Changes in human resources in Poland with regard to migration tendencies in the period 2010-2016

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The purpose of this chapter is to assess the change tendencies in human resources in Poland as a factor of economic competitiveness in the period 2010-2016. Compared to the previous studies in the series called “Poland. Report on Competitiveness” prepared every year at the World Economy Research Institute of the Warsaw School of Economics (SGH), this year’s report pays more attention to migration tendencies affecting human resources in Poland in the period 2010-2016. The analysis conducted in this chapter covers the most important aspects of changes in human resources in the Polish economy, such as demographic trends, changes in employment and the level of unemployment, growth in wages and salaries and labour productivity. The main focus is on describing the current migration tendencies affecting human resources in Poland.

Demographics

An important feature of the present demographic situation in Polish economy is a real decline – observed since 2012 – in the population of Poland, which at the end of 2015 was 38.437 m. people, i.e. as many as 47,000 people fewer than a year before and 59,000 people fewer than two years before. This real decline in the population of Poland is even more perceptible in the context of the population increase in Poland the period 2008-2011. The rate of real decline in population was -0.04% in 2014 and -0.05% in mid 2015, which means 4 and 5 people fewer, respectively, per each 10,000 residents of Poland. It was the sixth year in a row with a negative balance of net migration abroad for permanent residence, and in addition an increase in temporary emigration from Poland is observed. It is estimated that at the end of 2015 the number of Polish nationals residing temporarily abroad was approximately 2,397,000, i.e. 77,000 (3.3%) more than a year before. In 2015 approximately 2,098,000 people were residing in Europe, a vast majority of which – approximately 1,983,000 people – were residing in the EU member states. This number increased by 82,000 as compared to the previous year. As regards the EU countries, still the most people were residing in Great

Britain (720,000), Germany (655,000), the Netherlands (112,000) as well as Ireland (111,000) and Italy (94,000) (on the basis of the Information Note issued by the Central Statistical Office of Poland (GUS), 2016). In 2015 a considerable increase in the number of Poles residing in Germany was recorded (an increase of 41,000 people, i.e. approximately 7% as compared to the previous year) and in Great Britain (increase by 35,000 people, i.e. approximately 5% as compared to the previous year). As regards the EU countries, in the last year an increased number of Poles was also recorded in Belgium, the Netherlands, Sweden, Austria, Denmark and France. In total, at the end of 2015 there were 2.397 m. Poles residing temporarily abroad, as compared to 2.320 m. people the year before, 2.196 m. two years before, and 2.27 m. in 2007, which was a record year in this respect before 2014. In 2015 the country which hosted the greatest number of emigrants from Poland was Great Britain (720,000 people), then Germany (655,000 people), which came before the Netherlands (112,000 people). In 2015 the Netherlands overtook Ireland (111,000 people in 2015) and became the third leader as regards the number of Poles residing there temporarily.

Table 1

Estimated emigration from Poland for temporary residence in the period 2004-2015 (the number of people residing abroad at the end of the year)

Country of residence	**Number of emigrants in thousands**											
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total	1,000	1,450	1,950	2,270	2,210	2,100	2,000	2,060	2,130	2,196	2,320	2,397
EU (27 countries in total)	750	1,170	1,550	1,860	1,820	1,690	1,607	1,670	1,720	1,789	1,901	1,983
	15	25	34	39	40	36	29	25	28	31	34	36
Austria	13	21	28	31	33	34	45	47	48	49	49	52
Belgium	n.d.a.	n.d.a.	n.d.a.	4	4	3	3	3	2	1	1	1
Cyprus	n.d.a.	n.d.a.	n.d.a.	8	10	9	7	7	8	8	9	9
Czech	n.d.a.	n.d.a.	n.d.a.	17	19	20	19	21	23	25	28	30
Republic	0.4	0.7	3	4	4	3	3	2	2	3	3	3
Denmark	30	44	49	55	56	60	60	62	63	63	63	64
Finland	13	17	20	20	20	16	16	15	14	12	9	8
France	23	43	55	98	108	98	92	95	97	103	109	112
Greece	26	37	44	80	83	84	48	40	37	34	32	30
Netherlands	15	76	120	200	180	140	133	120	118	115	113	111

Spain	385	430	450	490	490	465	440	470	500	560	614	655
Ireland	0.5	0.6	1	1	1	1	1	1	1	1	1	1
Germany	11	17	25	27	29	31	33	36	38	40	43	46
Portugal	150	340	580	690	650	595	580	625	637	642	685	720
Sweden												
Great Britain	59	70	85	87	88	88	92	94	97	96	96	94
Italy												
	n.d.a.	n.d.a.	n.d.a.	36	38	45	50	56	65	71	79	84
Norway												

Source: Informacja o rozmiarach i kierunkach czasowej emigracji z Polski w latach 2004 – 2015, GUS, 2016.
Legend: n.d.a. – no data available.

A decreased number of emigrants from Poland as compared to the previous year was recorded in Spain (decrease by 6.3% as compared to 2014) and in Greece (decrease by 11% as compared to 2014). Probably the reason for this drop are the relatively high unemployment rates in those countries, i.e. in December 2015 in Spain the unemployment rate was 20.8% and in Greece it was 24.2%. In 2015 the number of emigrants from Poland to Ireland was still decreasing (in 2015 their number decreased by approximately 1.8%). What should also be noted is the continuing increase in the number of emigrants from Poland residing temporarily in Norway – since 2006 the number of Poles residing temporarily in Norway has been increasing every year.

Note that the results of the estimate presented in table 1 should be treated as approximate values (on the basis of the Information Note issued by the Central Statistical Office of Poland (GUS), 2016). This estimate is complicated due to, among other things, the different migration flow recording systems used in individual countries and also because of different availability of data on migration. The data from the accepting countries, the data presenting the number of Poles or people born in Poland also include the people who emigrated from Poland permanently and are not included in the estimate presented in the table 1. Moreover, it should be remembered that – when preparing statistics regarding migration – individual countries often take into consideration different periods of stay as a criterion of defining a person as an immigrant (a criterion of one year is often assumed, which automatically leaves out short-term migrants).

The fact that a large group of Poles reside abroad is a considerable demographic challenge for the Polish economy, and this challenge manifests itself through a significant decrease in labour supply in the national economy, among other things. This phenomenon does not seem ephemeral because emigrants from Poland usually find employment abroad (although often far below their qualifications), and then, by professional development, they acquire the desired material status. For the Polish economy it means in fact losing a part of the professional potential which has been to a large extent created in the process of education at schools and public universities. As noted by Mokrogulski (2015, 160), "this phenomenon [outflow of working age Poles to other countries – author's note] will have negative economic consequences for Poland in the long-term perspective". Emigrants contribute to the GDP growth of an economy other than Polish, although before that in many cases they obtained education in Poland, often at the cost of the Polish taxpayer.

What also substantially influences Polish economy is immigration. On the basis of the data provided by the Office for Foreigners (Urząd do Spraw Cudzoziemców) (situation on 1 January 2016), the right of residence at the territory of the Republic of Poland was held by 211,869 people. Three the most numerous groups with such a right granted are: citizens of Ukraine (nearly 66,000 people), citizens of Germany (over 22,000 people) and citizens of Belarus (over 11,000 people). Out of the total number of 211,869 people nearly 48,000 people were staying at the territory of Poland under a permanent residence permit. In this category most people come from Ukraine (approximately 20,300). Likewise, most of the holders of permits for temporary residence at the territory of Poland (in total approximately 77,600 people) are citizens of Ukraine (42,500). On the other hand, the highest number of residence registration certificate holders is to be found among citizens of Germany, and this is a group of nearly 19,700 people. Also, many nationals of Italy, France, Spain and Great Britain stay in Poland under a residence registration certificate. In total, 63,500 EU citizens hold a certificate of residence registration in Poland. On the other hand, the right of permanent residence in Poland for an EU citizen has been granted to over 7,000 people.

Considering migration, it is advisable to differentiate between the terms "migrant" and "refugee". The term "migrant" refers to a person who came to another country of their own will for different reasons, the most important of which include: education (willingness to study), the desire to improve their material status, and also marriage. A special group of migrants are economic migrants, who leave their home country in order to improve their living conditions as well as their social and material status. Under Article 1 of the Geneva Convention and the New York Protocol a "refugee" is a person who was forced to leave by external conditions such as: war, persecution for their nationality, affiliation with a given social group, race, religious beliefs or political views. Only civilians may be refugees.

Most refugees in Poland (in total 1,359) come from the Russian Federation, Syria, Belarus or have no citizenship. Among 2,058 foreigners with the so-called subsidiary protection, the citizens of the Russian Federation are also the largest group (approximately1,800 people). There is also a relatively large group from Iraq, Syria, and also the citizens of Ukraine and Somalia. Nearly 1,600 people reside in Poland under a permission for a humanitarian stay and 533 people under a permission for a tolerated stay.

Table 2

The number of people residing at the territory of the Republic of Poland with regard to their residence entitlement (situation on 1 January 2016)

Permanent residence	Long-term residence of the EU resident	Temporary residence	Right of residence of the EU citizen	Right of permanent residence of the EU citizen	Right of residence of the EU citizen's family member	Right of permanent residence of the EU citizen's family member	Asylum	Refugee status	Subsidiary protection	Humanitarian stay	Tolerated stay	In total
47,989	9,469	77,623	63,460	7,098	596	84	1	1,359	2,058	1,599	533	211,869

Source: The Office for Foreigners (Urząd do Spraw Cudzoziemców).

Table 3

The number of people residing at the territory of the Republic of Poland with regard to their home country and residence entitlement (situation on 1 January 2016)

Home country	Permanent residence	Long-term residence of the EU resident	Temporary residence	Right of residence of the EU citizen	Right of permanent residence of the EU citizen	Right of residence of the EU citizen's family member	Right of permanent residence of the EU citizen's family member	Asylum	Refugee status	Subsidiary protection	Humanitarian stay	Tolerated stay	In total
Ukraine	20,252	2,796	42,451	-	-	102	23	-	2	35	3	202	65,866
Germany	551	-	-	19,670	1,789	-	-	-	-	-	-	-	22,010
Belarus	7,991	523	2,439	-	-	25	17	1	135	-	39	2	11,172
Russia	3,539	476	2,850	-	-	60	15	-	509	1,785	735	3	9,972
Vietnam	2,368	1,894	4,517	-	-	6	-	-	4	2	97	242	9,130
Italy	204	-	-	5,484	738	-	-	-	-	-	-	-	6,426
China	533	637	4,447	-	-	41	-	-	9	1	3	4	5,675
France	190	-	-	4,656	451	-	-	-	-	-	-	-	5,297
Great Britain	193	-	-	4,174	562	-	-	-	-	-	-	-	4,929
Bulgaria	589	5	-	3,873	415	-	-	-	-	2	-	-	4,884

Source: The Office for Foreigners (Urząd do Spraw Cudzoziemców).

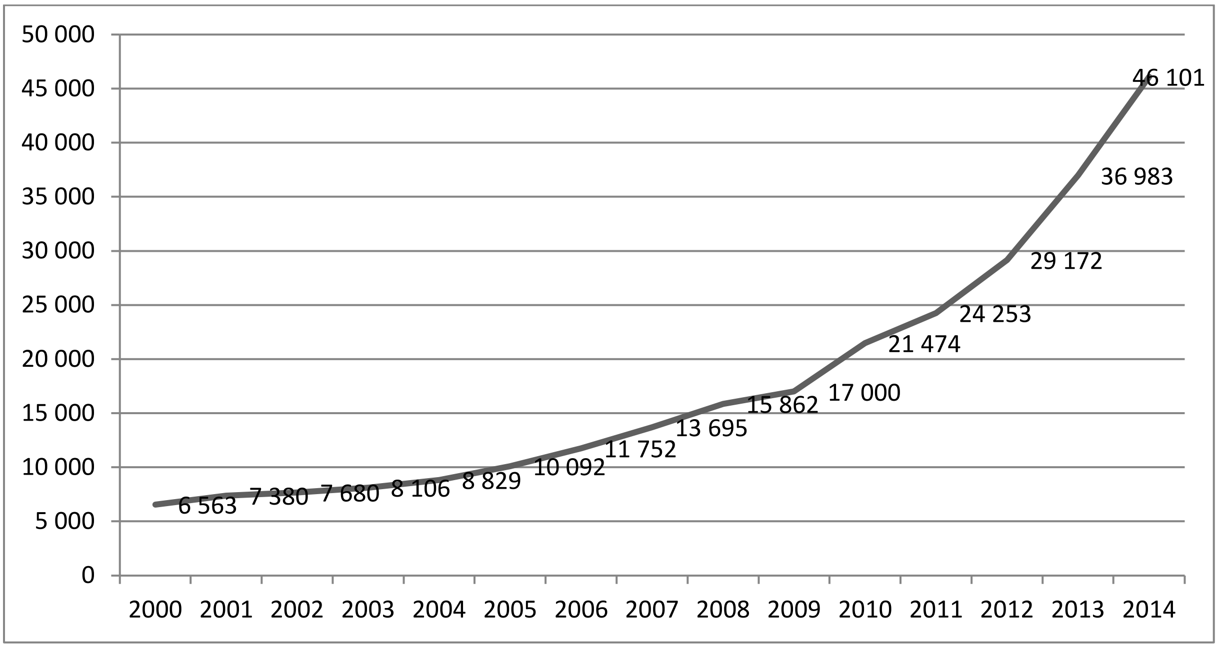
Comments: The summary prepared for the 10 largest groups of foreigners – situation on 1 January 2016.

In Poland 43,663 work permits were issued for foreigners in 2014 (increase by 11.7% as compared to the previous year). Over half of the permits were issued in the Masovian Voivodeship. Most work permits for foreigners were issued in the construction sector (7,041 permits). Other sectors notable with regard to the number of issued permits are: wholesale and retail trade (6,610 permits), housework and seasonal work (5,780 permits) as well as transport and warehousing (4,291 permits). Over 60% of permits were issued to citizens of Ukraine (in the previous year citizens of Ukraine obtained 52% of all permits). As regards the number of work permits issued at the territory of Poland, a considerable proportion also belongs to citizens of Vietnam (5.43%), China (4.98%) and Belarus (4.20%). In 2014 foreigners with a permit for work at the territory of the Republic of Poland usually worked as: home help, sales representatives, drivers, cooks, plasterers, construction workers, home assistants, butchers – sausage makers and welders (Wermińska, 2016). resawn: altered times from hepatics.

An interesting phenomenon in relation to building the human capital in Polish economy is educational migration. The number of foreign students in Poland has been growing successively since 2000. That increase proved particularly dynamic in the period 2012–2014. In the academic year 2014–2015 there were over 46,000 students from abroad (foreign citizens) studying at Polish universities, i.e. over 100% more than in the academic year 2010–2011.

Chart 1

The number of foreigners studying at Polish universities in the period 2000-2014



Source: Sytuacja demograficzna Polski (2015).

The largest group of such students in Poland are citizens of Ukraine. The second largest group are Belarusians, and the third – Norwegians (before Swedes), who mainly study medicine at Polish medical universities. In 2014 Poland became a country of educational immigration, i.e. the number of foreigners studying in Poland exceeded the number of Poles going abroad to study. The reason for this state of affairs are probably the changes introduced in 2014, which allow foreign graduates of Polish universities to remain in Poland and seek employment. The most popular higher education fields among foreigners coming to Poland to study are subjects connected with social sciences, economy and law (43%) as well as with health and social care (19%).

Table 4

Home countries of educational immigrants studying in Poland. Ranking per the number of citizens of a given country studying in Poland (in descending order)

Place in ranking	Home country of educational immigrants in Poland
1	Ukraine
2	Belarus
3	Norway
4	Sweden
5	Spain
6	Lithuania
7	USA

Source: Sytuacja demograficzna Polski (2015).

Poland is still a country of net emigration, although it is transforming slowly into a country of emigration and immigration (Wermińska, 2016). This means that so far it has been mainly Poles leaving the country, and now, despite emigration from Poland still on a high level, migrants are starting to come to Poland as well. Lesińska (2015) is writing that the foreigners' population in Poland constitutes less than 2 percent of the whole national population. Moreover, migrations into Poland are usually temporary and circulatory in nature, contrary to the so-called settlement migration observed in the Western European countries and USA.

Assessment of demographic trends requires also an analysis of the population's vital events. The period 2012–2013 witnessed the greatest natural population drop in the post-war history of Poland, primarily caused by the childbearing rate downturn with the systematic increase in the number deaths (Sytuacja demograficzna Polski, 2015). In 2013 the records showed the number of live births which was among the lowest in the post-war period (369,600) and the number of deaths which was among the highest (387,300). In 2014 the number of births was lower than the number of deaths by 1,300 people, whereas the rate of natural increase was 0.0‰ according to the data of the Central Statistical Office of Poland (GUS). According to the data of the Central Statistical Office of Poland (GUS), in 2015 the negative rate of natural increase was at a disturbingly high level and in the end amounted to -13,000 people (-0.7‰).

Note that the rate of natural increase has had a clear declining tendency since 2010, i.e. in 2010 it was nearly +35,000 people, in the following year it decreased by nearly two thirds to the level of +12,900 people, in 2012 it was only +1,500 people, and in 2013 it entered the phase of natural decrease (-17,700 people), which still continues (in 2014 natural decrease was -1,300 people, and in 2015 it was -13,000 people, i.e. -0.7‰). It should be remembered that even in the early 1990's the rate of natural increase in Poland was at the level of over 4‰.

The above data may suggest that Poland entered a time of demographic crisis similar to that which occurred in the period 1997-2007, although according to demographers the present crisis may be much deeper and more permanent than that from the turn of the centuries (see Sytuacja demograficzna Polski, 2015). That crisis may be additionally exacerbated by unfavourable changes occurring in the age structure of Polish society (significantly lower number of children) and in the number of marriages concluded in Poland (a clear declining tendency). As regards the territorial diversity of the demographic crisis in Poland, the greatest rate of natural decrease is observed in most poviats of the following voivodeships: Podlaskie Voivodeship, Lublin Voivodeship, Łódź Voivodeship, Świętokrzyskie Voivodeship, Opole Voivodeship and Silesian Voivodeship, and also in certain areas of Lower Silesian Voivodeship. Natural decrease is recorded in many municipal poviats.

Poland has entered the period of the so-called birth depression. This means that the number of births does not guarantee simple generation replacement. In 2014 the fertility rate was 1.29 (as compared to 1.26 in the previous year). In the period 2011-2012 that rate was at the level of 1.30, and in 2009, which was a record period in this respect within the past 15 years, it was 1.40. The declining trend in the number of births is connected with unfavourable changes, deepening since 2009, in women's fertility pattern and in the age structure within the group of women of childbearing age – the lowering fertility of women gradually appears in more advanced age groups. The decisions about having a child are systematically postponed for a later age, and as a result the average age of childbearing mothers is higher (the average age at the moment of having the first child increased to 27.4 years in 2014, i.e. by 3.7 years as compared to 2000).

Gradual decrease in fertility rates contributes to the worsening demographic structure in Poland. The period 2014–2015 is a continuation of the Polish population's age structure changes which derive from earlier periods. Since 2010 the size of labour resources has been shrinking (working age population – 18–59 years for women and 18–64 years for men). In 2014 the working age population was smaller by approximately 192,000 as compared to the previous year and its size was 24,230,200 people. The greatest share in potential labour resources (working age population – 18–59/60 years) is observed in the western part of the country and major cities and urban agglomerations (with the average for Poland in 2013 – 63.4% and 63.0% in 2014).

The ageing of population in Poland is accelerating. This manifests through change tendencies in the proportion of post-working age population (for women 60 years and more, for men 65 years and more). The proportion of post-working age population increased from 14.8% in 2000 to 19.0% in 2014. There has also been a significant increase in the number of "senior" people (80 years and more) from approximately 860,000 in 2002 to over 1.5 m. in 2014. This is mainly due to the lowering mortality among elderly population. The percentage of minors, i.e. people below 18 years of age, is also decreasing. In 2014 it was 18.1% as compared to 24.4% in 2000. Those changes are reflected in the generation replacement process ("entering" the working age by teenagers and "exiting" it by people passing from working age to post-working age).

In the period 2014 and 2015 the process of shrinking population in cities did not cease, the process of de-urbanization deepened, which should be attributed mostly to the processes of "urban sprawl" and suburbanization. In the period 2014-2015 the spatial planning legislation was not reorganized and as a result the processes of "urban sprawl" and suburbanization lead to many increased social and economic problems (especially in terms of infrastructure) near cities. Villages near cities become in fact urban areas, but remain villages in the administrative sense.

Labour market

The consequence of the financial and economic crisis of 2008 was a sudden deterioration of tendencies in the labour market in Poland, which continued until the first half of 2010. From 2010 (till the end of 2013) stabilization was observed in Poland in terms of employment and unemployment. In the period 2010-2013 employment in the corporate sector increased on average by 0.7% per year. Similar, low growth was observed in real salaries in national economy and their increases oscillated between 0.1 – 2.5% per year. The year 2014 brought reversed tendencies as compared to the previous four years. Unemployment rates dropped significantly (by approximately 330,000 people just in 2014 alone), employment in the corporate sector started to grow (by 1.1% at the end of 2014), as well as the value of average gross wages in the corporate sector (by 3.7% per year).

In 2015 labour productivity in industry (production sold per one employed person) increased by 3.3%. The number of persons employed in the national economy increased in 2015 by 2.0%, i.e. to the level of 14,850,000 people. An increased number of persons employed was observed for the third year in a row, but it should be noted that in 2015 this increase was lower than in 2014, where it was 2.2%. Average employment in the corporate sector in 2015 was 5,601,600 people, i.e. it was 1.3% higher as compared to the previous year. In 2015 the most significant increase in employment was observed in the "information and communication" sector (by 7.6%) and in administration and support activities (by 4.2%). In 2015 the declining tendency in employment continued in mining and quarrying (by 7.1%), construction (by 5.8%), hotels and restaurants (by 5.0%), production and supply of electricity, gas and hot water (by 4.4%) and in facility management (by 1.9%).

Average gross monthly wages in the corporate sector increased in 2015 by 3.5%, i.e. to the level of PLN 4,121.41. The increase in average gross monthly wages was particularly visible in professional, scientific and technical activity (by 5.6%), administration and support activities (by 5.3%) and in construction (o 4.9%). The buying power of average gross monthly wages in the corporate sector in 2015 was higher by 4.5% as compared to the previous year. The minimum wage in 2015 was PLN 1,750 PLN (as compared to PLN 1,680 in the previous year). In 2015 the average number of retired people and pensioners was 8,879,400, i.e. by 9,100 people more than in the previous year (increase by 0.1%). In 2015 the average monthly nominal gross retirement and invalidity pension from non-agricultural system of social insurance was PLN 2,049.25 and was higher by 2.9% than in the previous year. In 2015 the average monthly nominal gross retirement and invalidity pension for individual farmers was PLN 1,179.52 and was higher by 3.0% than in the previous year.

At the end of 2015 the registered unemployment rate was 9.8% and was lower by 1.6 percentage points than in the previous year. It is particularly worth noting that the registered unemployment rate fell below 10% for the first time in several years. There were 1,563,300 unemployed people registered in employment offices at the end of 2015 and the number kept decreasing two years in a row. As compared to the status at the end of 2014 the number of people registered in labour offices decreased by 261,800, i.e. by 14.3%. At the end of 2015, as compared to the status at the end of 2014, the number of unemployed who had been employed decreased by 13.0%, whereas the number of people unemployed to date dropped by 20.7%. This seems to be a consequence of the much better situation of young people in the labour market, although this is accompanied by a simultaneous increase in proportion of older people in the structure of registered unemployment. Obviously, this last tendency did contribute to the increase in the proportion of people entitled to receive unemployment benefit (from 13.3% at the end of 2014 to 13.9% at the end of 2015).

Despite many beneficial developments in the Polish labour market in the last two years, the territorial differences in unemployment structure are still serious. This is due both to inconsistent economic development of the regions and to their geographical location. At the end of 2015 the difference between the lowest and the highest unemployment rate in voivodeships of Poland was 10.1 percentage points (Greater Poland Voivodeship – 6.2%, Warmian-Masurian Voivodeship – 16.3%). Territorial differences at the level of voivodeships decreased in 2015 by 1 percentage point as compared to 2014, where they equalled 11.1 percentage points.

One of the features which remain characteristic of Polish labour is its seasonal character, which means that in the first and last months of the year unemployment increases. In the period of the spring months the number of registered unemployed people decreases, which is attributable mainly to the commencing seasonal works in construction and agriculture, and also to the beginning of the tourism season. The end of the year is the time when employment contracts expire and when people with subsidised employment become unemployed again. Therefore, in January and often also in February, as well as in November and December the level of registered unemployment usually increases.

In 2016 the situation in the labour market kept improving. The number of persons employed was growing dynamically, according to the Labour Force Survey (BAEL). In the 1st quarter of 2016 the number of persons employed, according to the Labour Force Survey (BAEL) increased by 1.1% as compared to the previous year. The number of persons employed in industry grew at the fastest rate, but the increase in employment was attributable mostly to services. Employment increased despite further drops in the number of people working in agriculture. The increase in the number of persons employed was attributable, in the first place, to hired labour and, to a lesser extent, to self-employment outside agriculture.

The labour supply in 2016 dropped despite a slight increase in labour market participation. This happens because the growing labour market participation fails to balance the negative demographic tendencies outlined in the previous part of the study. Increased labour market participation of people in the preretirement age also keeps losing its positive influence on labour market participation. In the coming quarters we may expect a systematic decrease in labour market participation.

The growth in wages in the economy in the first quarter of 2016 remained at a stable level close to 3% year on year. The increase observed in wages in the corporate sector remains not much higher than in the whole economy, and the monthly data indicates that the growth in wages in services is accelerating.

The growth in unit labour costs (ULC) in the economy remains relatively low, although it accelerated due to the lower growth of labour productivity in the 1st quarter of 2016. Lowered productivity was clearly perceptible especially in construction and was connected with weaker data regarding investments in national economy in the 1st quarter of 2016.

The data show slightly increased growth in wages and salaries in the 1st quarter of 2016 in the corporate sector with a significant decrease in this growth in the section of financial services, which was accompanied by stabilized rate of growth in salaries in the “science and technology” sector (see table 5). High demand for labour has not yet translated into a stronger growth in unit labour costs (ULC). It seems that enterprises manage to control the relationship between increase in labour productivity and real increase in wages and salaries, whereas somewhat stable growth in real wages and salaries coexists with consistent increase in labour productivity. Moreover, the deflation which has been observed in the national economy since 2014 has a negative impact on the nominal growth in unit labour costs (ULC). What also proves an ongoing stable relationship between productivity and real wages and salaries are the accumulated changes those values manifest. Since 2013 wages and salaries in national economy have been growing faster than labour productivity, but the gap between the increase in labour productivity and its coverage with increase in real wages and salaries was eliminated as late as at the beginning of 2016. If the current tendencies continue, it seems that in the near future we may expect an accelerated increase in unit labour costs (ULC).

Table 5

Growth in wages and salaries in economy and sectors (year to year)

	Participation in the wage bill	2014				2015				2016
Economy	100.3%	1st q.	2nd q.	3rd q.	4th q.	1st q.	2nd q.	3rd q.	4th q.	1st q.
Market sector (industry, construction, market services) - entities with more than 9 employed persons										
Corporate sector	55.1%	4.2	4.1	3.3	3.3	4.0	3.0	3.6	3.4	3.7
Financial services	4.3%	6.4	0.5	4.8	-5.6	7.3	2.5	3.5	9.5	2.6
Science and technology	3.9%	2.8	3.5	3.6	4.7	5.9	3.7	5.2	5.4	5.2
Non-market services (including legal entities)										
Education	12.2%	3.8	3.1	1.3	3.8	2.6	2.9	3.3	3.0	2.0
Administration	8.2%	2.5	3.7	3.0	3.2	3.0	1.8	2.7	2.7	2.3
Healthcare	6.0%	2.1	2.4	3.4	1.4	3.1	2.2	1.3	6.1	5.2
Other entities										
Agriculture	0.8%	4.6	2.3	2.5	5.3	7.7	0.1	10.2	1.1	-0.9
Micro-entities	9.8%	10.7	6.6	13.0	13.6	12.9	8.1	0.3	-0.6	-0.6

Source: National Bank of Poland (NBP), June 2016.

Conclusions

Considering the results presented above it may be assumed that currently Poland is undergoing a demographic crisis. The symptoms of that crisis include in particular:

i. the rate of natural increase dropping since 2010
ii. continuing “birth depression”
iii. fewer new marriages
iv. challenges connected with the tendency of longer lifespan among Poles
v. consolidated image of Poland as an emigration country
vi. less labour resources in the economy
vii. decrease in the number of children and youth
viii. accelerated ageing of the population in Poland.

The situation in the labour market has been improving gradually since 2014. Registered unemployment is dropping, labour productivity in industry is increasing; average gross monthly wages are growing in the national economy. Nevertheless, despite so many favourable developments in the Polish labour market which have occurred within the past two years, the territorial differences in terms of unemployment are still serious, and one of the main features of the Polish labour market is its seasonal character which manifests through a significant increase in unemployment in the first and last months of the year. The latest tendencies indicate that in Poland in the nearest future we should expect an accelerated increase in unit labour costs (ULC). Here, the question about the model of economic competitiveness of the Polish economy appears. It seems that building competitive advantages on relatively low labour costs and on a well-qualified and available workforce has reached its limits. This model of competitiveness is nearly exhausted and this process has been exacerbated by unfavourable demographic trends (shrinking labour resources attributable to natural causes and to the emigration of qualified people). Although today Poland still has a considerable competitive advantage over the Western European countries as regards labour costs, the Polish economy is far behind Western Europe in terms of labour productivity. A vital task of economic policy is to try to overcome the demographic crisis and to create a system of incentives for relatively young and well-educated Poles to encourage them to stay in the country, start a family and pursue professional development. Such policy will not bring the desired effect in a short-term perspective, and therefore – as there are increasing negative demographic trends and qualitative changes occurring in the Polish labour market – it should be introduced as soon as possible and on a sustainable basis, which would allow any disturbances in the economy as a whole to be mitigated.

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