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Justyna Stypińska, PhD candidate  
Jagiellonian University, Krakow  
justyna.stypinska@gmail.com

# The present and the future of older people in labour market – the case of Poland.

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## **Introduction**

“One of the most remarkable features of recent trends in labour markets in Europe has been the substantial increase in employment of older people, and this during a period of relatively limited economic and employment growth” reads the optimistic introduction to the analysis by Eurostat of the situation of older workers in Europe (Employment in Europe 2007). For most of the European countries this statement holds true. At the European level, the average situation of the older people (age cohort 55-64 years old) in the labour market is partially satisfying. Nearly 53 percent of older men and 35 percent of women are professionally active (ibidem)<sup>1</sup>. However, looking closely at the employment rates of this specific age group for each country, the differences are remarkable and worth closer scrutiny. Poland with its extremely low employment rates ranging from nearly 38 percent for men, and a striking number of 19 percent for women has ultimately the last place in the ranking of all the EU member states. Moreover, the average exit age from the labour market equals 58 and is also three years lower than the average European figures (Europe’s Demographic Future, 2007).

The aim of this article is to try to identify the reasons for such low figures for Poland, and also to sketch briefly the possible future scenarios for the older people and their working careers. The significant economic growth, vast immigration to UK and Ireland, the use of European

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<sup>1</sup> See Annex for Figure 1.

structural funds are the factors shaping the situation in the labour market in Poland at the moment. Nevertheless the older people in Poland seem to be somehow impervious to these, mostly positive, changes and seem not to benefit largely from improving conditions. The situation of the Polish ageing working force is certainly an interesting case if compared to other European countries, especially those from former Soviet bloc as the ones which experienced socialism. All the new member states, which were former satellite countries, have relatively low employment rates of the older people; however none of them is as low as in Poland (compare: Figure 1.). A closer comparison of the eastern European countries would definitely be of huge informative value; however this article will not cover this issue thoroughly. It will mostly focus of the internal situation of the Polish aging workforce in order to deliver a clear picture of its current condition. Nevertheless, I hope the comparative perspective will be a focal point of the future academic projects and will produce satisfying results capable of clarifying and interpreting the problem.

The major factors which could influence the low activity of older people in Poland are the following: the restructuring of the labour market after the 1989, early retirement and disability benefits, role of the older women in family, age discrimination, technological change, black market employment, inconvenient legal solutions (Schimanek 2006, Szatur- Jaworska 2005). In the article I will discuss and evaluate most of the above factors according to their explanatory force of the problem in question in three primary dimensions: socio-cultural, structural and institutional. The picture of the situation of older people in labour market is a very complex one and thus the one-dimensional analysis would not suffice for interpretation. Obviously, all dimensions of the scientific problem are highly interrelated and perhaps the borders between them might sometimes seem artificial, however they are necessary to achieve some level of analytical clarity of the description of the problem in question. Moreover, the variety of push and pull factors which drive the people in or out of labour market need to be evaluated from different angles in order to provide a satisfying answers and solutions to the problems. These angles do not only include the above mentioned three dimensions, but they also include the perspective of different social actors involved in the problem. The picture of the problems of older people in the labour market will be painted differently by the employers who have different expectations and demands than the potential employees. The picture will also change when taken into consideration different branches of labour market, which require

different skill, level and type of knowledge and education. A remarkable example of this distinguishing point of view could be observed in the issue of age discrimination in employment, which is regarded to be one of the most important barriers for entering the labour market by the older people themselves, whereas the employers are far from admitting that the problem even exists and exhibit high level of political correctness in referring to this issue (Szatur-Jaworska, Rysz-Kowalczyk 2007).

The significance of the problem in question, namely the extremely low work activity rates among Polish seniors cannot be underestimated in the light of the serious demographic changes in the contemporary world, especially in the developed countries of the European Union as well as the United States. The radical growth of the life expectancy together with low fertility rates cause rapid ageing of the populations throughout the world. This unprecedented demographic transformation was called by Robert N. Butler, a pioneer in the studies on aging in the United States, a “longevity revolution” (Butler 2008), which is about to bring both – benefits and difficulties to the states and societies.

It is needless to cite the statistical data to prove the fact that the European societies are also aging at an alarming rate and that the consequences of this process might be detrimental to the societies if not remedied appropriately in time. There are naturally large disparities among the European countries, however the average tendency is definitely unidirectional, namely towards much older societies. To counteract the negative consequences of the aging phenomenon serious set of solutions needs to be implemented in the national policy schemes pertaining to the issues such as retirement age, pension systems, health benefits, senior activation, and legal solutions in relation to labour market. The overall plan for action based on the already recognized problems was introduced by the European Union in the document of Lisbon Strategy with its devotion to creating “growth and jobs” in condition of an economic stability. The guideline 17 of the revised version of the document reads as follow: “Implement employment policies aiming at achieving full employment ... Policies should contribute to achieving an average employment rate for the European Union of 70 % overall, of at least 60 % for women and of 50 % for older workers (55 to 64) by 2010, and to reduce unemployment and inactivity. Member States should consider setting national employment rate targets” (European Commission website). With a general framework for action and the financial resources in form of structural funds, the member states have the tools to start reforms in the area of increasing the

participation of older people in the workforce. Poland has not been lagging behind dramatically with approving new programs for the “50 plus” generation, however none of them is yet in force on the national level, and there is a considerable lack of political impetus towards improving that *status quo*.

In the following passages I will try to present the reader with most up-to-date information about the current situation of the older people in the labour market in Poland. The majority of data used for this analysis come from the most recent research reports carried out by governmental agencies such as CSO (Central Statistical Office of Poland) or NGOs in response to the requirements set up by the aforementioned Lisbon Strategy and its executive documents. Moreover in the recent months there have been boisterous debates on the issue of the low participation of the older people in the labour market in relation to the prepared reforms regarding the early retirement system, which culmination was the general strike of the members of the “Solidarność” trade union in Warsaw on August 29, 2008.

### **Demographic facts and figures**

In order to better understand the current situation of the older people in labour market in Poland it is advisable to present some of the basic statistical information about the demographical situation of the Polish population as well as data about age group in question - 45-65, in other words – the non-mobile working age group . In general terms, as identified by the Central Statistical Office, the process of aging of the population will be intensified, “the highest increase in the number of persons at the post-working age is expected after 2005, particularly in the decade 2010-2020 – a growth by almost 2 million people ...The share of persons at the post-working age in the total population has been systematically increasing from 15% in 2000 to 23% in 2020, and 27% in 2030” (CSO 2007: 92). These changes will be of revolutionary character to the labour market and will significantly affect the future of the whole population, both the productive and non-productive groups. It is obvious that the primary task is to retain the aging workforce active as long as possible in order to avoid in the future catastrophic consequences in the sustainability of the public finances in form of pension system, and health and long- term care services.

In order to improve the comprehensiveness of the picture it is advisable to present the data showing the labour market participation rates of the older Poles. A comparison made by Perek Bialas and Ruzik (2006) of the data from two National Censuses plainly shows dramatic decrease in the employment rates between the years 1988 and 2002 of the persons 55 plus. The total labour force participation rate of this age group dropped from 52.3 percent in 1988 to 30.4 percent in the year 2002. The rates for men were respectively 63.7 and 40.4 percent, and for women 42.7 and 21.9 percent<sup>2</sup>. The most recent data by CSO (2007) illustrate that the process of withdrawal from the labour market before the statutory retirement age is deepening even further in case of men. The average employment rate of the age cohort 55-59/64<sup>3</sup> is 37.5 percent for men, and 23 percent for women.

On the other hand, the total unemployment rate for the age cohort 55 – 64 is 8.4 percent, of which 9.4 for men and 6.7 percent for women. For comparison, the average unemployment rates for other age groups are higher: for the age cohort 25 – 34 the rate is 13.1 percent, 35 – 44 - 11.9 percent, and for the age cohort 45 – 54 the rates are 12.3 percent (ibidem). Therefore, the employment does not seem to be a significant problem for the older adults in Poland. However, these numbers are so low not due to the high employment rates, since as have been shown above these are similarly low, but due to the extremely high rates of people dependent of various types of social benefits, mostly on the illness/disability pension or early retirement pensions (Schimanek 2006).

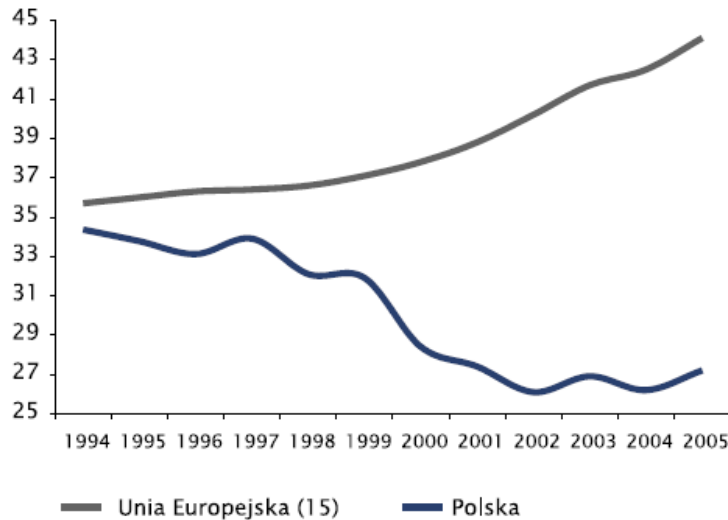
The comparison with European countries presented in the introduction can be complemented by the below chart showing the employment rates among the age cohort 55 – 64 in the European Union and Poland during the decade from 1994 until the year 2005. As far as the situation in the 1994 could be comparable, the dramatic decrease in the case of Poland is clearly visible. The following three sections of the article will attempt to clarify some of the reasons for such pessimistic picture of the older workforce in Poland, and finally, the fourth section will provide the reader with some projections of optimistic solutions to the situation.

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<sup>2</sup> See Annex for Figure 2.

<sup>3</sup> The two figures come from different statutory retirement ages for men – 65, and 60 for women.

Chart 1. Employment rates in the age group 55 – 64 in the European Union (15) and Poland.



Source: KPP 2007.

### The socio-cultural aspects of disengagement from the labour market

The analysis of the situation of the older people in the labour market in contemporary Poland cannot be performed without short historical reflection on the past working conditions and standards. The today's 50 and 60 year olds were brought up and started their first jobs in the time of social market economy, which basis assumptions are dramatically different than that on the capitalistic economy. The primary employer of those times was the state which provided majority of workplaces as well as pensions, as well as other financial and social benefits. The socialistic standards of work did not require genuine productivity from the employees<sup>4</sup>, and due to the policy of full employment every person was granted a job upon finishing the education. The most widespread proverb concerning this problem, which today took form of a joke, was: "Whether you are standing or you are lying, you will get two thousand (zloty)". Regardless of the effort and motivation of the worker, the salary was stable and unquestioned. This example of

<sup>4</sup> Productivity was required in only some of the branches of industry, such as steelworks factories or construction sites in certain time periods in order to prove the hegemony of the socialistic economy. However, the everyday work in the industry was not highly competitive.

the employment ethics in socialism could be followed by many others, which were pictured in many Polish films of that period. However, as much as they can be laughed at today, these standards were common and their persistence in the mindset of the Polish society, particularly among the older age groups, is still present.

The “cultural heritage” of the social economy is indisputably one of the factors shaping the situation of the older workers today – driving them out of market economy institutions due to the lack of adaptation skills. The relatively long time the older workers had spent in the public sector employment has not equipped them with the skills and habits required in market economy system (Szatur- Jaworska, Rysz-Kowalczyk 2007). Some of these skills would include mobility, innovation, flexibility, and creativeness. It is not to say that all the job posts in the market economy do oblige the employee to possess such characteristics, however, there is an unquestionable difference between the expectations of the market and social economy in terms of the skills workings habits of the workforce. Paradoxically, at the same time, the salary expectations of the older people are relatively high and amount to 171 percent of the minimal wage or 62 percent of the average wage in Poland<sup>5</sup> (ibidem). The expectation varied among the population according to sex (women had lower expectations), level of education (the higher education level the higher expectations) and the age of the respondents (the highest expectations had people in the age cohort 56 – 59). For the purpose of orientation - approximately 40 percent of the workers employed in simple jobs earn less than **50** percent of the average wage in Poland (KPP 2007).

Nevertheless, many of the older people who are long-term unemployed fear the high demands of the new market economy and would rather rely on the low social benefits than compete with younger people in the labour market. Many of them have very low self esteem stemming from their average lower education level, lack of technological skills, and presumable lack of capability to adapt. This phenomenon is particularly observable among the oldest cohorts of population. Older people tend to quit the jobs in the face of difficulties and obstacles, which could be perhaps easily overcome, but their lack of self esteem might push them into leaving the job rather than asking for help or self educating (Szatur- Jaworska, Rysz-Kowalczyk 2007).

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<sup>5</sup> The average salary in Poland in the first quarter of the year 2007 equaled 2580,38 zloty (779 Euro), and the minimum wage was 936 zloty (283 Euro).

In the socio-cultural variables explaining the low professional activity of the Polish senior citizens an important role has to be attached to the traditional family model in Polish society. The traditional family patterns are explicitly vivid in the roles the women take on in the later phases of their lives – the caregivers. The involvement of the women in taking care of other family members is much greater than the involvement of men in the same type of responsibilities. Most frequently older women engage in rearing the grandchildren and the everyday care for the senile parents. These tasks are one of the major causes for older women to exit the labour market, even before they reach the statutory retirement age of sixty. The research carried out by Polish Statistical Association showed that most of the professionally inactive women – as much as 96 percent - indicated household duties and children care as the primary reason for not working (Czapiński, Panek 2007).

The considerable amount of complaints from the older people searching for jobs concerned the negative stereotypes present in the mindsets of the employers making them reluctant to hire or retain older persons (Szatur- Jaworska, Rysz-Kowalczyk 2007). These stereotypes held by the employers include the perception of older people as being slow, ill in health, less active and motivated than younger persons, not flexible, not eager to learn new skills, forgetful (Bytheway 1995, Palmore 1999). Partially, these could hold true if referred to some of the older people, as has already been mentioned above. The discrepancy between the older and younger workers in their adaptation to the requirements of the capitalistic economy is certainly noticeable. This could be observed in the figures concerning the micro-productivity from a study carried out for the European Commission. The study found a relationship between the individual productivity and age, and proved that for most of the older workers the productivity, measured in different dimensions (see Annex: Figure 3.) does in fact decrease, however in different areas, which are not always directly related to the job performed by the older worker.

However, on the other hand, as older workers might come short of some of the important work characteristics, they could substitute these deficiencies by some other crucial advantages. Robert Butler evokes American studies in this subject and writes, “... although reaction time may be slower and more time may be required to complete certain task, older workers have less turnover and less absenteeism, higher job satisfaction, and are more dependable and experienced” (Butler 2008: 245). Polish research in this subject carried out by professor of medicine Teresa Makowiec – Dąbrowska (2002) showed that age can be considered a

determinant of the job performance only to some extent, and should always be assessed according to the exact requirements of the job post. The study presents sharp differences between the physical types of jobs and the professional ones, and concludes that age can negatively influence the working capacity in the former ones, whereas for the latter it has no significant influence.

Ageism, understood as a negative set of stereotypes and attitudes towards older people is certainly a social problem, present not only in Poland. Negative attitudes towards older people are widespread in many western societies, and the consequent discrimination of older people does not only appear in employment but also in other areas of social life. This conclusion was confirmed in results of the research “Poles about older people and their own age” (CBOS 2006). The study showed that the attitudes towards older people vary according to the social setting, and thus the most positive can be found among the family members and friends, as well as among the closest neighbours, and these were called the “enclaves of the hospitality”. The opposite end of this continuum, where the most negative and hostile attitudes were found, was the public space – the streets, the public institutions (banks, offices, health care institutions), and the means of public transportation. The most negative or hostile approach towards the older people was found in attitudes of the young people and was shown in 70 percent of the indications describing their approach to seniors as “indifference, lack of consideration and bad treatment”, and only 25 percent as “sympathy” (ibidem).

What would perhaps distinguish Poland as a case study for analyzing this problem would be the lack of sufficient interest in the problem of age discrimination of the public authorities. Only with the requirements of the Council directive 2000/78 and the subsequent implementation of the provisions into Polish law, was the problem of age discrimination acknowledged to some extent and incorporated into formal documents. Putting the problem of age discrimination on the European agenda triggered the interest in the issue of the Polish public which reflected in a radical increase in the number of newspaper articles, TV and radio programs and Internet publications concerning the age discrimination<sup>6</sup>. The role of mass media in creating the image of older people is, however, twofold. On the one hand the issue is becoming more and more visible in the relation to the requirements of the EU as far as dissemination of information is concerned

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<sup>6</sup> The major Polish daily newspaper – “Gazeta Wyborcza” launched a special Internet service aimed to help people over 50 years old find job. The campaign included series of articles, interviews and other reports, as well as meetings with senior activists, publication of letters from readers about the cases of experienced age discrimination.

and the obligatory advertisements financed by the structural funds. On the other hand, as recent research in Poland has shown, the representation of older people in media in Poland is still very pessimistic. “The image of older people in media is assessed as unfair, false and wrongful. Older person appears as sick, poor, and in need of help. The media reproduce the stereotype – unjust and common vision of older person as more infirm, incompetent and awkward than he is in reality” (Małgorzata Bukowska- Siegel, 2007). The consequences of picturing the older people in such a way are easily predictable, and simply increase the level of negative attitudes towards seniors. The employers are, as expected, equally influenced what might affect their professional decisions. The negative stereotypes of the older people are just mirror reflections of phenomenon present in all western cultures, namely the cult of youth. The cult of youth is pervasive in Polish society as well and its major influence can be observable in many spheres of social life – the marketing strategies of many companies introducing the products for young consumers only, the media campaigns and advertisements targeted towards the young, the technological novelties geared to catch the young customer, magazines and TV programmes for young audience.

### **The structural factors**

One of the major obstacles for older people to be incorporated into the labour market in Poland is the structural incompatibility between the requirements of the modern job market and the qualifications of the unemployed seniors (Szatur- Jaworska, Rysz-Kowalczyk, 2007). The technology and knowledge-based economy being the basis for the development has been altering the situation on the Polish labour market dramatically. The transition from production and heavy industry into highly competitive technology and service-oriented economy made many job posts redundant. The new model of economy requires primarily relatively high level of education as well as modern skills in technology, both of which are much more likely to be in possession of younger applicants than their older counterparts. In the age cohort of 55 – 59 years old, over 60 percent of population has only primary school or vocational school level of education; whereas in the years 2004 - 2006 more than 40 percent of the newly created job posts were demanding university level of education, and only 8 percent of were jobs with minimum educational requirement (Boni 2007). The low professional qualifications were the first factor indicated by the 88 percent of the employees of the different Polish employment agencies as the reason for

lowering the chances of an individual to find a job (Szatur- Jaworska, Rysz-Kowalczyk 2007: 37). The second factor with approximately equal number of indications (85 percent of the respondents) was the age of the job seeker, namely being over 50 years old. Even though the level of education seems to be a factor of more a social and cultural character, its repercussions for the generation 50 + are remarkably dangerous. The low level of education of the older population in Poland was also marked as being highly discriminative in the labour market by the Central Statistical Office in the report “Transition from Work into Retirement” (2007).

The problem of low education level and the lack of specific technological skills allowing the older persons to be active in the job market is being remedied by the various trainings and courses offered either by the government agencies, the employers or different NGOs. Once again, the requirements of the European Union pose obligations to re-educate people into new professions as well as to broaden their knowledge and skills. This formal obligation is being reflected in the numerous offers targeted towards different social groups with the aim mostly to re-activate the population in terms of professional engagement. Nevertheless, the studies show that the offer is not being hugely taken advantage of by the seniors and only as much as 1.3 percent of the people in age cohorts 45 – 64 participated in any type of training or course (CSO 2007)<sup>7</sup>. Such low participation levels suggest that there is very little awareness of the importance of the lifelong learning practice in adaptation to the requirements of the modern job market.

Another factor identified as deterrent from labour market is low professional and geographical mobility of Polish seniors in comparison to other European countries. Even though, the migration rates boosted after the accession to the European Communities, and many Polish workers can be found in Great Britain, Ireland and several other European countries, there has not been a significant outflow of older people. The great majority of the immigrants are young and fairly well educated people who leave Poland almost straight after finishing education (ISP 2007). Among people until 24 years of age, almost one fourth declares readiness to immigrate in the next two years (25.9 percent), while among the older cohort 25 – 34 the number drops to 14.3 percent. The willingness to immigrate decreases naturally with age and among the age group 45 – 59 this percentage falls to only 5.1 (Czapiński Panek 2007: 135).

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<sup>7</sup> The question posed in the research was such: “Have you in the last four weeks participated in any type of out-of-school training?” In my opinion, this sort of question might bring uncertain results, since some people might not have participated in a training in the specific four weeks, whereas their average, for instance annual, participation might have been higher.

The internal migration of the older people in search for jobs is also very limited what stems from their reluctance to leave the hometowns and families, as well as from the lack of institutional support for such ventures from employment agencies or local government units (KPP 2007). The professional mobility of the Polish people is also relatively low what is reflected in small number of participants in various re-educating trainings which could aid the process of gaining new and valuable skills. The lack of motivation and self –esteem in this respect among the seniors might be a severe hindrance in the success of programs for life-long learning, which are being considered the cornerstones of the European policy towards active aging as remedies for negative consequences of the ageing of the population.

### **The institutional dimension**

The situation of the older people in the Polish labour market has been deeply changed by the political decisions made after the transformation, which were to remedy the negative financial consequences of the changes of 1989 for many people in the labour market. The transition from centrally planned to market economy and the “shock therapy” of 1991 performed by the then Minister of Finance Leszek Balcerowicz was a revolution for many Polish households. The massive layoffs placed many people in an utterly new situation of job seeking and not being greatly supported by the state any more. In order to remedy this deadlock, the government established policies that allowed many of the sacked older workers to avoid entering unemployment and gave them early retirement or illness/disability benefits. This deactivation policy seemed to better resolve the problem of the older persons than any attempt to re-educate and retrain them into new jobs, especially in face of the extremely high unemployment rates and virtual lack of jobs in the emerging market economy institutions. The policy of early deactivation of the older people in the labour market has since then been continued to some extent, and the results of it are clearly visible in today’s employment rates of the older age cohorts.

In comparison to other European countries, the system of illness and disability pensions has specific role in Poland. The primary aim of this benefit is to compensate the loss of income and assist a gradual recovery and ultimately the full or partial return to the labour market. However, already as of 1980’s the benefit was used to deactivate older persons, and in the 1990’s were the main tool to facilitate and soothe the serious social clashes caused by the political and

economic transformation and the processes of restructuring of Polish industry (KPP 2007). In result, as many as 3.5 million people were receiving the disability pension in 1999, what situated Poland among other OECD countries with twice as high as average number of pensioners. Naturally, this is not a reflection of the bad health of the Poles, but in fact of immense abuses of the system.

Another form of financial transfers available to the older people is pre-retirement age benefits and retirement allowances. Altogether they may be a powerful deterrent from engaging in the labour market for an individual; however their influence on the macro level is marginal due to the low sums of money they offer and relatively restrictive requirements to obtain them (ibidem).

Similar deactivating role started to be played by the retirement pension system already in the 1980s in many developed European countries (KPP 2007). The restructuring of the Polish economy in the 1990s leading to high unemployment created similar situation when the older workers were offered “early” retirement in order to release their workplaces for the needs of the young people entering the labour market. However, this approach failed producing large numbers of retirees. Even though, a reform of the retirement pension system was introduced in 1999<sup>8</sup>, there are still number of occupations provided with the privileged of early retirement, among them: teachers, miners, railwaymen, and other, so called- uniform professions. The consequences of these policies are observable nowadays in one of the lowest exit ages from the labour market in the EU and the lowest employment rates. Only 25 percent of the professionally active men and 13 percent of women retire according to the statutory retirement age, the rest of the population does it earlier (Schimanek 2006).

### **The future of older workers and what is being done about it**

In the year 2030 the population of Poland will drop from today’s 38.1 million to the 35.7 million (GUS 2008b). During the next decades, the Polish labour force will be undergoing two major processes – ageing and shrinking. If not remedied properly, the consequences of these processes will severely undermine the stability of the public social security system and lead to

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<sup>8</sup> More about the retirement system reform in subchapter “Future of Polish older workers”.

even deeper social conflicts in effect. The future of the Polish older worker will be determined to a large extent by the efficiency of the reforms of the present government which will influence their position in the labour market. The most important reform to be completed by the Polish government is the retirement pension system, which was already started in 1999, but still needs certain solutions to reach its full effectiveness. The second reform will concern the program aimed at helping the so called population “50 plus” in finding employment, and is incorporated into the currently amended Act on Promotion of Employment of 2004. Moreover, as far as these legal tools are important and will hopefully improve the situation of the older persons in the labour market, what is equally important is the change in negative attitude towards older workers which is deeply ingrained in the mindsets of the Polish employers. This cannot be done easily only with the help of legislation, but a much broader approach is needed.

In order to explain the potential effects of the reformed retirement pensions system on the improvement in the low labour activity rates of the Polish seniors it is needed to sketch some of the basic guidelines of the system. The “new” (actuarial) system is functioning next to the “old” (distributive) system and both are not fully efficient. The characteristic of the old system which has the greatest impact on the activity rates in the labour market is the possibility for obtaining the privilege of early retirement for many professions, which are being guarded by the members of the trade unions representing these professions. In order to finalize the pension system reform and to transform the Polish system from the old into new, a solution to the problem of early retirements is needed. However, it has not been successfully dealt with by consequent governments and still remains to be an unresolved sore point and potential source of social unrest. Moreover, the old system included the possibility to retire after 30 years of seniority for men who reached age 60 and women after the 55 years old.

Currently, the Polish government is trying to negotiate the guidelines for the reform with aim of reducing the number of people entitled to obtain early retirement pensions. However, the trade unions using their very strong position and power in talks enable the negotiations to reach any kind of consensus and demand the government to retain full privileges (GW 2008). If such a scenario comes true, the financial burden towards the payout of these pensions will require 60 billion Polish zloty in the next 30 years. Another scenario would mean reduction of the number of the privileged professions only to those posing high health risks, and for the other occupations - longer working time and regular retirement age. If the reform continued to be implemented

contrary to the claims of the trade unions, there is great chance that the professional activity of older people will somehow increase, and moreover, there will be less future social pressure and requirements for such privileges. The long run results of the reform can be the rise of awareness of the need to increase, rather than decrease the working time, since this will also significantly raise the quantity of the pension received.

The second major reform which is being prepared by the government concerns the amendment to the Act on Promotion of Employment and it is to introduce measures to address directly the problem of low professional activity of the older persons in Poland. The reform had its pilot version in form of program titled simply “50+” launched in December 2004 and carried out through 2005 and 2006. Its major assumption was to facilitate the older unemployed persons the access to various activities which could increase their chances in the labour market or could help them start up their own business. The program had 1540 participants, of which 44.7 percent finalized it successfully and found steady employment (Feldak 2008). The reform in its proper version will aim at improving the employability of the persons in pre-retirement age by means of: co-financing the trainings for employees in order to improve their qualifications, building an effective system of incentives to encourage older workers to participate in different forms of re-education, introducing some financial amenities for the employers who are willing to hire older workers. Moreover, the Ministry responsible for employment introduced a plan for a new program “Solidarity of Generations – 50+” which aspires to increase the employment rates of the people over 50 years of age, as well as to increase the statutory retirement age and equalize the retirement age for men and women. In the framework of the program the specific goals are as follow: a) to improve the working conditions, promote employment of older workers and age management in companies, b) improvement of the competence and qualifications of the older workers, c) decreasing the labour costs of the older workers for the employer, d) activation of the unemployed and the persons at risk of unemployment, e) professional activation of the disabled, f) increasing the employability of the older women by introducing solutions for flexible work allowing for reconciling work and family life (PKPP Lewiatan 2008). The major guidelines are still being negotiated in the obligatory process if social consultations required by Polish law in order to pass a new ordinance. The potential effects of the program “Solidarity of the Generations” is likely to be positive if implemented carefully and with dedication of all the social actors involved.

## **Conclusion**

The recent years have marked significant changes in Poland – the economy is growing, the unemployment rates are dropping, the GDP is increasing, and the investments are developing. The accession to the European Union has so far had mostly positive effects on these areas of social life, and as most of the studies show – majority of the Poles view the accession as positive. Nevertheless, despite such joyful results, the problem of the low rates of professional activity of the Poles remains. “If ageing societies are to continue to prosper, there is no way around working longer” promulgates OECD and it is definitely to be taken seriously.

The Polish case seems to be quite a rare one in comparison to other European countries, which were capable of increasing the employment rates of the older workers. Even the “socialistic heritage” of Poland cannot fully explain the extremely low professional activity of older persons, since the other post-communistic states are all doing better in these statistics. There is no one ultimate answer to the question, and thus I attempted to draw the picture of the complexity of the most important factors determining such state of affairs. However, more complex and detailed study is needed in order to precisely define the issues, what has not been done by many Polish academics since it was only recently that the problem of low labour activity of the age group of 40 and 50 year-olds appeared on the social and political agenda.

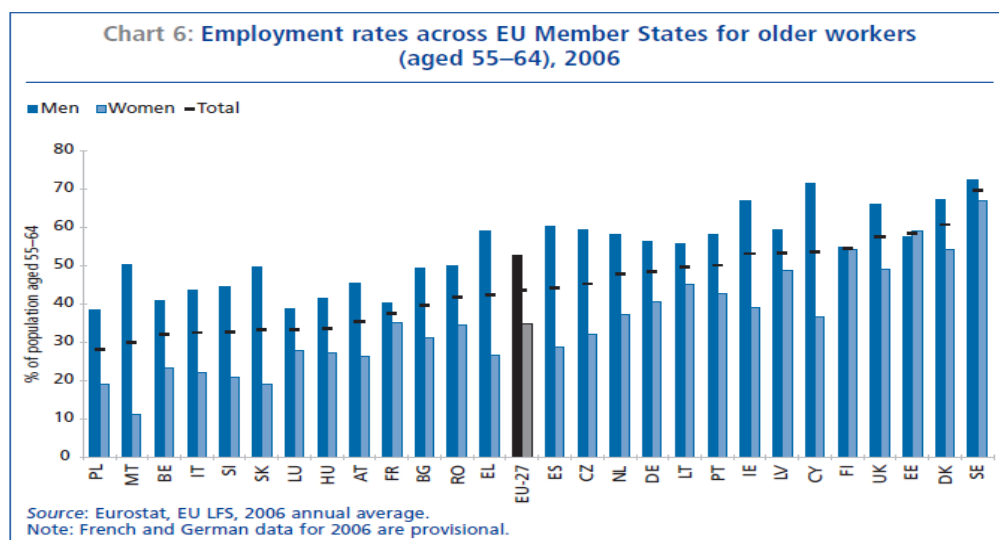
In addition to more and better research on that matter, more public awareness is required if the planned reforms are about to be successful. The lack of social understanding of the complex after all issues concerning the retirement schemes can pose a real threat to the finalization of the Polish reforms. Moreover, with no social acceptance and support, the implementation of the specific guidelines and provisions of the act might be severely jeopardized. However, the need for critical actions is obvious, and most probably this cannot be done without a sort of “shock therapy” and implementation of the highly socially unpopular decisions in order to tackle the problem thoroughly and not only to apply stopgap measures and resolve the problem temporarily.

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Annex:



**Figure 1.** Source: *Employment in Europe 2007. European Communities 2007.*

**Table 1.** LFPR by age and sex in 1988 and 2002 in Poland in percent

	National Census 1988			National Census 2002		
	Total	55 64 yrs	65+	Total	55 64 yrs	65 +
<i>Total</i>	65.3	52.3	24.1	55.5	30.4	6.9
<i>Men</i>	74.3	63.7	32.5	62.3	40.4	10.6
<i>Women</i>	57.0	42.7	19.0	49.2	21.9	4.6

Source: GUS (2003)

**Figure 2.** Source: *Perek-Białas J., Ruzik A. (2006). Country report: Aging in Poland: Current State, its Causes and Implications. [In:] Andreas Hoff (ed.), Newsletter of the Research Committee on Sociology of Ageing of ISA.*

Age	Numerical ability	Managerial ability	Clerical perception	Finger dexterity	Manual dexterity	Experience
-19	-0.30	-0.17	0.14	0.05	0.16	-0.40
20-24	-0.11	0.00	0.17	0.10	0.35	-0.40
25-34	0.00	0.00	0.00	0.00	0.00	0.00
35-44	-0.39	0.00	-0.28	-0.40	0.05	0.27
45-54	-0.63	0.00	-0.55	-0.92	-0.49	0.27
55-65	-0.85	0.00	-0.80	-1.42	-0.94	0.27

**Figure 3.** The average ability measured as deviation and scaled by standard deviation from ability levels of the 25-34-year-olds. Source: *Europe's Demographic Future: Facts and Figures (2007).*