



WILCO

Welfare innovations
at the local level
in favour of cohesion

Local welfare in Poland from a historical and institutional perspective

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1. POLAND - GENERAL BACKGROUND

1.1. Structure and development of the welfare state

The former communist central planning system provided a wide variety of benefits to subsidise citizens coming from specific groups (e.g. low-skilled workers) and to encourage or discourage the activities of citizens in other groups (e.g. intelligentsia). During the late 1980s, Poland spent about 22% of its GNP on social benefits in form of cash benefits or services. At that time, over 5 million Poles received retirement or disability pensions, and about 100,000 were added yearly in the latter category. Furthermore, in the early 1980s, the number of invalids receiving benefits increased from 2.5 million to 3.6 million. In addition to providing free health care, and education system also paid benefits to single mothers with preschool children, sickness benefits for workers, income supplements and non-repayable loans to the poor, and education grants for students. As it was to be expected, by the mid 1980s most of the state-funded services, were being considered for privatisation, fees, or rationing. A system based on this kind of spending was a great fiscal burden, so by the early 90s it had to be limited and more or less severe cuts were made in some allowances and benefits. During the transition period starting in 1989, Poland's welfare system underwent substantial decentralisation and restructuring. Simultaneously, the percentage of the population that needed welfare services because of high unemployment was growing.

In the first post-communist years, social support programs for the unemployed underwent important changes. The initial post-communist policy guaranteed unemployment benefits and retraining regardless of the reason for a person's unemployed status. Benefits were to be paid indefinitely and were based on previous pay or on the national minimum wage for those who had never worked. Benefits included old age, disability, and survivors' pensions and compensation for work injuries, sickness, maternity, and family-related expenses. Although the system covered both industry and agriculture, enterprises in the industrial sector paid much higher surcharges (usually 45% of the worker's salary) to the benefit fund than those belonging to other sectors, like housing or agriculture.

In 1991-1992, a series of laws drastically reduced the coverage of the unemployment program. Under the modified policies, benefits no longer went to those who had never been employed; a twelve-month limit was placed on all payments; and benefit levels were lowered by pegging them at the level of income in the previous quarter rather than of the last salary received. This reform immediately disqualified 27% of the previous beneficiaries, and that percentage was expected to rise in the ensuing years. Those changes caused growth in homelessness and poverty. In Poland, the government expenditures as a share of GDP had been declining until 2000, and their level has become stable since then. According to Eurostat, the average in 2005 for the EU countries was 27.8% of GDP and 19.6% for Poland. High level of the Polish public expenditures results from spending on social transfers.

Table 1 - Social protection expenditures in absolute terms (mio. €), per capita and as % of GDP; Poland, EU-15 and EU-25, 2000-2005

	pl			eu25			eu15		
	total*	per inhab.*	% GDP	total*	per inhab.**	% GDP	total*	per inhab.**	% GDP
2000	36511.5	949.5	19.7	2425663.3	5358.7	26.6	2351348.4	6220.1	27.0
2001	44524.0	1164.1	21.0	2540368.4	5595.0	26.8	2454324.1	6463.7	27.1
2002	44302.4	1158.8	21.1	2660344.1	5834.8	27.1	2567478.3	6726.4	27.4
2003	40284.3	1054.4	21.0	2740335.4	5981.7	27.4	2648832.7	6898.9	27.8
2004	41034.0	1074.7	20.1	2861956.8 p	6216.0 p	27.3 p	2766391.6 p	7161.3 p	27.7 p
2005	47991.7 p	1257.5 p	19.6 p	2980157.1 e	6441.9 e	27.4 e	2871381.2 e	7390.5 e	27.8 e

(Source: Eurostat, ec.europa.eu/eurostat. Date of extraction: Sun, 20 Jul 08 07:50:24. Last update: Fri Dec 14 18:42:10 MET 2007)

Note: No data available for eu27. e Estimated value p Provisional value * in mio. Euro ** in Euro

Nowadays, Polish Constitution states that every citizen has the right to social security in case of inability to work caused by illness or disability and after reaching the retirement age. Also, a citizen who is unable to find a job and has no other means of survival has the right to social security.

At present, the main characteristics of Polish social security system are:

- dominance of the insurance system,
- weak social aid, underfinanced and playing a marginalised role
- lack of universal benefits available according to citizenship or place of residence. (*Raport społeczny Polska 2005*).

The main beneficiaries of the welfare system are people with Polish nationality, or whole families. The most important target groups are the unemployed, families with children, the elderly and the disabled. To receive benefits and services you have to meet the criteria specific for the kind of benefit you're supposed to receive, e.g. age and gender, working years, number of children, marital status, or proof of disability.

1.2. Degree of centralisation

The state government is the main provider of social services. Most of the payments and some of the services are exclusively within the government competences, e.g. pensions and unemployed benefits. The local and regional government is the second important provider of welfare benefits. Activity of the private market actors in this sphere is limited to childcare (private kindergartens) and elderly care (old age houses), and their accessibility is limited because of the prices as well as popularity. The pension system was also reformed, allowing the private funds to collect part of the pension contribution and then to pay the retirement pensions from the collected capital.

The non-governmental organisations are becoming a more important welfare system actor as the local governments are beginning to outsource the social services. NGOs are also one of the main beneficiaries of the European funds, which allow them to provide some services for the unemployed (e.g. training), or the elderly (e.g. third age universities). They are also among the main providers of services for the homeless, together with local governments. Charity in Poland is strongly connected with the Catholic Church and focused on supporting poor and homeless by means of material help (food, clothes and shelters).

Single mothers and families with many children also receive some help from charity organisations. Table 2 summarises how the welfare system is organised in Poland.

Table 2 - The welfare system in Poland: target groups, providers, financing, types of social benefits and services - summary

<i>Targets</i>	<i>Allocation (providers)</i>	<i>Financing</i>	<i>Examples</i>
Families/children	state government, local government, private market actors (child care)	Taxes	Benefits: Maternity benefit Childcare benefit Family allowance Carer's allowance "Baby birth bonus" Maternity leave Childcare leave, Care leave Survivors pension Alimony benefit Services: Kindergartens Nurseries
Poor/marginalised	charity, local government, NGOs	Taxes	Benefits: Survivor pension Social aid Services: Shelters Food/Cloths
Elderly	state government, family, private market actors, NGOs	Taxes, EU funds	Benefits: Retirement pension Survivor pension Services: Adult care Day care centres
Unemployed	regional government, NGOs, charity	Taxes EU funds (training)	Benefits: Unemployment benefits Services: Trainings Sponsored work
Disabled/sick	family, NGOs, charity, state government	Taxes	Benefits: Disability pension Sickness allowance Services: Adult care Rehabilitation

(Source: own summary.)

The Polish welfare system is financed mainly from taxes, which constitute up to 50% of an average wage. Because labour participation is low and the contribution of some groups to social security (self-employed, farmers) is not at all or only weakly linked to income, the burden of it is borne by a small fraction of the population (OECD 2006: 75).

Some of the retirement benefits can now be partly paid by private funds, which receive part of the pension contributions. Since Poland's accession to European Union some funds have also been obtained from the European Social Fund. Benefits for the people employed outside the agricultural sector are paid from the Social Insurance Fund managed by the Social Insurance Institution (ZUS). Administration of the farmers' social security system is within the scope of competences of the Agricultural Social Insurance Fund (KRUS).

1.3. Trends

Poland - in a comparison with other EU states - is a country with the lowest number of working people in relation to group of people living from non-earned sources and with the youngest pensioners. The situation is caused not only by the mentioned above reasons but also by political decisions of all governments after 1990. The governments independently of their rightist and leftist orientation used to make decisions, which were congruent with demands of different socio-occupational groups to provide them with increasing benefits. The goal of governing political parties was to get support in next elections. Political parties being in oppositions for the same reason used to support any demands of their potential supporters in future elections. All governments were lacking of courage and strength to make decisions incongruent with demands of strong trade unions. Bargaining with organisations of employers and huge number of trade unions is very difficult. Actually the expenditures for different benefits are too high in comparison with budgetary opportunities of the state. The government faces a necessity of urgent implementation of reforms cutting privileges of different occupational groups and reviewing size and criteria of availability of different benefits provided by the state. The expanded privileges introduced after 1990 like easy opportunities for early retirement, generous acceptance of different type of disabilities also were expected to diminish unemployment characteristic for transforming economy. According to the planned reforms people are expected to cover by themselves at least partially costs of e.g. medical care, education at higher education institutions and they are encouraged to pay individually for their future pensions as a supplement of pensions covered by obligatory paid by employees and employers when they are working.

During several years the government's attempt to get a social acceptance for introduction the same retirement age for women and men, it means 65 years of age instead of 60 for women as it is now what is strongly opposed by large part of society. In reality people retire much earlier than the mentioned above age; mean of age for men is actually 57 and even lower for women. Another attempt is to decrease number of occupational groups, which will be entitled to earlier retirement because of the character of the performed work (e.g. miners, teachers). At the beginning of 2008 the government proposed to limit this privilege to 51 groups. In the actual stage of negotiation with trade unions, being under their pressure the government is ready to extend the list to almost 300 groups what means high expenditure for the budget and unsolved problem. The Polish Peasant Party and peasants as such oppose introduction of pension insurance, which would be paid by them. Up to now, the members of the social group do not pay it independently how large farms they have. The cost of their pensions is covered from the state budget.

The retirement reform is the most urgent but it is not only problem of unresolved or poorly solved. It is necessary to modify relationship between salaries and pensions to make longer work a rational choice for individuals. It is necessary to facilitate decisions on having children by creation of institutional support for the families with small children and increasing higher benefits for those who have children provided it until child will reach for example age of 18. The introduced "baby birth bonus" a couple of years ago is in reality waste of money without being any help for the families with children. Another issue still unsolved is a way of covering cost of health care - which part of expenses should be covered from insurance and how much by individuals. The reform prepared recently by the governing coalition (Civic Platform and Polish Peasant Party) was rejected by parliament, public opinion and also physicians as challenging their interests. The people share opinion that the total cost of medical treatment should be covered from insurance paid by them and employers, while medical staff demands better financial conditions and oppose reform of health services and their privatisation which would decrease the budgetary costs.

2. HOUSING

2.1. Demand and supply

In year 2000, almost 40% of households were situated in private buildings and 20% in proprietary/cooperative flats. Apart from that, about 12% of respondents lived in cooperative tenant flats, another 12% lived in rented apartments. At the same time around 13% of respondents lived in council flats or in apartments belonging to their employers. Only 3% of respondents declare renting an apartment (Social Diagnosis 2000). Ten years later (2010), more than a half of all flats were owned by respondents (56%), while council flats constituted 11%. Condominiums constituted 12% of all flats, while 20% of flats were located in cooperative buildings (tenant or proprietary flats) (*Jak Polacy mieszkają...*, CBOS 2010). In other words, in the last decade, the number of proprietary apartments increased substantially, while the percentage of flats belonging to housing cooperatives has been decreasing. Council flats and apartments belonging to employers usually constituted 15% and 13% of all flats, respectively, throughout the entire decade (on the basis of: Social Diagnosis 2000, data of the Central Statistical Office, CBOS announcements).

In case of Warsaw, an increase in the general number of apartments in Warsaw was observed since 2005 (from 753182 in 2005 up to 818874 in 2009), meaning that the demand for flats increased substantially in only five years (*Statistical Yearbook of Warsaw*, Central Statistical Office 2008). In the period of nine years, the most significant trend, which could be observed, was the ever-growing percentage of flats for sale or rent. In year 2000, this percentage amounted only to 40%, in 2005 - as much as 73%, and in 2009 - 85%. At the same time the percentage of cooperative flats was decreasing systematically. In year 2000, it amounted to 51%, and five years later - only to 14%, to drop to the level of 7% in year 2009 (on the basis of: Social Diagnosis 2000, data of the Central Statistical Office, CBOS announcements).

Table 3 - Title of occupation of flat by household

Number of households	13331 thousand
Ownership of flat and building	42.50%
Cooperative right to flat	24.30%
Flat rental	17.10%
Flat subletting	1.30%
Kinship	14.10%
Other	0.70%

Source: Piotr Olech (2008). *Mieszkalnictwo i bezdomność. Raport w zakresie wpływu sytuacji mieszkaniowej w Polsce na zjawisko bezdomności i wykluczenia mieszkaniowego.* [Housing and homelessness. Report on the impact of the housing situation in Poland on the phenomenon of homelessness and housing exclusion.]

Establishment of conditions, which are necessary to satisfy the housing needs of the local community is included in the scope of own tasks of the commune (art. 4 item 1 of the Act on protection of tenant rights), which means that council flats are dealt with exclusively by local self-governments. Each commune establishes the rules and records them in a resolution; thus communes may have completely different criteria of assignation of flats.

Welfare accommodation includes ordinary council flats, welfare flats and protected flats. In the case of Warsaw, council flats are provided for: a) the homeless; b) persons coping with difficult housing conditions; c) occupants of premises, which are not suitable for

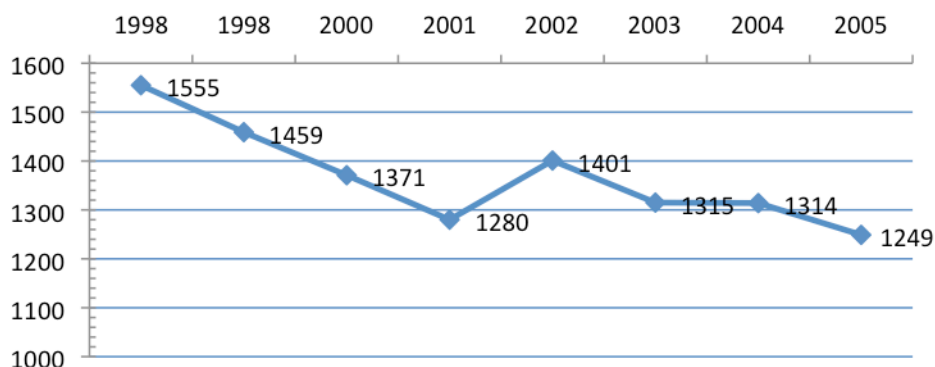
permanent residence for humans; d) households, in which the average monthly income per member is not higher than the minimum income (Resolution of the Council of the Capital City of Warsaw of July 9th, 2009). Council flats may be rented only for an unlimited period of time (art. 20 clause 2 of the Act on protection of tenant rights). Council flats are characterised by reduced use value and they offer only the minimum standards - the lease agreement is concluded for a limited period of time with a person, who has been suffering from privation, due to which their monthly income is insufficient to rent premises in accordance with general principles. In the first place, council flats are provided for ejected persons and pregnant women, minors, the disabled, incapacitated persons and their guardians, bed-ridden persons, retirement and disability pension beneficiaries, who meet the criteria for receipt of social welfare and the unemployed. The act on protection of tenant rights has obliged the commune to provide the premises for persons, who have been ejected not only from council flats, but also from cooperative and employer-owned apartments. Apart from council flats, there are protected flats, which are provided to persons, who, due to their personal circumstances, disability, illness or old age require support in everyday life, but not full-time care.

Since 2003, the economic growth, decreasing inflation and the growing investment expenditures have resulted in improvement of the condition of the real estate market. Year 2004 is considered to have marked a new stage, associated mainly with the fact that Poland joined the EU. This year marked the commencement of substantial increase in the real estate prices and the further dynamic development of the entire real estate market. In years 2000-2006, there was a substantial increase in the number of residential buildings accompanied with a sudden increase in the prices on the primary housing market in years 2004-2006. Finally, late 2007 and in the early 2008 was marked by stagnation on the market. A typical trait of the housing market in the recent years was a significant surplus of demand over supply. In the second half of year 2008, this tendency was slowed down, and the situation did not change throughout the first half of year 2008 (www.bankier.pl).

Summing up, the most significant factors that influenced the slowing down of the dynamic growth of the Polish housing market was the surplus of supply, associated with limiting of demand - associated with more strict criteria applied by the banks in terms of granting of housing credits. Due to increasing prices, the society was no longer able to afford expensive apartments, which forces the developers to lower the prices or to wait for the crisis to end and sell the apartments over the long-term perspective.

At the same time, the number of council flats has been decreasing due to their buyout by those tenants, who have the sufficient financial means. Some of the council flats were renovated and returned to the secondary market; and their sale was often associated with violation of the applicable legal provisions and social norms.

Chart 1 - Number of council flats in Poland in years 1998-2005 (in thousands)



(Source: Central Statistical Office.)

Year after year, the number of emerging council flats has been decreasing as well. At present, there are about 2-4 thousand of these. Even when the state support for investments of this type reaches 50% and with application of EU funds, the available means are insufficient as the estimated demand is at the level of about 10 thousand. Moreover, the apartments available often require modernisation, because of the bad technical condition of a number of buildings. The investors (communes) often lack the means for construction or for renovation of the existing flats. This translates into a growing housing deficit in Poland.

For those who lack resources, housing benefits are paid by the local authorities. A single person must have gross income under 160% of the minimum retirement pension and families must have gross income equal to less than 110% of the minimum retirement pension per capita. All benefits are withdrawn if income exceeds these limits. Housing benefits are not part of the social assistance system, but they are a part of welfare system on the local level. The housing benefit is a form of assistance for persons, who are unable to cover the costs of maintenance and it is aimed at prevention of homelessness. In 2004, a state subsidy for housing benefits was liquidated. Since then, all costs of payment of these benefits have been covered by the communes. In year 2006, about 8.5 million housing benefits were paid for the total amount of PLN 1.2 billion. Most of these were paid to tenants of cooperative flats (37.2% of the total number) and commune flats (36.8%), while the least was paid on behalf of social housing societies (1.3%).

Another method of supporting persons with low income are Social Housing Societies (TBS) established on the basis of the act of some forms of supporting housing construction of October 26th, 1995 (Journal of Laws of 1995 no. 133, item 654 as amended), which is aimed at construction of apartments for rent with moderate rent charges, financed by the National Housing Fund. TBS may act in form of limited liability companies or cooperatives of legal persons. It is possible to become an owner of a TBS apartment, if the household income of such potential owner is not greater than 130% of the average gross monthly remuneration in a given province, increased by 20% in case of a single-person household and 80% in case of a two-person household - and by the further 40% for each additional household member. Another form is participation, or financial contribution in construction of an apartment, which allows for designation of tenants in TBS flats, which have been subject to such contribution. The cost of participation in construction of a flat acquired from a person cannot exceed 30% of the construction cost. The rent amount is determined by the society; however, it cannot exceed 4% of the flat value annually (www.tbs24.pl).

According to preliminary data of January 2011, housing construction engages mostly individual investors (63.5% of share in the growth of new housing resources) and developers (32% of all flats commissioned in January 2011). Other than that, flats are constructed by housing cooperatives; however, their market share has been diminishing (in January 2011, they commissioned 132 apartments, that is, 88.4% less than in the previous year). A decrease was also recorded with regard to other investors, that is, communes (council flats, welfare tenement houses) and employers (corporate housing). In January 2011, 260 council flats were commissioned (15.9% less) and 18 flats in welfare tenement houses (in comparison with 251 flats in the previous year) and 6 corporate flats (Central Statistical Office 2011). In the context of flat availability, it is also worth noting that 2/3 of all flats are provided in the 5 largest urban agglomerations (Tri-City, Warsaw, Krakow, Poznan, Wroclaw). These statistics illustrate well the deficiency of flats in smaller cities, towns and villages, where the number of commissioned flats is the lowest.

The illegal activities associated with housing are publicised widely by all media, from the Internet to the radio. The press and the Internet provide numerous articles on corruption and rental in the grey market. Public opinion surveys, conducted on the subject, have indicated that as many as 56% respondents admit having encountered corruption while applying for building permits. Less corruption-prone are situations associated with issue of decisions on development conditions (32%) and permits for occupancy of finished buildings and application of sanitary provisions (24%). The most frequently mentioned causes of corruption in construction are the unclear legal provisions and officials, who enforce bribery (www.for.org.pl). According to research conducted by CBOS in year 2000, 2% respondents admitted having given a bribe to settle the housing, rental, renovation issues (*Korupcja i łapownictwo...*, CBOS 2000).

According to the estimates of the Ministry of Finance, at present, about 250 thousand flats in Poland are rented without reporting this fact to the revenue office (www.tbs24.pl). The market experts believe that the grey market reaches even the level of 90% of all flats rented. Introduction of occasional rent in January 2010 is to encourage more proper settlement of income from rental with the fiscal authorities. In the press, there is a multitude of articles concerning misproprieties associated with granting and payment of compensation for investment land plots. Usually, they are caused by delays of the authorities or the compensation applications being filed too late. Another problem associated with housing is ejection due to sale of flats belonging to cooperatives to private owners. Usually, they charge the tenants with excessive rent amounts, which the latter are unable to pay. The problem is that, usually, this takes place without informing the tenants in advance. On the other hand, private owners are rarely willing to reach agreement with the tenants. Therefore, a Tenant Defence Committee has been established.

There is no precise information on the scale of homelessness in Poland. The number of the homeless is estimated to range from 30 to even 300 thousand. The only reliable source of information in this regard is the number of persons, who have been receiving formal assistance from social assistance centres. This number is fluctuating periodically, oscillating around 30 thousand. On the other hand, according to reports of NGOs, assistance is provided to 80 to 130 thousand people. These discrepancies are due to the fact that some of the homeless receive assistance from several sources, which results in an increase in the total number of persons subject to assistance. It is known, however, that the number of the homeless is associated strongly with the size and affluence of individual provinces (*Bezdomność w Polsce*, 2011) and that most often, the homeless are men aged 40-50 with vocational education, lacking any steady source of income (*Sytuacja osób bezdomnych...*, CBOS 2005).

In post-war Poland, the problem of homelessness was virtually non-existent. In the People's Republic of Poland, homelessness was treated as social parasitism. In the mid-80s, it was treated as a consequence of deviation of people, who didn't want to make the effort to participate in creation of the socialist welfare state. Accordingly with the provisions of the act quoted, attempts were made to solve this problem through application of legal and penal repressions. Only in the 90s the phenomenon was subjected to research. It turned out that homelessness was not only lack of accommodation, but - in the first place - lack of social skills, allowing those affected to function within the structures of an organised society, lack of foresight or training of responsibility for one's decisions and many other aspects.

The majority of the homeless stay in large cities. Most of welfare institutions, established to assist the homeless, are also located in these cities (shelters, social assistance homes, Municipal Social Assistance Centres (MOPS), homeless homes, single mother homes, mother and child homes, shelters for victims of violence and houses offering permanent residence for children and youth requiring special care due to lack of parents, as well as eating houses, kitchens for the poor, medical, sanitary and material aid outlets and other institutions).

The situation of the homeless was taken into account most broadly in the act on social assistance of November 29th, 1990 (Journal of Laws no. 13, item 60), as well as the act of July 2nd, 1994 on rental of housing premises and housing benefits (Journal of Laws no. 105, item 509). In June 2000, the Ministry of Labour and Social Policy prepared the programme "Homelessness", taking into account prevention, protection and activation. It was recommended that providing of assistance for the homeless, which is the internal task of the commune, is implemented in cooperation with non-governmental organisations, which have at their disposal the extensive social infrastructure (qualified personnel, volunteers), reliable methods of social work with the homeless and which are much more mobile than the state institutions.

2.2. Structure of the administration

Polish Constitution states that the public authorities are obliged to engage in a policy, which contributes to satisfaction of housing needs of the citizens, in particular, counteracting homelessness, supporting development of welfare housing and activities of citizens, aimed at acquiring their own flat. The act of March 8th, 1990 on local authorities states that satisfaction of collective needs of the community is included in the scope of the internal tasks of the commune. The local authorities are also responsible for: a) supporting of construction, Social Housing Societies and cooperation with these; b) maintenance, modernisation and renovation of its housing resources; c) supporting of individual housing development; d) welfare housing, supporting groups suffering from social privation, counteracting homelessness; e) implementation of a welfare housing policy, providing of land, infrastructure and development of public utilities; f) local housing policy, protection of small enterprises and craftsmanship. Responsibility for housing and the construction sector has thus been decentralised and dedicated mainly to local authorities.

For many years, the basic forms of housing support were based on taxation instruments. A developed system of income tax reductions and exemptions was the most significant form of state assistance for housing needs, aimed mainly at supporting proprietary housing and investment projects associated with improvement of the technical condition of housing resources.

Accordingly with the regulation of the European Parliament, funds for construction and renovation of flats, as assistance for marginalised communities, may also be provided from the European Regional Development Fund (ERDF). Thanks to the new legal provisions, the ERDF funds for modernisation of flats in urban areas can be used not only for renovation, but also for construction of new flats in urban and rural areas. According to the assumptions made, up to 3% of the value of operational programmes of the ERDF is to be designated to satisfy the housing needs of the disadvantaged. Housing communities may apply for additional financing for projects, using the means from the ERDF. In years 2007-2013, within the framework of the ERDF and 16 Regional Operational Programmes, the total amount of EUR 15.9 billion is to be provided.

So far, the housing policy has been accompanied by such processes as: privatisation of flats belonging originally to the municipal authorities, the resources of companies and housing cooperatives, increasing domination of the market-based sources of capital necessary for financing of new investment projects, dynamic changes in the legislation associated with housing (the spatial development system, regulating of construction processes, real estate management, the system of land and mortgage registers etc.). Another substantial component of these processes was decentralisation of the housing policy and shifting of the main responsibility for this policy to the local authorities. Improvement of housing conditions of the population is to be attained by combining the multilateral state assistance, the immediate activity of local authorities, various social organisations and institutions and the citizens themselves. It has been recognised that only through cooperation of all these groups, the issue of housing in Poland may be solved.

The social and spatial distribution of the population in larger cities is "mosaic-like". The main causes for territorial segregation of inhabitants are: their position in the social structure, willingness to stay together and differentiation of prices on the real estate market. Flats in the better areas are thus more expensive, and those in the worse areas are cheaper, which results in concentration of the poorer population in specific districts. The social and spatial segregation is also influenced by housing and office real estate market interactions and historical conditions.

Most apartments are constructed close to the places of employment of persons with higher social status. There is an increasing number of enclosed housing settlements, occupied by persons with a similar lifestyle, which is usually associated with social prestige of inhabitants, as well as their sense of security. Opinions concerning individual districts, which are often based on stereotypes, often determine who decides to move where. Good districts are safe, full of green areas, with well developed networks of services and a pleasant architectural design. Bad districts are unsafe, noisy, lacking green areas, with a weak network of services and transportation. Districts differ with regard to the demographic characteristics of their inhabitants, and thus they may be divided into "old" and "young"; at the same time, the former are characterised by outflow, and the latter - by inflow of inhabitants.

On the basis of press information, it can be stated that there are some moderate forms of ethnic segregation, which can be observed in Warsaw. Usually, it is possible to find materials concerning the two ethnic groups of Vietnamese and the Romani. The Vietnamese living in the capital city avoid establishing ethnic enclaves, as they are afraid of aggression, which could be provoked by large concentrations of migrants. However, such conglomerations of foreigners are emerging slowly in some regions of Warsaw: within specific house settlements, or in certain buildings. Nevertheless, the emergence of ethnic housing conglomerations in Warsaw is taking place much more slowly than spatial concentration of places of foreigner employment. It can be observed that foreigners with a low social status live near the areas, in which they work, that is, large marketplaces of

Warsaw. A breakthrough point for the Vietnamese minority was closing of Stadion Dziesięciolecia [Stadium of the Decade], which made them move to a small city outside Warsaw, offering space for business. Another ethnic minority, which can be viewed in the context of ethnic segregation are the Romani people. At present, Warsaw is inhabited by the Romani representing the Polish Romani group (in the district of Praga), the Kalderash and the Lovari (in Ursus). In the districts of Grochow and Ursus, there are integration day centres for Romani and Polish children. The housing settlement in the district of Praga (Kamionek) is inhabited strictly by the Romani. Information concerning the places of residence of the Romani is usually associated with cultural and social integration programmes for this minority. Unlike the Vietnamese, it is unknown to what extent the places of residence indicated by the Romani are a result of voluntary settlement and to what extent they result from the former actions of enforced settlement of members of this group by the authorities of the People's Republic of Poland (60s of the 20th century).

2.3. Recent developments

The main issues included in the social discourse on housing are the real estate prices, affairs associated with rental of apartments, availability of houses on the market, risks associated with purchase of real estate, the programme *Rodzina na swoim* [Families Owning Flats] and the report *Główne problemy, cele i kierunki programu wspierania rozwoju budownictwa mieszkaniowego do 2020* [Main problems, objectives and directions of the programme for support of housing construction until 2020].

Included in the public discourse are such issues as granting of credits, conditions of receiving a housing credit, and, particularly, the programme *Rodzina na swoim* [Families Owning Flats], which is based on partial financing of loans by the State Treasury. In year 2009, banks granted 30.9 thousand credits with additional financing of the value of PLN 5.4 billion. Within three quarters of year 2010, 28.8 thousand credits were paid of the value of PLN 5.3 billion (cf: Bednarek, *Gazeta Wyborcza* 2010). Excluded from the programme are single persons, who struggle in the public discourse to get the right to credits partially financed by the government (cf: *Gazeta Wyborcza*, 2011). The government is slowly withdrawing from financing of the programme, but the number of those interested in cheaper credits is low.

The report *Główne problemy, cele i kierunki programu wspierania rozwoju budownictwa mieszkaniowego do 2020* [Main problems, objectives and directions of the programme for support of housing construction until 2020] defines the basic principles of the state policy of supporting the housing construction sector in the next 10 years and analyzes the main problems of the housing sector, specifying those areas, which require state intervention and the potential fields of activity in specific segments of housing construction, such as welfare housing, social construction or proprietary construction. It is also a response to the resolution on Development of Housing Construction for years 2010-2020, approved by the parliament on February 19th, 2010.

The present trend in construction is not able to fill the gap associated with lack of renovation and only partial usability of thousands of buildings. The steady increase in real estate prices and the diminishing purchasing capacity of the Poles mean that the present level of investment cannot be maintained, which may result in yet another, deep regression of the construction trade. In Warsaw, most flats constructed within the framework of the programme *Rodzina na swoim* can be found on the right bank of Vistula river (cf: *Rzeczpospolita*, 2011). There is a substantial disproportion in the prices of apartments on the left and the right bank of the river - on the right bank, apartments are cheaper on the average by 15% (one square meter of a flat on the right bank costs about PLN 7.2 thousand, while on the left bank, the rates are higher by more than 1 thousand -

amounting to PLN 8265 per square meter) (cf: Gawrońska, *Rzeczpospolita* 2011). The issue of availability of flats on the real estate market is strongly present in the public discourse. It has been estimated that this deficiency amounts to 1.5 million flats (www.dom.money.pl).

In the housing sector, the crisis was initially marked by a substantial decrease in the flat prices and demand for apartments (cf: Niedozińska, *Echo Dnia* 2009). At present, the flat prices have risen for the first time since 2007 (www.hotmoney.pl). Increased inflation and unemployment rates in the first months of this year suggest a pessimistic prognosis for the increase of affluence of the Poles, and thus the increase in demand for primary market flats. Demand will be limited mostly to smaller and cheaper flats from the secondary market, constructed of the prefabricated panels and council flats, which can be acquired with a small own contribution. However, their small quantity will pose a problem. No observable increase in the number of council flats constructed can be expected due to debts of local authorities associated with share of their own funds in investment projects co-financed by the EU, associated mostly with road construction (www.bankier.pl).

The objective of the House Within Reach Foundation is to popularise knowledge on modern, energy-saving, rational construction projects and supporting the local authorities in their development activities. The core of the programme is the annual design and urban design contest for affordable house designs. The foundation implements model house construction projects and it monitors the construction of such buildings throughout Poland. It cooperates with state offices and institutions, trade organisations and local authorities. Its activities are supported by sponsors - companies manufacturing materials and equipment for the construction trade and banks. They finance the activity and create a lobby, which supports the actions of the Foundation.

Since 2001, the Foundation, together with Murator Publishing House and "Gazeta Wyborcza", has been implementing the programme House Without Barriers. Its basis is the detailed identifications of barriers, which hinder the functioning of the disabled, as well as popularisation of the rules of shaping space, which would be adapted to the needs of all users. The programme is aimed mainly at the disabled, designers, officials, who confirm projects and make financing decisions concerning adaptation of flats, and the general public.

According to government information, the number of flats constructed is sufficient. The problem is that they are expensive and can be afforded by few. A statistical Pole is able to purchase 0.8 square meters of a flat per month. This is the equivalent of the average remuneration. Due to low-income levels and high construction costs, many people are unable to satisfy their housing needs. The government wants to change this. On March 3rd, 2011, it presented to the Parliament a document concerning the main issues, objectives and directions of the programme for supporting housing construction until year 2020. Many amendments to legal provisions have been proposed. To the least extent, these concern regulations for welfare housing. According to the government, the legislation in this regard is good; the problem is that the funds designated for implementation of this policy, that is, refunding of costs of construction of welfare housing or adaptation of premises to local governments, is too low. Therefore, an increase in the level of subsidies has been proposed, which would result in establishment of 7.5 thousand flats of this type and 400 beds in shelters (starting from year 2015). Moreover, the government wants to revive construction of apartments for rent. These are to be built by the Social Housing Societies, cooperatives and developers. Rented apartments will be also offered for buyout. The government also wants to withdraw from the present form of support for families, which want to purchase their own apartments, that is, the loans granted within the framework of the programme *Rodzina na swoim*.

The government also aims at improvement of the technical condition of the present housing resources, because according to its estimates, in the coming years, even 200 thousand flats will no longer be suitable for use. It's also important to maintain the possibility of incurring credits with a thermo-modernisation and renovation bonus, to limit consumption of energy is also of significance. Additionally, it seems to be crucial to maintain the lowered VAT rate in the housing industry. Th gouvernement also wants to introduce a reversed mortgage, which will benefit the elderly persons, who, in exchange for the money obtained from banks, are to transfer the ownership of their flats (takeover is to be conducted after the death of the person concerned). Regulations concerning rental and housing benefits are also to be amended in near future.

3. EMPLOYMENT

3.1. Demand and supply

In comparison with the average values of labour market activity indicators in the European Union (the so-called "former EU 15" and 27 member states) within the last decade, Poland is characterised by a lower rate of employment. At the same time, the unemployment rate in Poland was decreasing steadily (with a slight increase in the last two years), and it has now reached the European average.

Lowering of the unemployment rate in Poland is a result of Poland's accession to the European Union, which has resulted in emergence of new workplaces in the Polish economy, as well as migration of the Poles, searching for jobs mostly in those member states, which have opened their labour markets, that is, e.g. Great Britain and Ireland. The increase in the unemployment rate in Poland is a result of the last financial crisis in the global economy.

Table 4 - Unemployment/employment rates in Poland and EU, 2000-2009/10

	<i>Harmonised unemployment rates (annual average)</i>			<i>Employment rates (annual data)</i>		
	<i>pl</i>	<i>eu27</i>	<i>eu15</i>	<i>pl</i>	<i>eu27</i>	<i>eu15</i>
2000	16.1	8.7	7.7	55.0	62.2	63.4
2001	18.3	8.5	7.3	53.4	62.6	64.1
2002	20.0	8.9	7.6	51.5	62.4	64.2
2003	19.7	9.1	8.0	51.2	62.6	64.5
2004	19.0	9.0	8.1	51.7	63.0	64.9
2005	17.8	8.9	8.2	52.8	63.5	65.4
2006	13.9	8.2	7.7	54.5	64.5	66.2
2007	9.6	7.2	7.0	57.0	65.4	66.9
2008	7.1	7.0	7.1	59.2	65.9	67.3
2009	8.2	8.9	9.1	59.3	64.6	65.9
2010	9.6	9.6	9.5	-	-	-

Source: Eurostat, ec.europa.eu/eurostat. Date of extraction: Thu, 7 April 11 02:28:00, Last update: 1.04.2011

Source: EU Labour Force Survey, Indicators for monitoring the Employment Guidelines, 2010 Compendium, The European Commission

The values of the indicators of labour market activity are differentiated in Poland mainly according to age and gender. In years 2003-2009, the rate of employment of women was significantly lower than among men, and this difference is permanent. Similarly, the unemployment rate among women is slightly higher than among men. The less significant difference in this case is associated with the fact that women are dominant among the inactive persons. At the end of year 2009, women constituted almost 2/3 of this group. Among women aged 15 and older, the share of those inactive amounted to 52.5%, while among men, it was equal to 36.5% (*Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010).

Table 5 - The unemployment and employment rates according to gender in 2003-2009

Years	Unemployment rate Aged 15 and more		Employment rate Aged 15 and more	
	Women	Men	Women	Men
2003	20.3	18.4	47.9	62.4
2004	19.5	16.7	47.9	62.7
2005	18.3	15.4	48.1	62.9
2006	13.7	11.0	46.7	62.3
2007	9.4	7.8	46.7	62.2
2008	7.6	6.0	47.1	63.1
2009	8.8	8.2	47.5	63.5

(Source: *Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010.)

The highest unemployment rate is typical for young people, aged 15-24. The unemployment rate in this group has been decreasing steadily in the recent years - in 2008, it amounted to 17.3%, in 2007 - 21.6%, in 2006 - 29.8%, and in 2005 - 37.7%. In year 2009, the unemployment rate among the youngest employees amounted to 20.5%, that is, more than the EU average (19.8%) (*Raport o rynku pracy oraz zabezpieczeniu społecznym*, Ministry of Labour and Social Policy 2010). In year 2009, the most feminised group among the unemployed were persons aged 45-49, in which the proportion of unemployed men to women was 100 to 134 (*Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010). The lowest unemployment rate can be observed among the oldest, aged 55-64 (6.3% in year 2009), which is associated with low values of indicators of professional activity in this group. Low professional activity and quick withdrawal from the labour market of persons, who do not belong to the mobile age groups, is one of the basic problems of Polish economy (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010). At the same time, the indicators of professional activity in the age group above 55 years are much lower among women than among men.

Activity on the labour market in Poland is also strongly differentiated in terms of education. In year 2009, the highest unemployment rate was observed among persons with lower secondary or primary education (15.3%), as well as secondary general education, which actually do not provide any profession (10.9%). Only university graduates are in a better situation - in their case, the index amounted to 4.4% (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010). At the same time, it is worth mentioning that in Poland, the number of women having general secondary education, which offers worse opportunities on the labour market, is greater than that of men. Unemployed women in year 2009 were better educated than men: more than 61% of unemployed women had secondary, post-secondary or university education, while the analogous percentage for men amounted to 45%. On the other hand, only among those with university education, the indicators of labour market activity of women are equal to those of men (*Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010).

Obviously, the public sector is characterised by greater stability of employment in comparison with the private sector. The unemployed, who previously worked in the previous sector, are a majority over those employed previously in the public sector - constituting 70.1% and 15.4% in 2010, respectively (Central Statistical Office 2011). A typical trait is the hidden unemployment in the Polish agriculture sector. Structural unemployment since the beginning of the transformation period has exerted impact on those employed at the former State Farms, and lately those employed in the liquidated shipyards. In year 2009, dismissals were observed frequently in such sectors as industrial processing, transport and warehouse management, as well as financial and insurance activity. The number of available workplaces in 2009 amounted to about 65.8 thousand and

it was lower by 56.8% in comparison with the previous year (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010).

According to the data of the Ministry of Labour and Social Policy, the number of subsidised workplaces in the general number of jobs offered by labour offices has been growing. In years 2004-2008, subsidised job offers constituted about 40% of all offers in general, while in 2009, their share increased to 53% (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010). At the same time, unemployed men more often than unemployed women engaged in subsidised work (58% in relation to 42%).

The Polish society is characterised by a relatively high tolerance for employment in the so-called "grey market", that is, performance of hired work without a contract between the employer and the employee and non-taxed self-employment. Activities typically associated with the grey market include childcare, private lessons, renovation, construction and gardening works. According to estimates, the size of the grey market in Poland has reached about 15% of the GDP, and it has not been changing in the recent years.

Table 6 - Size of undeclared work in national economy in Poland, in %, 2002-2006

	2002	2003	2004	2005	2006
PL	15.4	15.8	14.5	15.9	15.9

(Source: *Indicators for monitoring the Employment Guidelines*, 2010 Compendium, The European Commission.)

According to data of the Central Statistical Office, in year 2004, 1317 thousand respondents were employed in the grey market of the Polish economy, constituting 4.2% of those employed aged 15 and more. On the other hand, the Centre for Social and Economic Analyses estimated the share of employment of this kind to be at the level of 10% (CASE 2007). In the light of results of research conducted by the Central Statistical Office, undeclared work is dominated men, and the types of professional activity undertaken in the grey market are strongly differentiated according to gender. In year 2004, women constituted 37% of persons declaring employment in the grey market, most often taking care of the children, sewing and working in trade. The percentage of men was equal to 63%, and they worked mainly at renovation, construction and installation repairs, they performed installation and construction works. Grey market employment was declared mostly by those aged 45-59 (30%), and those with basic vocational education (45%), and the least often - by persons aged 60 and more (4%), as well as those with university education (6%) (*Praca nierejestrowana...*, Central Statistical Office 2005).

Poland is characterised mainly by short-term and transit migration, as well as a small number of foreigners settling down (Grzymała-Kazłowska 2007). In years 2007-2010 (with a slight decrease in the last year discussed), the number of registered employers' statements concerning the intent to hire a foreigner was increasing (this pertains to foreigners engaged in short-term employment in Poland, referred to in § 2 clause 27 of the Regulation of the Minister of Labour and Social Policy of August 30th, 2006 on performance of work by foreigners without the necessity of obtaining a work permit (Journal of Laws no. 156, item 1116 as amended). In year 2010, in total, 180073 of such statements were registered, most of these for the citizens of Ukraine (169490), Moldova (5912), Belarus (3623), Russia (595) and Georgia (453). It is important that the professional activity of foreigners, mainly those from the East, often falls into the grey market. For instance, the market of household labour services is dominated by women from Ukraine, many of whom stay in Poland legally (on the basis of a 3-month visa), but doesn't have the required work permits. This is due to the opinion that the procedures associated with legalisation of employment are complicated and long, and belief that legalisation of employment results in increasing of

the labour costs (ISP, 2005). Foreigners working in the field of catering services, mostly Vietnamese and Turks, often take advantage of "formal" assistance of the Poles in implementation of administrative procedures (ibidem.). In the case of the construction trade, illegal employment was estimated in year 2005 to amount to 1.5 million people - Poles and foreigners, mainly Ukrainians, but also Belarusians and Russians (ibidem.). Foreigners, who are entitled to benefits, constitute a very small minority among those registered at labour offices. In year 2010, there were 130 persons like that, including 119 from EEA and Switzerland (Ministry of Labour and Social Policy 2011).

In Poland, the most appreciated form of employment is a full-time employment contract for an unlimited period of time. In the 4th quarter of year 2010, the population of those employed on the basis of contracts for limited periods of time amounted to 3451 thousand people, that is, 27.7% of all hired employees. Part-time employment in year 2009 was encountered more often among women, although this difference is less significant than the average for EU member states.

Table 7 - Selected measures of professional activity of the population in the EU countries and Poland according to gender in 2009

Specification	Women				Men			
	EU (27)	EU (25)	EU (15)	Poland	EU (27)	EU (25)	EU (15)	Poland
Part-time employees among all employed aged 15 and more	31.8	33.2	37.3	11.2	8.4	8.5	9.1	5.6

(Source: *Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010.)

*Average annual data for year 2008

Accordingly with the provisions of the Polish labour code, a person employed for part-time is protected legally to the same extent as the full-time employees. Employment on the basis of contracts for limited periods of time, are significantly less stable is due to short periods of the contract termination notice or lack of such obligation. The act of July 1st, 2009 on mitigation of effects of the economic crisis for employees and employers (Journal of Laws of 2009, no. 125, item 1035) has broadened the scope of contracts concluded by employers for limited periods of time without the obligation of offering employment for unlimited periods of time. Some types of short-term contracts may be unfavourable for women in the context of pregnancy and raising children.

3.2. Structure of the administration

Like other member states of the EU, Poland is subject to the European Strategy of Employment, which has been a part of the Lisbon strategy since year 2000. The legal basis for the labour market policy, implemented in Poland, is provided by the act of April 20th, 2004 on promotion of employment and the labour market institutions (Journal of Laws of 2010, no. 81, item 531, as amended). The detailed obligations of the state with regard to the labour market policy have been specified in the *National Action Plan for Employment for 2009-2011*, which serves as a basis for regional action plans prepared by provincial authorities, as well as the *National Reform Programme on behalf of implementation of the Lisbon Strategy* for years 2009-2011. The primary objective of the Polish labour market policy in the context of these documents is to include the maximum number of Poles, who are able to work, in the labour market (*National Action Plan for Employment for years 2009-2011*, Ministry of Labour and Social Policy). Great emphasis is put on increasing of professional activity of various social groups, e.g. through supporting and developing the continuous education programmes, reconciliation between family life and career. The share of expenditures from the Labour Fund for programmes of active counteracting of

unemployment has been growing, but a large part of the funds is designated for passive forms of counteracting unemployment, such as benefits and assistance for the unemployed. The visible increase in the expenditures of the Labour Fund for benefits and assistance in the last year was due, among other things, to transfer since February 1st, 2009 of management of pre-retirement benefits from the Social Insurance Office (ZUS) to the Labour Fund.

Table 8 - Expenditures of the Labour Fund in years 2005-2009 (in PLN million)

Specification	2005	2006	2007	2008	2009
Total revenues of the Labour Fund	6833.9	7513.3	8395.8	9103.3	10326.4
Total expenditures	5550.8	5500.4	5367.2	5753.1	11245.0
Expenditures: benefits and assistance	2997.7	2805.3	2267.8	1911.0	4504.1
Expenditures: programmes to counteract unemployment	2051.7	2218.7	2709.6	3362.4	6204.8

Source: *Raport o rynku pracy oraz zabezpieczeniu społecznym* [Report on the labour market and social security], Ministry of Labour and Social Policy 2010, str. 62.

The most popular passive forms of support offered to the unemployed are the unemployment benefits. They are available for those, who are:

- registered as unemployed,
- able and ready to take up employment on a full time basis, according to the working time rate applied in a given occupation or service,
- who has reached the age of 18 years and has not reached the retirement age (60 years for women and 65 years for men)

At the end of year 2009, 380 thousand people were entitled to unemployment benefits, which is 108.7 thousand more than in the previous year (increase by 40%). Another form of passive counteracting of unemployment are pre-retirement benefits, granted to persons, who had been long-term employees, dismissed due to reasons associated with their employer. In 2009, about 129.8 thousand pre-retirement benefits and about 113.9 thousand pre-retirement assistance amounts were paid, for the total amount of PLN 1 676.3 million (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010). In years 2004-2009, the amount of benefits granted in this category was decreasing steadily.

Table 9 - Pre-retirement benefits and assistance paid in years 2004-2009

Specification	2004	2005	2006	2007	2008	2009
	Number					
Pre-retirement benefits	275 363	251 068	213 258	174 610	133 754	98 650
Pre-retirement assistance	316 261	287 737	243 023	193 234	122 058	66 400

Source: www.zus.pl, from: *Raport o rynku pracy oraz zabezpieczeniu społecznym* [Report on the labour market and social security], Ministry of Labour and Social Policy 2010, p. 55.

Within the framework of the Polish labour market policy, active forms of counteracting unemployment include: subsidised work (intervention works, public works, engaging in business operation and refunding of employment costs), as well as trainings, apprenticeships, vocational training at workplace for adults, training loans, scholarships for continued education, refunds for the costs of travel and accommodation, an activation benefit and the so-called socially useful works (work performed by the unemployed, who are not entitled to benefits, organised by the communes at the social assistance institutions, organisations or charity institutions or organisations aimed at supporting the local communities). In year 2009, beneficiaries of those activities were 697 370 people; most of them were granted apprenticeship programmes (255 604), training (166 148) and various types of subsidised work (202 329) (*Raport o rynku pracy...*, Ministry of Labour and

Social Policy 2010). The lowest was the number of beneficiaries of vocational trainings at workplace (7 162) and workplace equipment programmes (28 360) (*Efektywność podstawowych form aktywizacji zawodowej...*, Ministry of Labour and Social Policy 2010).

In the recent years, interest in trainings decreased slightly, while the number of apprenticeship programmes increased. In the light of provisions of the Act on promotion of employment and the labour market institutions, some forms of active support may be offered only to persons under special circumstances on the labour market: the unemployed until 25 years of age, long-term unemployed or persons previously engaged in expired social contracts, or women, who failed to get employment after giving birth, the unemployed above 50 years of age, the unemployed without professional qualifications, professional experience or secondary education, the unemployed, who are raising at least one child until 18 years of age as single parents, the unemployed, who failed to find a job after imprisonment, the unemployed, who are disabled (art. 49). This pertains, in particular, to subsidised work, apprenticeship programmes, returning of costs of participation in trainings and other continuous education initiatives. In practice, in year 2010 the status of a person in a particularly difficult situation on the labour market was assigned to 1 776.9 thousand people, that is, 9 out of 10 of the unemployed satisfied the criteria for this category (*Rynek pracy w Polsce*, Ministry of Labour and Social Policy 2011).

In the Polish context, the most significant actors implementing the labour market policy are the so-called public employment services of the local, provincial and central level. The system is based on the network of Voivodship Labour Offices (WUP) and Poviats Labour Offices (PUP) and it is decentralised. Most activities constituting direct services on behalf of persons registered as the unemployed are performed by the Poviats Labour Offices (services and institutions of the labour market, that is, benefits, active support, labour clubs). The PUPs are also quite independent in determination of the detailed goals and tasks of the local labour market policy within their area.

The public employment services are also responsible for implementation of Human Capital Operational Programme (European Social Fund). Most of the WUPs play the role of 2nd degree intermediate bodies, while the poviat labour offices implement the systemic and contest-based projects within the frameworks of the regional components of the HC OP (www.efs.gov.pl).

Table 10 -Characteristics of the key competences of the public employment services

Level	Leading authorities and bodies	Competences
Central	The Minister for Labour Affairs and General Council for Employment as the opinion-issuing/ advisory body (trade unions, employer organisations, local authorities, NGO, WRZ, academic organisations)	<ul style="list-style-type: none"> - coordination of public employment services - preparation, coordination and monitoring of the National Action Plan
Regional (voivodship)	Voivodship governor	<ul style="list-style-type: none"> - supervision of implementation of tasks of provincial and poviats labour offices - issuing of certificates to labour agents and advisors - issuing of work permits for foreigners
	Voivodship Office: Marshal and Voivodship Council of Employment (representatives of trade unions, employer organisations, farmer organisations, NGO dealing with labour market issues, academic world and representative of the provincial governor)	<ul style="list-style-type: none"> - specification and coordination of the regional labour market policy, - division of funds of the Labour Fund, - monitoring of the regional labour market, - registration and certification of employment agencies, - job agency services
	Voivodship Labour Offices (WUP)	
Local (poviat)	Poviat office: Starosta (head of the poviat) and Poviat Council of Employment (representatives of field structures of trade unions, employers, farmers, self-government bodies, NGOs dealing with labour market issues)	<ul style="list-style-type: none"> - preparation and implementation of the local labour market activation programme, - application of resources from the Labour Fund, - registration of the unemployed and those searching for jobs, - granting and payment of benefits and other forms of assistance - organisation and financing of labour market instruments and services
	Poviat Labour Offices (PUP)	

Source: own table on the basis of materials of the Ministry of Labour and Social Policy: www.mpips.gov.pl.

Apart from the public employment services, the labour market policy is also implemented by about 300 state branches of the Voluntary Labour Corps, which specialise in supporting the youth, particularly threatened by social exclusion and the unemployed until 25 years of age (www.mpips.gov.pl). Other than that, the labour market falls within the scope of responsibility of institutions operating in the field of social assistance and integration. At the voivodship level, these are Regional Social Assistance Centres (ROPS), and at the local level - the Poviat Family Assistance Centres (PCPR) and Social Assistance Centres (OPS). The system of labour market institutions in Poland encompasses non-public institutions as well, the so-called social dialogue institutions (employers' organisations, trade unions, NGOs), vocational training institutions, social cooperatives, training organisations, social integration centres (CIS) and social integration clubs (KIS). Private entities include job agencies, temporary job agencies, employment advisors (*Analiza aktualnej struktury instytucji rynku pracy...*, 2009). Unfortunately, there is the lack of strategic cooperation and coordination of activities and flow of information between these institutions, also on the national scale, e.g. between PUP and OPS (ibidem).

Noteworthy is the role of NGOs. According to research conducted by Klon/Jawor Association, in year 2007, about 300 thousand people benefitted from services of organisations assisting the unemployed or offering other labour market services in year 2007 (*Wolontariat, Filantropia i 1%*, 2008). NGOs implement the activities of this type mainly through contest-based projects within the framework of the Human Capital

Operational Programme (ESF). More importantly, the services of the third sector are available to persons, who are not active on the labour market, but do not have the unemployed status. Moreover, the criteria of granting support within the framework of NGO projects are usually less restrictive than in the case of the public employment services.

The role of individual employers in implementation of the labour market policy in Poland is based mainly on payment of premiums for the Labour Fund: since 1999, it has been 2.45% of the basic amount - the gross remuneration paid by employers and amounts constituting the basis for retirement and disability pension premiums. The funds from these premiums constitute the basic component of the Fund, which is also supplied by the EU funds and the state budget.

Table 11 - Revenues of the Labour Fund in years 2005-2009 (in PLN million)

Specification	2005	2006	2007	2008	2009
Revenues of the Labour Fund, including:	6833.9	7513.3	8395.8	9103.3	10326.4
The obligatory premium	6328.9	6711.6	7669.4	8766.7	8780.8
The state budget subsidy	-	-	-	-	690.4
The EU funds	273.5	661.6	615.9	189.4	-
Other revenues	231.5	140.1	110.5	147.9	855.2

Source: *Raport o rynku pracy oraz zabezpieczeniu społecznym*, Ministry of Labour and Social Policy 2010, p.62.

The amount of compulsory premiums paid by employers is one of the reasons for high employment costs in Poland. As it has been shown, a substantial part of the Labour Fund means is redistributed through passive forms of counteracting unemployment.

3.3. Access to the labour market

In years 2005-2009, the share of the unemployed in the long-term perspective (according to the definition of Eurostat) in the total population of the unemployed was decreasing gradually in Poland. A visible decrease in year 2008 could be the result of the good economic condition in year 2007.

Table 12 - The share of those affected by long-term unemployment in the total number of unemployed in %, years 2005-2009

Specification	2005	2006	2007	2008	2009
The share of those affected by long-term unemployment (according to Eurostat) in the total number of unemployed in %	56.3	50.2	50.4	36.7	29.7

Source: *Raport o rynku pracy oraz zabezpieczeniu społecznym*, Ministry of Labour and Social Policy 2010, p.26.

In Poland, unlike in a "typical" EU state, the phenomenon of long-term unemployment affects women more often than men.

Table 13 - Selected measures of professional activity of the population in EU states and in Poland according to gender in 2009

Specification	Women				Men			
	EU (27)	EU (25)	EU (15)	Poland	EU (27)	EU (25)	EU (15)	Poland
The share of those affected by long-term unemployment in the total number of unemployed aged 15 and older	36.1	36.5	36.3	35.2	34.4	34.7	35.2	26.3

Source: *Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010.

Particularly threatened by long-term unemployment are persons above 50 years of age. At the end of year 2009, the group of the unemployed above 50 years of age was dominated by persons searching for jobs for more than 24 months - 86.1 thousand people, that is, 22% of the unemployed in this group. This means that the elderly persons, if they are registered at the labour office, should expect to remain unemployed for a longer period of time. (*Osoby powyżej 50 roku życia...*, Ministry of Labour and Social Policy 2010).

The indicators of discrimination of women on the Polish labour market include: the difference in the average remuneration of women and men, as well as gender-based segregation of professions. Research conducted in October 2008 on the structure of remuneration according to profession has shown that the average remuneration of women was lower by 23% than the average remuneration of men (*Kobiety i mężczyźni na rynku pracy*, Central Statistical Office 2010). This indicates a slight decrease in the difference of remuneration levels in comparison with years 2004 and 2006, when the average remuneration of women was about 27% lower than that of men (*Kobiety w Polsce*, Central Statistical Office 2007).

In year 2009, women still dominated in the traditionally feminised sections of economy, that is in healthcare and social assistance, education, financial and insurance activity, accommodation and catering - professions with lower remuneration and prestige levels. Moreover, women occupied managerial positions in the discussed year less often than men, particularly at the top level - they constituted 35.9% of all managers and 30.1% of all employers. In this context, it is worth mentioning that women returning to work after a long break and searching for their first job encounter particularly serious difficulties on the labour market (*ibidem.*).

Another form of discrimination of older persons on the labour market was visible in the policy of reduction of the unemployment rate at a lower level of expenditures associated with creation of new workplaces through application of institutional stimuli to take advantage of early retirement prior to reaching the retirement age. In year 2009, in the group of those aged 50 and more, the employment rate amounted only to 29.9%, and in the group of 50-64 years - 46.5%. At the same time, persons aged 50 and more are much less often affected by unemployment in comparison with other age groups. This may be due to their withdrawal from labour force in the case of lack of jobs by choosing early retirement or disability pension (*Osoby powyżej 50 roku życia...*, Central Statistical Office 2010).

A typical trait of unemployment in Poland is its geographical differentiation. At the end of year 2010, the lowest unemployment rate was recorded in wielkopolskie province (9.2%), and the highest - in warmińsko-mazurskie province (20.0%), which results in a difference of more than 10 percentage points. The lowest unemployment rates were recorded in the largest cities: Warsaw (3.4%), Poznań (3.5%), Sopot (3.7%), Katowice (3.8%) and Kraków

(4.7%) (*Rynek pracy w Polsce*, Central Statistical Office 2011). It is worth adding that unemployment among those aged 50 and more is rather an urban than a rural phenomenon.

3.4. Recent developments

It seems that the core of discourse on the labour market situation in Poland has been focused on the effects of membership in the EU and opening of the EU labour markets to Polish citizens, the increasingly visible mismatch of the structure of supply and demand of the labour force, high labour costs and various "strategies" of coping with these, as well as the future of the Polish retirement system (on the basis of a Web overview of press articles):

- the potential consequences of opening of the German labour market for the citizens of Poland in May 2011 (the possible drainage of the qualified labour force, both workers and specialists),
- the increasing popularity of temporary contracts of employment between employers and employees as a result of the financial crisis,
- the pathological rationality of the Polish labour market, where early retirement and additional jobs within the grey market is perceived as a beneficial life strategy,
- the problem of lack of qualified workmen and craftsmen due to weakening of the system of vocational education after the educational reform of 1999, as well as the negative social image of vocational profile education,
- "bypassing" of high employment costs by payment of parts of the remuneration within the grey market, as well as encouraging employees by employers to engage in self-employment,
- the demographic slump, ageing of the Polish society and the increasing public debt in the context of functioning of the retirement system: postulates of equalisation of the retirement age of women and men, Open Retirement Funds,
- high unemployment rates among young people, including those with university education.

The economic crisis, mentioned earlier, had a lesser impact on the macroeconomic situation in Poland in comparison with most EU member states. In the context of recession in other countries, in Poland, no negative dynamics of real GDP was observed. The crisis, however, led to a visible slowing down of economic growth: from 6.8% of GDP growth in 2007 to 5% in year 2008 and only 1.7% in year 2009. In year 2010, the real GDP increase amounted to 3.8% in comparison with the previous year (*Rynek pracy w Polsce*, Central Statistical Office 2011).

Due to worsening of the economic situation in Poland, on August 22nd, 2009, the act of July 1st, 2009 on mitigation of effects of economic crisis for employees and employers came into force (Journal of Laws of 2009 no. 125, item 1035). The act is to facilitate business activity of entrepreneurs in the period of economic crisis, and some of the solutions contained in the act may be applied by all entrepreneurs, while some are applicable only to those entrepreneurs, who are suffering from transitional financial problems, who meet the specific criteria described in the act (*Raport o rynku pracy...*, Ministry of Labour and Social Policy 2010). According to the provisions of the act, employers, who are experiencing transitional financial problems may reduce the work time of their employees more easily. The new legal provisions warrant additional financing for employee remuneration and training during the economic standstill period. Employers, who are in a particularly difficult situation, may also receive financing for payment of social premiums of their employees in the part payable by the employer. Moreover, the act shortens the period of employee protection and limitation of the prohibition to terminate

the employment contracts due to reasons other than through the fault of the employee (ibidem.).

The broad scope of processes of designing innovative solutions associated with the issues of the Polish labour market have been associated since 2001 with the EQUAL Initiative programme. The main objective of this initiative is to test and support new ways of counteracting all forms of discrimination and inequality on the labour market, both with regard to those employed and those searching for jobs. Projects are implemented by Partnerships for Development, mainly state authorities, organisations that support discriminated groups and private companies. The exemplary solutions applied within the framework of EQUAL include personal assistants for the disabled, a complex model of support for craftsmanship, the model of professional activation and social re-integration for female victims of abuse, the concept of the Romani Professional Activation Centre, the social cooperative for the disabled, an integrated model of keeping employees aged 45 and more on the labour market, based on the job coaching methodology (*Informator o rezultatach...*, 2008).

Another labour market innovation is the systematic support for the social economy sector within the framework of the Human Capital Operational Programme 2007-2013, Priority VII, "Promotion of social integration", task 7.2. "Counteracting exclusion and strengthening of the social economy sector". In Poland, social entrepreneurship has also become fashionable, as well as cooperatives and other social economy entities; however, so far, it is difficult to assess the effectiveness and durability of solutions of this kind. Thanks to EU funds, broader support in terms of labour market activity has been offered to convicts staying at penal institutions. In prisons, educational rooms and labour clubs are being established, there are job advisors and vocational trainings for such professions as bricklaying, paving, tailoring and confectionery. At the end of September 2010, more than 7.5 thousand convicts participated in courses with additional EU financing, that is, almost 9% of the total number of convicts in this period (www.fundusze-europejskie.pl).

4. CHILDCARE

4.1. Demand and supply

In the 70s and 80s of the 20th century, researchers pointed to the special position of family in Poland, which was treated as the core of private life and social network because a large part of the society did not accept the existing political system and did not participate in the institutionalised forms of social life at the intermediate level, between the nation and the individuals. In the country the process of commercialisation of intimate life, which is based on withdrawing from many obligations, from activities that were traditionally performed by family members, was much less advanced than in other countries (Hochschild 2003) where the changes are a result of cultural changes, spreading of consumerism as an ideology, as well as the willingness (and necessity) to cope with the labour market demands among the potential employees (Siemienska 2009).

Moreover, in Poland, we are dealing with a firm belief that care over small children is mainly the problem of women. The study conducted on the time budget by Central Statistical Office in 2003 showed the quantity of time dedicated for taking care of children throughout the period 1976-2003 is very stable - it has changed neither in the case of women nor men. In this context, the opinions emerging in the recent years that the family members (usually the parents) dedicate less time to taking care of the children seems to be groundless. The number of women taking care of children (both aged 0-6 and 7-17) in their own household is almost two times higher than that of men.

The organisation of childcare differs, depending on the education level. Persons with university education partially entrust childcare to others (persons, institutions). The amount of time dedicated to care by the parents is organised at the expense of free time, as well as of the time dedicated to other household duties (e.g. preparation of meals) (Siemińska 2008). Approximately one third of all Polish households receive paid and unpaid childcare assistance. Although there are public and private nursery schools and nurseries, it is common to use services provided by a social network or care market and very few children attend private nursery schools. Non-institutional childcare is prevailing in Poland (Siemienska 2006b). It is worth noting that the earlier retirement age and the general lower professional activity of women results in a situation, in which individual child care is often taken over by grandmothers in the family.

Nursery schools are for children between 3 and 6 years old. Attending nursery schools (preschool education) is obligatory for 6-year-old children. Compulsory schooling starts at age of 7 (from next year at age 6). Since September 1st, 2009, children aged 5 are entitled to nursery schools education, and since September 1st, 2011, this will be transformed into the 1-year kindergarten preparation obligation.

After the second world war, the number of children attending nursery schools in Poland started to increase quickly. In year 1950, the number of children registered at nursery schools was greater than the number of vacant places. The peak was reached in year 1980, when there were 760 thousand available places in nursery schools and 1223 thousand children subject to nursery school education; among these, 128 thousand were attending kindergarten classes at elementary schools. In year 2009/10, there were 781 thousand nursery schools places and 771 thousand children, and including the kindergarten classes - 994 thousand children (including 8.8 thousand disabled children), resulting in the proportion of 1273 children per 1000 available places (*Statistical Yearbook of the Republic of Poland*, Central Statistical Office 2010: 48-49). This data indicates serious gaps in the nursery schools education infrastructure, which cannot meet the growing social demand.

One of the most serious limitations to establishment of new nursery schools is the strict set of criteria to be satisfied by these institutions. Lack of a legal act, which would specify the technical conditions to be met by nursery schools, leaves their determination to provincial sanitary and epidemiological stations. The requirements concern such issues as space, quality of water, the number and location of bathrooms, the necessary equipment, lighting, ventilation. It is assumed, for instance, that the premises, in which nursery schools are located, are to have the height of at least 3 meters - which is a significant problem in the case of persons willing to establish private nursery schools in detached houses.

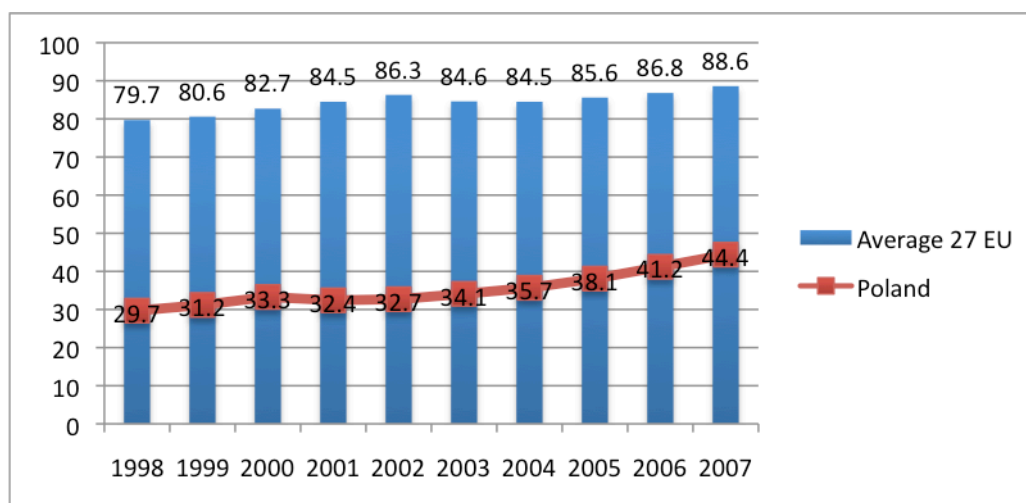
Table 14 - Number of places in nursery schools and number of children subject to nursery schools education (in thousands) in years 1946-2009

	1946	1950	1960	1970	1980	1990	2000	2009
Nursery schools places	-	335.5	342	452	706	897	715	781
Children subject to nursery schools education	202	319	422	607	1223	1232	885	994
Number of children per 1000 nursery schools places	-	951	1234	1343	1732	1373	1238	1273

Source: *Statistical Yearbook of the Republic of Poland 2010*. Warsaw: Central Statistical Office (Statistical Yearbook of the Republic of Poland 2010) pp.48-49.

It is worth mentioning that in the European Union, Poland occupies one of the last places with regard to the number of four-year-olds attending nursery schools. In year 2007, only 44.4% four-year-olds in Poland attended nursery schools, while the average for all 27 member states of the European Union amounted to 88.6% (*Oświata i wychowanie...*, Central Statistical Office 2010).

Chart 2 - Children aged four in the nursery schools education system, years 1998-2007



Nurseries are for taking care of children under 3 years. A child may be subjected to care after the 20th week of life (apart from children's clubs, which take care of children 1 year old and older) until the end of the school year, in which the child turns 3, or, when there is no possibility of providing kindergarten education - until the child turns 4 (in the case of nurseries - until the child turns 1).

In the case of nurseries, the discrepancy between demand and supply is even more striking. Between 1990 and 2003, the number of places in nurseries decreased by 75%, and the number of children attending also lowered significantly. Private nurseries offer only

around 1000 places. Mostly families from the cities take advantage of nurseries (OECD 2004). In years 2000-2009, the number of institutions of this type decreased from 428 to 380. The number of the so-called nursery departments at nursery schools was also decreased in this period - in year 2009, there were only 122 of these. On the other hand, as a result of the infrastructural and cultural changes, the number of children attending nurseries increased relatively from 21 out of 1000 children up to 3 years of age in year 2000 to 25.8 in 2009. As a result, nurseries are increasingly overcrowded: in year 2000, the number of children per 100 vacant places was 80, and in 2009, it reached 103 (*Statistical Yearbook of the Republic of Poland 2010*: 425). The new act of February 4th, 2011 on taking care of children up to 3 years of age is aimed at increasing the number of nurseries. According to the act, they will no longer be health care institutions subject to the Ministry of Health; they will be supervised by the Ministry of Labour and Social Policy, which will result in mitigation of technical requirements associated with their establishment.

In Poland, systemic support of childcare reflects to a great extent the general belief that this is mainly the responsibility of women. The so-called pronatalistic policy is also a very important trait of the Polish welfare policy. It is focused on promoting family development and encouraging reproduction (increasing of birth rate), by prolonging the maternity leave and pushing women out of the labour market, rewarding childbearing with a special allowance, and a whole range of financial aid for families with children. However, lack of job security and a sufficiently developed infrastructure supporting family make the family policy inefficient. Also, because the Polish budget is very tight, all these types of financial aid are not sufficient to play the role that they are supposed to play.

Entitlement to maternity leave is associated with giving birth to a child, when a woman is legally employed. If a female employee becomes pregnant, it is the unconditional obligation of the employer to grant her a maternity leave. In the current legal situation, a female employee is entitled to 20 weeks of a maternity leave in case of her one child, 31 weeks in case of twins, 33 weeks in case of triplets. Two weeks of a maternity leave can be used before the expected delivery date. A female employee is obliged to take advantage of 14 weeks of the leave. If the female employee shortens the leave, the father taking care of the child may request the remaining part of the leave. The maternity leave period is the period, during which the employment relationship exists, or it is considered as being taken into account in the general job seniority, which determines some of the employee rights (such as the vacation leave, the service anniversary awards etc.). It is also considered to be a period, for which premiums are paid, when the right to old age and disability pension is granted and the amount of these benefits is determined. The monthly maternity benefit amounts to 100% of the monthly remuneration, and the monthly remuneration paid on behalf of the female employee for 6 calendar months preceding the month, in which the right to benefit emerged, serves as a basis for calculation. Recently, the insured female employee (or any other insured person), who gave birth to a child, is entitled also to a one-time delivery benefit, amounting approx. 300 euro (1000 PLN). The father is entitled to two weeks leave when child is no more than 12 months old.

The childcare leave is a continuation of the maternity leave. The objective of the childcare leave is to provide employees with advantageous conditions to take care of a child in person, when it is difficult to reconcile the professional obligations with such care. Both parents are entitled to a childcare leave, even if their relationship is informal, and guardians of children have the right to such leave as well. The term 'guardian' is defined by law in a broad sense - it pertains to every employee, who has decided to provide a child with constant care as it would be in the case of own children. The legislative body accepts the possibility of both parents or guardians taking advantage of a maternity leave at the same time, however, for no longer than 3 months.

According to the Labour Code (13), during the childcare leave, the employee is not entitled to remuneration. On the other hand, a person taking advantage of a childcare leave is entitled to a childcare benefit. The condition of obtaining such benefit is fulfilment of the income criterion. It is necessary to remember that the benefit is meant to provide social support for the family and not to compensate the lost income. According to the act of December 1st, 1994 on family, care and childcare benefits, a working mother or father is entitled to a childcare benefit. Main beneficiaries of this kind of allowances are families with many children and single mothers (Jozwiak 2006).

4.2. Structure of the administration

Nursery schools education in Poland is implemented on the basis of the Act on education of 1991. In accordance with its provisions, in the case of nursery schools, local governments cover the cost of 5 hours of childcare a day (without board), while the parents have to pay on their own for an extended number of hours and for meals. The fees are established by local governments (OECD 2004). The local authorities may increase the scope of care free from charges to be paid by the parents within the framework of its own budget means.

Apart from nursery schools and kindergarten classes, nursery school education is also provided by kindergarten points and kindergarten education units. They operate in accordance with the regulation of the Minister of National Education of August 2010. They play an auxiliary role in the network of nursery schools, focused mainly on education and upbringing. Their aim is to provide equal chances to children prior to commencement of school education. These legal provisions were introduced particularly for smaller cities and rural communes, which suffer most from lack of nursery schools and the insufficient funds. These units differ from traditional nursery schools as they provide care for 3 hours per day. They are designated for smaller groups of children, and thus their accommodation requirements are less strict in comparison with nursery schools. Classes may be organised only during selected weekdays, and the provisions regulating the operation of these units lack information on the requirement of specialist education of persons conducting classes. Unlike nursery schools, the kindergarten points and units put greater emphasis on cooperation with the parents - they may e.g. engage in taking care of the children. Other forms of nursery schools education are also co-financed by communes; however, they receive less funds than the nursery schools - 40% of the amount designated per pupil in a public nursery school.

Childcare in nurseries is fully covered by the parents. In case of non-public institutions, the parents need to cover the childcare costs for the whole day. The fees are established by organisations that run childcare (OECD 2004). The new legal regulations are to facilitate establishment of nurseries by institutions and natural persons by mitigation of the extremely strict requirements concerning the premises, in which they could be established, and by approving of various legal forms of childcare.

The new Act of February 4th, 2011 on care for children aged up to 3 years has come into force. It contains new solutions with regard to formal care for children aged up to 3, organised in form of nurseries, children's clubs and day guardians or babysitters. The document defines the principles of establishment and operation of these units, the forms of their financing and supervision by the appropriate local authorities. The activity of nurseries and children's clubs is financed by the commune budget. They provide care for up to 10 hours in the case of nurseries and 5 hours in the case of children's clubs. Charges and maximum payments for meals are specified by the commune through a resolution. The act modifies the legislation existing so far, introducing the possibility of establishment of nurseries by natural persons and organisations having no legal entity. Persons with the following qualifications may be employed to take care of the children at such institutions:

nurses, midwives, child guardians, nursery school or early school education teachers and school counsellors.

The Act introduces the daily guardian, who is to take care of no more than five children at their own premises or provided by the commune. The remuneration of the daycare guardian, like the nursery charge amount, is determined by the commune through a resolution. If the day care guardian has not been taking care of children up to three years of age until the last year, they are obliged to undergo a 160-hour training or a 40-hour training, if they have the appropriate qualifications. The rules of concluding contracts between the parents and the babysitter have also been defined: the number of children under the care of the babysitter, the obligations, the time period, for which the contract has been concluded and the place of rendering childcare services. The act solves the issue of insurance of the babysitter as well: it is paid by the Social Insurance Office (ZUS), and the parents are obliged to cover the costs in the case of a surplus above the minimum remuneration level. The condition of taking advantage of payment of premiums by ZUS is the contract of employment of the parents or guardians of the child - on the basis of a civil law agreement or non-farming business activity. The government is also planning to introduce a tax relief for those hiring babysitters. These regulations are also aimed at reduction of the grey market, which has emerged due to the growing demand for childcare services in the context of professional employment of the parents.

Due to the substantial discrepancy between supply and demand with regard to institutionalised childcare, the government has initiated additional support programmes. For instance, the Ministry of Labour and Social Policy has launched a programme addressed to local authorities, aimed mainly at supporting the poorest communes in establishment of childcare institutions. The programme provides for additional financing for establishment or adaptation of nurseries, children's clubs and premises of day care guardians (www.mpips.gov.pl). Another, similar programme is entitled "Nursery in every commune" (cf: www.gazetaprawna.pl).

4.3. Access to childcare

Accordingly with the legal provisions in force, recruitment to nursery schools is based on the principle of general availability. In Poland, charges in public nursery schools are relatively low (about 7% of the average salary), but these institutions do not offer the sufficient number of places. On the other hand, amounts charged by private nursery schools are several times higher and cannot be afforded by many families (Kurowska 2010). In the case of nurseries, the order of admission is determined by the order of filing of documents. Priority is given to children of the parents residing in a given commune, having full-time jobs or being full-time students, single parents, those in a difficult financial situation, or those, who have been granted disability certificates. Moreover, priority is given to children from foster families and families with many children and those, whose siblings have been registered at the same institution. In the case of foreigners staying in Poland, their children are subjects to compulsory education, that is, they take advantage of education and childcare at public elementary and grammar schools according to the same rules as the citizens of Poland. This applies to all foreigners regardless of their legal status and basis for residence within the territory of Poland. Any foreigner's child may attend a nursery school, elementary and lower secondary school. The same applies to children of foreigners staying in Poland illegally (www.cudzoziemcy.info.pl). In this case, the "invisible barrier" may take the form of stereotypes or prejudice or fear associated with illegal stay in Poland.

It seems that access to institutionalised nursery schools care is hindered in particular in the case of disabled and chronically ill children, children of the unemployed parents, as

well as children residing in rural areas. In the former case, care over disabled and chronically ill children is insufficient, particularly in the case of nurseries. The legal provisions do not enforce the obligation of creation of places for such children at these institutions. As a result, the number of these places is scarce, particularly in integration groups. Therefore, children with developmental problems are often raised without any contacts with their peers and without the assistance of professionals. Leaving the task of creation of integration nurseries solely to the commune authorities results in a situation, in which the local budgets often turn out to be insufficient to provide the money for this form of childcare (cf: Sikorska 2010). Most nursery schools offer admission primarily to children of working parents, and the recruitment process requires a certificate of employment of the parent. The unemployed are treated better only if they are single parents. There was a popular action called "Parent in Action", which assumed opening of a nursery school for those children, in the case of which one of the parents is searching for a job (www.rodzicdziala.pl).

In cities, there are three times as many places at the nursery schools than in the rural areas, although the difference between the number of urban and rural children at nursery school age in 2009 amounted to 1.35, which illustrates well the extent of inequality in access to these institutions. Nursery schools lacked more than 655 thousand places in year 2009 assuming that all children of the appropriate age should be provided with access to this institution. In cities, the number of children was greater by 213 thousand than the number of available places; in the rural areas, the difference amounted to as much as 442 thousand (*Demographic Yearbook*, Central Statistical Office 2010: 134).

Table 15 - Number of places in nursery schools and children in rural and urban areas

	Cities	Rural areas
Places	613857	166833
Children	827006	609568
Difference	-213149	-442735

Source: Own calculations on the basis of *The Statistical Yearbook of the Central Statistical Office 2010* and the report of the Central Statistical Office *Oświata i wychowanie w roku szkolnym 2009/2010 [Education and upbringing in school year 2009/2010]*.

This deficiency is to some extent compensated by kindergarten classes at elementary schools, which, as it has been pointed out, fail to offer such comfortable education conditions. Within the last decade, in response to visible deficiencies in education for small children, particularly in the rural areas, solutions implemented by the third sector have emerged. A good example of these is the programme of the Komeński Foundation for Children's Development, which has been implemented since 2001, "When there's no nursery school". It is aimed at equalisation of educational chances of children aged 3 to 5 in the rural areas by creation and popularisation of the new form of nursery school education, which is more flexible and adapted to the needs and possibilities of rural communes. The direct beneficiaries of the programme are mainly the rural communes and rural-urban communes willing to establish alternative nursery school education institutions within their area, as well as those, which have already established their own Kindergarten Centres. The programme is based on Portuguese experience (the "wandering teachers" system), and on the model of rural kindergarten centres, operating in Poland in the pre-war period and in the 50s of the 20th century. In year 2007, 27 communes operated 74 Kindergarten Centres (www.frd.org.pl).

In comparison with entities of the second and third sector, the role of employers in organisation or supporting of childcare is now very small. At present, nursery schools, nurseries and other childcare institutions are operating at only a few companies. Some

employers provide additional financing to supplement the fees paid by the parents at the freely selected nursery school or nursery. As a result of the new act, mentioned earlier, which has come into force, on care for children aged up to 3 years, it is possible that the role of the employers will gain greater importance. According to the act, employers may book the expenses of maintenance of such institutions as their non-taxable costs of earning profits, while universities are able to establish nurseries and clubs for children of their students and employees. Those employers, who decide to establish a corporate nursery or children's club, may also increase their write-offs for the Corporate Social Benefits Fund (cf: *Puls Biznesu*, www.pb.pl).

4.4. Recent developments

At present, the public debate in Poland often mentions the "social disadvantages of employment of women", of cultural changes, which are based on a shift from a collectivist to an individualised culture, in which individuals prefer to satisfy their own needs and not to perform their traditional family duties. Conservative participants of the debate stress that women fail to meet their traditionally defined obligations, and the emerging partnership is a way of elimination of differences between the genders, leading to a crisis of masculinity. At the same time, research shows that the accepted family model has been changing as well. The number of supporters of the model, in which the woman is to take care of home and children, and the man is to provide maintenance, has been decreasing (85% respondents in 1992, 79% - in 1995, 74% - in 1997, 74% - in 1999, 69% - in 2002). The number of those convinced that professional career of women having small children is developed at the expense of the children is also decreasing (72% in 1992 and in 1995, 67% in 1997, 66% in 1999, 58% in 2002, 41% in 2005, including 44% men and 39% women). Additionally, less people (52% in 1992, 47% in 1995, 49% in 1997, 53% in 1999, 48% in 2002, 57% in 2005, including 55% working men and 70% working women) support the view that "a mother, who has a job, is unable to provide as much warmth and security to the children as a mother, who does not have a job". It is typical that expectations towards men are completely different: only 9% respondents in year 2005 believed that fathers developed their careers at the expense of the children, and the opinions of men and women did not differ in this regard (Siemieńska 2007).

The number of nurseries and nursery schools decreased visibly after year 1990, after the political and economic transformation. There were several reasons of this phenomenon. One of these was amendment of the concept of the family roles, particularly in the rightist communities, supporting the view that children should be raised by their parents in isolation from specialised institutions for as long as it is possible. Secondly, the concept of the role of the state changed as well; following the notion of market effectiveness, it limited the role of the welfare state and reduced financing for institutional forms of care. Thirdly, due to the cultural transformation taking place, the number of children has been decreasing (the second demographic transition: van de Kaa 1987). However, it turned out that these processes were accompanied by substantial changes in life aspirations. Women want to work not only to get a return of their expenditures for education. More often, they perceive the opportunity to attain self-fulfilment through work. Moreover, strengthening of the consumption trends requires increased income both of individuals and households, which forces the household members to engage in paid works. Demographic forecasts show that, like many European societies, the Polish society has been ageing; the number of the elderly is increasing, while the younger generations are becoming less and less numerous. The authorities thus perceive the creation of childcare institutions as one of the factors that could encourage young people to have more children.

The percentage of children up to three years of age under institutional care is only 2%. Among children aged 3-6, it 60%. The recommended EU thresholds amount to 33% and 90%.

respectively. The new legal solutions, discussed in the text, introduced in the recent months, are a sign of engagement of the state in active policy to weaken the conflict between childcare and possibility of development of professional careers by women. They also indicate the direction of activity, which is to include the fathers in the childcare process. The new legal regulations, introduced in years 2009-2011, are to facilitate the development of the institutional childcare infrastructure and the scope of legally registered individual childcare. These activities are hindered by financial difficulties associated with the growing budget deficit due to the economic crisis and lack of state budget reforms.

5. SUMMARY

The housing problems in Poland are of specific nature and are hardly comparable with the housing conditions in countries of Western Europe. Low income levels and high costs of construction and buying of new apartments lead to a situation, in which only some members of the society are able to satisfy their housing needs on the market. At the same time, in the periods of increased demand, due to e.g. decreased interest rates for mortgages or improvement of the labour market situation, the prices on the housing market are growing rapidly. The main problems associated with housing in Poland are: availability of flats, their insufficient standard, which has been inherited from the previous system, as well as the housing deficit and the bad technical condition of housing resources due to the low standards of construction and materials used and lack of sufficient renovation activities for many years after construction. Housing in Poland is one of the most problematic issues and the level of satisfaction of social needs in this regard is very low. The regression of the construction trade should not be viewed as caused by lack of material or technical means or insufficient performance standards; it is rooted in breakdown of the sources of financing of housing construction. The housing conditions in Poland are much worse than in the countries of Western Europe. Difficulties are encountered by the majority of the society, and they are expressed by deficit of apartments in relation to the number of households.

As for employment, the main problem in Poland is the lower activity of women on the labour market in comparison with men, as well as the significant domination of women among those, who are inactive. This is largely due to the cultural models of social solutions concerning reconciliation between family and work duties, as well as the system conditions (including the lower average salaries of women in comparison with men), as a result of which limitation of professional activity of women seems to be a "rational" strategy. Moreover, in the face of ageing of the society and the demographic slump, particularly worrying is the early age of withdrawal from the labour force - which, in the recent years, has been the average of 57 years among men and even less in the case of women. On the other hand, the highest unemployment rates are observed among young people, those under 24 years of age. These phenomena lead to overburdening of the social security system, as the number of individuals entering the labour market is accompanied by the increasing number of beneficiaries of disability and retirement pensions, as well as unemployment benefits. Additionally, high costs of employment result in a situation, in which a significant part of professional activity takes place within the grey market, which is accepted by both employers and employees. One of the most significant problems is the situation of the disabled on the labour market. Innovative solutions aimed at activation of socially excluded persons, such as those with more severe disabilities, former prisoners, are implemented only within the framework of programmes or projects financed from EU funds or social economy initiatives.

As for childcare, one of the main problems is the visible discrepancy between demand and supply with regard to the institutionalised forms of childcare, particularly with regard to small children. In the case of Poland, the percentage of children under 3 years of age

subjected to institutional care is as low as 2%. In the age group of 3 to 6, it amounts to 60%. The recommended EU thresholds amount to 33% and 90%, respectively. Significant deficiencies in the structure of institutionalised childcare are in opposition to the growing aspirations of women, particularly those with higher education, and the diminishing support for the view that working mothers offer less warmth or support to their children in comparison with women, who decide to stay at home with the children. The legal regulations introduced in years 2009-2011 are aimed at providing solutions that respond to these needs by increasing the diversity and flexibility of institutional forms of childcare. Activities of this kind are also treated as an impulse, which is to encourage the Poles to have more children.

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THE WILCO PROJECT

Full title: Welfare innovations at the local level in favour of cohesion

Acronym: WILCO

Duration: 36 months (2010-2013)

Project's website: <http://www.wilcoproject.eu>

Project's objective and mission:

WILCO aims to examine, through cross-national comparative research, how local welfare systems affect social inequalities and how they favour social cohesion, with a special focus on the missing link between innovations at the local level and their successful transfer to and implementation in other settings. The results will be directly connected to the needs of practitioners, through strong interaction with stakeholders and urban policy recommendations. In doing so, we will connect issues of immediate practical relevance with state-of-the-art academic research on how approaches and instruments in local welfare function in practice.

Brief description:

The effort to strengthen social cohesion and lower social inequalities is among Europe's main policy challenges. Local welfare systems are at the forefront of the struggle to address this challenge - and they are far from winning. While the statistics show some positive signs, the overall picture still shows sharp and sometimes rising inequalities, a loss of social cohesion and failing policies of integration.

But, contrary to what is sometimes thought, a lack of bottom-up innovation is not the issue in itself. European cities are teeming with new ideas, initiated by citizens, professionals and policymakers. The problem is, rather, that innovations taking place in the city are not effectively disseminated because they are not sufficiently understood. Many innovations are not picked up, because their relevance is not recognised; others fail after they have been reproduced elsewhere, because they were not suitable to the different conditions, in another city, in another country.

In the framework of WILCO, innovation in cities is explored, not as a disconnected phenomenon, but as an element in a tradition of welfare that is part of particular socio-economic models and the result of specific national and local cultures. Contextualising innovations in local welfare will allow a more effective understanding of how they could work in other cities, for the benefit of other citizens.