ECONOMIC AND ENVIRONMENTAL STUDIES No. 9 OPOLE 2007

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UNEMPLOYMENT IN LARGE CITIES IN POLAND

1. Introduction

Large cities are of considerable interest to the national labor market due to a high concentration of population, workplaces – especially in the services sphere – and qualified work force. During the socioeconomic system transformation such cities prove highly adaptable, as intermediaries to foreign economy and culture, as well as influencing development on local and regional levels [Domański, Guzik, Gwosdz, 2000; Dutkowski, 2000; Szlachta, 1995; Wysocka 1995].

This paper shows the results of a study on the level and structure of unemployment in 11 largest Polish cities of more than 300 thousand inhabitants (with the exception of Białystok, with a population of 284 thousand). The aim of the study was to assess the impact of work supply changes on those large-city markets in the years 2000–2004, that is in the period of the so-called second unemployment wave and the breakthrough that started in 2003. The recent labor market changes in Poland can be perceived through four major periods [Hasińska, 2006]:

1. The first wave of unemployment, mainly of opportunistic character, resulting from the decrease in work demand and the employment streamlining in the years 1990–1993.
2. Market upturn of 1994–1997 as a result of dynamic economic growth that led to an increase in employment and limitation of unemployment.
3. The second wave of unemployment, connected with a drop in the economic growth rate, accumulation of demographic inflow of the economically productive age population (labor resource baby boom), as well as structural reforms in the years 1998–2002.
4. Initiation of advantageous labor market changes in 2003 (unemployment cut-down and work demand increase) as a result of increased economic growth rate.

Spatial limits of the large-city markets were established in accordance with administrative boundaries of cities under study, while the unemployment levels were studied in the context of changes in workforce number.

2. Changes in the level and structure of employment

The third phase of the labor market development transformations in Poland (in the years 1998–2002) was characterized by a decrease in workforce and job offers, with an increase in the number of the unemployed and the unemployment rate. All large cities were affected by a fall in employment, but to a varied degree [Hasińska, 2006]. In Poznań and Warsaw, it was lower than the national average of 9.7% and amounted to, respectively, 7.5% and 5.2%. Over a half of the cities under study (eight altogether) saw the rate of above 10%, while only Szczecin placed over 20% (*i.e.* 25.4%). Wrocław, with the fall of 15.8%, ranked 6th on the list, before Łódź (17.1%), Cracow (17.4%), Katowice (18.3%), Lublin (19.1%) and Szczecin (25.4%).

Analyses of annual employment changes on large-city labor markets between 2000–2004 show that in 2002 the downward trends were still common, most notably in Szczecin (10%), weaker in Gdańsk and Łódź (7% each), Wrocław (6%), as well as in Cracow and Lublin (5% each), and the weakest in Białystok, Bydgoszcz and Katowice (4% each), Warsaw (3%) and Poznań (1%). First heralds of market situation improvement showed in 2003, but only in three of the analyzed cities: Gdańsk and Lublin (halting the fall) and Cracow (an increase by 1%). The remaining cities (except for Katowice and Poznań) still saw a decrease in the employment rate, but to a lesser degree than in the previous year (Table 1).

Propagation of positive trends took place in the decisive year of 2004, with the number of the employed growing in six large cities, most notably in Poznań (6%) and Warsaw (4%), to a lesser extent in Cracow and Lublin (2%), and minimally in Szczecin and Wrocław (1% each, convergent with the national average). Only two major cities – Łódź and Gdańsk – saw a fall in the employment rate (by 2% and 1%, respectively), and the third (Katowice) was stable. The two-year improvement on the studied labor markets did not, however, restore the initial employment level of 2000 in any of the cities, save for Poznań (an increase by 2%). The number of the employed in 2004 was lower by as far as 15% in Szczecin, by 10% in Bydgoszcz, by 9% in Katowice, Łódź and Wrocław, by 8% in Białystok, by 7% in Gdańsk and Lublin, by 4% in Cracow and by 5% in Warsaw. Hence, in most large cities, the decline in employment in the years 2000–2004 exceeded the national average.

From the standpoint of socioeconomic development, it is not only the general employment changes that are important, but also the structural ones, consist-

Table 1. Dynamics of the employment rate in large cities in the years 2000–2004 in %

City	Previous year = 100%				2000 = 100%
	2001	2002	2003	2004	2004
Poland	98	96	99	101	94
Warsaw	100	97	94	104	95
Białystok	98	96	98	100	92
Bydgoszcz	97	96	98	100	90
Gdańsk	100	93	100	99	93
Katowice	99	96	95	100	91
Cracow	96	95	101	102	94
Lublin	96	95	100	102	93
Łódź	101	93	99	98	91
Poznań	100	99	97	106	102
Szczecin	95	90	98	101	85
Wrocław	96	94	99	101	91

Note: The data apply to enterprises with more than 9 employees.
Source: own study based on data provided by Central Statistical Office.

ing in an increase in the share of services at the cost of production sectors. Such a trend of structural transformations was characteristic of Poland and Polish cities in the 1990s [Dutkowski, 2000; Hasińska, 2000]. However, the deindustrialization processes proceeded too fast, hence their negative results on employment could not be compensated by the development of services, even in large cities. In the period of the economic growth reduction in the years 1998–2002, the deep deindustrialization in most of the cities studied was accompanied by a fall in employment in the service sector. Only in Warsaw and Poznań was the number of the employed in the service sector growing slightly (by 2.2% and 0.5%, respectively).

The intensive processes of deindustrialization and "servicization" occurring in large cities of Poland from the early 1990s led to a marked shift from the relative equilibrium between industrial and service sectors to a ratio of 1:2 to the advantage of the latter in 1998 [Hasińska, 2006]. The cities most affected were Białystok, Gdańsk, Cracow, Lublin, Poznań, Szczecin and Wrocław. This level was not attained in more industrialized cities such as Bydgoszcz, Katowice and Łódź, while Warsaw, with its more developed services, surpassed the ratio as early as the late 1980s. The diversification of the employment decline in industry and services in the years 1998–2002 led to deepening of the advantage of services over production in the functional structure of all cities under study, as compared to the initial level of 1998. The cities of Białystok, Lublin

and Wrocław approximated the ratio of 1:3 (25%:75%) to the advantage of services. Those cities were closely followed by Gdańsk, Cracow, Poznań and Szczecin (30%:70%). The least effective functional transformations were found in Bydgoszcz, Katowice and Łódź (1:2), while the most advanced ones were noted in Warsaw (22%:78%).

3. Changes in the unemployment level

One of the marked manifestations of the disadvantageous changes in the Polish labor markets in the years 1998–2002 was the growth of unemployment. Dynamics of the unemployed in large cities varied and, with the exception of Białystok, Lublin and Łódź, was higher than the national average. The second wave of unemployment affected strongly those cities with the lower initial unemployment rate, such as Poznań, Gdańsk, Warsaw, Szczecin, Cracow, Katowice and Wrocław, and was less intensive in the remaining ones [Hasińska, 2006].

In the initial year of 1998, the unemployment rate in all large cities in Poland was lower than the national average (10.4%), with the span in the wide range between 1.2% and 10%. In two cities – Białystok and Łódź – the unemployment rate was 9.6% and 10.0%, respectively, *i.e.* close to the national average. On the opposite end of the ranging spectrum – in Poznań and Warsaw – the rate was *ca.* 8 times lower than the average. In line with the city classification by unemployment rate, prepared on the basis of three averages method [Nowak, 1990, 93], seven cities characterized by full employment placed in the first two classes, including Wrocław with the unemployment rate of 4%. Four cities, *i.e.* Poznań, Warsaw, Gdańsk and Katowice, ranked first class (the lowest unemployment), while the second class comprised Wrocław, Szczecin and Cracow. The remaining cities did not fulfill the requirement of full employment (*i.e.* the unemployment rate equal or lower than 5%).

After two years (*i.e.* at the end of 2000), the span of unemployment rate in large cities was reduced to the range between 3.3% (in Warsaw) and 15.5% (in Łódź). This resulted from the marked acceleration of the second unemployment wave in cities with very low and low initial rate, such as Poznań, Warsaw, Gdańsk, Szczecin, Katowice, Cracow and Wrocław. Three cities remained in the first class (Warsaw, Poznań and Katowice), with Gdańsk falling down into the second class. Two cities in class II – Cracow and Wrocław – retained their position, while Szczecin shifted to class III. Four subsequent cities remained in their respective classes of 1998: Lublin and Bydgoszcz in class III, Białystok and Łódź in class IV of the highest unemployment level. Full employment was found only in three large-city labor markets: Warsaw, Poznań and Katowice,

but none of the cities, save for Łódź, reached the national average unemployment rate (Table 2).

Table 2. Classification of large cities according to the unemployment rate registered in 1998, 2000 and 2004 in %

1998			2000			2004		
City	Class	Unemployment rate	City	Class	Unemployment rate	City	Class	Unemployment rate
Poznań	I	1.2	Warsaw	I	3.3	Warsaw	I	6.5
Warsaw		1.6	Poznań		3.4	Poznań		7.0
Gdańsk		2.4	Katowice		5.0			
Katowice		2.4						
Szczecin	II	3.4	Cracow	II	6.3	Cracow	II	7.5
Cracow		3.5	Gdańsk		6.4	Katowice		7.7
Wrocław		4.0	Wrocław		7.2			
Bydgoszcz	III	7.0	Szczecin	III	8.2	Bydgoszcz	III	11.2
Lublin		7.3	Lublin		10.1	Gdańsk		11.4
			Bydgoszcz		10.2	Wrocław		12.4
						Lublin		12.5
						Białystok		13.0
Białystok	IV	9.6	Białystok	IV	11.6	Szczecin	IV	15.3
Łódź		10.0	Łódź		15.5	Łódź		18.2

Source: see Table 1.

In the subsequent years of 2001 and 2002, the above tendencies were sustained. The highest unemployed dynamics indexes (*ca.* 160%) in 2001 were registered in three cities: Warsaw, Gdańsk and Poznań; high in: Katowice, Szczecin and Wrocław; medium in: Cracow and Lublin, and the lowest (10–20%, thus close to the national average) in: Białystok, Bydgoszcz and Łódź. In 2002, the wave of unemployment significantly subsided, since the dynamics indexes were contained in the range between 101.0% in Cracow and 132.0% in Szczecin (with the national average at 103.0%). High indexes were also found in Warsaw, Gdańsk, Poznań and Wrocław (Table 3).

The breakthrough year for unemployment, as for employment, came about in 2003, when over a half of the cities under study attained a slight decline in the number of the unemployed, with 1% in Cracow (corresponding to the national average), 2% in Katowice and Lublin, and 4% in Warsaw, Białystok and Gdańsk. The number of the unemployed remained fixed in Łódź and increased

Table 3. Dynamics of the unemployed in large cities in the years 2000–2004 in %

List	Previous year = 100%				2000 = 100%
	2001	20002	2003	2004	2004
Poland	115	103	99	94	111
Warsaw	158	121	96	103	190
Białystok	113	105	96	94	107
Bydgoszcz	118	103	101	86	106
Gdańsk	153	129	96	88	167
Katowice	134	116	98	92	139
Cracow	121	101	99	90	110
Lublin	124	104	98	92	115
Łódź	112	105	100	95	111
Poznań	155	127	101	98	195
Szczecin	130	132	104	94	168
Wrocław	131	124	105	96	163

Source: see Table 1.

in four cities: by 1% in Bydgoszcz and Poznań, by 4% in Szczecin and by 5% in Wrocław. Contrary to the increase in employment, the unemployment decrease in 2004 was thus of a wider spatial range. Similar relations between employment and unemployment changes were continued in 2004, with a decrease in unemployed registered in all large cities except Warsaw. The tempo of the unemployment fall was, however, generally slower in cities strongly affected by the second wave of unemployment (*i.e.* of low initial unemployment rate), such as Warsaw, Poznań, Szczecin and Wrocław, as well as in two cities less affected by the unemployment wave (*i.e.* of high initial rate): Białystok and Łódź. The two-year period of unemployment drop did not, however, result in reinstatement of the level of 2000. Close to this level (similar to the national average) were such cities as Białystok, Bydgoszcz, Cracow, Łódź and Lublin (an increase in the number of the unemployed by 6–15%), while Warsaw, Poznań, Gdańsk, Szczecin and Wrocław were the farthest from that level (with an increase of 63–90%).

The uneven changes in the number of the unemployed in the years 2000–2004 had their impact on further narrowing of the unemployment rate span (Table 2). In 2004, the maximum value of this index (18.2% for Łódź) was only three times higher than the minimum value (6.5% for Warsaw). Also in that year, none of the large cities satisfied the condition of full employment, nor attained the unemployment level equal to that of the national average (19.1%). Four cities of the whole group were outstanding in that respect:

Warsaw and Poznań, ranked with class I (minimal unemployment), as well as Cracow and Katowice, constituting class II (low unemployment). The most populated was class III (high unemployment level), since its line-up of 2000 was supplemented by Gdańsk and Wrocław of class II and Białystok of class IV. The last, class IV (the highest unemployment) in 2004 was represented by two cities: Łódź (consistently for the whole period of study) and Szczecin (after its fall from class III). Among the cities under study, the most serious decline in the market situation, as measured by the unemployment rate, occurred in five cities: Warsaw, Poznań, Gdańsk, Szczecin and Wrocław, while the least affected were Cracow, Bydgoszcz and Białystok.

4. Structures of the unemployed

The unemployed are a socio-demographically varied group. Analyses of structural properties of unemployment provide information needed to identify causes of unemployment, as well as to set up suitable counteracting policies.

One of the basic demographic features in discrimination of the unemployed is the gender. The situation of women on labor markets, both in Poland and other countries, has so far been perceived as worse than that of men; this is reflected, among other things, in higher unemployment level and lower wages. To a certain degree, this has also been confirmed by results of research on large-city labor markets. In 2000, all markets under study, in respect to gender structure of the unemployed, showed a quantitative majority of women. In the cities under study, the percentage of this category of the unemployed varied, with the lowest value (53%) found in Łódź and the highest one (60%) in Bydgoszcz.

Four years later, in 2004, the majority of markets under study (save for Białystok and Bydgoszcz) were characterized by a higher percentage of unemployed women as compared with the year 2000. The highest dynamics of population increase in this group occurred in Poznań (181%) and Warsaw (179%). It must be noted, however, that despite the growing number of women with the unemployed status, their actual share in the overall number of the unemployed has decreased. This decrease in percentage of women in the structure under study occurred in all cities. The most significant decline was found in Wrocław (by 7 percentage points), then in Bydgoszcz and Lublin (by 6 points), with the least sizeable one in Warsaw, Katowice, Cracow and Szczecin (by 3 percentage points). In Łódź, the share of women in the overall registered unemployed was even lower than that of men, and amounted to 49%. The remaining cities registered it in the range between 51% and 55%.

On the other hand, an analysis of data relating to the extent of the unemployed among men shows that in the years 2000–2004 their share in the

overall number of the unemployed on all markets under study increased. In 2004, in all cities the size of this group was also higher. The unemployed men increase dynamics index was within the limits of 119% in Białystok and 219% in Poznań, and was significantly higher for all cities under study in comparison with that of women.

While the data on the structure of the unemployed based on the gender from the beginning of the study period may show that women meet more obstacles on their way to employment, the more recent data seem to prove that in the face of a higher unemployment level (measured by unemployment rate) and decreased work force demand, the gender differences in access to employment fade away. With certain oversimplification, one may reflect that to get a job is equally hard at present for both men and women.

Another significant feature to differentiate the unemployed is their level of education. The analysis of the structure of the unemployed against that feature basically shows that on most markets under study the most numerous population among the registered unemployed is that of persons with low education, *i.e.* primary or lower, as well as secondary vocational, while the share of persons with secondary (high school) and university/college education is low.

In 2004, the ranking of individual educational level groups by share in the overall population of registered unemployed was as follows (Fig. 1):

– In the decided majority of cities under study (except for Bydgoszcz and Lublin), the highest share in the structure of the unemployed was that of persons with primary and lower education. The percentage of this group varied, with the lowest in Warsaw (29%) and the highest in Szczecin (39.5%). It must be noted, however, that all the cities registered a decline in that respect, as compared with the year 2000. In Bydgoszcz, the most dominant group was that of persons with secondary vocational education (33.4%), while in Lublin the most prevalent ones were those with high school and secondary vocational school certificates (26.6%).

– The second rank in most of the analyzed cities (Białystok, Bydgoszcz, Katowice, Łódź, Poznań and Szczecin) was taken by the unemployed with secondary vocational education. Their share in the marked cities was between 23.8% and 33.4%. On the remaining labor markets (Warsaw, Gdańsk, Cracow, Lublin and Wrocław) the second rank was taken by the unemployed with high school and secondary vocational education, with a share between 23% and 26.6%.

– The decisive majority of the analyzed cities (save for Łódź) scored lowest in respect to the unemployed with secondary (non-vocational) school education. The percentage of this group was between 6.5% in Katowice and 9.9% in Cracow. Most of the cities under study showed a slight increase (as compared to the year 2000) in the share of this category among the unemployed. In Łódź, the lowest representation among the unemployed was that of persons with university education (7.4%).

– In the decided majority of the labor markets under study (apart from Łódź), the second-but-last position, with a relatively low share in the analyzed structure, was that of persons with university education. The share of this group in the overall unemployed population was from 7.5% in Katowice

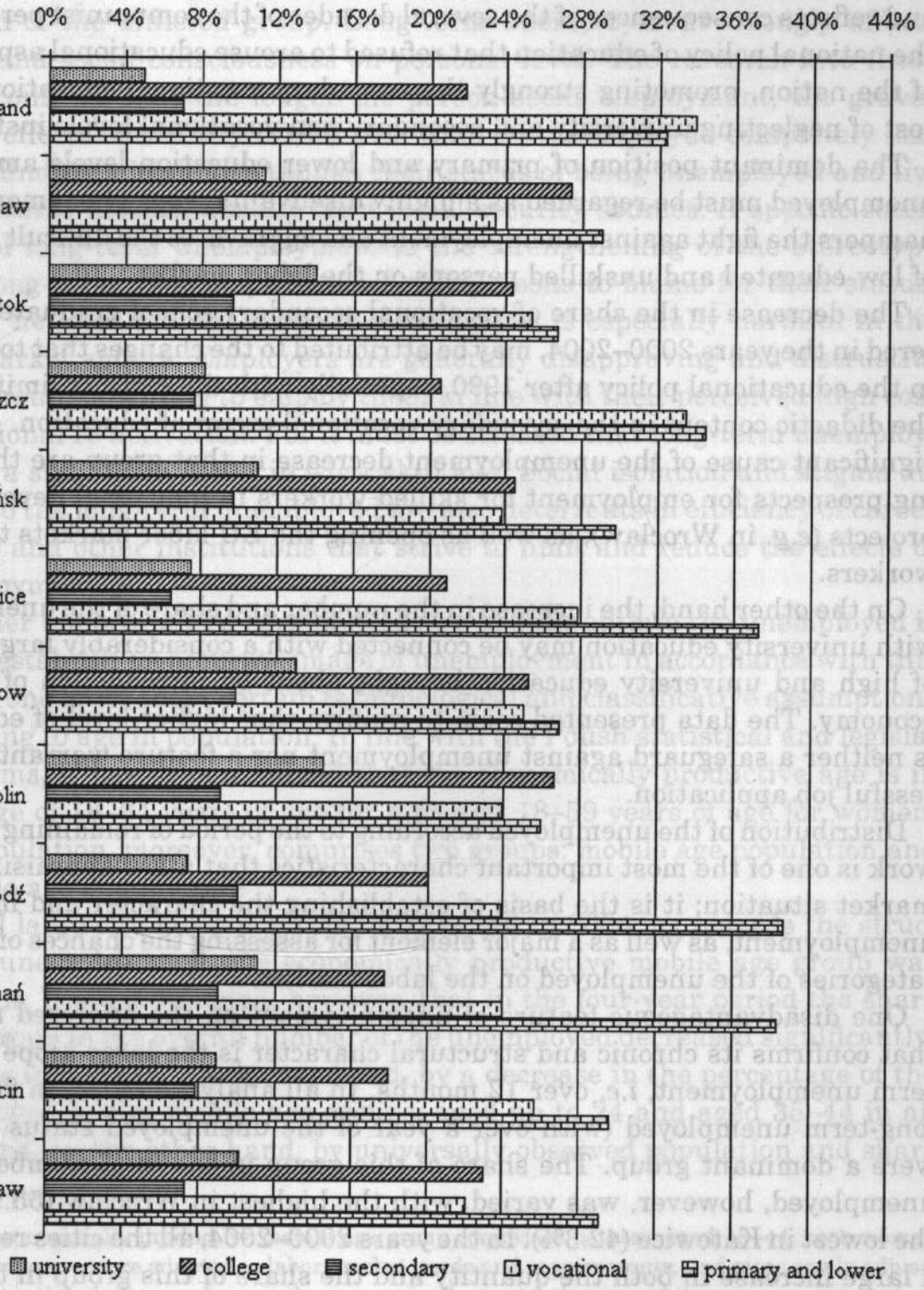

Fig. 1. Structure of unemployment in large cities according to level of education in 2004

Source: see Tab. 1.

to 14.0% in Białystok. It must be noted, however, that the percentage of this group in all large cities was significantly higher since the year 2000, with the largest increase found in Białystok (by 6 percentage points).

It must be noted that the pattern of the analyzed structure of the unemployed is a "derivative" of types of the education structure for the whole population, and reflects consequences of the several decades of the communist period with the national policy of education that refused to arouse educational aspirations of the nation, promoting strongly the secondary vocational education at the cost of neglecting university and secondary non-vocational levels instead.

The dominant position of primary and lower education levels among the unemployed must be regarded as a highly disadvantageous phenomenon that hampers the fight against unemployment and aggravates the difficult position of low-educated and unskilled persons on the labor market.

The decrease in the share of vocational secondary school graduates, registered in the years 2000–2004, may be attributed to the changes that took place in the educational policy after 1990, especially with the distinct limitation of the didactic content in the secondary vocational sector of education. Another significant cause of the unemployment decrease in that group are the growing prospects for employment for skilled workers in industrial development projects (*e.g.* in Wrocław), as well as opening the EU labor markets to Polish workers.

On the other hand, the increase in the number and share of the unemployed with university education may be connected with a considerably larger scope of high and university education brought about by introduction of market economy. The data presented seem to confirm that higher level of education is neither a safeguard against unemployment nor a feature warranting successful job application.

Distribution of the unemployed according to the period of remaining without work is one of the most important characteristics that allow appraising labor market situation; it is the basis of establishing the character and impact of unemployment, as well as a major element for assessing the chances of various categories of the unemployed on the labor market.

One disadvantageous feature of unemployment on the analyzed markets that confirms its chronic and structural character is the large scope of long-term unemployment, *i.e.* over 12 months. In all analyzed cities, in 2004, the long-term unemployed (with over a year of the unemployed status history) were a dominant group. The share of this group in the total number of the unemployed, however, was varied, with the highest in Wrocław (55.9%) and the lowest in Katowice (42.3%). In the years 2000–2004, all the cities registered a large increase in both the quantity and the share of this group in the total unemployment figures, which may be regarded as a characteristic measure of the overall labor market decline. In the analyzed period, the largest increase

in the share of the long-term unemployed was found in Gdańsk (by 27.9 percentage points) and in Wrocław (by 25.7 percentage points).

Long-term unemployment is ominous, both on social and economic level. The most hazardous feat of long-term unemployment is the decline in living conditions of unemployed families, widening the regions of poverty and social isolation of the afflicted group. Long-term unemployment strongly affects psyche and social consciousness on personal level. The research into these effects confirms that the longer the person seeks employment, the graver are the effects of identity crisis; with time the unemployed completely lose hope of finding a job and establish their status of being unemployed and living on scarce income, usually from social security sources. A specific social result of long-term unemployment is the strengthening of the stereotype of the long-term unemployed as the only persons to blame for their status, passive, helpless and inadequate. Such a label is especially harmful in the labor market sphere. Employers are generally disapproving and distrustful of this group, unwilling to employ them in line with their perceived high cost of vocational re-activation. For it must be stressed that long-term unemployment is a significant factor in work skill loss. Social isolation and stigma attached to the long-term unemployed are also deterrents in efficiency of career services and other institutions that strive to limit and reduce the effects of unemployment.

Another important demographic feature to differentiate the unemployed is age. To establish an accurate image of unemployment in accordance with this feature, one must adopt certain terminological and classificative assumptions pertaining to age in population. In line with the Polish statistical and legislative norms, it has been assumed that the economically productive age is in the range of 18–64 years of age for men and 18–59 years of age for women. This population, moreover, comprises two groups: mobile age population and immobile age population.[1]

On all large-city labor markets in 2000 and in 2004, as regards the structure of unemployment, the economically productive mobile age group was dominant. It must be noted, however, that in the four-year period the share of this group in the overall number of the unemployed decreased significantly. This was influenced, on the one hand, by a decrease in the percentage of the unemployed in two mobile age groups: aged up to 24 and aged 35–44 in all cities; and, on the other hand, by universally observed population and share

[1] The economically productive mobile age group comprises persons aged 18–44, both women and men, who are more adapted to labor market needs and requirements, and more easily adjustable to potential changes; whereas the economically productive immobile age group comprises men aged 45–64 and women 45–59, who potentially are less adaptable to labor market needs and requirements, less flexible in adjusting to market changes.

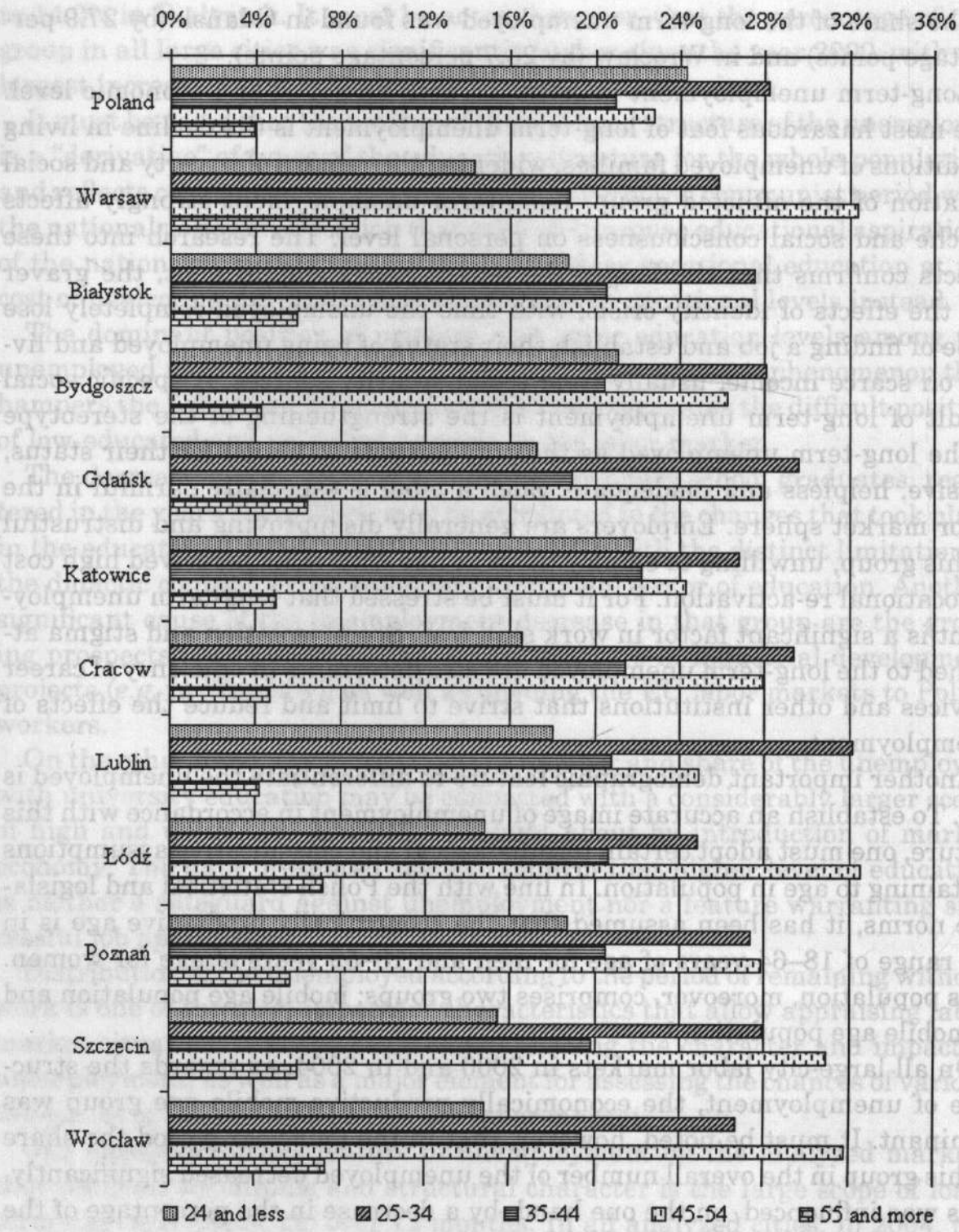

Fig. 2. Structure of unemployment by age in 2004

Source: see Table 1.

increase of persons in both immobile economically productive age groups (aged 45–55 and 55–59/64).

The unemployment structure changes on large-city labor markets in the years 2000–2004 were thus as follows:

– The decrease in the share of the unemployed aged up to 24 varied among the cities, with the highest in Poznań (by 10 percentage points) and the lowest in Białystok and Łódź (by 5 percentage points). Consequently, the percentage of the unemployed in this age group in the year 2004 was in the range between 14% in Warsaw and 22% in Katowice. For all the analyzed cities it was lower than the national average.

– The decrease in the share of the unemployed aged 35–44 was also varied in the analyzed cities, with the highest in Łódź (by 6 percentage points) and the lowest in Poznań (by 2 percentage points). As a result of these changes, the percentage of the unemployed in this age group in the year 2004 remained within the range between 19% and 22%.

– The percentage of the unemployed in the younger group of the economically productive immobile category (aged 45–54) increased in the range between 1 percentage point in Warsaw and 8 percentage points in Cracow and Poznań. The increase in the share of the unemployed in the older group of immobile category (aged 55 and older) was more even and ranged between 2 and 4 percentage points. It must be stressed that in all of the analyzed cities, among the unemployed of productive immobile group, the more dynamic population increase of 197% to 538% was found in the older age group (aged 55 and older). In the case of the younger productive immobile age group (aged 45–55) the dynamics index ranged between 139% and 268%. In 2004, the percentage of productive immobile persons in the overall number of the unemployed ranked between 29% in Katowice and Lublin to 41% in Warsaw. In all cities, it was higher than the national average.

The joint effect of the above changes is the ageing of the unemployed, the more alarming since it affects older age groups of the productive immobile category. These changes should be attributed to the wider demographic processes and universal changes occurring in the age structure of the overall population (in the analyzed period, for example, there was a marked passage to the immobile group of the baby boom generation of the 1950s, which contributed to a large population increase of this group). These demographic processes do impact the labor market. The ageing of labor resources and the resulting ageing of the unemployed should be regarded as a disadvantageous tendency that generates certain problems on the labor market. In the face of high unemployment and rapid labor market changes at present, the older people are challenged with greater difficulties in adapting to growing flexibility demands in respect to profession, acquired skills, as well as workplace and accommodation. Consequently, this may impact the demand-supply adjustment on the labor markets, fostering unemployment and limiting the chances of counteracting this problem.

Yet another discerning feature of the unemployed is their benefit rights situation. Characteristics of the unemployed according to this attribute allow

making certain predictions and appraisals as to their living standards and conditions. Unemployment benefits provide a basic social security service to protect the unemployed and ease the results of losing their jobs.[2]

Unfortunately, in the light of statistical data, the speculations and appraisals of living conditions of the unemployed are alarming. On all large-city markets, in the analyzed period (2000–2004), only a small percentage of the registered unemployed could execute their benefit rights. In addition, it must be noted that in the four-year period, this percentage was rapidly declining (from 3 to 11 percentage points). Similar tendencies were noted on national scale. As of the late 2004, the benefit rights were accessible in the range between 8% in Poznań and Katowice and 16% in Łódź out of the total number of the unemployed.

Such a low number of benefit eligible unemployed at present is puzzling, to say the least. Unquestionably, this situation is a consequence of changes that took place from the early 1990s in the legislative regulations of benefit eligibility. The changes were aimed at limiting the benefit misuse and its anti-motivational influence on the unemployed, among other things. However, it seems that such benefit streamlining may have gone too far or had been misdirected. Considering that in the face of high total unemployment (and still growing in the analyzed period), up to 80–90% of the unemployed are unable to execute their rights to unemployment benefit, one may rightly stress the social consequences of such a policy. These include, among others, the widening poverty sphere, growing dependence of the unemployed on welfare and strengthening the grey area of economy. Low percentage of unemployment benefit eligibles is also a consequence of the worsening of the unemployment structure by time of remaining out of work. The steady increase in the long-term unemployed exerts a considerable impact on the decreasing number of benefit-eligible persons. Thus, one might consider, for example, broadening the period of benefit eligibility. In any case, such a situation calls for urgent revision of the present legislative measures pertaining to unemployment benefit system.

5. Conclusions

Identification of the change tendencies on large-city labor markets in Poland from the 1990s and the early years of the 21st century may constitute a basis for indicating the future trends on these markets for up to the year 2010. The analysis for the years 2003–2004 shows that in large cities (in certain cases

[2] For more information on the benefit and its functions, see: (Sipurzyńska-Rudnicka, 2004, pp. 64–72).

delayed by a year in comparison with the national data), the process of subsiding of the second unemployment wave (that affected mostly those large cities) has already started. This resulted from recent structural transformations in the recovery of the national economy. The European Union membership should in the near future contribute further to the dynamics of economic boom as a result of foreign direct investment inflow and the utilization of structural funds in infrastructural investments in those city agglomerations. Positive changes on the labor market should also be found due to systematic introduction of labor market policy instruments aimed at meeting the European Employment Strategy, as well as development of metropolitan functions of large cities.

One cannot disregard the significance of demographic conditions of work supply. Seasonal economic migration, especially with respect to young people, will in near future contribute to a decrease in work supply. In the long-term perspective (up to 2010), the mitigating impact of demographic factors will be even stronger, with subsiding wave of demographic work resource boom in Poland. According to demographic prognoses for the years 2003–2030, the end of this decade will bring forth an absolute decrease in the economically productive age group [Prognoza, 2004].

Considering the overall socioeconomic and demographic conditions of work supply and work demand on the large-city labor markets in Poland, one may assume a significant limitation of unemployment and approaching the full employment mark by most of those cities by the year 2010. Global market equilibrium will not, however, contribute to elimination of all work resource economy problems. One of them will be ageing of the population, adding to an increase in the immobile productive group and the disabled. Another difficult issue will be persistence of the long-term unemployed and the less educated, at risk of social exclusion. Under these conditions, the labor market policy should incorporate a wide spectrum of institutions and social partners to help solve these problems.

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