



Weekly Briefing

Poland social briefing:

The social consequences of the coronavirus pandemic

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The social consequences of the coronavirus pandemic

Recent months have brought a total change in economic and political plans and projections for the future. However, the pandemic has also changed social relationships and the problems that societies have to face. As far as social issues are concerned, for Poland, a special challenge for the coming months will be to reduce unemployment and income inequalities as soon as possible, but also to draw attention to the enormous workload of women who have to work professionally and take care of the family and home during lockdown.

Pandemic unemployment - truth or myth?

The fight against unemployment seems to be the most important challenge. According to the data provided by the Ministry of Labour and Social Policy in Poland, in April 2020 there were 966,000 unemployed (5.8%) registered, in May the number of unemployed slightly exceeded one million (6%) - this is official data created on the basis of information provided by Employment Offices. Considering the data of the Central Statistical Office from recent years, the scale of unemployment growth is *de facto* small. So did the coronavirus not affect the Polish labour market?

Not completely. Data from Employment Offices is not the only way to measure the number of people without work. In fact it is a simple number showing how many people have registered themselves as unemployed. However, the unemployment rate does not show the percentage of unemployed people in the entire population, as sometimes mistakenly thought. The unemployment rate is the percentage of people without a job who are actively looking for it in a group of professionally active people. Those who do not work and are not looking for a job are called “professionally inactive”. According to the latest, full survey of the economic activity of the Polish population from the 4th quarter of 2019, the group of “professionally inactive” is over 13 million people (including, among others, 7.5 million retirees and 5 million of professionally inactive people in working age).

A more detailed analysis of unemployment in recent months is provided by “Diagnosis Plus”. This is a report created by four research centres and economic think tanks: GRAPE, CASE, IBS and CenEA. “Diagnosis Plus” is a study conducted in accordance with the guidelines of the International Labour Organization. According to the analysis, the

unemployment rate in April 2020 was almost twice as high as compared to the state before the pandemic. This means that the unemployment rate in Poland is bigger than registered by the Employment Offices. According to the study, there are already 660,000 people who have lost their jobs as a result of a pandemic. 340,000 of them are looking for a job and are ready to start a new one right away. However, 320,000 are currently not looking for work. Only about 120,000 people registered at labour offices. Others did not do it, for several reasons: i) because their notice periods are still underway; ii) because they are concerned about their own health in the event of an office visit during pandemic; iii) because they hope that after lifting the restrictions, the employer will propose a return to the previous position.

Increasing social disparities

At the same time, this rising number of unemployed people will have a direct impact on the economic situation of many families in the coming months. Currently, as many as 33% of surveyed Poles declare that their income has fallen as a result of a pandemic (layoffs, job cuts, reduced number of working hours). However, it must be honestly admitted that 13% of people say that since the beginning of the pandemic, their income has increased. This shows that the pandemic affects income inequalities, which have been increasing since the beginning of the fight against COVID-19 in Poland.

Professor Ryszard Szarfenberg, dealing with this topic, points out: “It is obvious that Poles are getting poorer. Some less and some more, but 1/3 of the population is already feeling this. These proportions may change in the near future”. According to Szarfenberg, now the government should halt this process at all costs not only by maintaining jobs at the expense of wages, but also by supplementing the “anti-crisis shield” with benefits against poverty. In all four versions of the “anti-crisis shield”, which is a government support program for entrepreneurs, there are provisions on parental benefits and family benefits, but this is not enough.

Szarfenberg explains that it is necessary to introduce the principle that unemployment benefit is at least 50% of the previous pay, but not less than 50% of the minimum wage (currently the minimum wage is PLN 2,600, so half of this amount is PLN 1,300 [EUR 586 and EUR 293 accordingly]). Periodic benefit from social assistance for unemployed persons must be paid on the basis of full equalization to the socially agreed minimum standard - currently it is only PLN 701 (EUR 157).

To counter the social inequalities resulting from the coronavirus, the government should carry out these reforms urgently, adding a three-month crisis benefit to those who have lost their jobs. In the anti-poverty strategy to be adopted this year, the government should therefore include a plan for deeper reform of the monetary and service assistance system for the unemployed.

Deteriorating situation of women

The aforementioned problem especially applies to women. Women in Poland are more likely to lose employment, they work on the front line against coronavirus (as nurses, laboratory workers, carers for the elderly and children), yet they do hard work at their homes and are increasingly victims of domestic violence. Mother-employees do not have a concessionary tariff at work, and the weakening of their professional position can last for years.

As the latest Eurofound report shows, the coronavirus restrictions introduced by the Polish government hit women the most for many reasons. In addition to immediate and easy-to-see consequences, such as job loss, there are also many less perceptible aspects that can have long-term negative effects on women's position in the labour market. One of the most visible economic consequences is the rising unemployment among women. Eurostat data show that women have suffered more due to the pandemic in Poland. Women work much more often in industries which require the (today undesirable) face-to-face contact (as doctors, teachers, nurses, hairdressers, beauticians, etc.), and at the same time less often in those industries considered crucial for the functioning of the state, and dominated by men (transport, security, agriculture, construction, etc.).

In times of pandemics, also the burden of "invisible homework" becomes much heavier. The division of responsibilities and childcare, although slowly levelling out in Europe, has always burdened women more. In the Polish case this is evident - according to OECD data, while men devote 34% of their time for unpaid work at home, for women it is up to 59%. However, as much as 77% of Poles think that the most important role of women is taking care of home and children. This *cliché* is of great importance for the presence of women on the labour market in crisis situations. The consequences are obvious: dropping out of the profession, then a difficult return to the labour market, the risk of receiving a lower salary, a break in the career path, and consequently a small pension in the future.

Remote work introduced in recent months is also not a perfect solution. The burden of combining work, homework and childcare affects women's health, including mental health. Isolation, insecurity and tensions associated with pandemic often turn into domestic violence. The Women's Rights Center Foundation wrote in a recent letter to the Prime Minister that the level of aggression not only increases in families who have already faced violence, but also appears where there was no such problem before lockdown. The Giving Children Strength Foundation also alerts about the deteriorating situation of children. The number of reported cases and necessary interventions doubled from February to April 2020 - it was the highest in 11 years. The number of divorce mediation applications is increasing rapidly (according to Polish law, it is the first step to terminate a marriage) - compared to previous months, the number of submitted divorce mediation applications has more than doubled.

In addition, although the consequences of a pandemic worsened the financial situation of both men and women, single mothers (32%) more often than single fathers (29%) declare that it is financially difficult for them to make ends meet. Women are less likely to have savings that give them a sense of financial security.

Conclusions

The pandemic has changed a lot when it comes to the Polish economy. Although theoretically, it seems that Poland is already succeeding, and the "anti-crisis shield" as well as entrepreneurship of Poles are bearing fruit, the social effects of the crisis are large and will not end with the complete termination of lockdown. A large group of citizens have lost their jobs, they will certainly supply the sector of unregistered persons, undertaking seasonal work. This may result in an increase in systemic poverty, which the government does not notice, hoping that additional benefits such as PLN 500 for each child or an additional 13th pension for each pensioner will solve the problem. Meanwhile, pandemic boosts income inequalities, and in the case of women, makes it more difficult for them to become professionally active, or increases emotional problems (domestic violence). These are not very popular, but important issues that the authorities will have to face in the coming months.