

UNEMPLOYMENT OF RURAL INHABITANTS AS A DISADVANTAGEOUS FACTOR OF LOCAL AND REGIONAL DEVELOPMENT

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Abstract. The aim of the paper is to present some selected issues of rural inhabitants' unemployment on the base of own research with the reference to general situation on labour market in Poland. Empirical data analyzed in the paper comes from the research project entitled "Analysis and assessment of rural women situation on labour market" co-financed by the European Social Fund within Sectoral Operational Programme Human Resources Development realized in Department of Marketing and Agrarian Policy in Warsaw University of Life Sciences in the years 2006–2007. Findings from the research include some patterns which did not depend on the characteristic of rural region but there are also some factors which reveal regional diversification (internal and external factors).

Key words: rural inhabitants, labour market, unemployment

INTRODUCTION

Issues connected with employment, especially people in difficult position on labour market, are one of the most important in all Polish regional operational programmes for the years 2007–2013, which means that it is not a problem for particular regions but for nearly all Polish regions. Rural inhabitants are actually perceived as persons in disadvantageous situation concerning employment possibilities. Close examination of opinions of rural unemployed on their situation can be very helpful during implementation of these new programmes.

There are some issues concerning labour market, described even in Polish National Strategic Reference Framework 2007–2013, as main weaknesses of the Polish economy:

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- low level of professional activity, professional and spatial mobility,
- high unemployment rate, especially among youth and women and among persons with low qualifications,
- intensifying phenomenon of long-lasting unemployment,
- large scope of unregistered employment (“grey zone”),
- low effectiveness of labour market institutions in limiting unemployment,
- insufficient correlation of the education system with the labour market,
- relatively low outlays and insufficient investments in the education system, especially on rural areas,
- low level of education on rural areas,
- low lifelong learning indicator,
- high level of income level of the society,
- marginalization and social exclusion of some population groups,
- insufficient correlation of entrepreneurship promotion among citizens with the education system.

Some of them are confirmed directly on a micro-level by the researches conducted among rural inhabitants.

The aim of the paper is to present some selected issues of rural inhabitants’ unemployment on the base of own research with the reference to general situation on labour market. However, in this place it should be stressed that a narrow interpretation of the term “labour market” associated only with statistical measures of economic activity, employment and unemployment, perhaps including variations in rates between age groups and genders is not enough to full examination of the situation of rural areas. There is a need of a broader perspective, according to which rural labour markets are viewed as functional systems, in which employment demand is driven by regional competitiveness, whilst employment supply is partly a function of demography, (including inter regional migration), but also of various socio-economic factors which determine participation rates, and of the qualitative aspects of the labour force often referred to as “human capital”.

There are also some specific groups of rural inhabitants, especially these who comes from a households with agricultural farm, on labour market. Firstly, it is the case of young people – the classical model of farms’ succession is ending. Where there are larger farms a son, or less often a daughter, may work on the farm full time until the parent retires or takes a back seat role. However, by far the more common situation is for the young person to work off the farm full time or part time because most farms cannot carry the costs of two family households. A final decision to return to the farm is made much later, usually when the farmer retires (which partly explains the rising average age of farm holders). In this model the young person has been open to the greater opportunities of the non farming economy and is therefore more likely to reject a return to the farm or adopt a part time system. This model is not automatic – it assumes that the individual has had a better education or skills training and hence has not been forced through lack of opportunities to stay on the farm. This has clear implications for agricultural and rural policy. The next case is the specific situation of women in rural areas. Their role is more complex and is still often affected by the culture and traditions of the region. There are very clear differences in the roles of men and women on the farm, with men doing the traditional field and herd management tasks while women act as administrators and tend young

stock. This traditional model is disappearing, however, as women increasingly work off the farm to earn another income for the household or take over the day to day management of the business while the husband works off the farm. In addition as farms have diversified into new enterprises such as tourism it is often the wife who is better equipped to manage this part of the business [SERA Report].

DATA

Empirical data analyzed in the paper comes from the research project entitled “Analysis and assessment of rural women situation on the labour market” co-financed by the European Social Fund within Sectoral Operational Programme Human Resources Development done in 2006–2007 in Department of Marketing and Agrarian Policy in Warsaw University of Life Sciences. Though women situation on labour market cannot be considered without their families, especially so traditional as these ones in the countryside, so 1000 entire rural households from selected 24 Polish poviats were interviewed during the research in 2006. There were 413 unemployed living in 318 households participating in the research.

However, the image of unemployment would be uncompleted without wider background, which for the needs of this study was prepared on the basis of statistical data form the Central Statistical Office and will be present as the first part of the work in order to introduce in the unemployment issues.

GENERAL BACKGROUND OF UNEMPLOYMENT IN POLAND

The was a decrease in number of unemployed in Poland in the year 2006 in comparison with 2005. It was 2237 thousand of unemployed at the end of 2005 towards 3017 thousand at the end of 2005. The decline in number of unemployed took place both in the population of women as well as men. Table 1 presents the population of unemployed according to particular sex in 2005 and 2006.

Unemployment rate was increasing to 2004 and after that decreasing to 2006. In January 2007 there was a little seasonal increase in the unemployment rate and it was at

Table 1. Unemployed according to sex (Labour Force Survey – LFS)
Tabela 1. Bezrobotni według płci (BAEL)

Specification	2005		2006	
	thousand	%	thousand	%
Total	3017	100.0	2237	100.0
– Men	1504	49.9	1123	50.2
– Women	1513	50.1	1113	49.8
Feminization index	101	–	99	–
Urban areas	2014	66.8	1485	66.4
Rural areas	976	32.4	751	33.6

Source: The Central Statistical Office, Labour Force Survey in Poland III quarter 2006, Warsaw.

Źródło: GUS, Aktywność ekonomiczna. Ludność Polski, III kwartał 2006, Warszawa.

Table 2. Unemployment rate in the period 2000–2007
Tabela 2. Stopa bezrobocia w latach 2000–2007

Lear	2000	2001	2002	2003	2004	2005	2006	2007*
Unemployment rate	15.1	17.5	18.0	18.0	19.0	17.6	14.9	15.1

*Data from January 2007

Source: Own elaboration on the base of data from the Central Statistical Office.

Źródło: Opracowanie własne na podstawie danych GUS.

the level of 15.1%. Table 2 presents changes in unemployment rate in the period from 2000 to 2007.

Unemployment rate was higher in towns than in rural areas. In 2006 it was 14.1% in urban areas whereas 11.4% in rural areas. Both in case of women as well as men, the unemployment rate decreased in comparison with the previous year but the decline was more visible among men. Women's unemployment rate was higher – in 2006 it was 14.3% whereas in case of men it was 12%.

The highest number of unemployed is at the age group from 25 to 34, whereas the lowest in the group from 55 to 74. In the group aged from 35 to 44 the number of unemployed women exceeds the number of unemployed men, whereas in the other age group the situation is opposite. The most significant difference between women's and men's unemployment is in the last age group, between 55 and 74 years old. Unemployment is both a problem of men as well as women but for older women it is much more difficult to find a job. They would like to come back to work after bringing up their children but such returns are very complicated. On the other side there is a quite large youth unemployment and it concerns all young people not regarding sex.

As far as the educational level of unemployed is considered, there is a permanent tendency of the highest unemployment in the group of people with only vocational education. In case of women there is also quite significant number of unemployed with secondary vocational education. The smallest group of unemployed women is among after-secondary educated. It is quite interesting that university education does not close chances for unemployment. One out of 12 women and one out of 10 men from the unemployed group had higher education.

RESEARCHES' RESULTS

There were some general conclusions drawn from the researches' results, which did not depend on the internal conditions in regions where rural unemployed live in.

First of all there was a significant proportion of short-term unemployed, shorter than half a year. Taking into account the time of research conducting (summer and autumn) as well as their age it can be stated that there is a considerable level of unemployment among graduates. The time of being an unemployed person, was also determined by living in a household with a farm's owner versus a household not connected with agriculture. One out of four unemployed from households connected with agriculture had no work shorter than half a year whereas one out of four unemployed from non-agricultural households had no work longer than 5 years. Unemployed from households with agricultural activities can be decelerated as farmers in Agricultural Social Insurance Fund (Kasa

Rolniczego Ubezpieczenia Społecznego, KRUS) even if they do not participate in agricultural works and are unnecessary on a farm. Taking into account the high employment in agriculture it is quite possible so there can be some hidden unemployment on Polish farms. Gender was also a factor, which influenced on unemployment lasting. Women were longer unemployed than men. Nearly half of investigated unemployed women had no work longer than five years. Proportion of men in this group was four times lower. The reason for that situation is employers' unwillingness to employ women or lack of flexible work offers, which can be accepted by women with babies or looking after other depended family members. In a long-term perspective it can be a source of permanent women's unemployment because the longer a potential worker is without work, the lower is her, as well as his, market value. Moreover, long-lasting and inefficient looking for a job causes feelings of resignation and discouragement.

The time of being unemployed was very diversified in the researched regions (Table 3). The higher proportion of long-lasting unemployed was in the central region, 31% were without work more than 5 years. Better situation in that case was in the south and south-western regions.

Table 3. Time of being unemployed according to the region [%]
Tabela 3. Czas pozostawania bezrobotnym w regionach [%]

Time of being unemployed	The Central Region	The South Western Region	The South Region	The North Western Region	The North Region	The Eastern Region
Till half a year	19.7	33.3	19.6	21.5	21.8	17.5
7–12 months	9.9	0.0	37.6	10.1	14.1	8.8
13–24 months	15.4	22.2	19.6	17.7	15.4	21.0
25–36 months	9.9	14.8	8.9	12.7	7.7	14.0
37–60 months	14.1	11.1	3.6	16.5	14.1	12.3
Over 60 months	31.0	18.6	10.7	21.5	26.9	26.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own elaboration.

Źródło: Opracowanie własne.

Eligibility to receiving unemployment benefit was somehow the result of unemployment lasting. So the proportion of investigated unemployed eligible to receive unemployment benefit was the highest in the eastern region and the lowest in the central region but also in the south-western. More men were had rights to this kind of payments in comparison with women.

Occasional casual work was the main form of gaining financial recourses for living for in the examined population of unemployed. More than half of them declared it. One out of three investigated unemployed admitted also working in the so cold gray zone. This phenomena was the most visible in the south-western and central region (Table 4). Men confessed to it twice more than women.

Resigning from former work was more frequent among women than men and as it can be guessed the main reason was having a baby. Although, examined women did not say that they gave up work, they indicated that having a child was a reason of work's loss so it can be concluded that it was not their own decision but employers' unwillingness to

Table 4. Financial resources of unemployed according to region [%]
 Tabela 4. Źródła utrzymania bezrobotnych według regionów [%]

Specification	The Central Region	The South Western Region	The South Region	The North Western region	The North Region	The Eastern Region
Occasional casual work	42.9	37.0	66.0	45.4	37.8	69.2
Moonlighting	46.9	63.0	15.1	32.7	24.4	21.2
Different forms of social support	10.2	0.0	18.9	21.8	37.8	9.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own elaboration.

Źródło: Opracowanie własne.

employ pregnant women or women with babies. Men gave up work mainly because of low earnings.

Unemployment in rural areas is mainly connected with shrinking of local labour market. More than half of researched unemployed worked formerly not further than 15 km away from the place of living. Nearly one out of two men and one out of four women worked closer than 5 km. It is a clear sign that activation of local communities and local markets is the best way of rural areas development.

The most popular ways of looking for a job were using information from family members and searches directly in companies. Two thirds of investigated unemployed declared that. Women tried to find work closer to their place of living. One out of five men and one out of ten women were looking for a job abroad. Considerable regional differentiation can be seen in this case because in western parts of Poland there were more persons who wanted to work abroad, especially in the south-western region, where more than half of researched unemployed were looking for a job abroad. Rural inhabitants from poviats of less economically developed (smaller GPD per capita and higher unemployment rate) are less mobile, they were looking for a job near their place of living, mainly in of their villages or commune.

Permanent job was preferred much more by women than men – 84% of them and 54% of investigated men would like to have permanent full-time job. Women also would like more to find job in the state sector perceived as much more stable and safer and they were more determined to find such a job. They even were more prone to take up work in the agricultural sector and work for less minimal wage than men.

Investigated rural unemployed were not very keen on using other than financial help. Mainly they use help from labour offices, mostly participating in different kinds of courses and trainings. The most skeptical about this support form were rural inhabitants from the south-western and north-western regions. One out of three researched unemployed declared that he or she did not use help from any supporting institutions. Although one out of five declared that he or she gained help co-financed by the European Union. It is quite high level of market consciousness taking into account that it was the second year of Polish Membership in the EU. Unfortunately examined unemployed had negative opinions on any existing institutional help. Only one out of four had positive experiences in that field.

There was also question concerning potential chances of unemployment decrease in rural areas. Investigated unemployed rural inhabitants indicated different solutions. They mainly stressed necessity to go outside farm and undertaking non-agricultural or service activities. On the other hand they saw opportunities in better profitability of agricultural production or rural tourism development. The main barrier of starting work outside agriculture was lack of jobs in the nearest area. The next ones were too low wage and disadvantageous work conditions on the employers' side but they also saw such barriers like lack of suitable qualifications as well as difficult and expensive commuting.

CONCLUSIONS

There occurred some over-regional patterns during the research. The main ones were a significant proportion of short-term unemployed, shorter than half a year as well as the time of being an unemployed person determined by living in a household with a farm versus a household not connected with agriculture – rural inhabitants without a farm tend to stay unemployed for considerably longer time. Gender was also a factor, which influenced the unemployment lasting. Women were longer unemployed than men.

Of course there were also some regional differences. First of all, they concern the time of being unemployed. The higher proportion of long-lasting unemployed was in the central region, 31% were without work more than 5 years. Secondly in western parts of Poland there were more persons who wanted to work abroad, especially in the south-western region, where more than half of investigated unemployed were looking for a job abroad.

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BEZROBOCIE NA OBSZARACH WIEJSKICH JAKO PRZESZKODA ROZWOJU LOKALNEGO I REGIONALNEGO

Streszczenie. Celem artykułu jest prezentacja wybranych aspektów bezrobocia wśród ludności wiejskiej. Materiałem badawczym wykorzystanym w artykule są dane empiryczne stanowiące część projektu badawczego pt. Analiza i ocena sytuacji kobiet wiejskich na rynku pracy, współfinansowanego z Europejskiego Funduszu Społecznego w ramach Sektorowego Programu Operacyjnego Rozwój Zasobów Ludzkich, zrealizowanego w Katedrze Polityki Agrarnej i Marketingu SGGW. Wnioski z badania obejmują kwestie wspólne dla wszystkich badanych regionów, ale wskazują również na czynniki różnicujące.

Słowa kluczowe: ludność wiejska, rynek pracy, bezrobocie

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