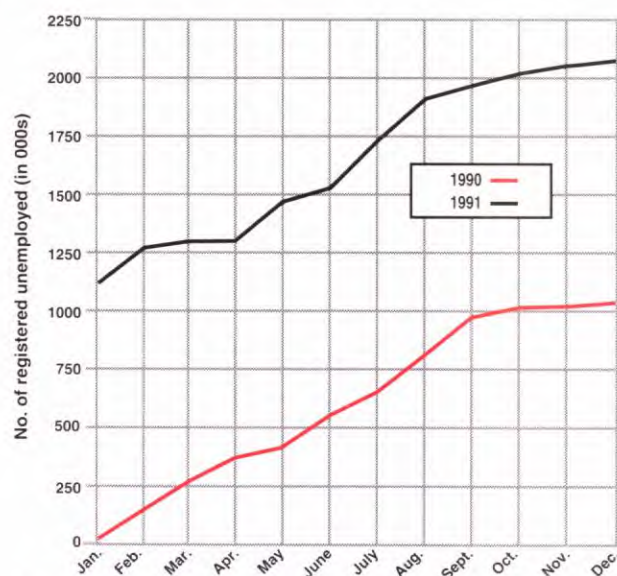


Unemployment

Unemployment is a relatively new phenomenon in Poland. The communist regime guaranteed full employment, though often in non-productive or heavily subsidized jobs. As recently as December, 1989, there were still 255,000 job vacancies reported and only 10,000 unemployed. Hidden unemployment, at the same time, was estimated at some 30% of the workforce. This figure reflected persons listed on pay-rolls, but without any significant work to do.

The onset of the recession in 1990 was accompanied by a steady growth in unemployment. Through the course of 1991, the number of unemployed in Poland nearly doubled to exceed 2.2 million by the end of the year. The rate of unemployment, which stood at 6.1% at the end of 1990, grew to 11.4% by the end of 1991 (see figure 5.2). If this trend continues, some observers warn, total unemployment could grow to 3.5 million by the end of 1992.

Figure 5.2
Unemployment in Poland



Source: GUS.

The real rate of unemployment may be somewhat higher than these figures suggest, since official data covers only people registered in labour offices. An additional problem is the failure of the statistics to cover farmers who supplement their incomes by taking industrial jobs. Concentrated in southeastern Poland, many of these "worker-farmers" have lost their industrial jobs, but the losses are not reflected in the official figures for unemployment in the region. A true reading of the employment situation in Poland is further complicated by the fact that some 30-40% of those registered as unemployed are women who have never been in the paid workforce, and who are caring for children at home. In addition, some 240,000 workers took early retirement in the first three months of 1991 rather than compete in an uncertain job market.

The largest numbers of unemployed are 18 to 24 years old (34.2%), and 25 to 34 years old (29.4%). The figures include both men and women. Only 3% of the unemployed have a university education. Those with a primary school education, or less, comprise the overwhelming majority.

Unemployment is currently highest in northeastern Poland, which is the poorest part of the country. Unemployment rates are also higher in the rural areas and towns than in the larger cities. This balance is expected to change because heavy unemployment is anticipated in regions with large industrial concentrations, where entire sectors are threatened. These regions include Lodz, where the textile industry is in serious difficulty, the Katowice area, which is home to a large part of Poland's heavy industry, and upper Silesia (Walbrzych), where many coal mines face the threat of shutdown. The recently passed law on foreign investment offers special tax breaks to those who invest in regions with especially high rates of unemployment.