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Unemployment as a reason of social exclusion – spatial analysis for Poland

Abstract: *Social exclusion is a situation posing limitations to a particular individual or a group, or even disabling them to access public goods and social infrastructure and to acquire resources and income in a decent way. Unemployment is the situation when a part of people who are able to work, look for a job and accept existing level of salaries, cannot find any employment. This phenomenon is seen the most clearly in eastern Poland, in the counties situated in the outskirts of Mazowieckie, Lubelskie, Świętokrzyskie and Podkarpackie voivodships. In turn, in best positions are the inhabitants of cities and their suburbs. When compared, differences of social exclusion and of development potential of rural areas show significant degree of spatial correlation of both phenomena. The areas of the highest unemployment are those of the lowest economic and infrastructural development indicator. Lower potential of development of these areas is an effect of lack of non-agricultural economic activities, which then translates into higher degree of social exclusion and poverty in these areas.*

Key words: *social exclusion, unemployment, rural areas, Poland, development potential*

Introduction

The process of political and economic transformation that began in Poland in 1989 caused changes not only in politics and economy, but also in the social sphere. The results of these changes included, in particular, dramatic growth of unemployment, increase of impoverishment that affected a huge part of society, decrease of real salaries and pensions by about 30% and significant regress in such fields of life as culture, education and health service (Gola 2002). It is quite commonly recognised that the costs of transformation in Poland struck first of all the rural areas and their inhabitants. By a large margin, development gap widened between the rapidly developing centres, i.e. large cities and suburban areas, and the peripheral rural areas of monofunctional agricultural character.

This paper aims to analyse the spatial aspects of unemployment in Poland as the phenomenon, which is one of the most important reasons of social exclusion.

Research was based on both quantitative and qualitative features of unemployment. Analysis was carried out for year 2003 and counties were used as the basic unit in spatial research (NUTS 4 – „powiat”).

Social exclusion and poverty

Social exclusion is a situation posing limitations to a particular individual or a group, or even disabling them to access public goods and social infrastructure and to acquire resources and income in a decent way. In particular, this situation affects social groups which:

- Live in unfavourable economic conditions (material poverty);
- Are affected by disadvantageous social processes;
- Have not been equipped in the human capital allowing for achieving a normal position within a society;
- Do not have access to institutions allowing for human capital formation;
- Are subject to discrimination, either due to the underdevelopment of relevant legislation, or due to cultural prejudices and stereotypes;
- Have characteristics that pose difficulties in making use of the public social resources;
- Are subject to destructive acts of other individuals.

Poverty is related to the lack of sufficient means to cover the basic living needs of the individuals. Social exclusion is strongly associated with poverty, yet the two concepts are not synonymous (the poor need not be socially excluded and vice versa – the excluded need not be poor). A similar approach to the issues of poverty and social exclusion has been presented by D. Byrne (1999), P. Lawless, R. Martin and S. Hardy (1998), R. Atkinson (1999), as well as by B. Jordan (1996). A. Madanipour, G. Cars and J. Allen (1998) stressed that social exclusion is more related to the geographical area than to a particular social group: “Social exclusion is defined as a multi-dimensional process, in which various form of exclusion are combined (...) and create acute forms of exclusion that find a spatial manifestation in particular neighbourhoods” (Madanipour *at al.* 1998, p. 22).

At the Lisbon European Council of March 2000, the European Union has set itself a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion. The European Council agreed to base social inclusion policies on an open method of co-ordination combining national action plans and a Commission initiative for co-operation.

Small town inhabitants and rural communities are first to be afflicted by spreading poverty. Numerous analyses carried out by the Polish *Główny Urząd Statystyczny* (Central Statistical Office) suggest that rural population is over five times more likely to be afflicted by extreme poverty than inhabitants of largest

agglomerations (*Narodowa Strategia...* 2004). The percentage share of population that falls under existential minimum or is beneath poverty limits accepted by law significantly rises once one analyses small towns or rural areas (Figure 1). Further, nearly 42% of the registered unemployed lived in the countryside whereas rural inhabitants are 38% of Polish population (*Informacja o stanie...* 2004).

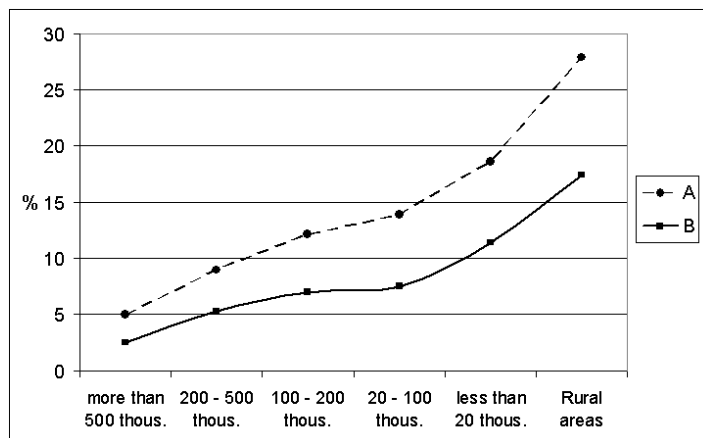


Figure 1. Percentage share of population living below the existential minimum (B) or below the poverty limits accepted by law (A) as a function of the size of place of residence

Unemployment in Poland and in Europe

Unemployment is the situation when a part of people who are able to work, look for job and accept existing level of salaries cannot find any employment. It appeared on a wider scale in Western Europe of after World War II at the beginning of the 1970s. Several reasons can be named: world monetary crisis, limitation of production or fourfold increase of oil price (Nowosielska 1995). In Central and Eastern Europe unemployment affected the societies 20 years later and economic changes linked with restructuring and privatisation processes can be recognized as the main reasons.

Exceptional situation of the post-communist countries was related to a very rapid growth of number of the unemployed that took place in short time. For example, in Poland unemployment rate¹ reached 16% in only 4 years while in the Netherlands such an increase took about ten years (Nowosielska 1995). This phenomena was a great surprise for people and together with political changes led to social exclusion of certain number of people in a very short time. The group of the new rich and numerous layers of those living in poverty took distinct shape. The wage difference is in Poland huge – the highest income group

¹ Unemployment rate is the share of the unemployed in total labour force. However, the ways in which the unemployed and labour force are defined may vary depending on the methodology used in a country.

earns 6 times more than the lowest one, while in European Union the ratio equals only 3. That is why the majority of the society assess economic results of transformation negatively (Skodlarski 2002).

The greatest increase in number of the jobless was recorded at the beginning of the 1990s (Figure 2). In connection with economic growth unemployment rate fell in the years 1994–1998. A lot of people expected that this decreasing trend would continue. However, another economic crisis caused the second upturn of unemployment.

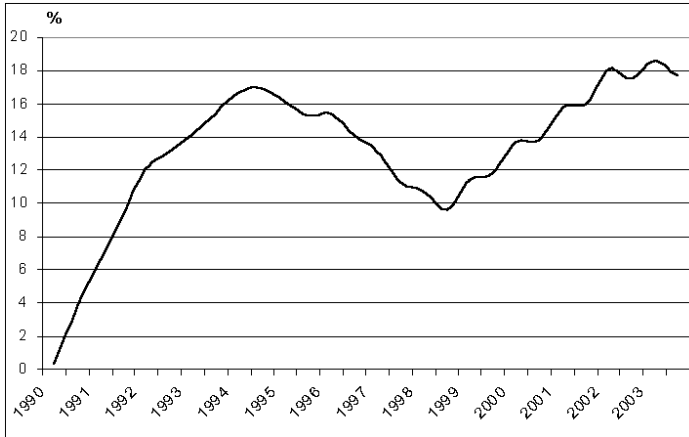


Figure 2. Unemployment rate in Poland in the years 1990–2003

Nowadays, unemployment is still the main social problem in Poland. From the inquiry performed by Social Research Laboratory (PBS) it resulted out that over 60% of Poles are most afraid of unemployment while thinking about the present situation in the country (*Rzeczpospolita* 2004).

Even higher level of concern relative to joblessness were observed when rural inhabitants were asked about the main problems that bother them. Lack of work was recognized as the most important problem by the persons surveyed in all four of the examined communes – over 80% of people answered so (Figure 3). Clear spatial diversity was noticed – 95% of answers in agricultural communes of Cmolas and Potęgowo and 65% in service ones (Jeleśnia, Nieporęt). Lack of investments in the commune was also pointed as an essential matter. However, it is curious that only 32% of surveyed gave such an answer – it may indicate that lack of work places is not being linked with lack of investors willing to create new enterprises (Czapiewski 2003).

Comparison of the unemployment rates in all 25 European Union member countries clearly shows the importance of this matter in Poland (Figure 4). The unemployment rate in Poland is twice as high as the average for the whole EU. It is also remarkably higher than in other post-communist countries, which Poland is very often compared to – Hungary, the Czech Republic and Slovakia.

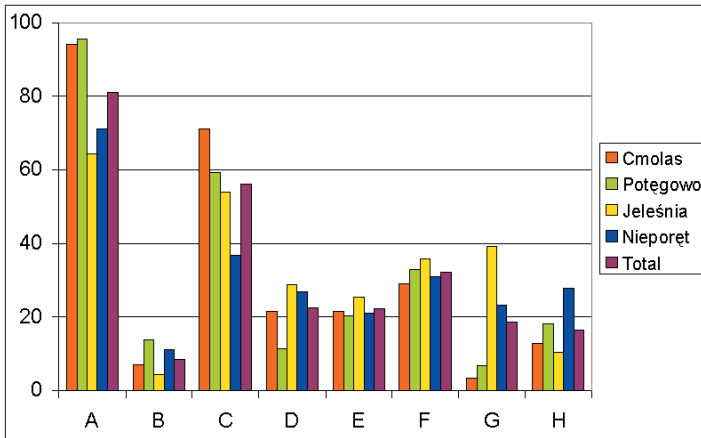


Figure 3. The most important problems in the communes (% of indications)
 A – lack of job, B – criminality, C – bad conditions of roads, D – pollution, E – bad condition of cultural and educational institution, F – lack of investors, G – poor condition of water and sewerage infra-structure; H – poor communication

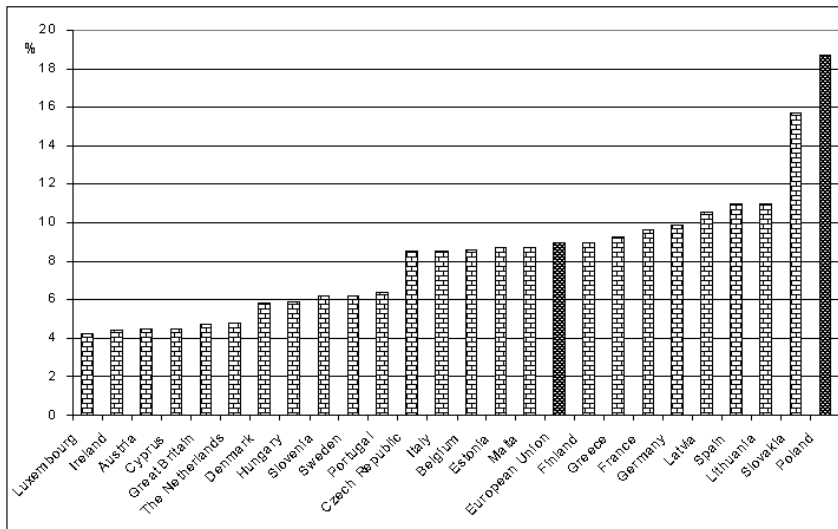


Figure 4. Unemployment rates in the European Union countries in 2003

When analysing the size and the nature of the unemployment in Poland one should also take into consideration its another aspect – hidden unemployment. Unspecified number of people who cannot be registered as the unemployed or do the job which is not necessary from the employer’s point of view belong to this category (www.money.pl). Currently it occurs mostly in rural areas as hidden unemployment in agriculture and is estimated at about 900 thousand people (*Polska Wieś...* 2002), among whom 440 thousand are completely “unnecessary” (Frenkel 2003). The biggest intensity of this problem is observed in eastern and southern Poland.

Social consequences of unemployment

According to Raczkowski (2001) unemployment can bring about various consequences:

- economic – expressed through incomplete use of production abilities of the society, what also informs about state of economy that does not manufacture as much as it could if all people worked;
- political – threat of political destabilization as a result of uncontrolled social movements;
- psychological – need to adopt to the new situation.

In modern studies increasing attention is paid to the social effects of unemployment. Moreover, attempts are made to explain this phenomenon not only in terms of economics, but also in social categories (Iribarne after Nowosielska 1995).

Among important social consequences of unemployment the following ones should be mentioned (Nowosielska 1995):

- loss of social position – being jobless is recognized as a form of social exclusion caused by both macro-economic reasons and individual's lack of adaptation to the demands of labour market;
- degradation of skills and qualifications – time without work is not considered as free but as a lost one;
- weakening of social relations.

It seems, however, that poverty is the most important effect of unemployment. In 2002 in households with at least one jobless member about 23% of people spent on providing for their subsistence less than is envisaged in the existential minimum². In turn, in families without the unemployed share of such people was 3 times smaller and amounted 8% (*Narodowa Strategia...* 2004). Three categories of features are usually listed among purposes of poverty: health (physical or psychological disabilities), family (problems with adaptation to situation) and the phenomena of unemployment.

Spatial analysis of unemployment

Unemployment is diversified in regard of demographic situation of the jobless, the causes and effects of joblessness, and displays significant spatial diversification. This last feature is connected with the economic and development potential of various areas.

Spatial analysis of unemployment will be carried out in five categories that have the greatest influence on social exclusion: unemployment rate, entitlement to unemployment benefit, long-term unemployment, unemployment of the young and the number of job offers.

² Existential minimum – needs, whose satisfaction cannot be postponed, and amount of money enabling consumption on the level, which does not put proper biological growth to danger.

Unemployment rate is the basic feature that describes this phenomenon. Its values are very diversified spatially in Poland – from 6% in Warsaw to about 40% in the north-western part of the country (Figure 5). Counties, where in the communist period socialized economy in agriculture was strongly developed are the most susceptible to high unemployment. When state farms were closed down in 1992, rural workers were dismissed. Lack of bigger urban and industrial centers as well as low qualifications and poor education of the newly jobless, together with their inability to run own business led in those areas to the highest levels of unemployment described in quantitative way. Extreme poverty rate in these areas is higher than the average for Poland by between 20% (Zachodniopomorskie) and 50% (Warmińsko-Mazurskie viovodships).

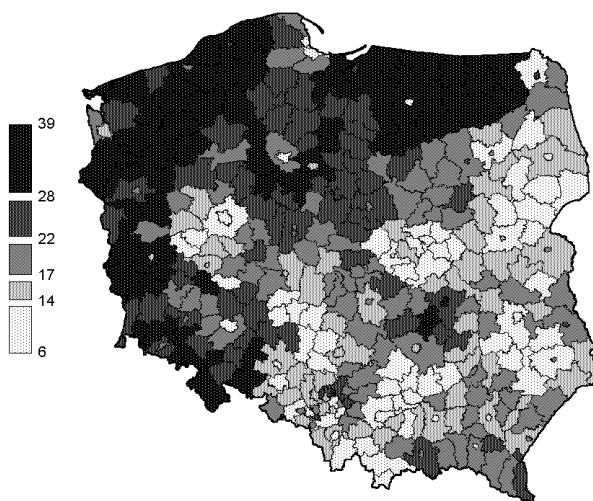


Figure 5. Unemployment rates according to counties, 2003

Only a small part of the jobless are entitled to unemployment benefit (as regulated by the Act of Employment and Prevention of Unemployment). In 2003 only 15% of the unemployed received the benefit. The value of the benefit is about 60% of the lowest salary and presently equals 120€. The highest shares of people receiving the benefit were observed in the north-western Poland, although even in this region only every fourth unemployed was entitled to the benefit (Figure 6). The least favourable situation occurred in eastern Poland and in the region of Upper Silesia.

In Poland, half of the unemployed are jobless for more than one year and one third cannot find work for the period longer than two years. The highest share of long-term unemployed occurs in eastern part of Poland, the area with the lowest rate of those entitled to the benefit (Figure 7). Sole Warsaw and the counties around the capital constitute an area of significantly lower long-term unemployment rate. This shows that Warsaw offers many more opportunities for finding a job in a shorter time. Such conclusion is proved by the values of this rate in other cities in Poland.

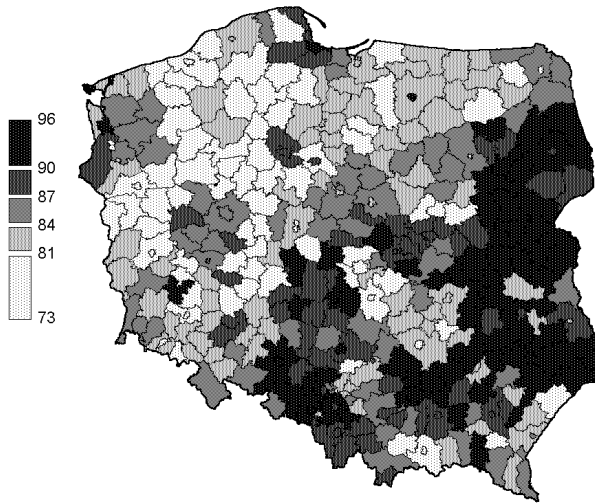


Figure 6. Shares of the unemployed not entitled to the benefit in total number of registered in counties

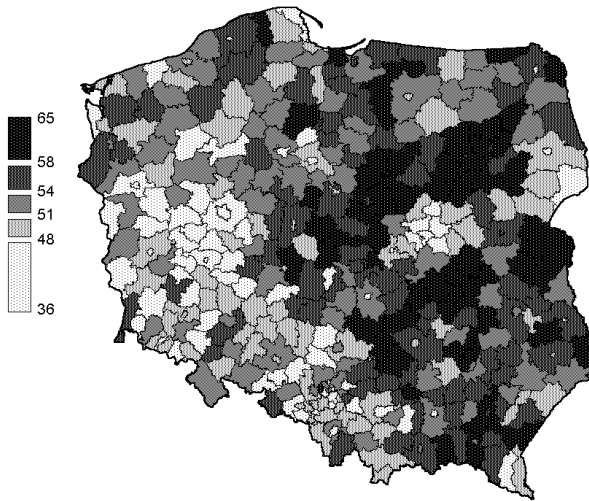


Figure 7. Share of persons unemployed longer than a year in the total number of registered in counties

People with no traineeship, or with job experience shorter than 12 months, represent 40% of the unemployed who search for a job longer than a year. Every second jobless is younger than 35 years of age. The unemployment of the youth is considered as especially adverse as families in this age group are in the development phase and raise children. People up to the age of 35 constitute almost 40% of adults living in extreme poverty (*Narodowa Strategia...* 2004). The highest rates of unemployment of the young occur in south-eastern and central Poland (Figure 8). Again, in the cities there exist notably more job opportunities for the young. Remarkably lower unemployment rates among people younger than 35 years old in areas where state sector of agriculture used to dominate do

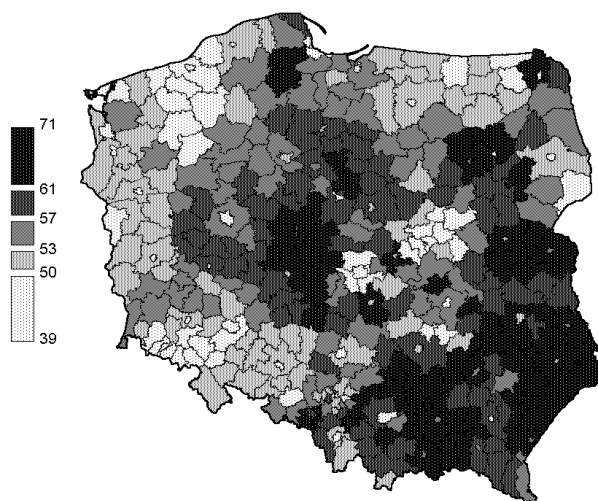


Figure 8. Share of unemployed younger than 35 years old in total number of registered in counties

not result from the lack of such a problem. Instead, it is caused by greater number of the jobless in the middle age, who lost their jobs during restructuring of the state farms (Gawryszewski 1993).

In 2003 there were 85 registered jobless on the average per each offer submitted to the labour offices. Spatial distribution of this feature shows a complex structure. However, many more offers existed in western Poland and in the big cities than in the eastern part of the country (Figure 9). Private firms came forward with nearly $\frac{3}{4}$ of all offers. Of course, the unemployed find jobs not only through offers published in labour offices, but very often it is the first source of information about potential employers. That is why low numbers of offers in

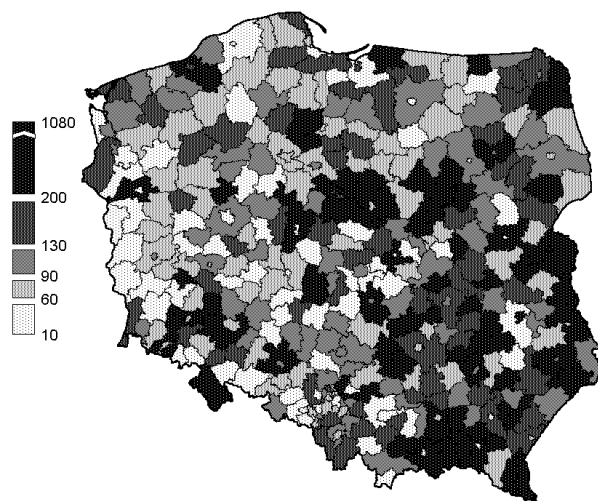


Figure 9. Registered unemployed per 1 job offer submitted to the labour office in counties

some regions make the time of job search notably longer and thus intensifies the process of social exclusion of the long-term unemployed.

Spatial analysis of social exclusion

It was mentioned at the beginning that social exclusion is related to a lot of conditions, some of which are mutually causal. This paper focuses on the phenomenon of unemployment that is one of the most important features creating social exclusion and poverty. Five factors describing unemployment were chosen³. Then the synthetic index describing spatial diversification of social exclusion in terms of unemployment was worked out. It was calculated as follows (Parysek, Wojtasiewicz after Maćkiewicz, Świdorski 2004):

$$W_s = \frac{1}{n} \sum_{j=1}^n y_{ij}$$

where: W_s – synthetic index, y_{ij} – standardized value of feature j for unit i , n – number of used features (five in this paper).

Value of feature j for unit i was standardized according to:

$$y_{ij} = \frac{x_{ij} - x_{j \min}}{S(x)}$$

where: x_{ij} – value of feature, $x_{j \min}$ – minimum value of feature, $S(x)$ – standard deviation.

Classification was based on the arithmetic mean and standard deviation. Three classes were defined:

Class I	$W_s > (x + 1/2 S(x))$
Class II	$(x - 1/2 S(x)) \leq W_s \leq (x + 1/2 S(x))$
Class III	$W_s < (x - 1/2 S(x))$
where: x – arithmetic mean, $S(x)$ – standard deviation	

Class I corresponds to areas, whose inhabitants are endangered with the high level of social exclusion caused by unemployment. This phenomenon is seen most clearly in eastern Poland, in the counties lying in the outskirts of Mazowieckie, Lubelskie, Świętokrzyskie and Podkarpackie voivodships (Figure 10). Such adverse situation was noted even though hidden unemployment, heavily severe in these regions, was omitted in the analysis. Class II describes counties with average social exclusion of their inhabitants and consists in vast majority of areas where communist economy was significant in agriculture and the Upper Silesian conurbation with its restructured mining and heavy industry. In turn, class III includes areas, whose inhabitants are endangered with unem-

³ Chosen factors: (1) unemployment rate, (2) share of unemployed not entitled to the benefit, (3) share of long-term unemployed (jobless for more than one year), (4) share of young unemployed (younger than 35 years), (5) number of registered unemployed per job offer.

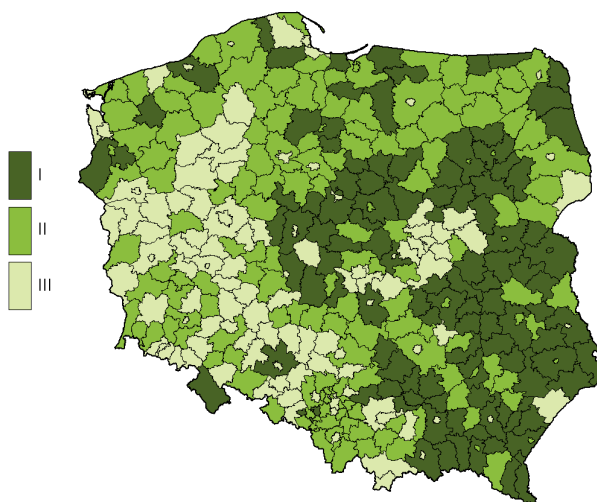


Figure 10. Counties in Poland according to the intensity of process of social exclusion caused by unemployment in 2003

Class I – high level of social exclusion, Class II – middle level of social exclusion, Class III – low level of social exclusion

ployment to a limited extent, i.e. mainly all cities and suburbs. For instance, a definitely more favourable situation in the agglomeration of Warsaw than in counties located farther than 50 km away from the capital is observed. Moreover, counties of western Poland, characterised by the level of economic development higher than the rest of the country, which causes that inhabitants of this region are not so endangered with staying without work, are included in this class, too. Counties with better developed tourist function (Kołobrzeg, Nowy Targ, Tatry and Karkonosze) also belong to class III.

The socially excluded because of unemployment are often characterised by a higher level of poverty although these features are not identical. The comparison of indices describing the existential minimum and social exclusion caused by the unemployment on the scale of voivodships showed medium correlation – Pearson's coefficient value was 0.53 (Figure 11).

Conclusions

The phenomenon of unemployment seen only from quantitative perspective is one of the most important problems in northern and western Poland. However, as far as qualitative aspects are concerned, severe problems with long-term unemployment in eastern Poland can also be clearly seen.

The phenomenon of spatial diversity of social exclusion caused by unemployment directly refers to the levels of social and economic development of the regions. Figure 12 demonstrates spatial distribution of economic and infrastructural potential of rural areas in Poland. Regions where potential of development is high – rated as belonging to classes 4 and 5 – are located mostly around big

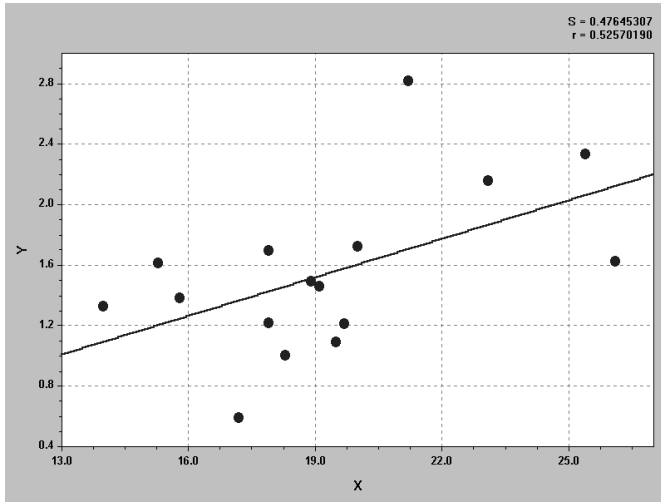


Figure 11. Correlation between poverty and social exclusion caused by unemployment
X – index of existential minimum, Y – index of social exclusion

urban agglomerations, in areas attractive in terms of tourist capacities (mountains, seaside regions and lake districts) as well as economically well developed regions of Wielkopolska and Kujawsko-Pomorskie voivodships. These areas are characterised by high level of multifunctionality (Bański 2003). However, the areas featuring the lowest development potential include the monofunctional rural areas of eastern Poland and forest regions of north-western Poland. These regions are peripheral to main transportation routes and largest urban centers. Detailed analyses of existing diversities can be found, for instance, in Czapiewski (2005).

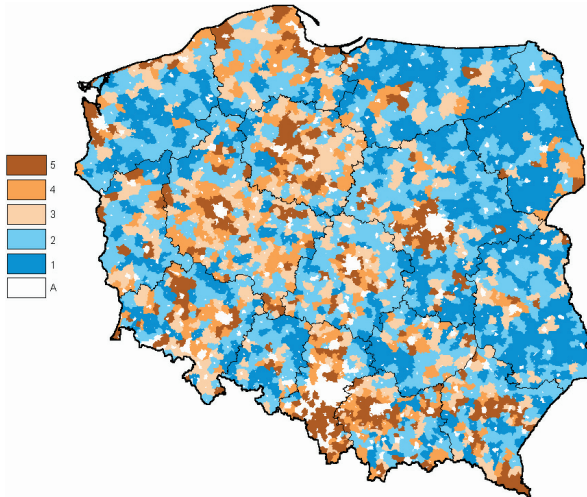


Figure 12. Potential of economic and infrastructural development of rural areas
5 – very high, 4 – high, 3 – average, 2 – low, 1 – very low, A – cities
Source: Czapiewski, 2005

When compared, differentiation patterns of social exclusion (Figure 10) and the development potential of rural areas (Figure 12) show significant degree of spatial correlation. The areas of highest unemployment are those of the lowest economic and infrastructural development indicator values. Lower potential of development of these areas is an effect of lack of non agricultural economic activities, which then translates into higher degree of social exclusion and poverty in these areas. Then, the areas of multifunctional characteristics, located around larger cities, are characterized by more pronounced potential for development, whereas population of these areas are not affected to the same high extent by the adverse social problems.

Such differentiation causes significant migrations within Poland. Most attractive areas experience constant population inflow and growth, whereas areas more peripheral face quite a large outflow of inhabitants (Figure 13). As a result, there is constant decrease of the development potential of the latter areas, for those who emigrate are usually young, well-educated and most enterprising ones.

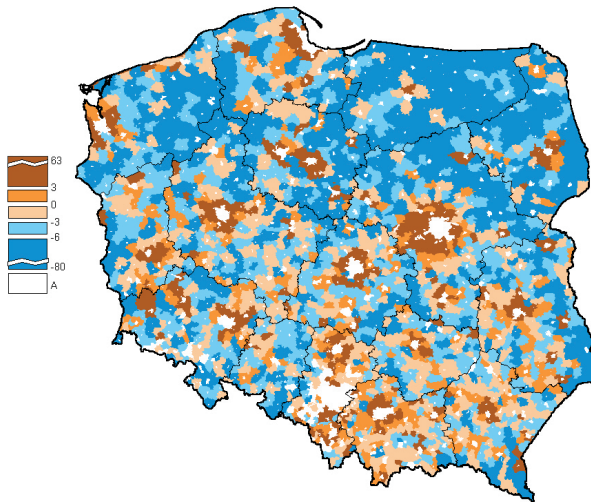


Figure 13. Annual average rate of migration growth during 1995–2002 in rural areas (in %), A – cities

Currently, Poland encounters gradual, deepening stratification. It is most perceptible in social, financial, and regional perspectives, and is best seen within smaller areas, cities and towns and communes. Inequality is noticeable both in terms of the level of private incomes, as well as in access to basic convenience, such as health services or cultural activities. In this respect, life conditions in urban and rural areas are very different, and the differences are becoming more significant when you compare rural areas located in various regions of the country – i.e. taking the example of villages located 10 km and 80 km away from Warsaw.

The mechanisms of differentiation of rural areas in Poland become a real challenge, increasingly apparent for these experts, who are responsible for the elabo-

ration of concepts and strategies for the country and the regional development. Certain concepts propose that where financial resources are scarce, only strong and developing centers should be supported, just because only these areas are able to take adequate advantage of funds assigned. On the other hand though, according to other concepts, support granted by the wealthy region to the poorest ones, after some time, earns returns to those better developed. To answer these doubts, it is first of all necessary to describe more precisely the economic and social potential, functional structure and main potential problems that may equally trouble the unfavourably developed and problem areas and the regions of growth and development.

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