

Who Pays for the Crisis in Eastern European “New Capitalism”? Case of Poland

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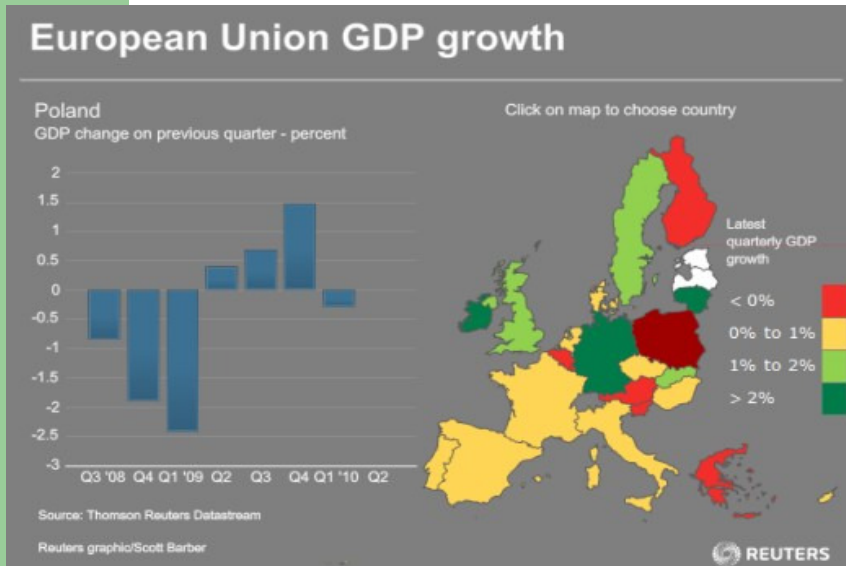
Maria Skóra, M.A.
Department of Sociology and Social Policy
Wroclaw University of Economics, Poland

Sinking 'green island'



- **2009:**
GDP growth 1,1%,
Government debt \$221,5 mln

- **2010:**
GDP growth < 0%,
Government debt \$226,6 mln



Source: Ministry of Finance

Family in crisis

- **1989-1998:**

decline of 15% in population of productive age;
population of retirement age grew by 15%, most notably seniors over 85 years old.

- In **2005** in Poland **1.14%** of GDP was spent on family policy, which among Malta, Greece and Bulgaria is the least generous in Europe.

Sources: Central Statistical Office (GUS),
B. Balcerzak-Paradowska „Współczesna polityka rodzinna wobec kryzysu dzietności”, Biuro Analiz Sejmowych, nr 8 (78).

Year:	1980	1990	2009
Fertility ratio:	2.27	1.99	1.39

<3%GDP	new EU members
France: 3.79%	Hungary: 3.11%
UK: 3.55%	Czech Republic: 2.18%
Denmark: 3.38%,	Slovenia: 1.92%
Belgium: 3.12%	
Germany: 3.04%	

Family models

- For 92% family is the most important value.
- Ideal models: 2+2 or 2+3.

Preferences	Implementation
I. Partnership model II. Male breadwinner III. Women double workday	I. Women double workday II. Male breadwinner III. Partnership model

Public opinion on the most effective incentives to have children

- reorganization of work for mothers,
- availability of care facilities,
- family support through financial instruments (tax, social transfers),
- solving housing problems.

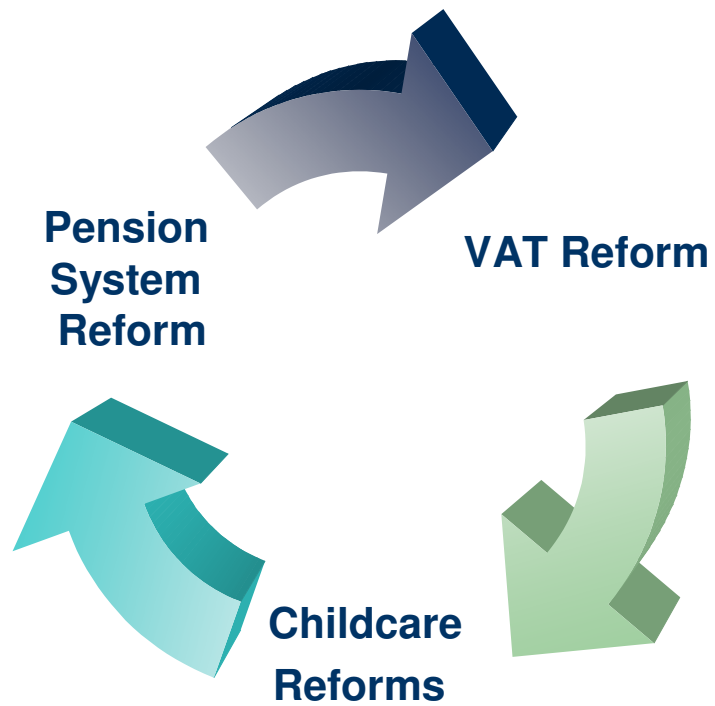
Source: CBOS

Labour market in crisis

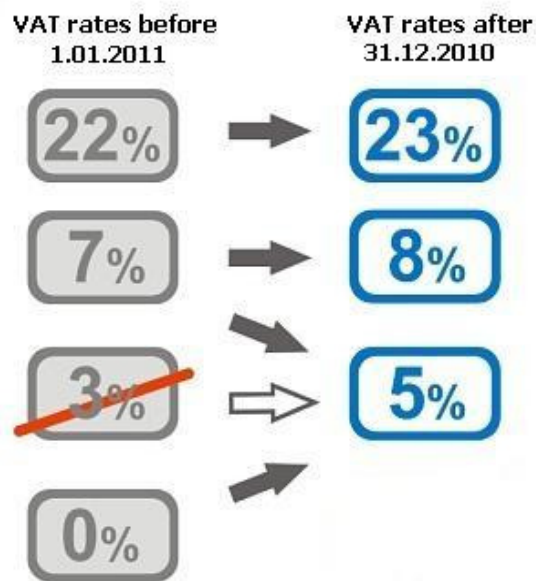
- 2010: gender gap = 33%.
- 2009 - 2010, median of female wages didn't change, male wages increased.
- Working as individual contributors (regular employees), the least educated women earn ca. 45% less than the least educated men.
- Among all employed 46% represent other forms than full-time contract for an indefinite period

Professional activity rate of women	47, 3%.
Women employment rate	43,2%.
Women as % of registered unemployed	51,1%
Average women retirement age	57.4

Who pays for the crisis?



Value Added Tax increase



January 2010 - January 2011:

- price index of consumer goods and services +1,2%.
- inflation growth +3,8%.
- Prices: food +1,7%, housing +2,6%, clothing +2,5%, transport +1,4%

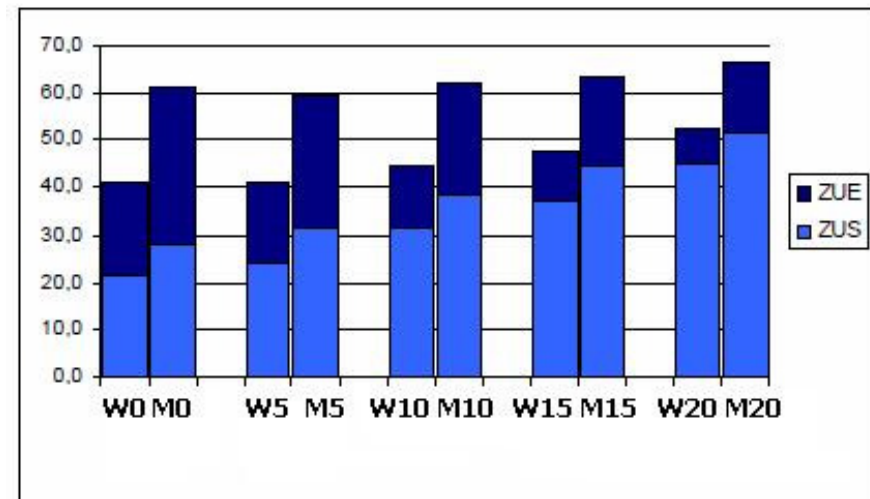
Poverty:

- Already before VAT reform relative poverty rate was highest among families with 3 (27,9%) or 4 and more children (49,2%), single parents hold the third position in this ranking.
- 16,5% of all employed are at risk of poverty
- 8% of physical workers' families suffer from extreme poverty

Source: Central Statistical Office (GUS)

Pension System Reform

- To achieve replacement rate equal to the “old pension system” contributors would have to work 10 years longer (up to 65 years old).
- Future pensions of younger women (born after 1975, not employed before 1999) will be much lower than those of older women (working and participating in social insurance system before 1999).

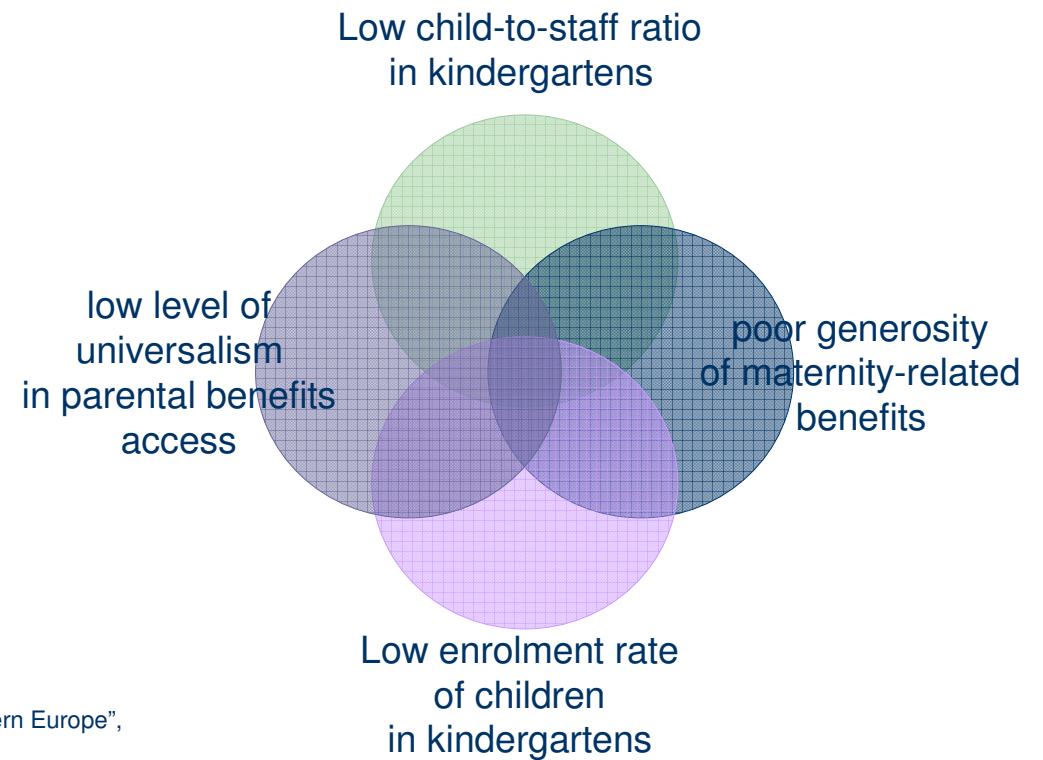


Source: I. Wóycicka, Raport Social Watch 2009

Privatization of care services

- **2000-2007:** number of nurseries -15%.
- Children aged 3-6 years old participation in preschool education: **67%**,
- Children aged 3-5 years old participation in preschool education **59%**,
- In Europe gross enrolment ratio for early education reaches even **85%**.
- **2009:** 10% of all establishments of pre-elementary education for children aged 3-6 was private (led by foundations, associations, religious organizations, enterprises of natural persons, commercial companies).
- “The crèches act” adopted in December 2010: establishing private childcare institutions for the youngest children (up to 3 years old) should be simpler and less demanding (as yet nurseries were subject to specific sanitary requirements of Ministry of Health).

Childcare policy model
developed in Poland
was identified as
implicit familialism



D. Szelewa, M. Polakowski
"Who cares? Changing patterns of childcare in Central and Eastern Europe",
Journal of European Social Policy May 2008 vol. 18 no. 2, p. 126.



Thank you

Maria Skóra, M.A.

Department of Sociology
and Social Policy

Wroclaw University of Economics, Poland

maria.skora@ue.wroc.pl