 19% in 2010 to almost 40% in 2040 and 65% in 2060

comparing to the rise from 26% in 2010 to 52% in 2060 in EU-27



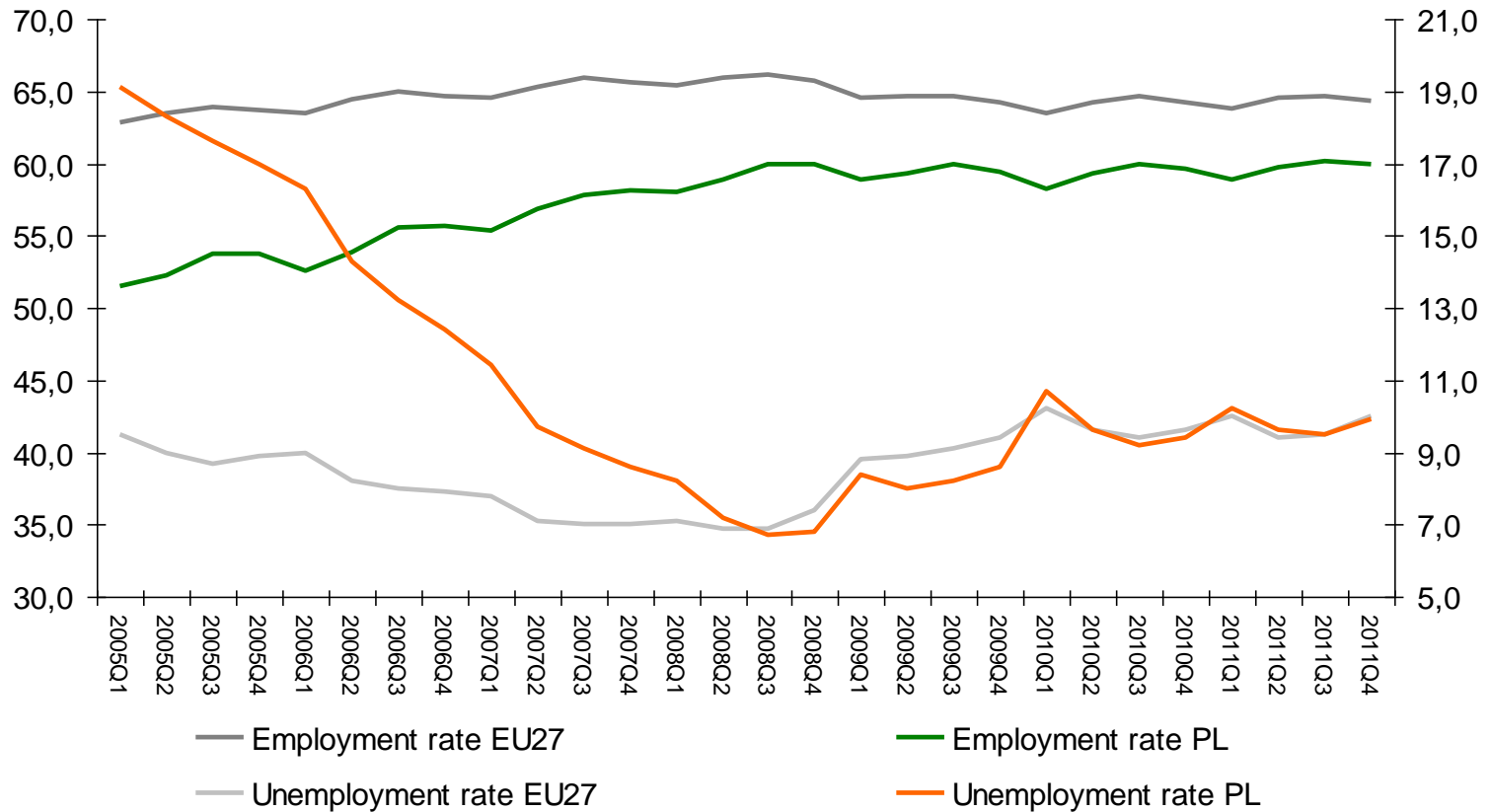
# Main Labour Market Characteristics in the EU Accession Year



Employment (15-64) and unemployment rates in the EU and in the member states in 2004

Source: Eurostat, LFS data.

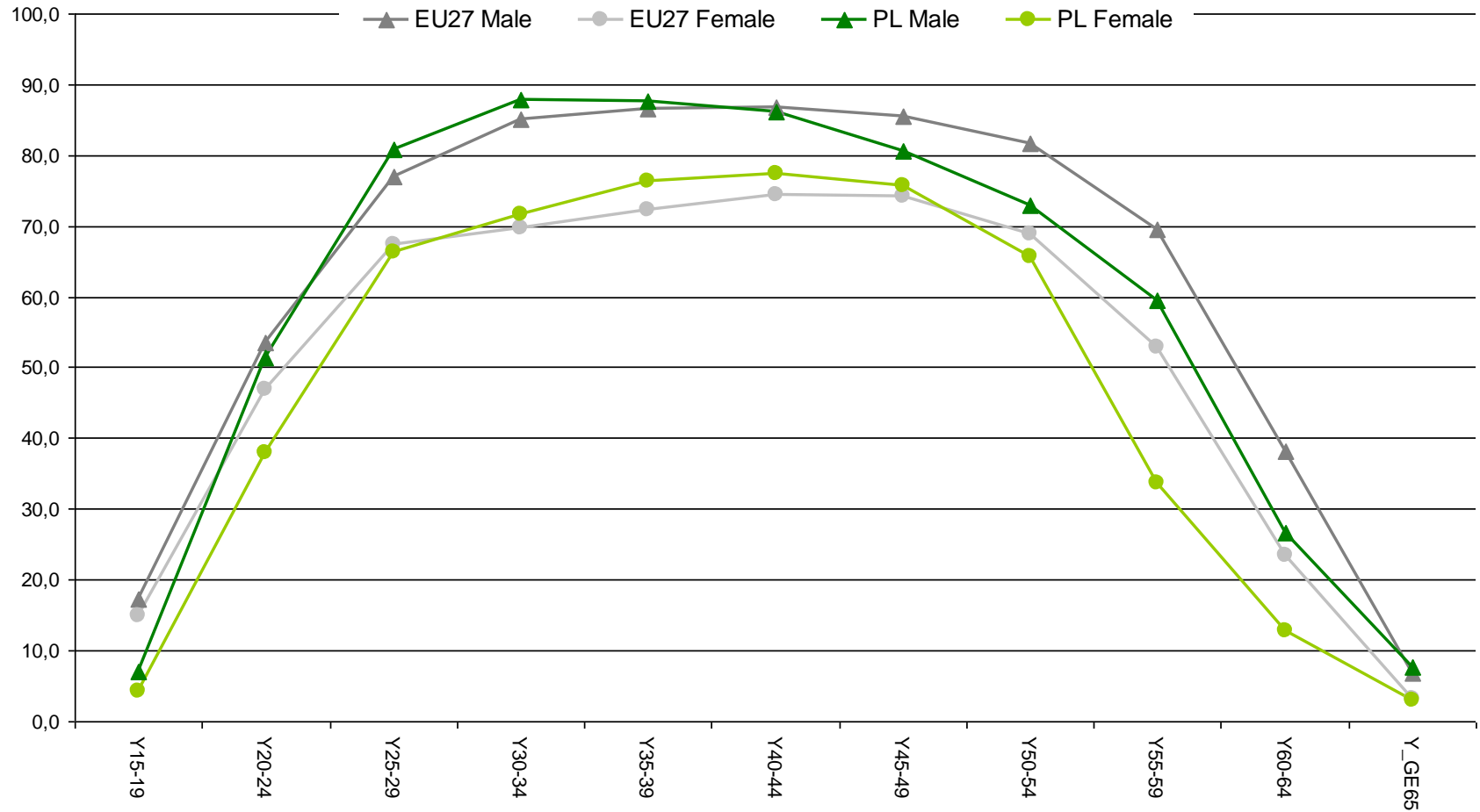
# Catching up with the average



Employment (15-64 - left axis) and unemployment (right axis) rates in the EU and Poland since 2004

Source: Eurostat, LFS data.

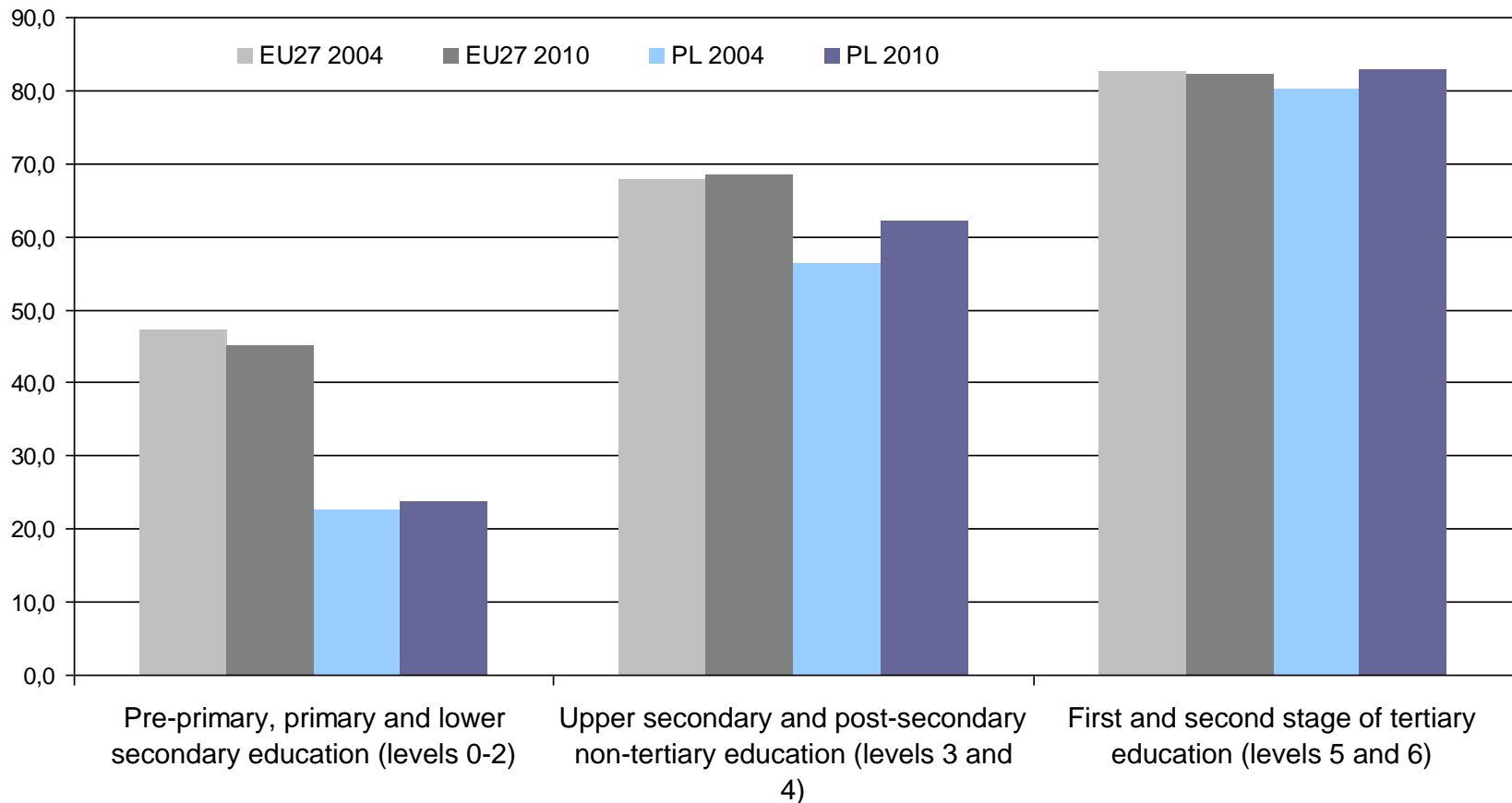
# Where are the reserves of the labour force (1)



Employment rates for the 5 year age cohorts in Poland and in the EU in 2010

Source: Eurostat, LFS data.

## Where are the reserves of the labour force (2)

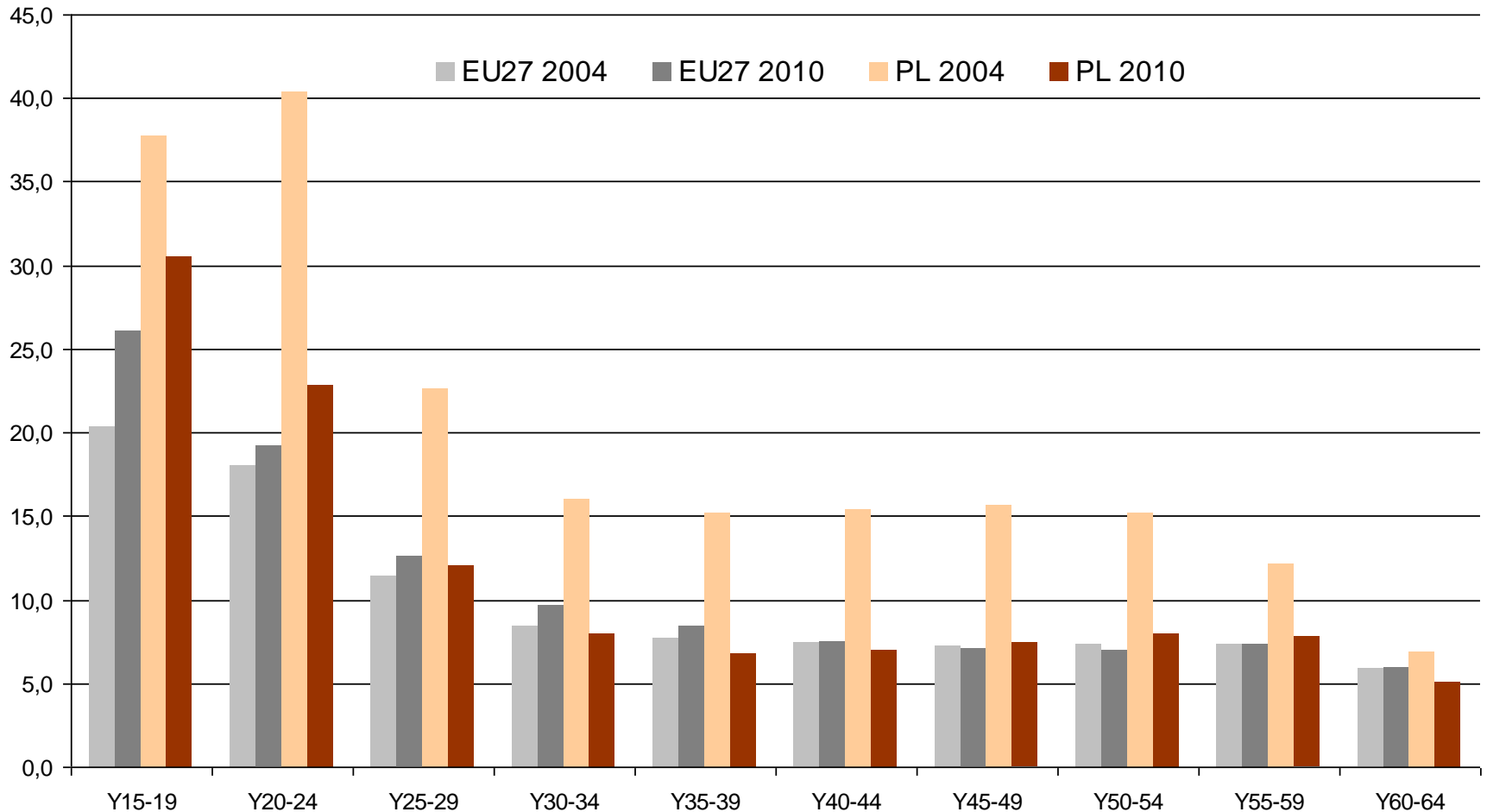


Employment rates by the level of education in Poland and in the EU in 2004 and 2010

Source: Eurostat, LFS data.



# Where are the reserves of the labour force (3)



Unemployment rates for the 5 year age cohorts in Poland and in the EU in 2004 and 2010

Source: Eurostat, LFS data.

# Groups of special attention

## Youth

- High unemployment
- „Scar effect” – negative consequences of early unemployment experience
- Significant group of inactive due to education or training
- Long transitions from school to work
- Low level of education, qualification mismatch and lack of work experience
- Lack of flexible employment allowing for the reconciliation of work and education or parenthood
- Jobs precariousness (temporary employment, civil law contracts, internships)
- NEETs and others endangered with social exclusion

## Older

- Low activity
- Main reasons for inactivity: retirement, illness or disability
- Early withdrawal from the labour market due to bad health
- Involvement in care responsibilities, lack of accessible, affordable care services
- Low level of education and obsolete qualifications
- Lack of flexible employment responding to the special needs or abilities
- Aversion to extending working life
- Reluctance to hiring older persons

# Government initiatives to support groups of special attention

## 50+

Employment rate of persons aged 55-64 – 50% in 2020

- Promotion of age management in companies and improvement in working conditions for older workers
- Skills development and improvement of older persons' ability to perform work
- Labour costs reduction for older workers
- Effective labour market inclusion of older unemployed and adequate assistance for those endangered with layoffs
- Reduction of incentives for early exits from the labour market
- Extension and equalization of the statutory retirement age

## 30 -

Earlier employment and counteracting unemployment

- Better adjustment of skills gained during education with the labour market needs:
  - Vocational education reform (new curricula, more practical learning, fast adaptation to changing demand)
  - Higher education reform (closer cooperation with employers, concentration on practical learning and on technical, mathematical and natural sciences)
  - Promotion of internships
- Programme activating unemployed youth:
  - Decreasing deficits in skills and work experience (additional resources on special programmes)
  - Testing more effective activation measures (pilot programme)
- Development of care services for small children

# Thank you for your attention

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*The meeting is co-financed by the European Union under the European Social Fund*