

Youth on the labour market in Poland. Context Indicators

The Commission is proposing five measurable EU targets for 2020 that will steer the process and be translated into national targets: for employment; for research and innovation; for climate change and energy; for education; and for combating poverty. They represent the direction we should take and will mean we can measure our success.

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ABSTRACT

The article presents the situation of the youth on the labour market in Poland. It presents the basic Context Indicators, which were considered in the project EUROPLACEMENT. General overview of the labour market in Poland is stressed as a base for further consideration of graduates situation.

KEYWORDS: youth unemployment, labour market in Poland, youth entrepreneurship.

YOUTH UNEMPLOYMENT IN THE EUROPEAN UNION

The European Council has introduced the new European Union 2020 strategy for jobs and three priorities for smart, sus-

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tainable and inclusive growth, which are mutually reinforcing. The strategy will help Europe to boost competitiveness, productivity, growth potential, social cohesion, economic convergence and to re-orient policies away from crisis management towards the introduction of reforms that will promote growth and employment. It offers a vision of Europe's social market economy for the 21st century.

The youth unemployment rates are roughly twice as high as those for the population as a whole, both in the European Union and in its individual states (see Figure 1). According to Eurostat, the statistical office of the European Union, in May 2010, the youth unemployment rate for under-25s was 19.9% in the euro

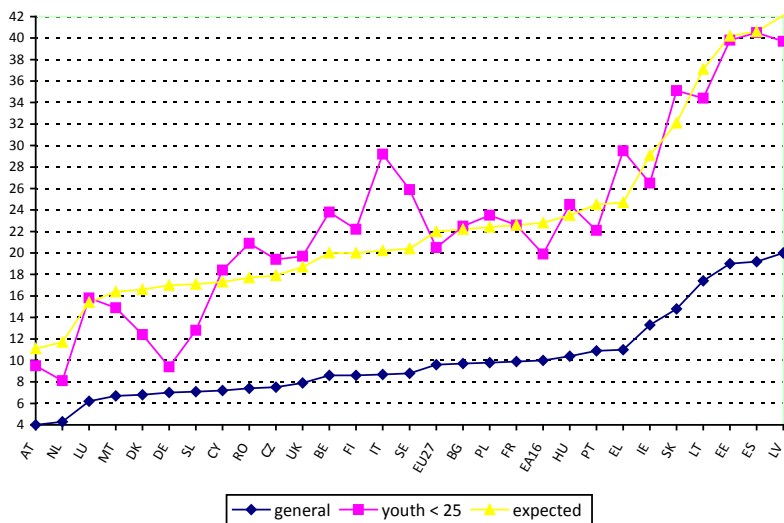


Fig. 1. Youth (under-25s) unemployment vs. general seasonally adjusted unemployment rates in May 2010. General rates for RO, EL, LT, EE and LV are from the 1st Quarter of the year 2010 and, for the UK, from March 2010. The youth unemployment rates for SL, CY, RO, UK, EL, LT, EE and LV are from March 2010 (Eurostat, 2010). The expected values are calculated from the regression dependency between the youth and general, seasonally adjusted unemployment rates.

area and 20.5% in the EU27. The lowest rate was observed for the Netherlands (8.1%), and the highest rates for Spain (40.5%), Estonia (39.8%) and Latvia (39.7%). In Poland it was 23.5% (see Figure 1).

The simple regression dependency was calculated between the youth (under-25s) and general, seasonally adjusted unemployment rates ($F = 158.5$, $p < 0.001$). The analysis reveals that the variance of general unemployment rates in the Member States explains over 85% of youth unemployment rates. The difference between seasonally, adjusted unemployment rate for the youth (under-25s) and the expected rate in Poland is 1.1 (see Figure 1).

GENERAL OVERVIEW OF THE LABOUR MARKET IN POLAND

The economically active population, i.e., working people, the unemployed and people of the age of 15 and over together, comprised 17,357 thousand people in Poland in the 4th quarter of 2009 (Labour Force Survey, 2010). The number of those working was 15,885 thousand while 1,472 thousand were unemployed (see Figure 2).

The employment rate for the population aged 15 and over in the same period was 50.4%. The economic activity ratio for the population aged 15 and over was 55.1% (see Figure 2).

From Figure 3, it can be seen that, compared with the previous year, unemployment in Poland increased in 2009, which is connected with the difficult situation on the labour market due to the economic crisis. Nevertheless, the increase in unemployment since the 3rd quarter 2008 until the 4th quarter 2009 is does not correlate with the economic activity ratio and rate of employment (see Figure 2), which means that Poland managed the crises quite well.

The rate of registered unemployment was 11.9% in the 4th quarter of 2009 (see Figure 3.).

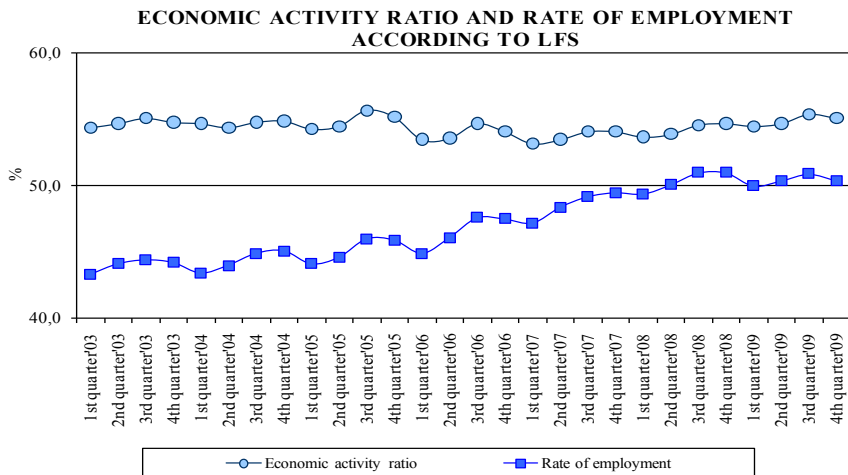


Fig. 2. Seasonal economic activity ratio and rate of employment from 2003 until the 4th quarter of 2009. (Source: CSO, 2010a).

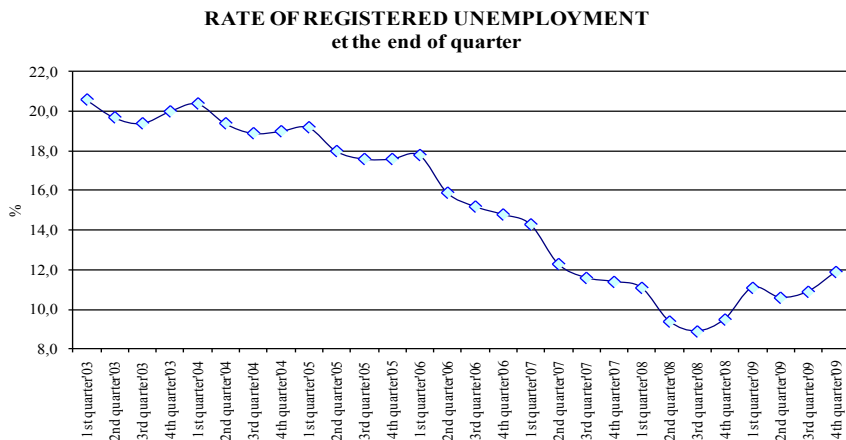


Fig. 3. Seasonal rate of registered unemployment since 2003, till the 4th quarter of 2009. (Source: CSO, 2010a).

Compared with the end of 2008, the urban unemployment figure increased by 31.9% while rural unemployment increased by 24.2%. Registered unemployment is dominated by women who constitute 51.1% of the total unemployment rate.

THE SITUATION OF THE POLISH YOUTH ON THE LABOUR MARKET

Considering the latest statistics in Poland, it should be stressed that registered unemployed people aged 18-24 make up 22.5%. People with the highest qualifications are in the most favourable situation on the labour market. The proportion of the unemployed with higher education was 9.4% at the end of 2009. From this, it could be concluded that the younger one is and the better education one has, the lower risk one has of remaining unemployed for more than a few months.

The unemployment rate for graduates in the 1st Quarter of 2010 was 27% (see Table 1 below).

Table 1. Unemployed graduates according to the level of education in the 1st Quarter of 2010 (source of data: CSO, 2010).

Level of education	(in thousands/%)
Higher	52 / 12.65
Higher secondary (post-lyceum and VET)	34 / 8.27
Lyceum	9 / 2.19
VET	16 / 3.89
Total	111 / 27%

In the 1st Quarter of 2010, the activity rate by age and sex shows that young men are more active on the labour market than women (see Table 2). The highest activity rates can be observed for the age groups 25 – 34 and 35 – 44. The next age group 45 – 54 has also very high activity rate. Thus, in general, people

under 55 seem to be very active on the labour market. The exception is the youth under 25 but they are mostly still following their educational paths. What is more, a positive aspect of their activity is that a great number of them come back to education.

Table 2. The activity rate by age and sex in the 1st Quarter of 2010 (source of data: CSO, 2010).

Sex	Activity rate by age								
	15-24	25-34	35-44	45-54	55-59/64	60/65+	15-64	18-59/64	Total
	In %								
Males	38.1	93.0	93.0	82.0	47.5	7.5	71.8	76.0	63.5
Females	29,5	77,1	82,8	75,8	33,0	5,6	58,5	66,5	47.8

Comparing the employment rates for the same age groups, that is, 25 – 34 and 35 – 44 (see Table 3 below), it is clear that they are also the highest of all the groups.

Table 3. The employment rate by age and sex in the 1st Quarter of 2010 (source of data: CSO, 2010).

Sex	Employment rate by age								
	15-24	25-34	35-44	45-54	55 -59/64	60/65+	15-64	18-59/64	Total
	In %								
Males	23.2	69.6	77.4	68.7	29.4	5.2	52.8	59.7	56.8
Females	22.2	68.1	75.9	69.7	30.2	5.4	52.2	59.2	42.7

The only exception is the age group 45–54, in which the employment rate for women is 1.6% higher than in the group 25 – 34. The differences between males and females are not as big as they were for the activity rates.

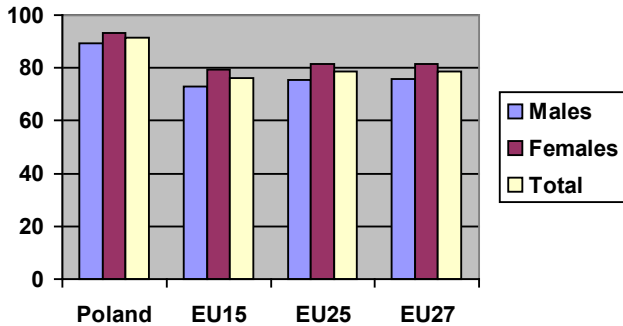


Fig. 4. Youth aged 20–24 education attainment level in Poland and in EU15, EU25 and EU27. The 2009 annual percentage average (source of data: CSO, 2010).

Educational attainment by the youth aged 20 – 24 who are mostly in tertiary and post-upper secondary education is rather good in Poland (see Figure 4.).

Furthermore, the situation concerning the early school leavers aged 18–24 is quite good in Poland. The percentage of drop-outs is so low that the benchmark for 2020 dealing with the early school leavers was reached already in 2009 (see Figure 5).

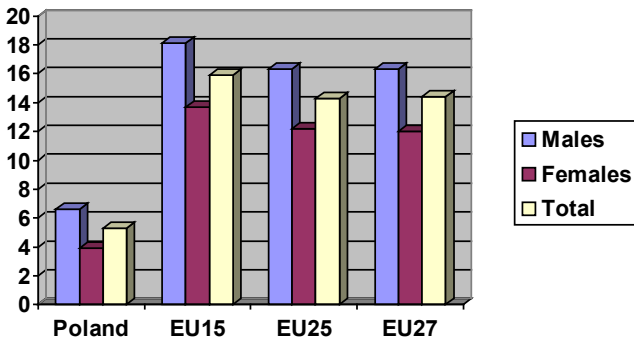


Fig. 5. Early school leavers aged 20–24 in Poland and in EU15, EU25 and EU27, percentage averages in the 2nd quarter 2009 (source of data: CSO, 2010).

The next chosen context indicators deal with the economic activity of graduates on the labour market in Poland (see Table 4. below).

Table 4. Economic activity of school leavers and graduates aged 15–30 by level of education, sex and place of residence (source of data: CSO, 2010).

Graduates	Activity rate	Employment rate	Unemployment rate
	In %		
Tertiary	91.3	72.1	21.5
Post-secondary and vocational secondary	90.8	59.6	34.3
General secondary (lyceums)	71.4	50.0	30.0
Basic vocational secondary	88.4	51.2	42.1
Total	88.4	64.5	27.0
Males	89.3	62.7	29.9
Females	87.9	66.3	24.2
Urban areas	89.1	67.3	24.5
Rural areas	87.4	60.8	30.5

Both the university graduates' activity rate and the employment rate are the highest among those of all the groups above. They have also the lowest unemployment rate in comparison to others but still unacceptably high: in actual numbers it comprises 52 thousand people. The post secondary, vocational secondary and basic vocational secondary graduates are also very economically active but they have poor employment rates and very high unemployment (Table 4.).

CONCLUSIONS

It is very important that the Polish labour market policy and development of economy are directed to reach the EU bench-

marks for 2020. The aim to reduce school dropouts to less than 10% was already reached in 2009, but it is still necessary to improve education levels, in particular by increasing the share of those aged 30-34 who have completed tertiary or equivalent education to at least 40%.

Poland needs to increase the GDP per person in a relatively short time. It is possible mainly through increasing its citizens' economic activity, full employment, especially that of graduates, macroeconomic stability, low deficit of public finances and quickly rising productivity (MPiPS, 2009). The core factor here is to increase its citizens' intellectual capital, which will be possible by means of bringing the Polish education and science up to date.

To further develop its citizens' well being and higher standard of living for, it is necessary to improve the transition path of the youth from education to working life and to support rapid development of youth entrepreneurship. The aim to follow is to raise the employment rate for women and men aged 20-64 to at least 75%, mainly through greater participation of young people and older workers in it.

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