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SITUATIONAL STUDY OF THE POLISH LABOR MARKET(2000-2007)

Abstract

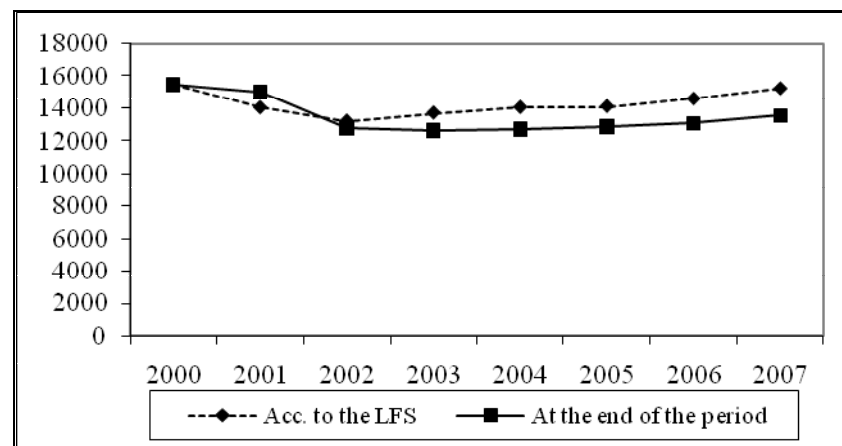
The aim of this study is to present, analyze and evaluate changes which occurred on the Polish labor market in the years 2000-2007. The analyzed period of time was marked, in terms of the GDP level and dynamics, by two sub-periods: economic stagnation (in the years 2000-2002), and improvement of economic situation (in the years 2003-2007). As far as the GDP dynamics is concerned the growth rate was positive in the whole period under analysis, however, significantly higher rates of the GDP growth were observed in the years 2004, 2006 and 2007¹. In this context characteristic elements and measurements regarding the situation on the labor market were observed and discussed and used for the presentation of general diagnostic evaluations of changes taking place on this market.

Key words: J21 - Labor Force and Employment, Size, and Structure

Changes in the number of employed persons

As shown in Diagram 1, in the years 2000-2007 the number of employed persons changed, also due to factors related to fluctuations of the economic situation [More precisely the GDP growth dynamics at constant prices was respectively 2001-1.2%, 2002 -1.4%, 2003-3.9%, 2004-5.3%, 2005-3.6%, 2006-6.2%, 2007-6.6%. Refer to: Mały rocznik statystyczny Polski 2008 (2008), table 5(284), p. 464].

Diagram 1. Number of employed persons in Poland in the years 2000-2007 (in thousand people)



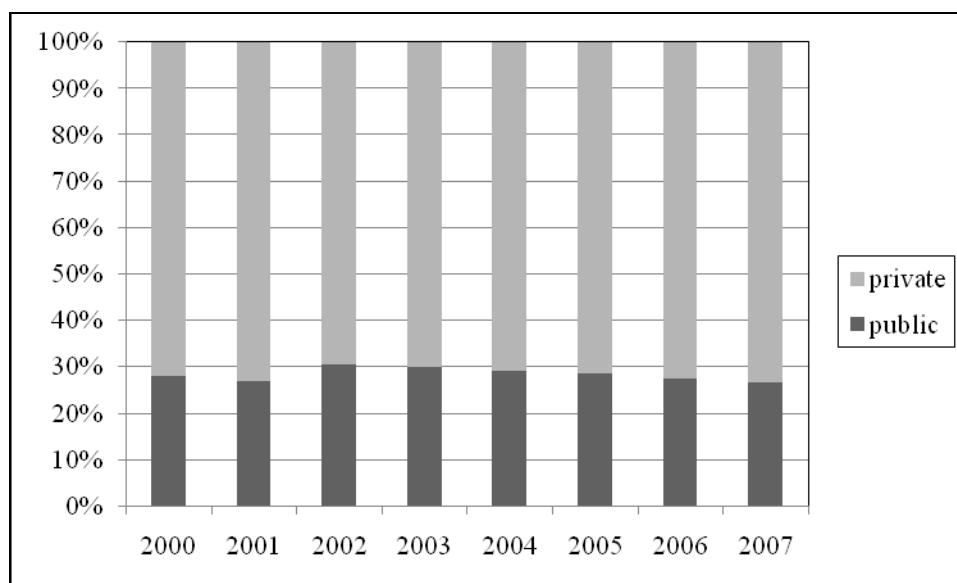
Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 1(82), p. 136, Table 2(83), p. 139, Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 1(83), p. 136, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 2(163), p. 231, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 1(155), p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 2(149), p. 134.

In the period from 2000 to 2002 (i.e. in the years of significantly low, or even stagnating, rate of economic growth) the number of employed persons decreased both according to the statistics of the Labor Force Survey (LFS) and statistics prepared at the end of the year. Later, however, namely from 2003, a growing number of employed persons could be observed, whereby the rates of the LFS had higher dynamics.

As resulted from the presented approaches, the notion of employed persons according to the LFS is much broader, and thus the number of employed persons was much higher (except for 2001) and was characterized by greater variability.

The employment structure by particular ownership sectors is also worth discussing. Respective data, presented in Diagram 2, prove that over 70 % of employed persons represented here the private sector, which, taking also into account the growth of the generated GDP, is also the most significant for the Polish economy.

Diagram 2. Employed persons by ownership sectors in the years 2000-2007

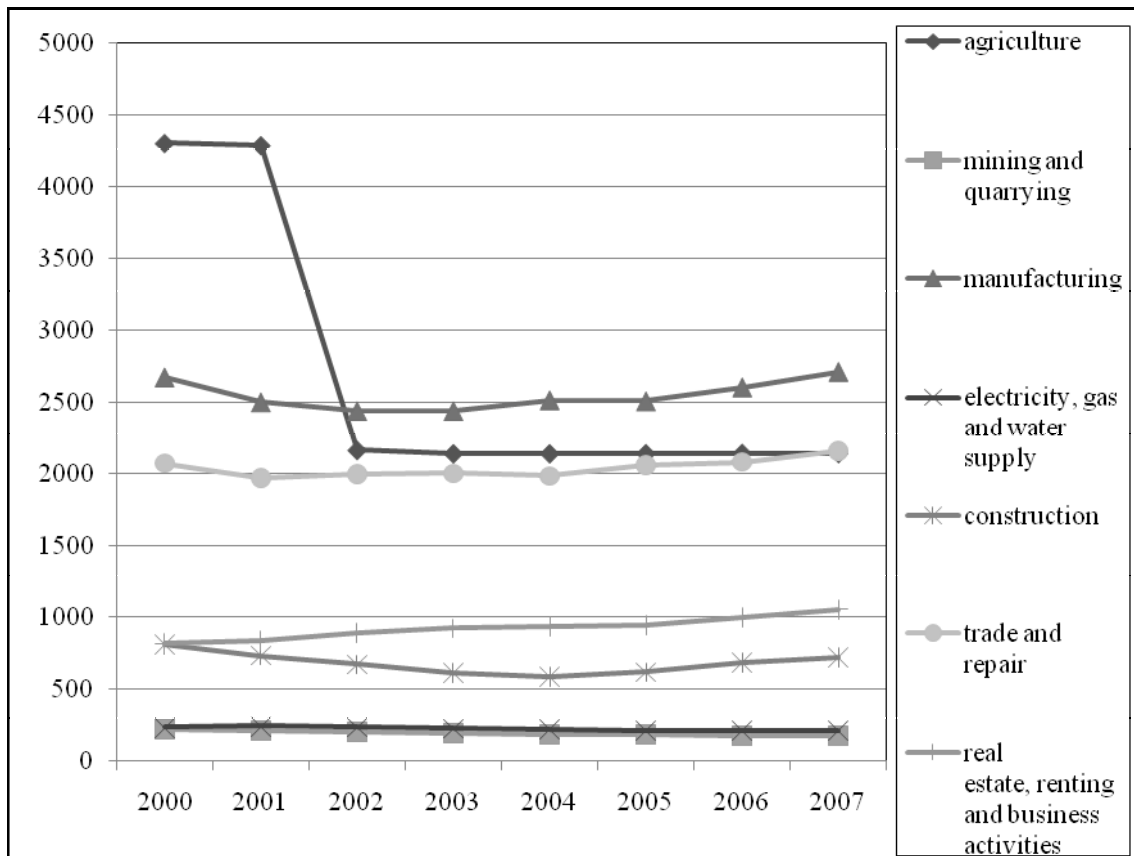


Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2007, GUS, Warszawa 2007, Table 5(166), p.239, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 5(166), p.234; Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 8(162), p.147.

Moreover, we should also pay attention to the structure of the number of employed persons by sections of the national economy as presented in Diagram 3. It shows that in 2000 the highest number of employed persons represented agriculture, forestry and hunting. In 2002, however, the number of employed persons decreased drastically, which might be related to the census conducted at that time, which enabled to show 'real' employment in individual farming. However, in consecutive years the number of employed persons in this sector still dropped, although not so drastically.

The data in Diagram 3 show that in such sections as manufacturing, construction and trade and repair the number of employed persons decreased in the recession period and in the years following 2004 this number slightly increased in the above mentioned sections. Simultaneously, a growth of the number of employed persons might be observed, in the studied period, in real estate, renting and business activities and a fall of this number in mining and quarrying and in electricity, gas and water supply.

Diagram 3. Employed persons in the national economy by sections (in thousand people)

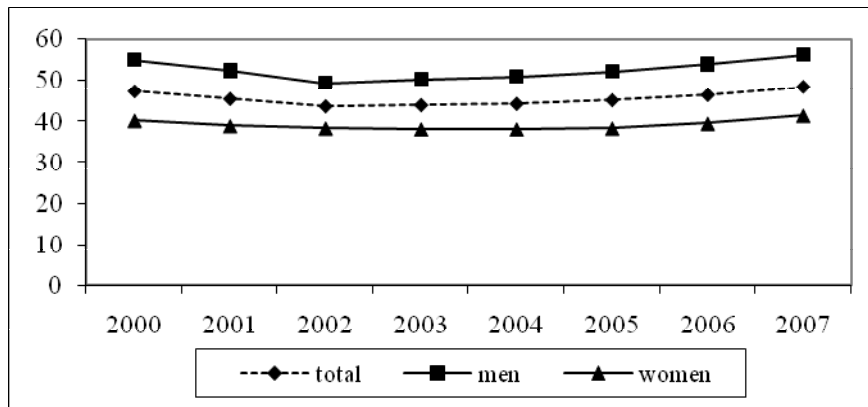


Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 3(84), p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2007, GUS, Warszawa 2007, Table 6(167), p. 240-241, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 6(167), p. 235-236; Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 9(163), p. 148-149.

The employment rate is an important indicator of involvement of human resources in the GDP generating processes. It is usually understood as the ratio of the number of employed persons to the total number of the working age population. In Diagram 4 this rate is presented according to the LFS approach, regarding the number of employed persons and also when the number of persons at the working age means here also the number of persons aged 15 and more [Mały rocznik statystyczny 2008 (2008), p.136 (in the footnote)].

As presented in the Diagram below this rate showed fluctuations corresponding in terms of tendencies to fluctuations of the number of employed persons dropping till 2002 and growing from 2003. Attention should be paid to the fact that this rate varied depending on the sex: for men it was much higher than for women. At the same time, in comparison with other European Union states, the employment rate in Poland was remarkably low.

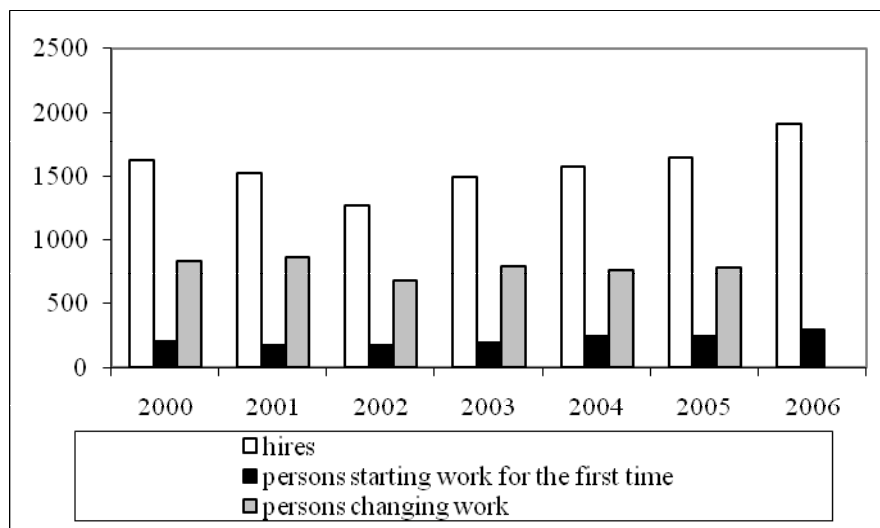
Diagram 4. Employment rate in the years 2000-2007 (%)



Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 1(82), p. 136, Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 1(83), p. 136, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 1(162), p. 230, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 1(155), p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 2(149), p. 134, Rocznik statystyczny Rzeczypospolitej Polskiej 2001, GUS, Warszawa 2001, Table 2(151), p. 132.

Furthermore, the phenomenon of work hires and terminations, pictured in Diagrams 5, 6, and 7, is also worth studying. According to Diagram 5 the number of hires in the studied period fluctuated dropping in 2002 and rising from 2003.

Diagram 5. Work hires in the years 2000-2006 (in thous. people)



Source: Rocznik statystyczny Rzeczypospolitej Polskiej 2007, GUS, Warszawa 2007, Table 11(172), p. 248; Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 11(173), p. 246, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 11(169), p. 243, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 11(158), p. 145.

Persons changing work constituted the majority among total hired persons, whereas

the percentage of those starting work for the first time was relatively low.

Diagram 6 presents the number of terminations and their characteristics, which showed a slightly different tendency. This number dropped remarkably in 2002 and then its level remained relatively stable in the period of 2003-2005. However, in 2006 a minor growth of terminations could be observed.

Due to the fact that the decrease of terminations meant that employment remained at a stable level, it could be observed that this fall in 2002 occurred simultaneously with the decrease of work hires, drop of the number of employed persons and of employment rate. Co-existence of a decrease of terminations and a decrease of work hires might also mean stabilization of employment and its low dynamics, since these phenomena usually accompany economy in its stagnation period. At the same time, however, the decrease of hires might be another symptom of the approaching improvement of the economic situation, since it informs about the fact that employers report higher demand for work, however, without dismissing employees at the same time. In the event when the economic situation is really improving the numbers of hires as well as of employed persons are expected to grow. Actually, in the studied period such a phenomenon occurred, accompanied by a slightly growing number of terminations, although only in 2003.

Diagram 6. Work terminations in the years 2000-2006 (in thous. people)



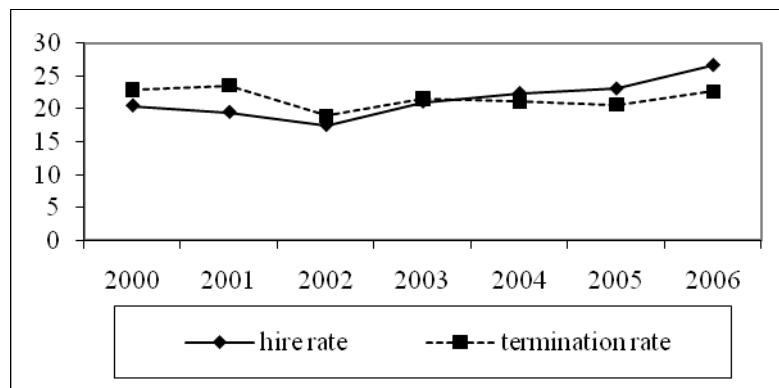
Source: Rocznik statystyczny Rzeczypospolitej Polskiej 2007, GUS, Warszawa 2007, Table 12(173), p. 249; Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 12(174), p. 247, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 12(170), p. 244, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 12(159), p. 147.

Relationships between terminations and hires might be, however, disturbed by the activity of the state. If the state introduces, for example, a possibility of early retirement, the number of terminations caused by this possibility grows. On the other hand, the number of hires may also grow, as the vacant posts shall be taken by younger persons at the working age. Possibly the coexistence of the increase of terminations and the increase of hires in 2003 could be explained in this way.

From the point of view of the conducted analyses, it is also interesting to consider the relationship between the hire rate and termination rate presented in Diagram 7. The hire (termination) rate was calculated as the ratio of the number of hires decreased by the number of persons retaking work after a parental leave or unpaid leave (or the number of terminations decreased by the number of persons who were granted parental leaves or unpaid leaves) in the

studied period to the number of employed persons as of 31 December of the previous year [Rocznik statystyczny Rzeczypospolitej Polskiej 2005 (2005), p. 225]. As results from the data shown in this chart the termination rate was higher in the Polish economy in 2003, but from 2004 an opposite tendency could be observed, as the hire rate was higher. Such a phenomenon means that at that time employers wanted to hire more employees and it could also be the portent of the economic situation improvement.

Diagram 7. Hire rate and termination rate in the years 2000-2006 (%)



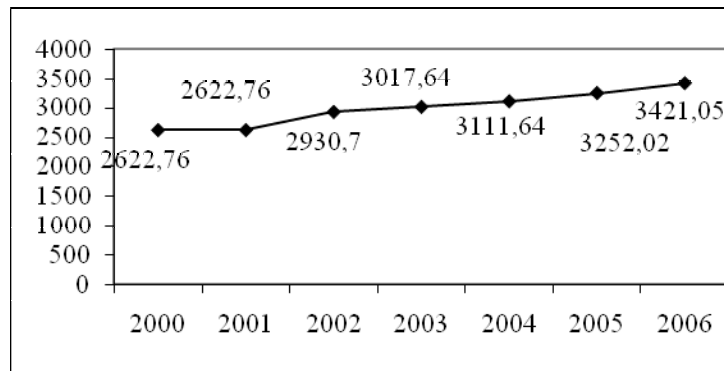
Source: Rocznik statystyczny Rzeczypospolitej Polskiej 2007, GUS, Warszawa 2007, Table 11(172), p. 248, Table 12(173), p. 249; Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 11(173), p. 246, Table 12(174), p. 247, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 11(169), p. 243, Table 12(170), p. 244, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 11(158), p. 145, Table 12(159), p. 147.

Moreover, according to the survey conducted by GUS (Central Statistical Office) in 2002 and covering 62.8 thousand business entities the growth of the employment level was favored at that time mainly by the increase of domestic and foreign demand, expansion of enterprises, technological changes and seasonal nature of production and services. On the other hand, workplaces were liquidated due to the decrease of domestic and foreign demand, bad financial situation of enterprises, employment rationalization and structural changes (including privatization) as well as terminations due to retirement or disability pension [The results of the GUS survey were presented, among others, by Kabaj (2005), pp. 26-27, after: Popyt na pracę w 2002 r., (2003)].

Labor costs

The employer, while making a decision regarding the demand for work, takes into consideration, among other things, the expected demand for the manufactured goods or services and, which is also important, the costs of work per one employee. Diagram 8 shows these costs in the Polish economy per employee per month.

Diagram 8. Monthly labor costs per one employee (PLN)



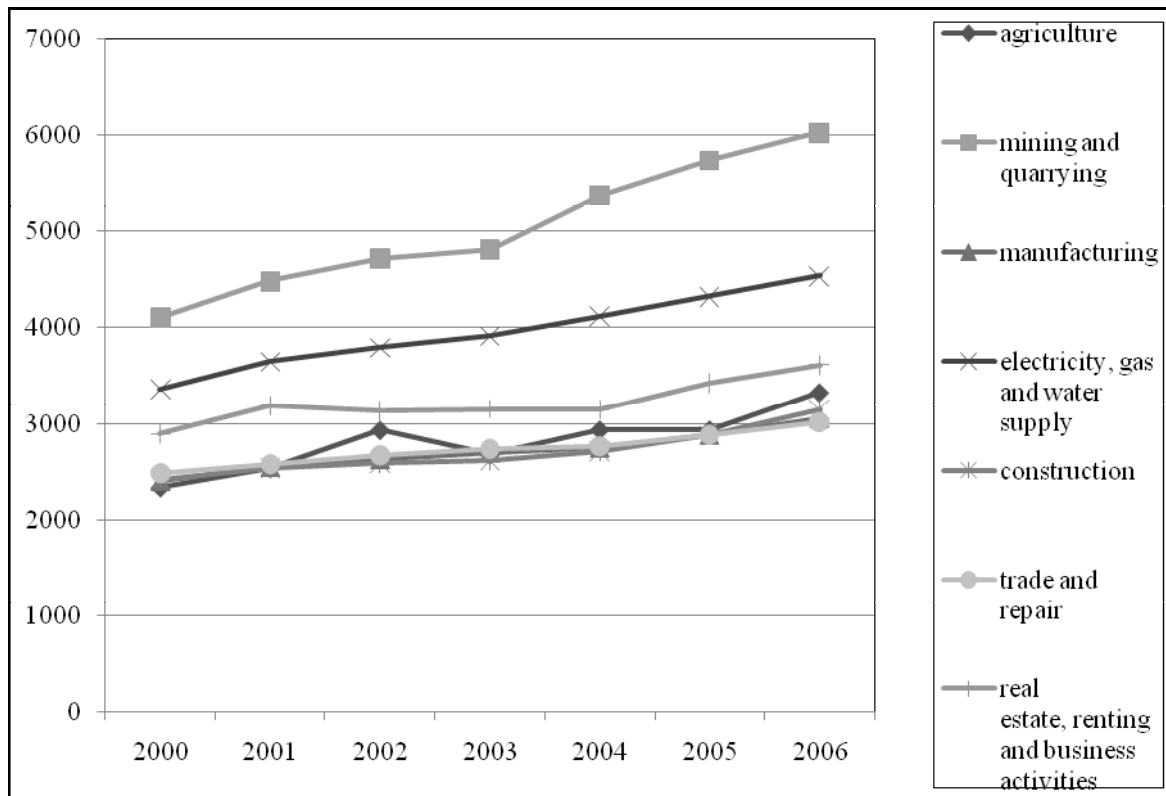
Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 7(88), p. 144, Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 14(176), p. 248, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 14(172), p. 245, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 14(161), p. 149.

As results from the quoted data the labor costs in the whole studied period 2000-2006 had a growing tendency, however, they were higher after 2002. It should be stressed that labor costs are here understood as the total sum of gross earnings (including advances for income tax from natural persons and with elements due for social insurance – retirement, sick or disability insurance) as well as other than pay expenses (such as elements for retirement, sick or disability insurance paid by the employer and costs of trainings) [Rocznik statystyczny Rzeczypospolitej Polskiej 2005 (2005), p. 225].

Furthermore, we can also observe that for the average labor costs in the European Union states, in the initial phase of the analyzed period and especially in 2000, were at much higher level than the costs in Poland; in Sweden they amounted to EUR 4000 per month and in Great Britain, Germany, Luxemburg, Austria, France, the Netherlands, Finland and Denmark over EUR 3000 [Golnau, Wysokość kosztów pracy w Polsce oraz krajach należących i kandydujących do Unii Europejskiej, in: Wiśniewski, Poczowski ed. (2006), pp. 356-357]. Therefore average monthly costs of labor per one employee amounting in Poland to EUR 700 in 2000 were relatively low. Labor costs at similar level could then be recorded in such European countries as the Czech Republic and Hungary. However, in other post-communist countries (apart from Slovenia) these costs were even lower [Refer to data in Table 29.2 in: Ibidem, p. 358].

It is also interesting to consider the labor costs by particular sectors of the national economy, which are shown in Diagram 9.

Diagram 9. Monthly labor costs per one employee by section of the national economy (PLN)

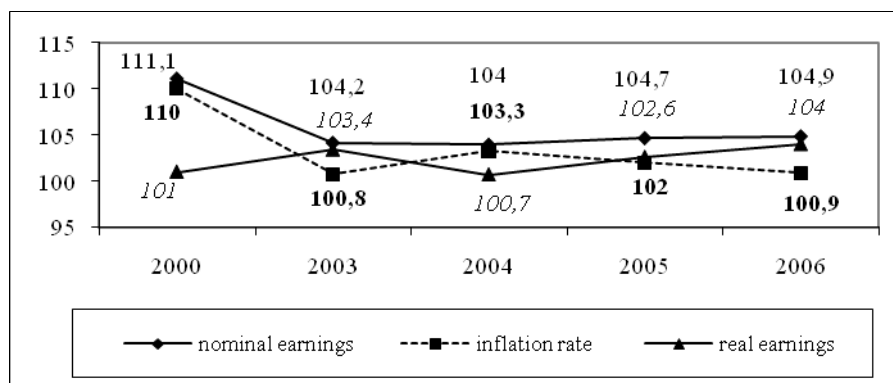


Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 7(88), p. 144; Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 14(176), p. 249; Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 14(175), p. 245; Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 14(175), p.245-246; Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, 17(171), p.159.

The labor costs in particular were characterized by a growing tendency, whereas the highest costs were in the mining and quarrying, in the electricity, gas and water supply and in the real estate, renting and business activities sections. In agriculture these costs showed certain fluctuations, although they had a growing tendency. Growing labor costs were also observed in such sections as manufacturing, construction and trade and repair.

These growing labor costs in Poland might be related to the growth of earnings both in its nominal value as well as regarding its real value [More about this issue can be found in: Knapińska, Rynek pracy – szansa czy zagrożenie dla wzrostu gospodarczego w Polsce?, in: Jankiewicz, Pająk ed., (2006), pp. 181-185]. The changes of the earnings level was related to the course of the economic situation, which is presented in Diagram 10.

Diagram 10. Rates of average nominal gross earnings, rates of average real earnings and rates of consumer goods and services (CPI) in Poland in the years 2000-2006



Note: Previous year = 100.

Source: Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 4(100), p. 174; Mały rocznik statystyczny Polski 2006, GUS, Warszawa 2006, Table 4(99), p. 170; Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 4(194), p. 264.

It should be noticed that the courses of the nominal earnings rate and of the inflation rate were nearly parallel (except for 2003 and 2005).

On the other hand, the real earnings rate in the studied period oscillated within the range of 100,7 – 103,4. The highest value of this rate was noticed in 2003 when the inflation rate was the lowest but the pay continued to grow. In the period 2000-2002 the real earnings grew at the rate close to zero, similarly to the courses of other economic situation indexes, although in comparison to 2000, and definitely in 2004, they grew by over 7 %, while the CPI grew by 11 % and nominal earnings grew by 20 % [It means the rate of the following type: Year 2000 = 100. Refer to: Rocznik statystyczny Rzeczypospolitej Polskiej 2005 (2005), Table 4(194), p. 264].

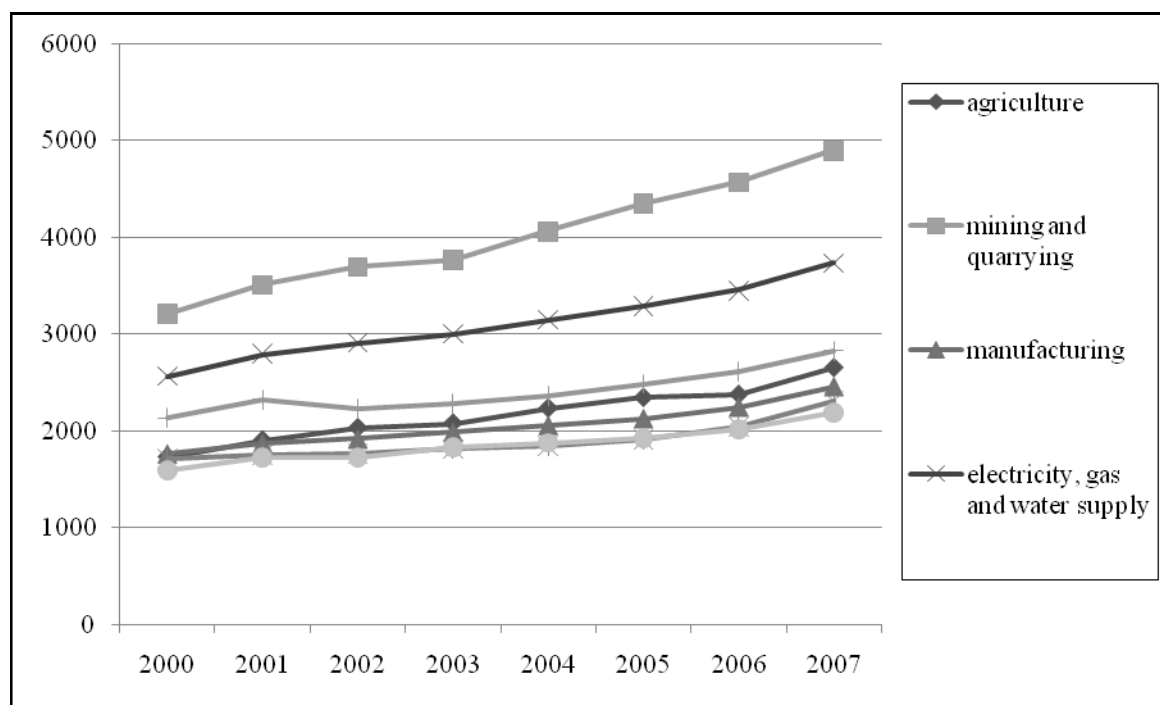
Level and relationships of earnings

Moreover, we shall pay attention to the course of nominal earnings by particular ownership types. According to the data of GUS, the highest earnings were recorded in the private sector, especially in private enterprises with foreign ownership [Statistical data on the basis of: Informacja o sytuacji społeczno-gospodarczej kraju maj 2006, (2006), p. 3]. It can be concluded that the most favorable conditions were created by private enterprises with foreign ownership located in Poland.

It is also interesting to analyze the course of the level of average monthly earnings by particular sectors of the national economy, as shown in Diagram 11.

It can be observed that the highest average monthly earnings were in the mining and quarrying, in the electricity, gas and water supply and also in the real estate, renting and business activity. In the other studied sectors the earnings were slightly lower, however, in all sections the earnings had a growing tendency.

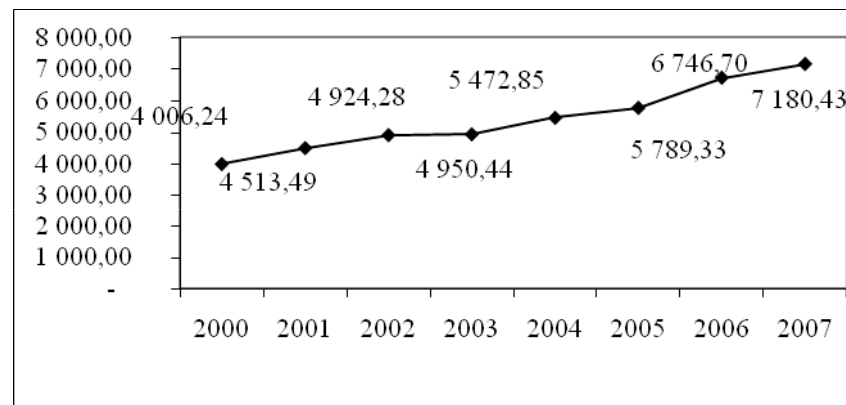
Diagram 11. Average monthly gross earnings by sections (PLN)



Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 7(88), p. 144; Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 14(176), p. 249; Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 14(175), p. 245; Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 14(175), p.245-246; Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, 17(171), p.159.

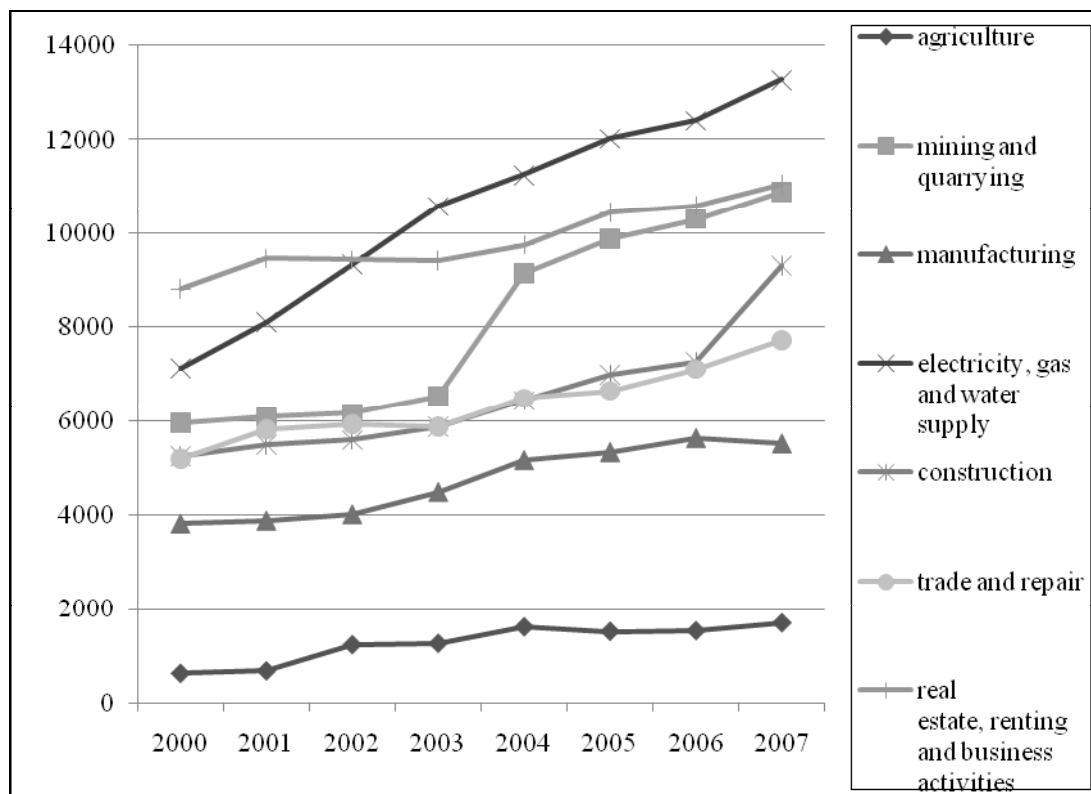
The growth of real earnings, observed on the macroeconomic scale, was definitely a positive tendency on the labor market; especially that it was accompanied by growing labor efficiency. In the studied period, as shown in Diagram 12, this efficiency calculated on the monthly basis had a growing tendency in the whole period of 2000-2005. We should bear in mind that the labor efficiency was calculated as the ratio of the value of GDP in current prices to the number of employed persons estimated on the basis of the LFS in a particular year [Labor efficiency, measured as the ratio of GDP per one employee or as the added value per one employee, was also adopted by, for example, Tokarski (2005), p. 80 and further].

Diagram 12. Labor efficiency in Poland in the years 2000-2007 (PLN monthly)



Source: Own calculation on the basis of the data from: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 1(82), p. 136, Table 4(283), p. 462, Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 1(83), p. 136, Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 1(573), p. 672, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 2(163), p. 231, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 3(161), p. 232, Table 1(565), p. 665, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 1(155), p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 2(149), p. 134.

Diagram 13. Labor efficiency by sections of the national economy(PLN, monthly)



Source: Own calculation on the basis of the data from: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 1(82), p. 136, Table 4(283), p. 462, Mały rocznik statystyczny

styczny Polski 2007, GUS, Warszawa 2007, Table 1(83), p. 136, Rocznik statystyczny Rzeczypospolitej Polskiej 2006, GUS, Warszawa 2006, Table 1(573), p. 672, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 2(163), p. 231, Rocznik statystyczny Rzeczypospolitej Polskiej 2004, GUS, Warszawa 2004, Table 3(161), p. 232, Table 1(565), p. 665, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 1(155), p. 140, Rocznik statystyczny Rzeczypospolitej Polskiej 2002, GUS, Warszawa 2002, Table 2(149), p. 134.

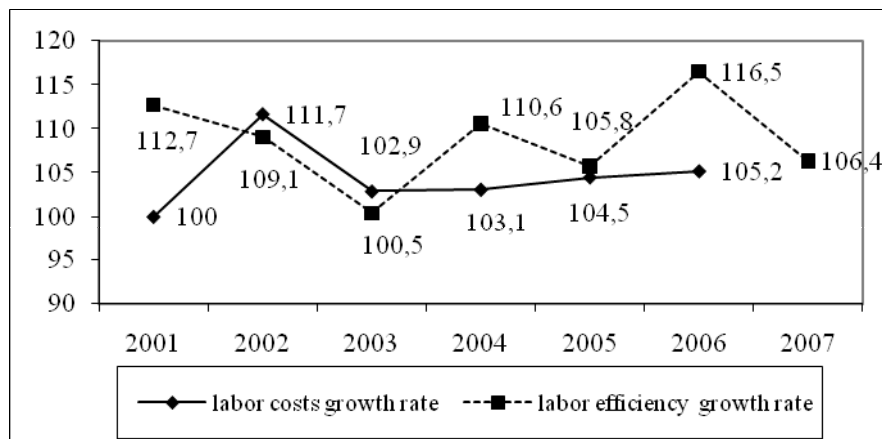
We should pay attention to the level of labor efficiency in particular sections of the national economy, as shown in Diagram 13.

The data indicate that the lowest level of labor efficiency was recorded in the agriculture section; however, it was lower than the level of monthly earnings, which proved some „unhealthy’ economic situation of this sector.

In the years 2004-2007 the highest labor efficiency was in the electricity, gas and water supply sector. In the real estate, renting and business activity section there could be observed certain slowing down of the labor efficiency growth in the recession years, i.e. 2002-2003. Similar ‘problems’ seem to have occurred in the trade and repair section. However, labor efficiency still had a growing tendency in the studied sectors, which was obviously a positive factor.

On the other hand, the comparison of labor costs and labor efficiency on the macroeconomic scale leads to the conclusion that labor efficiency was much higher than labor costs in the whole studied period, which proved that, on the macroeconomic scale, employment was efficient and rational.

Diagram 14. Labor costs growth rates and labor efficiency growth rates in Poland in the years 2001-2006



Note: Previous year = 100

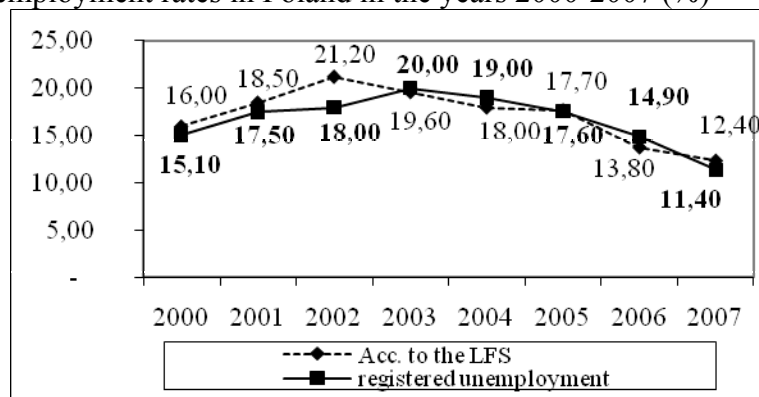
Source: Own calculation on the basis of the data from Diagram 8 and Diagram 12.

Moreover, as shown in Diagram 14, in the studied period the relationship between the growth (dynamics) of labor efficiency and growth (dynamics) of labor costs was different. In the years 2001, 2004 and 2005 labor efficiency grew faster than labor costs (it could provide a signal to employers that labor efficiency was improving), but in the years 2002 and 2003 the relationship was opposite, namely labor costs grew faster than labor efficiency.

Level of unemployment

Taking into account the aforementioned tendencies and changes on the labor market, attention should also be paid to unemployment and attempts to fight it undertaken by the state under the labor market policy.

Diagram 15. Unemployment rates in Poland in the years 2000-2007 (%)



Note: Data for 2007 refer only to the second quarter.

Source: Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 12(94), p. 154, Table 14(96), p. 158, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 15(176), p. 247, Table 18(179), p. 249, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 18(172), p. 160, Table 1(155), p. 140, Informacja o sytuacji społeczno-gospodarczej kraju, i półrocze 2007, GUS, Warszawa 2007, p. 3.

Regarding the tendency these changes were compliant with changes of the number of employed persons. According to the data in Diagram 15 unemployment rates grew in the years 2000-2002 and started falling in 2003, maintaining this decreasing tendency till 2007.

It is also crucial that in the period of the unemployment growth (and in the recession period) the difference between the registered unemployment and unemployment estimated on the basis of the LFS grew. This situation might be explained by the fact that when the economic situation gets worse people register as unemployed more willingly and they find it much harder to find full time jobs.

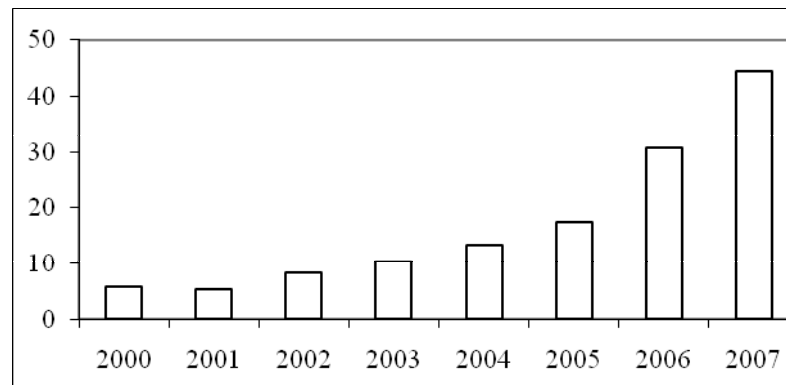
Moreover, attention should be paid to the definition of an unemployed person and inflation rate under the registered unemployment and the LFS. Thus the data on the number of registered unemployed persons include persons who are not employed and not performing any income-generating work, able and ready to take full-time employment, are not attending any full-time school with the exception of schools for adults or tertiary schools in the evening or weekend education system, and registered in the powiat labor office corresponding to the person's permanent or temporary place of residence and seeking employment or any other income-generating work if they, among others: are aged 18 or more and are aged less than 60 (women) or less than 65 (men), did not acquire the right to retirement pay or pension, did not undertake any economic or agricultural activity, do not receive monthly income of the amount exceeding half of minimum remuneration for work; excluding income generated from money gathered on bank accounts.

However, according to the LFS unemployed persons are defined as persons aged 15-74 who simultaneously fulfill three conditions: within the reference week were not employed, within a four week period actively sought work, were available for work within a fortnight period after the reference week [Act on promotion of employment and labor market institutions of 12 April 2004, in force from 1 June 2004, Dz. U. 2004, nr 99, poz.1001; Mały

rocznik statystyczny Polski 2007 (2007), p. 152].

It must be stressed that from 2003 to 2007 the level of unemployment rate calculated with both methods was relatively similar, which might mean that at the moment when the economic situation improves people 'escape' from unemployment and take (full or part time) jobs and thus the number of unemployed persons decreases.

Diagram 16. Job offers in the years 2000-2007 (thousand)



Source: Mały rocznik statystyczny Polski 2008, GUS, Warszawa 2008, Table 12(93), p.153, Mały rocznik statystyczny Polski 2007, GUS, Warszawa 2007, Table 12(94), p. 154, Table 14(96), p. 158, Rocznik statystyczny Rzeczypospolitej Polskiej 2005, GUS, Warszawa 2005, Table 15(176), p. 247, Table 18(179), p. 249, Rocznik statystyczny Rzeczypospolitej Polskiej 2003, GUS, Warszawa 2003, Table 18(172), p. 160, Table 1(155), p. 140, Informacja o sytuacji społeczno-gospodarczej kraju, and półrocze 2007, GUS, Warszawa 2007, p. 3.

Decrease of the number of unemployed persons is also influenced by the number of job offers submitted by employers, which is shown in Diagram 16. The number of job offers increased significantly only after 2002. The highest growth of job offers was recorded in 2006, when the number of job offers was 30.7 thousand and it was higher by 13.2 thousand than in the previous year.

Apart from improvement of the economic situation, activation of the unemployed, which was the result of the labor market policy implemented by local labor, is also expected to have had some influence on the decrease of unemployment. As far as the total number of persons participating in active labor market policy programs in 2004 it amounted to 474 825, and in 2005 even more, i.e. 567 669 [Informacja o aktywnych formach przeciwdziałania bezrobociu i wykorzystaniu środków finansowych, (2006), p. 14].

Moreover, attention should be paid to the scope and form of the labor market policy implemented by the state in its passive and active forms, especially in the context of expenses on its implementation. From 2001 to 2003 expenses on this policy, spent from the Labor Fund, increased. The majority of these expenses were devoted to the passive labor market policy, which consisted in payment of benefits to the unemployed and pre-retirement benefits. Starting from 2004 the total expenses of the Labor Fund decreased [Refer to data in Table 1 in: Jarmołowicz, Knapińska, Strategia lizbońska a zmiany na polskim rynku pracy, in: Bieliński, Czerwińska ed. (2008), pp. 449-468].

It should be added, however, that from 2003 the total amount of benefits paid to the unemployed from the Labor Fund dropped each year, which was related with the decrease of the number of persons entitled to this benefit and to the decrease of the total number of unemployed persons. Moreover, the number of persons entitled to pre-retirement benefits decreased. As a result of these processes the total expenses on the passive labor market policy

decreased [Ibidem, pp. 449-468].

Conclusions

The performed analyses allow to draw conclusions regarding the formulation of the economic situation on the Polish labor market. Firstly, the number of employees showed fluctuations compliant, as far as their directions are concerned, with the fluctuations of the economic situation and in the last years of the studied period this number was growing. The sections in which the growth of employment was the highest were manufacturing, real estate, renting and business activity, trade and repairs and construction. These are also the sectors the most 'sensitive' to the changes of the general economic situation.

Secondly, the Polish labor market is characterized by relatively low employment rate in comparison with the same rates observed in the European Union states; although the growth of this rate could be noticed in Poland in the years 2003-2007, which was the period of improving economic situation.

Moreover, in the studied period there was a co-relation between work hires and terminations and improvement or worsening of the economic situation.

Furthermore, irrespective of the course of the economic situation there was noticed a growth of work efficiency which was undoubtedly related to more long-term changes in the structure of employment and improvement of efficiency in Polish enterprises.

Finally, a close relationship between unemployment and changes in the economic situation could be observed. In the period of decreasing GDP growth rate there was noticed a growth of unemployment rates but in the periods of improving economic situation – a decrease of this rate.

The conclusions presented above lead to the statement that the situation on the Polish labor market is closely related with the course of the economic situation.

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