



## **The Situation of Young Poles in the Labor Market**

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### **Abstract**

The main purpose of this article is to describe and analyze the current situation of young people (namely, people born after 1983) in the Polish labor market. This analysis is particularly important for at least two reasons: firstly, people born after 1983 represent the first generation which can freely explore both neighboring European countries and other countries outside the Old Continent for educational and professional purposes; secondly, the vast majority of them grew up in the new politico-economic realities of economic policy, drawing on the privileges unknown to their older colleagues. For these reasons, their situation is in a way unique, at least in Polish conditions.

The article presents some statistical information about the professional activity and the unemployment of the youth in Poland and compares this data to the figures from other countries. It also discusses the reasons why the rate of unemployment among young people remains at such a high level. The most important of them is the problem of mismatch between the structure of work supply and demand in terms of courses of study offered to young people.

The author of the article also tries to show how young people in Poland perceive their prospects in the market: where they would like to work and how much money they expect to earn and compares this with the views of their peers from other countries. Also, the young Poles' ideas on how they can fight unemployment are mentioned in the article (job emigration, entrepreneurship), along with the efforts of the government to improve the situation.

**Keywords:** labor market, unemployment, job prospects, job emigration, courses of study

### **Introduction**



Growing expectations of employers and increased competition in the labor market have a significant impact on the current situation and career prospects of young Poles. This article is devoted to the problems of Polish youth in the domestic labor market. The text provides some information on the unemployment rate among the youngest generation in comparison with their European peers. It also presents expectations of young people for their future jobs and wages as well as the changes and trends in the Polish labor market, to which both young Poles and state authorities must respond - the competition resulting from the increasing number of students, emigration, or the need to promote flexible forms of employment. The publication also provides some information about how young people fight their unemployment and presents some of the existing solutions to the youth unemployment problem implemented by the Polish government.

### **Born after 1983**

The main purpose of this article is to describe and analyze the current situation of young people (namely, people born after 1983) in the Polish labor market. This analysis is particularly important for at least two reasons: firstly, people born after 1983 represent the first generation which can freely explore both neighboring European countries and other countries outside the Old Continent for educational and professional purposes, not only due to the collapse of the Soviet Union, but also thanks to joining the European Union on the 1st of May, 2004. This really opened up lots of doors for the Poles, making them able to study, work, even live abroad without too much problem. And secondly, the vast majority of them grew up in the new politico-economic realities of economic policy, drawing on the privileges unknown to their older colleagues. It seems to be the first generation which really does not remember communism, which is obviously very important as far as the way they perceive the world is concerned. For these reasons, their situation is in a way unique, at least in Polish conditions.

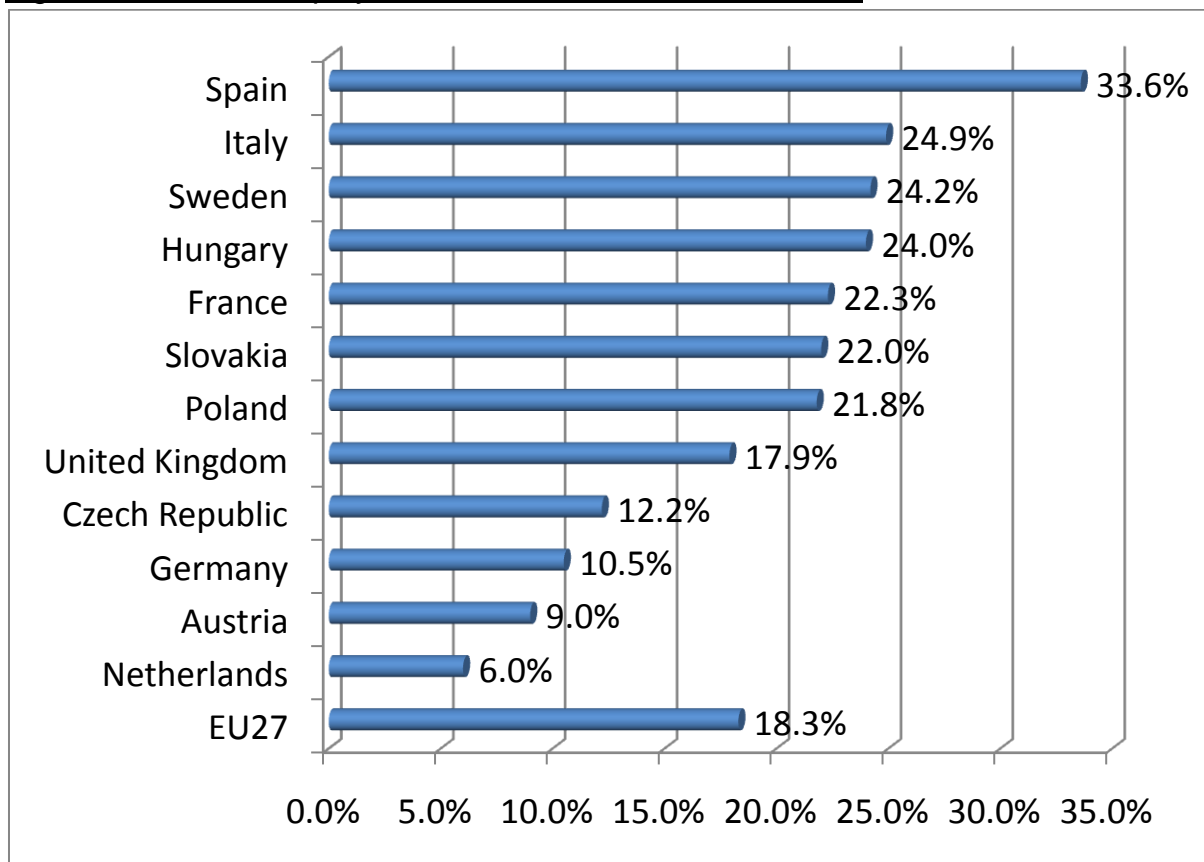
### **Statistical overview**



Let's now look at the Polish youth and their situation on the labor market from the statistical point of view. According to Eurostat, people aged under 25 represented just over a third of the Polish population in 2009. The same figure for the whole EU was 28,6%. What is a little bit worrying, the fraction of young people is expected to decrease considerably to just over 22% in 2050 due to population aging. One more thing which is characteristic for Poland is the high value of education attainment level for people aged 20-24 (percentage of the population of a certain age group having completed at least upper secondary education). For Poland this indicator reaches 90% and is much higher than the same indicator for the whole EU.

The statistics describing the situation of the youngest part of the Polish workforce do not seem to be very optimistic. They confirm that in terms of employment for young our labor market is still different from European standards. As figure 1 shows, the youth unemployment rate in Poland exceeds 20% and is higher than the youth unemployment rate for EU27 by 3,5%.

**Figure 1. Youth unemployment rates in EU countries in 2009**

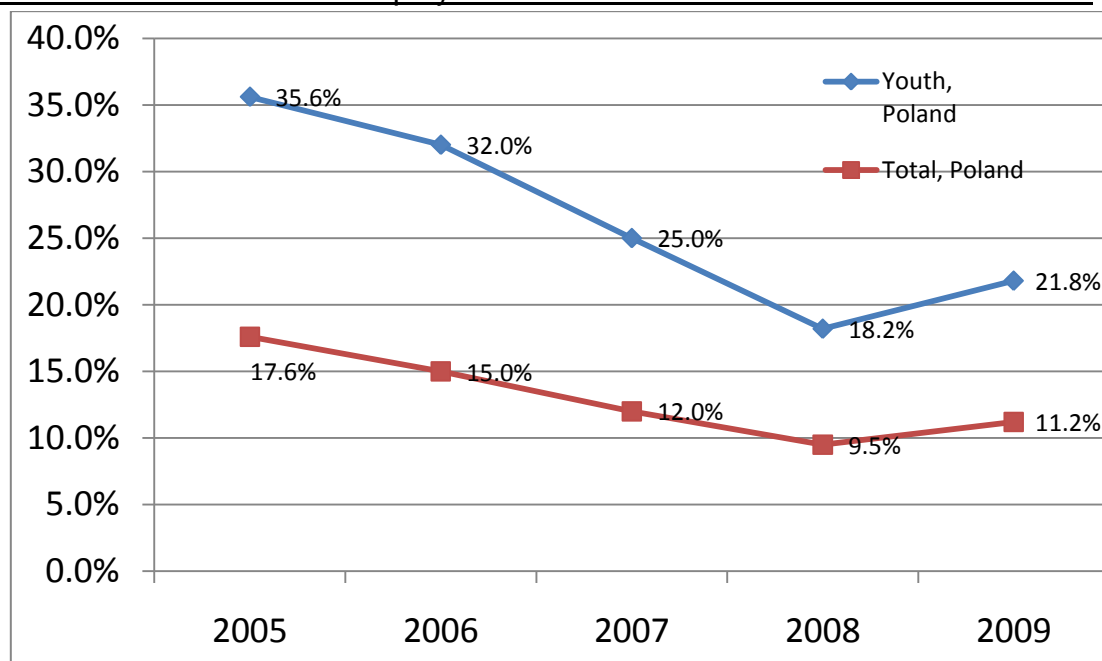


Source: Eurostat



In the fourth quarter of 2009 21.8% of Poles aged 15-24 years described themselves as "unemployed", while unemployment among university graduates was 15.6%. Poland follows the global trend, according to which youth unemployment rate is much higher than in other age groups. Figure 2 presents the comparison of youth and total unemployment rates in Poland and EU in 2005-2009. As can be seen from the figure, the difference between these two has been constantly decreasing, which is a very optimistic sign. However, in 2009 a negative influence of the financial crisis can be seen on the young people's situation on the labor market. It was the first year in which the unemployment rate increased and it is now 10% greater than the total unemployment rate.

Figure 2. Youth and total unemployment rates in Poland and EU27 in 2005-2009



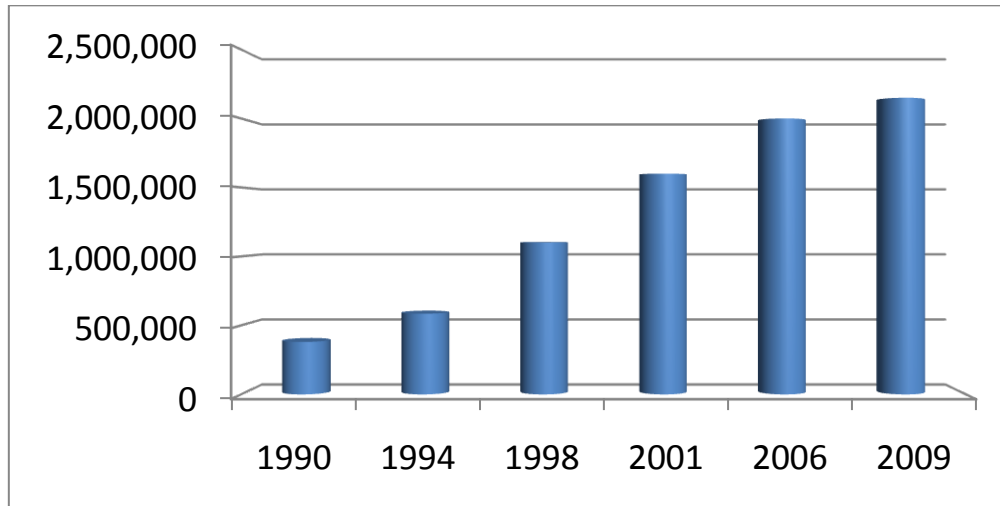
Source: Eurostat

### **Changes affecting the young**

In a relatively short time labor market has been subject to significant transformations, which the youth must face and adapt to. In the past decade the number of university students increased more than six times. It was a result of two factors – the rapid growth of higher education enrollment rate (see figure 3) and the baby boom of the late 70. and 80. This has obviously caused fundamental changes in the labor market.



**Figure 3. A sharp increase in the number of university students**



*Source: M.Boni, Report: The Future of the Polish Labor Market*

At the same time there was a change in the structure of university graduates, among which the social sciences, business and pedagogic graduates dominate. They constitute more than half of those leaving the walls of universities. Quantitative changes do not go hand in hand with changes in quality, and employers consistently report many concerns as to the merits of the educational offer of Polish universities. This has led to the problem of mismatch between the structure of supply and demand for labor in terms of courses offered to young people. The lack of full coordination of changes in Polish higher education has led to overproduction in certain professions and specialties, while there is a shortage of secondary school graduates, technical courses and vocational schools. As a result, the Polish labor market is saturated with master specializing in the many "soft" areas with not enough experts in technical and vocational areas (see figure 4).

**Figure 4. Number of graduates by type of school completed in selected years**

Type of school	School year		
	1995/1996	2000/2001	2005/2006
vocational school	215,6	177,4	75,7
general high school	141,2	194,4	235,2
technical high school	167,5	192,2	113,4
art high school	3,0	3,2	3,4
university	89,0	304,0	394,0

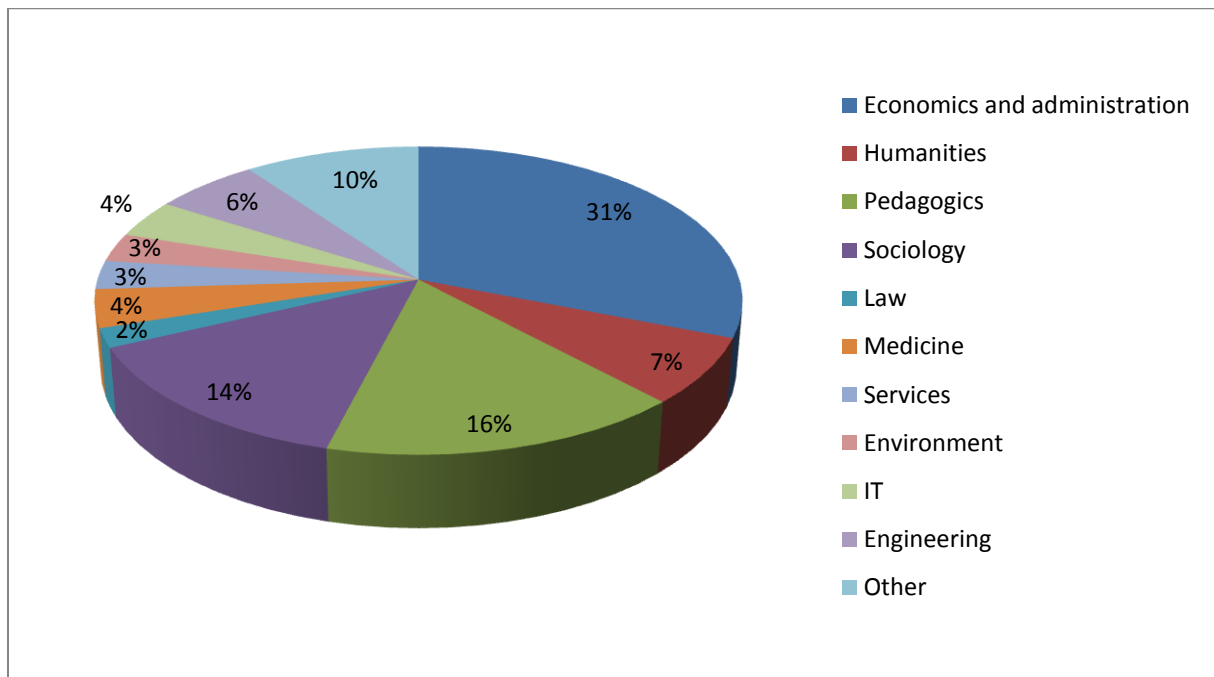
*Source: Central Statistical Office of Poland (GUS)*



The reasons for this state of affairs must be sought in our country's secondary education system and the government's approach to higher education. For a long time the extension of education period was seen as a kind of "shock-absorber" of the labor market, which in the short term discharged the problem of surplus labor and double-digit unemployment. The structure of secondary education in Poland but has been built according to the formula 80 to 20 (ie 80% of mainstream secondary school students, 20% of vocational school students). However, in most developed countries a 30 to 70 model dominates (ie 30% of young people studying in mainstream schools, and 70% in vocational and technical schools).

But the causes of problems of youth entering the labor market should not be ascribed only to the side of reckless state educational policy. For several years, the list of most popular professions and fields of education has not changed significantly. Among the most fashionable are constantly the likes of: psychology, international relations, journalism, architecture, political science, or tourism and recreation. The result: there are about 400 thousand university graduates every year, of whom less than 10% specialize in science or technical fields, only 6% in the case of engineering fields. You can see the most popular courses in figure 5.

Figure 5. Most popular university faculties chosen by young Poles



*Source: Central Statistical Office of Poland (GUS)*

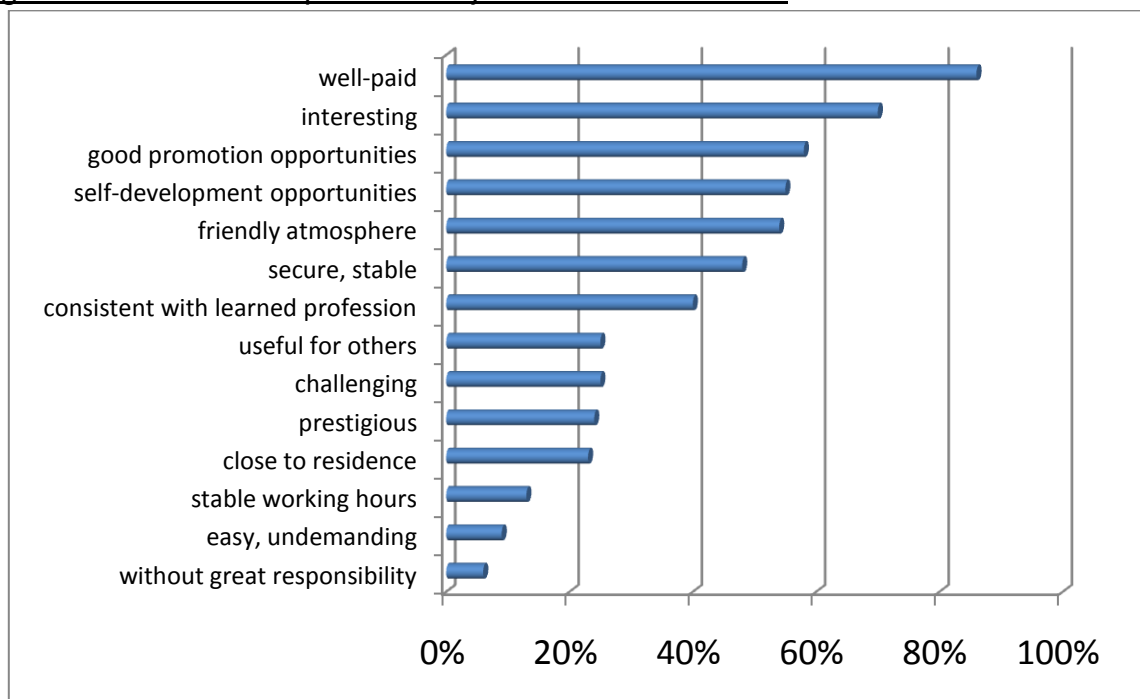


Unfortunately, many of those who feed numbers of Polish unemployment choose job emigration what is still often associated with taking a job far below the qualifications. Completing the technical studies can give a much greater chance of finding a job. The demand for professionals in the field of computer science and construction is such that students of these courses receive job offers as early as during the initial semesters. Those specializing in architecture, gastronomy, healthcare, transport and electronics will not have any problems with unemployment either.

### Young people's views

The severe situation on the labor market and the gap between the requirements of employers and graduates' competences do not discourage young Poles from posing bold expectations regarding their future earnings or work activity. Figure 6 presents features of a perfect job, which have been indicated by a group of Polish students. The chart shows that it is the salary that is the most important for students. But there are other things that young people find essential at work: friendly atmosphere, self-development opportunities, stability. Young people increasingly appreciate the opportunity to reconcile their professional and personal life. They no longer want, like the yuppies of the 90s did, to work hard but also enjoy their life. The pursuit of career at any cost seems to be disappearing.

Figure 6. Qualities of a perfect first job for Polish students

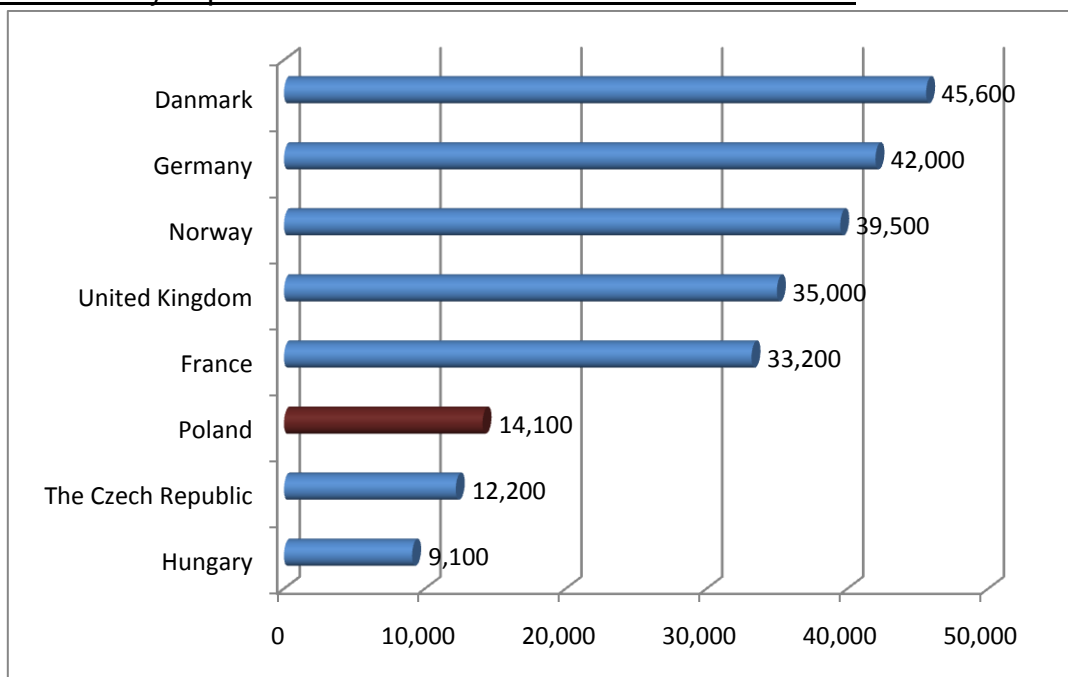


Source: Based on Report: *The Youth on the Labor Market*



What is more, the time when young people - for fear of marginalization in the labor market - take any jobs for the lowest wage offered is over. The emigration of many thousands of young Poles, the deficit of skilled workers and wage pressures in the market, led to the situation where the minimum salary for youngest workers increases every year. In 2007 an average student expected to earn about 14 000 EUR in their first year at work. As can be seen from figure 7, it's about three times less than a young German or Norwegian expects. This statistics represents overall disparity between the demands of educated youth from the EU-15 countries and new member countries.

Figure 7. Salary expectations of students from different countries



*Source: Eurostat*

The expected salary varies depending on the industry in which young people seek employment. Future hotel and tourism workers have the lowest salary expectations. On the other hand, it is the experts in the IT industry and telecommunications industry and people interested in "engineering and technology" who expect to earn the most.

### **How to fight unemployment?**

The increasing competition in the labor market and the still relatively low wage levels have led to the situation where a large part of the, "25 +" generation believe that the only reasonable solution seems to be going abroad. In the initial years after





accession two thirds of students claimed that they were going to work in one of the EU-15 countries. The situation has improved slightly recently but for a great proportion of students a career abroad is still a considerable way of fighting their own unemployment.

Without any doubt, an important characteristic of both the Polish labor market and young people themselves should be more flexibility. This feature could be reflected by a greater willingness of the youth to work in other forms of employment than an ordinary, full-time contract of employment. Flexible forms of employment (like teleworking, job sharing, task-based work or part-time job) are the ideal solution especially for students, as they allow gaining ground sections of the labor market already during their studies. However, due to lack of adequate regulations in the Polish labor code, this solution still does not enjoy great success in Poland. Some changes in this area should be implemented through the gradual implementation of the concept of "flexicurity", ie the combination of employment flexibility and security. The benefits of teleworking, job sharing, task-based job or part-time job are well known to young people in Western Europe and make it easier for them than for the Poles to become financially independent. Thanks to flexible forms of employment it is a lot easier to combine commercial activities with the obligations arising from the studies.

Another way to fight unemployment is to set up a business. This solution is however not very popular among students who give different reasons for this state of affairs. Among the most popular are: inability to obtain funds, lack of aptitude for business. find a promising idea for a business and bureaucracy.

### **Government's help**

Successive governments have reported the desire to help young people facing problems with their situation on the labor market. Programs of a rather active nature have been presented aiming primarily at protecting young people from unemployment. An example would be the "First Job" program carried out from June 2002 and intended primarily for graduates of secondary schools. The project's main objective was to enable young people to gain first professional experience and therefore create greater opportunities for permanent employment. Thanks to the



"First Job" young graduates gained knowledge about how the modern labor market works and how to plan their career.

Three years of the operation of the has brought visible results in the form of permanent employment of 183 thousand people under 25 years of age. However, only 1 299 people among the youth who registered as unemployed during the period June 2005 - March 2008, decided to open their own business. As a complement to the "First Job" the project "First Business" was introduced. It aimed at unemployed people interested in establishing their own company. This program focused on making it easier for active, young unemployed people to start their own business, while seeking to dismantle the barriers in establishing and running business.

## **Summary**

Nowadays, wide disparities in both young people's aspirations on the labor market, as well as in the assessment of their qualifications by employers, can be observed.

Another factor impeding the situation of young people in the labor market is their uncertainty and a kind of passivity in relation to future work. Analysis of the attitudes of university students shows that their attitude is characterized by rarely active and willing to take risks and new challenges. Almost 15% of them have no plans for development nor even an outline of a plan of their own careers.

It is important to reorientate the attitudes of the young generation from passivity towards their own professional future to its intentional development and the ability to smoothly adapt to changes in economic environment.

Sociologists postulate that some of the responsibility for the failures of today's youth on the labor market should be dumped on their parents. Most of their life they have worked in the previous, claim-oriented communist system, developing a similar approach in their children. In these statements there may be a grain of truth, but the fact remains that the current generation of "25 +" is the last which can still use this excuse.



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