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## Demographic Transition and an Ageing Society

IMPLICATIONS FOR LOCAL LABOUR MARKETS  
IN POLAND

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## DEMOGRAPHIC TRANSITION AND AN AGEING SOCIETY:

Implications for local labour markets in Poland



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### About the Ministry of Regional Development, Poland

The Ministry of Regional Development in Poland (the lead partner) is responsible for implementation of inclusive regional policy, aimed at increasing economic and social cohesion in regions, through effective use of funds from European Union structural funds.

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## FOREWORD

Demographic changes are among the most important challenges facing societies, labour markets and economies, especially in conjunction with other global processes such as climate and technological change. The demographic changes we see today are, to a large extent, the result of earlier processes, whose social and economic implications are just starting to be felt. The trends we can observe relate to long term features, such as a significant decline in the fertility rate and increased life expectancy. It is of increasing importance for governments to design and implement policies to reduce the negative effects of these demographic changes.

Anticipating the impact of demographic changes on the future development of the Polish economy and the related need for public policies designed to address these impacts, the Ministry of Regional Development, in co-operation with the OECD, in 2011 initiated a research project that analysed several scenarios of demographic change and the potential effects on Polish society and its labour markets. In view of the regional differences in Poland, the project was undertaken in co-operation with local government authorities from three Polish regions: Łódzkie; Małopolskie; and Pomorskie. International experts who were involved in the research provided additional levels of knowledge and expertise - a unique opportunity for Polish researchers to discuss and explore best practice experiences from other countries. The local analysis and direct participation of representatives from different regions also provided access to regionally-focused, practical solutions, which can be implemented in response to the current and future demographic changes.

The report includes a wide range of observations, conclusions and recommendations for public policy decision-makers at all levels, from local to national. The report also includes recommendations for the management of education, healthcare, labour market and more general economic development, including guidance on how to better plan for and monitor and/or fund public support systems. While demographic changes already determine demand and supply on the labour market and in education, soon they will also determine the size and shape of other spheres of socio-economic life, such as easy access to transport, information services, private security, and personal care. Policy makers at every level need to take into account these foreseeable impacts during the policy design process. The Ministry of Regional Development, as the co-ordinator of EU funds implementation, is responsible for many different activities that support those national sector-wide policies in which demographic changes will be particularly visible. Therefore, the conclusions from this project will be widely used to identify the future direction and focus of the changes that will be necessary in order to utilise the European Social Fund (ESF) more effectively as a practical instrument by which to attain the strategic goals outlined in the *Europe 2020 Strategy*.

I am deeply convinced that projects co-funded by the ESF within the vision of the European Union Cohesion Policy (2014-2020) will meet this challenge; they will create the supportive conditions required to carry out the necessary reforms, which stem from the need to adapt to a rapidly changing Polish society.

I believe that the project outcomes within this report will be of interest and usefulness to many, and will influence a stronger awareness and understanding of the requirements, the challenges and the opportunities connected with the upcoming demographic transition in Poland.

I heartily encourage you to read this report.

Paweł Orłowski  
Undersecretary of State  
Ministry of Regional Development



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## EXECUTIVE SUMMARY

### *Demographic change is a key challenge for local development*

Strategic solutions must take into account the interplay of elements within a particular local area of development. At the same time, there are opportunities to be fostered, such as the development of the silver economy of older entrepreneurs, the white economy of medical services for the elderly population, and the natural green economy.

### *Territorial differences require strategic co-ordinated policy responses*

The Polish case study revealed the complexity of the demographic challenges occurring within the regions, with each region experiencing different issues associated with their socio-economic situations. The Małopolskie and Pomorskie regions are experiencing population growth, population ageing and low fertility, while Łódzkie is experiencing population decline and ageing, low fertility, together with youth and young adult health concerns. These differences in demographic situations require a territorial analysis so that regional and local perspectives on policy preparation, development and implementation are co-ordinated with national policy efforts and key European Social Fund (ESF) funding.

### *Key policy messages include:*

#### *1. Managing the demographic transition with sustainable economic development*

Demographic changes such as population decline (in the case of Łódzkie), population ageing, low fertility rates and migration are key changes in the demography of Poland and the study regions. Due to socio-economic differences, regional systemic and sustainable strategies should firstly be explored, developed, implemented and reviewed, focusing on the key aspects that make the region unique. Essential measures for a strategy that provides the starting point and guidance for future projects and initiatives for each region include:

- attracting and settling new immigrants
- improving and promoting transport accessibility
- creating a family friendly community
- supporting entrepreneurship, small-medium enterprises (SMEs), and research and innovation.
- stronger local job creation approaches.

#### *2. Focusing on family policy in light of low fertility levels*

All regions are experiencing low fertility rates, being below population replacement levels, which has a significant impact on population growth and economic stability. Each region should have a long-term family policy that outlines the provisions to support parenting decisions. Family policy requires national legislative initiatives to support regional and local efforts. Developing institutional support structures such as financial assistance, social infrastructure and flexible forms of employment and workplaces is essential for promoting family values, monitoring family situations and recognising family problems. Closing the gender gap for equality will also support family development. The ESF has a role in supporting programmes and initiatives not only to manage, but to promote family support and family creation.

#### *3. Encouraging healthy and active communities*

All the study regions are faced with population ageing, with Łódzkie having the added burden of generally poor health within the working-age population. Health promotion and disease prevention is vital for



increasing life expectancy, along with creating age friendly environments and increasing the retirement age and the labour market participation rate. Essential in this process is the financial support of the ‘white’ (health services) sector, developing health clusters, networks and pooling of resources for each region. Pomorskie has additional potential prospects, being part of the Baltic Sea Regional Strategy, wherein there will be opportunities to be part of projects centred around innovation in health and life sciences. There are significant opportunities for the ESF to support projects that encourage healthy lifestyles and active ageing in the study regions.

#### *4. Promoting intergenerational solidarity*

Strategies in the labour market need to address the needs of both younger and older workers, by linking activities for jobs and skills development that can provide an intergenerational mix and knowledge transfer in both formal and informal environments.

#### *5. Developing new areas of economic growth: the silver economy and managing an ageing workforce*

Population ageing is a demographic phenomenon that is occurring across Poland, which is providing both opportunities for the ‘silver economy’ (the ecosystem of services for the older customer) and challenges regarding workforce ageing. The increasing products and services needed for seniors will require a long-term care system, support of non-government organisations (NGOs), creation of new leisure and business services and products, as well as providing opportunities for entrepreneurship and SME development in this sector. There will be opportunities for the ESF to provide programmes and initiatives for knowledge, and start-up support for entrepreneurs who are looking to take advantage of the silver economy and NGOs who are providing care services and family support. It is also important to encourage work at an older age, by removing the negative stereotyping of ageing workers, development of programmes to extend working activity (skills and training), promotion and incentives for life-long learning, support entrepreneurship for older persons, mentoring programmes for enterprises, funding initiatives for firms in age management programmes, flexible work forms and support for social organisations in implementing projects that support ageing workers. The ESF could potentially provide significant support for programmes and initiatives implemented by social organisations and regional governments in partnership with enterprises.

#### *6. Increasing skills and competency levels in light of a changing workforce*

Regional workforces are slowly changing from low skill needs to medium-high skill requirements. The Łódzkie region, and in particular Łódź city, is located strategically close to Warsaw and with transport links to Europe could be developed as a centre for student education. However, improvement is needed to strengthen the education system – building basic generic skills in the young and promoting further education among young adults. Provision of better working places also needs to be achieved, which links to improving the health conditions for older workers, with the aim of higher retention rates to ensure a longer working life. The role of the civil society organisation that fosters citizen participation in the provision of opportunities to engage young persons, increasing/improving skills and employability is an opportunity for ESF support in youth education programmes. Another avenue for ESF is life-long learning programmes and University of the Third Age (UTA) support.

#### *7. Delivering smart and co-ordinated policy*

Addressing demographic change requires a policy mix that promotes horizontal and vertical linkages across different policy fields and levels. Dialogue among different Ministries (regional development, labour, education, economy, and environment) and across the various levels of policy delivery (state, regional and local) needs to be well developed for the design of short-term and longer-term policy instruments. Programmes and initiatives need to be flexible enough to allow local authorities to adjust financial management to fit the local circumstances.

#### 8. *Planning infrastructure for inclusive communities*

Adapting the urban infrastructure for smaller and ageing communities requires planning to support the adaptation of the built environment and social services so that shrinking budgets can be directed towards those areas of more need. Competencies and skills of local actors also need to be updated, to be able to use the built environment and physical infrastructure in smart and strategic ways.

#### 9. *Optimising the use of funding: The European Social Fund as an instrument of change*

The ESF is a vital tool to pursue a territorial approach, however, it requires flexibility to create ownership at the local level and to foster a co-ordinated policy approach, especially within job creation policies and programmes, education and skills development. The report highlights aspects for which the ESF could be utilised to address demographic transitions in family support, research and resources for childcare needs, work-life balance, and supporting SMEs in age management.

#### 10. *Fostering cross-regional sharing of experiences and a community of practice on demographic change*

As countries adjust to demographic change, shared information on international experiences can provide information on causes, effects, strategies and policies and, to some extent, their impacts. However, less effort is directed at providing opportunities for regional knowledge sharing within the country. Poland could rectify this by introducing a ‘demographic change community of practice’, which could be a web-based mechanism, but with workshops run across the country in order to share and discuss practices and ideas for the present and the future - a community-based knowledge intensive activity that can inform policy development in this field over the years to come.

*CHAPTER 1*

**ADDRESSING DEMOGRAPHIC TRANSITION AND AGEING LABOUR MARKETS IN  
POLAND**

Demographic transition is one of the major policy issues impacting policy development internationally. Poland has been experiencing significant demographic changes, such as population decline, low fertility and an ageing population. This chapter provides a brief introduction to the issue of demographic transition and ageing labour markets on an international basis. This is followed by a discussion of Poland's demographic transition in recent years, and forecasts, highlighting the importance of childcare services and policies for healthy and active ageing.

## 1.1 Introduction

This report outlines the results of the Polish case study for the international project *Local scenarios of demographic change: the impact on local labour markets*. The project is conducted by the Organisation of Economic Development and Co-operation (OECD) Local Economic and Employment Development (LEED) Programme with the support of the European Commission DG Employment, Social Affairs and Inclusion. The analysis in Poland was conducted in partnership with the Ministry of Regional Development and the regions of Pomorskie, Łódzkie and Małopolska, with the aim of providing guidance in “how to prevent” as well as “how to deal with” an ageing society.

Demographic change is affecting all OECD member countries and developing economies. Fertility rates are falling, the population is ageing, youth unemployment is a challenge, and the complexity of urban-rural shrinkage is posing numerous challenges for industrial development, job creation and sustainable development agendas. Strategic solutions cannot be based on addressing one of these factors alone, but need to take into account the interplay of these elements within a particular local area of development (urban or rural) (OECD, 2011a). The increased relevance of the local level as the place wherein the integration of approaches and strategies occurs is well reflected in recent literature and is at the core of the OECD LEED’s mission and many of its publications (Potter, 2008; Clark *et al.*, 2010; OECD/International Labour Office, 2011). Chiefly, the local approach integrates particular characteristics of communities, especially in relation to human capital, industrial composition and the social distribution of the population (Martinez-Fernandez *et al.*, 2012a).

The international contraction pattern that is being observed today has multiple causes and it cannot be explained without a cross-cutting analytical approach. On one side are global dynamics such as the ageing of the baby-boomer generation and the low fertility rate (notable examples are found in East Germany, Eastern European countries and Japan). On the other side are localised, specific dynamics such as lifestyle/socio-political changes (suburbanisation in metropolitan regions, post-socialist transformation); economic/industrial changes experienced by all industrialised countries (de-industrialisation, de-urbanisation, de-corporatisation, spatial mismatches); environmental changes (environmental disasters and climate change); and externally imposed changes for political, religious or historical reasons (conflicts and wars, administrative changes/territorial re-classifications, political changes such as regulatory enforcement) (Martinez-Fernandez *et al.*, 2012b; Reckien and Martinez-Fernandez, 2010; Martinez-Fernandez and Wu, 2007; Pallagst *et al.*, 2009).

The challenges for social inclusion of ageing populations also calls for a re-evaluation of the role of older people and a new solidarity between the generations. By 2030, it is estimated that two active people (age range of 15-65) will have to take care of one inactive person (aged +65) (World Economic Forum, 2007). According to Holger Strulik (2012), Director of the Institute of Macroeconomic at the University of Hannover, “Europe’s population is ageing at an unprecedented rate, faster than any other continent, and is economically unsustainable. Nearly 25% of the EU population will be over 65 by 2030, an increase from 17% in 2005. The number of people aged 65 and over compared to working-aged people (15-64) is expected to double by 2050, from one person in four to one in two. At the same time that life expectancy is increasing, the retirement age is not, meaning that people are spending a longer time in retirement, putting greater pressure on pension systems. An ageing population, where ageing is understood as the gradual deterioration of physical and mental health and abilities, is also likely to put greater pressure on national health services.”

The financial crisis has highlighted how mobility of people and ageing of the population are major reasons for promoting up-skilling and making a more productive OECD labour force. The factors are multiple and still little understood. On one hand, we have the mobility of people across countries and regions, with some communities being at the sending end (resulting in shrinkage of the population –

notably post-resource intensive areas), while other areas experience net gains (*e.g.e.g.* capital cities and regional centres). On the other hand, we have communities and entire countries such as Japan or Germany with low fertility rates and a rapidly ageing population, in a process that is often combined with young people moving out and therefore accelerating the process of shrinkage. Some industry sectors are also ageing at higher speed than others and this is an added challenge for up-skilling the workforce and designing training plans (*e.g.* heavy manufacturing adaptation to a low-carbon economy).

In many ways, these are new challenges of globalisation rapidly materialising at the regional and local level, but very few local authorities are adopting an integrative strategic approach that is not linear and that takes into account the complex interaction of issues discussed above. Overall, *it is increasingly urgent to develop and monitor strategies, policies and programmes adapted to the specific regional and local situation, but with strong understanding of the global dynamics in place.*

This study used a mix of quantitative and qualitative methods. An extensive statistical data analysis of demographic changes in Poland was collected through dedicated indicators from 1990 to 2010. Primary data from key regional actors was collected via an analysis of policy indexes – Elderly Friendly Places to Live (ELFRI) questionnaire; and the Older Workers Friendly Places to Work (OLWOF) questionnaire (see table in Annex 1 for themes). Qualitative data was collected from regional field studies and workshops with international and local experts. The analysis has taken into account the territoriality dimension of different levels of government (Martinez-Fernandez *et al.*, 2011). A detailed methodological note is provided in Annex 1.

Key demographic changes in Poland will now be discussed in this chapter. The rest of the report is divided into four chapters: Chapter 2 presents the national policies dealing with demographic change; Chapter 3 analyses the demographic transition and resources; Chapter 4 outlines local initiatives, strategies and themes for demographic transition; Chapter 5 concludes with guidance to develop strategies and programmes for local management of Polish demographic change and an ageing society.

## **1.2 Demographic changes in Poland**

Demographic processes should be considered over a long-term perspective. For example, changes in populations sixty years ago determine the current situation, and the current state will shape the future of societies.

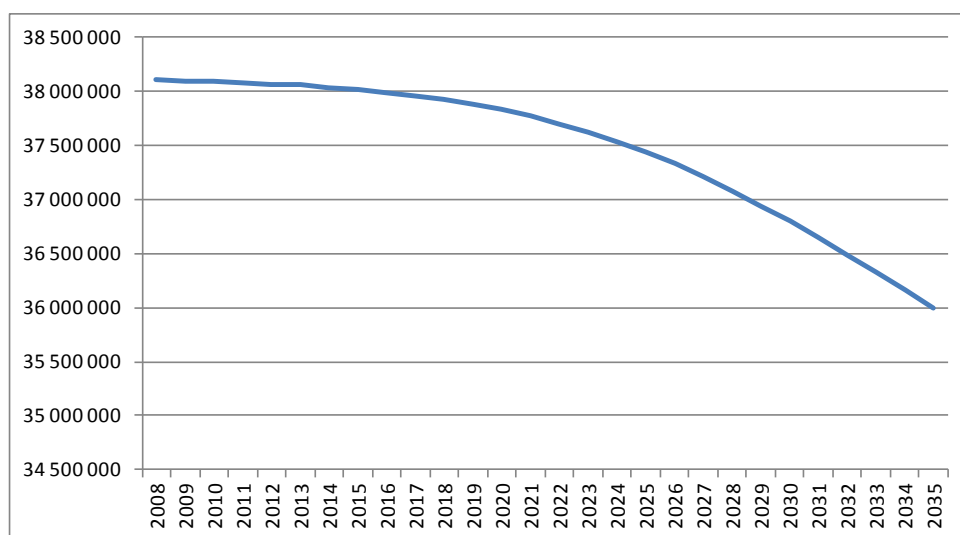
On the other hand, demographic behaviours (marriages, births, migration etc.) are influenced by current social, economic and cultural circumstances, such as: labour market fluctuations; living conditions; public policy supporting families; and public infrastructure. Thus, public policy may, to some extent, influence the demographic situation or, at least, highlights the challenges created by it.

### **1.2.1 General trends**

The demographic situation in Poland is changing significantly. Two major trends are occurring:

- decreasing population
- ageing of the population.

In the near future, the declining population will accelerate. According to the unpublished results of the National Census 2011, from the Central Statistical Office (CSO), during the next 15 years (to 2025), it is expected that almost 3 million persons will disappear from the Polish labour market. However, the available forecast of the CSO, illustrated in Figure 1, is somewhat more optimistic and estimates that the population decrease will only reach above 2 million people by 2035.

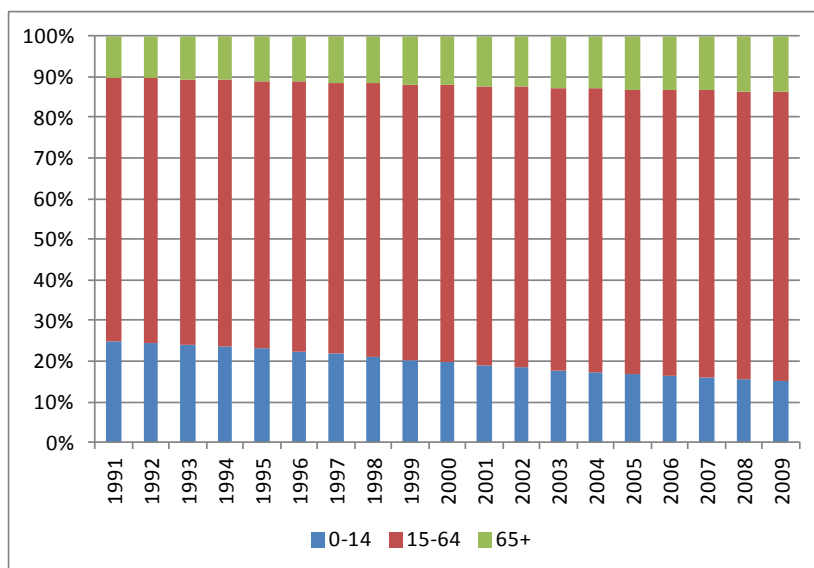


**Figure 1 Forecast of the Polish population**  
*Source: Central Statistical Office of Poland, 2012*

According to the results of the latest National Census, almost an additional 2 million people have already migrated (Central Statistical Office, 2012). These trends may have serious consequences for some local labour markets, such as depopulation, significant shortfalls in the qualified labour force, and mismatching of skills.

Ageing of the population means that the population is becoming older, with the male median age increasing between 1990 and 2010 from 30.1 to 35, and the female median age increasing from 32.6 to 37. According to forecasts of the CSO, population ageing will continue and even accelerate in the future. These increases also influence the structure of the population (Figure 2):

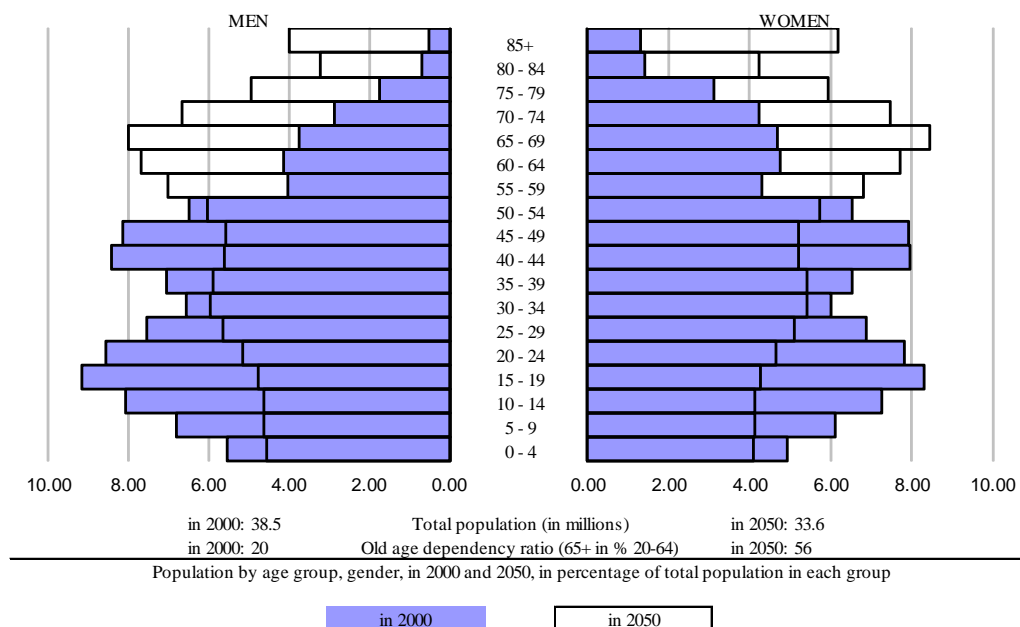
- A decreased share of the young population (pre-employment age);
- An increased share of population at the post-working age;
- An increased share of the population aged between 44 and 64.



**Figure 2 Structure of population according to age**

Source: OECD Statistics, 2011

According to the Polish Central Statistical Office forecast, from 2015 to 2035, the most significant decrease will be observed in the population categories 18-44 and 0-17. A similar tendency can be observed in the OECD forecast (Figure 3). As a result, the workforce in the near future will be smaller and older. This will considerably change the situation in the labour market, increasing the number of older workers and reducing the number of new entrants into the labour market.



**Figure 3 Forecast of changes in population by age category**

Source: OECD Statistics, 2011

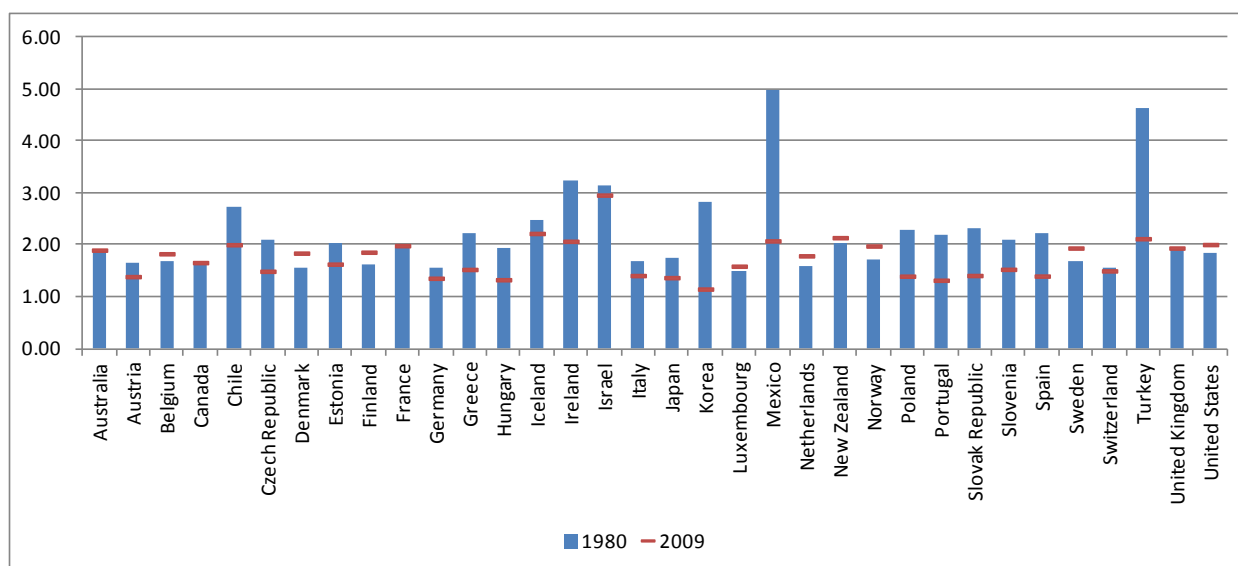
The changes described above have resulted from two main trends:

- Decrease of fertility rate: from 1.99 in 1990 to 1.38 in 2010.
- Increased duration of life: life expectancy for males has increased between 1990 and 2010 from 66.2 to 72.1 and for females from 75.24 to 80.59.

Both of these trends are described in more detail below.

### 1.2.2 Fertility rate

A sharp decline in the total fertility rate among OECD countries has been observed over the past few decades. The average for OECD countries' total fertility rate decreased from 2.7 in 1970 to just 1.7 in 2009. However, experiences from other countries shows that it is possible to reduce the pace of decrease of this factor. In countries such as Norway, Sweden, Finland, Denmark and the Netherlands, the total fertility rate has slightly improved compared to 1980, although it is still below replacement rate (Figure 4); improvements have taken place in the years since 2002 (OECD, 2011).



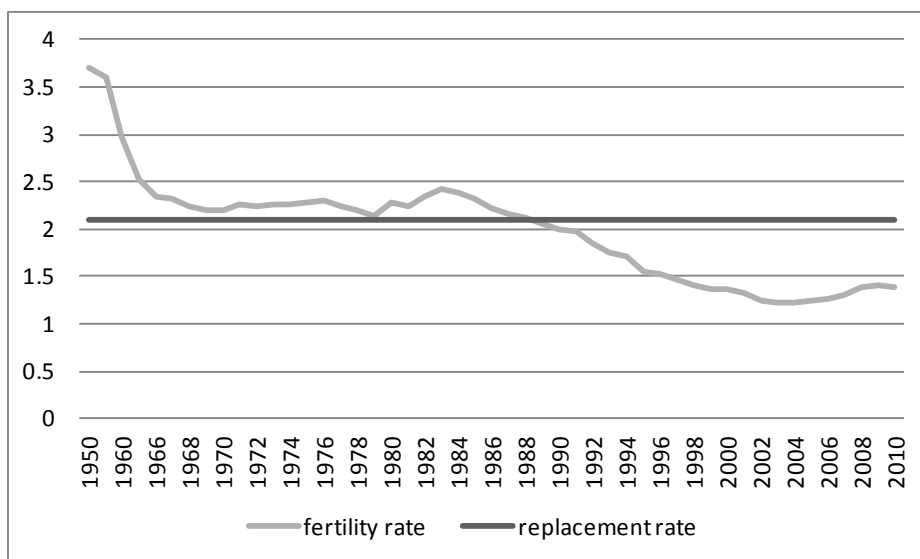
**Figure 4 Changes in fertility rate**

Source: OECD Statistics, 2011

Reduction of the fertility rate is a global problem, however, this rate is not experienced in the same manner in all countries. Fertility is a complex issue and its level depends on many factors, such as cultural patterns, situations within the labour market (current and foreseen), models of family, public policy, and specially dedicated services and support for families (OECD, 2011).

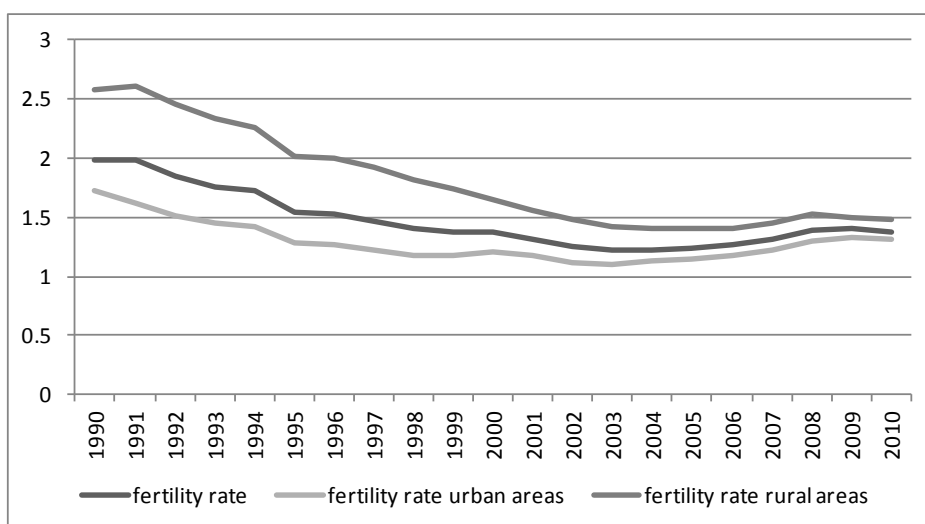
Based on OECD data, the decrease in the fertility rate in Poland has been observed since 1950 (Figure 5), however, during the 1960s and 80s, the situation was more or less stable. In 1989, the fertility rate dropped below 2.1 (replacement level). Since 2003, there has been a modest improvement.





**Figure 5 Changes of fertility rates in Poland**  
*Source: Central Statistical Office of Poland, 2012*

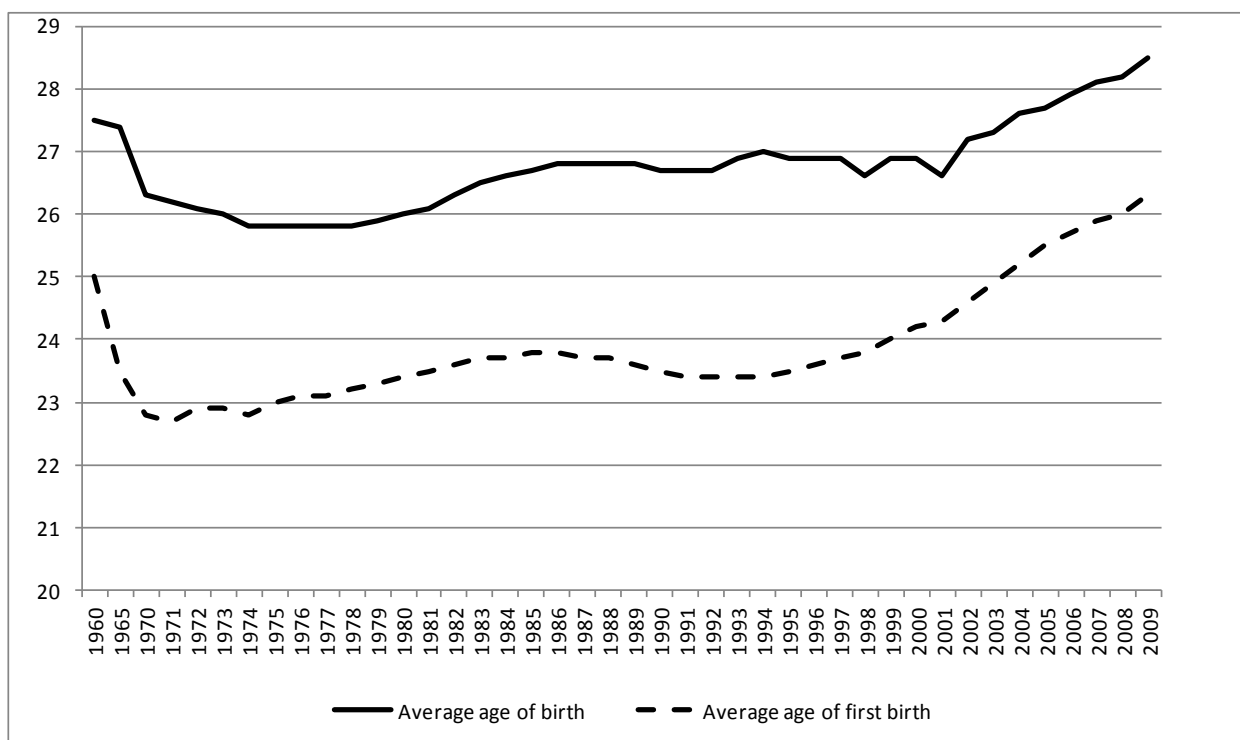
It is interesting to note that the fertility rate across the country varies, particularly between rural and urban areas. In the rural areas, the fertility rate was traditionally higher than in urban areas, for example, in 1950, the fertility rate in rural areas was 4.03, while in urban areas it was 3.2. However, since 1990, this difference has diminished. In 1990, the difference was 0.88, while in 2010 the gap reduced to 0.18 (Figure 6). This reduction may be explained by a convergence of models of procreation between urban and rural areas.



**Figure 6 Fertility rate in Poland: urban and rural areas**  
*Source: Central Statistical Office of Poland, 2012*

The lower fertility rate may be a result of changes in lifestyle and procreation behaviour. Women are having their first child later in life. According to Polish CSO data, in 2009, the average age for the first birth was 26.3, compared to 23.4 in 1994 (Figure 7). This means that over the period of 15 years, women

were deciding almost 3 years later to have a child (measured both by average age and median age of first birth). However, the relationship between the age of the first birth and the number of children is not necessarily contiguous. In some cases, procreation plans are just postponed (Lange, 2011). It should be noted that in many OECD countries this age is even higher – being just below 30 years of age in Germany, Italy, Spain, Switzerland and the United Kingdom - and is not always related to a decrease in fertility rates, but rather with a postponed decision on having a child (OECD, 2011). This results in a decrease of fertility rates for women aged below thirty and an increase of fertility rates in those aged above thirty. However, in Poland, as opposed to other countries, the decline in the fertility rate is observed for both groups of women (*i.e.* both those below and above thirty) (d'Addio, 2005).



**Figure 7 Average age when giving birth and first birth**

Source: Central Statistical Office of Poland, 2012

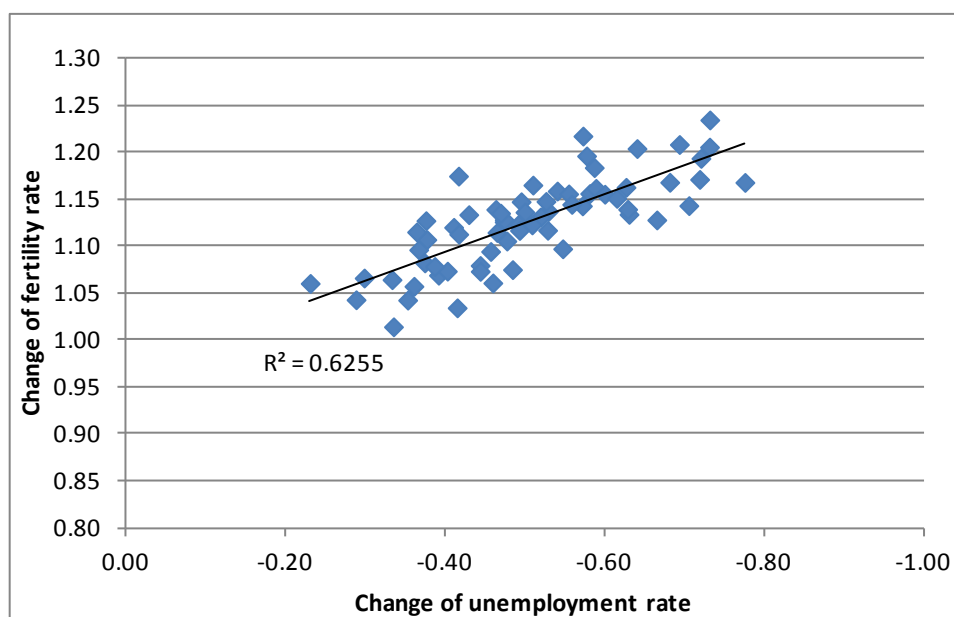
Of even more importance for Poland is that a greater number of families are deciding to have fewer children. This can be illustrated by the fact that in 2008, compared to 1980, of the new born children, there were more first births than third and higher. In 1980, the births of third and fourth children accounted for 24% of all births, while in 2008 they only accounted for approximately 15% of all births. This proportion is relatively unfavourable compared to other OECD countries. The change in pace observed between 1980 and 2008 is the second highest among OECD countries (after Romania). To summarise, in Poland women have their first child later in life and have fewer children.

According to projections from the CSO for forthcoming years (starting from 2011), the absolute number of births will decrease further, due to changes in values and attitudes of many women. Certain proportions of births may be postponed. However, for young families, second and third children are usually connected to an overload of duties and an increased risk of poverty. According to Eurostat data (2011), the risk of poverty or social exclusion in a household with two adults and three or more children is twice as high as in a household with two adults and one child. Thus it is necessary *to develop childcare services and policies that support families with children.*

There are a number of issues related to changes in the fertility model. One of these is the increase of enrolment numbers in higher education (one of the highest in OECD countries) and connected to that is the increased aspirations for self-realisation and achievement of individual goals, which often brings postponement of having a first child. In the research on individual values, a shift from values related to family to values linked to individual realisation may be observed (Czapiński, 2011).

Changes in fertility rates are also connected with difficult economic conditions and the labour market situation. Negative changes in the fertility rate, observed since the mid-1980s, are often linked to the deep economic crisis and economic transformation in 1990. This period is characterised by a deterioration in the situation of the labour market and an increase in economic instability. However, the linkages between the labour market situation and fertility are not straightforward.

Analyses of the available data on a sub-regional level show that a correlation between the fertility rate and the level of unemployment is rather weak. However, if changes in the level of unemployment are considered, the correlation is much stronger. As illustrated in Figure 8, between 2004 and 2008 (the period of improvement in the labour market), the stronger the reduction in the unemployment rate, the stronger the increase in the fertility rate ( $r=-0.8$ ).



**Figure 8 Changes in levels of unemployment and changes in the fertility rate 2004-2008**

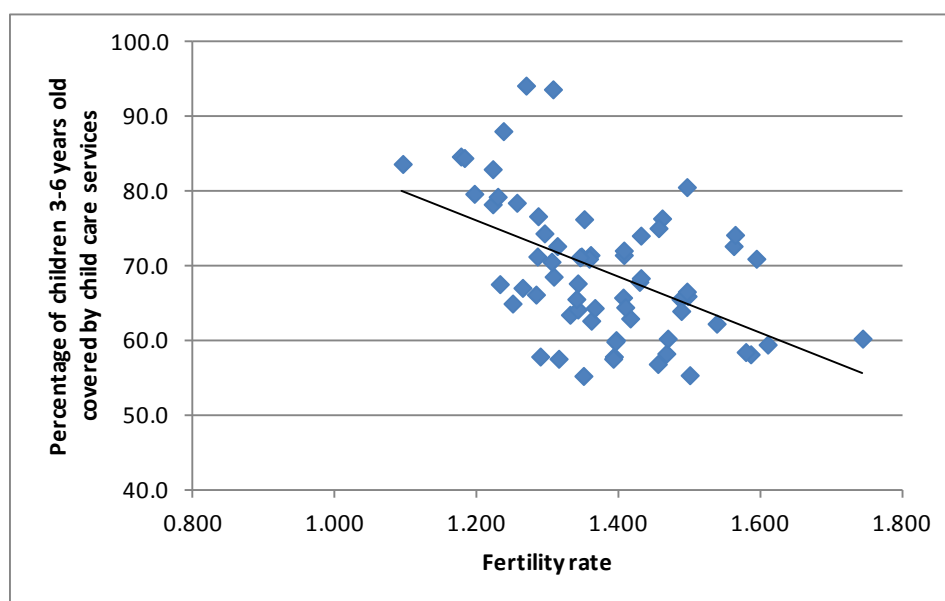
*Source:* Central Statistical Office of Poland, 2012

Therefore, it can be stated that an improvement in the situation for the sub-regional labour markets may have corresponding positive effects in the fertility rate.

There are other changes in the labour market that have a negative impact on the fertility rate. These are connected with globalisation and more general changes in the work model, which has become more flexible and focused on competitiveness. These changes are particularly focused among younger workers. One observable dimension is flexible working arrangements, especially the increase in temporary contracts. According to the results of the Labour Force Survey between 1997 and 2010, the percentage of female employees working on a temporary contract basis increased from 4% to 27%. Correlation between the average age of the first birth and the percentage of female employees working on temporary contracts

(calculated on the basis of data for 14 years) is extremely high (0.97). This could suggest that unstable working conditions may support postponing the decision to have a first child, particularly when dealing with fragmented and unpredictable working hours or non-standard work schedules. For lower paid jobs this may be of particular importance, especially when combined with low prospects for improvement (mostly service-based positions). Working under temporary contracts is particularly common among the younger generation. In 2011, according to Eurostat, 27% of the population work on the basis of such contracts. However, for females aged 15 to 24, this percentage increased to 68%, while the average for EU 27 was 42%. On the other hand, researchers emphasise that high quality flexible working arrangements, especially for better paid positions, may be conducive to an increase in the fertility rate (OECD, 2012).

One of the major factors influencing the fertility rate is the access to care services for children, although the relationship between childcare services and fertility rates is not immediately obvious. Analyses of CSO data carried out for Poland show that the correlation between the percentage of children covered by childcare services and fertility rates is negative (in 2010 it was -0.5, while in 2004 it was -0.8) (Figure 9). This can be explained by the specificity of particular sub-regions. The sub-regions with the highest percentage of children covered by childcare services are mostly those within the larger cities, where the fertility rate is in general the lowest. In contrast, the sub-regions with the lowest percentage of children covered by childcare are mostly rural, where traditionally the fertility rate is higher. Therefore any conclusions should be formulated carefully.



**Figure 9 Correlation between percentage of children 3-6 years old covered by childcare services and the fertility rate in 2010**

Source: Central Statistical Office of Poland, 2012

Observations from the above analysis may indicate that the presence of childcare services is not the only condition for improvement of the family situation. Also very important is the *accessibility of those services*, understood as: financial viability; flexible hours of working; short distance from home / work place; and client orientated. These conditions rely strongly on decisions by local authorities.

International comparisons show that there is a significant diversity of approaches to spending on childcare services, especially for children under the age of three. The highest level of spending is observed in Nordic countries, while the lowest is in Asian and Southern and Central European Countries. In Poland,

the level of spending on social care services, especially for children under three years old, is particularly low (OECD, 2012).

The decrease of the fertility rate is generated by structural factors: higher education and employment of women; as well as changes in patterns of family composition. These increase the indirect cost of having a child. Having a child for many women, especially those who are well educated, often means a reduction of their income and career prospects. The second group of factors is related to changes in values towards a less traditional role of women within the family and society. The increasing number of women in employment, with higher education levels and higher incomes, who do not have a child, reduces the general fertility rate in the population (d'Addio, 2005).

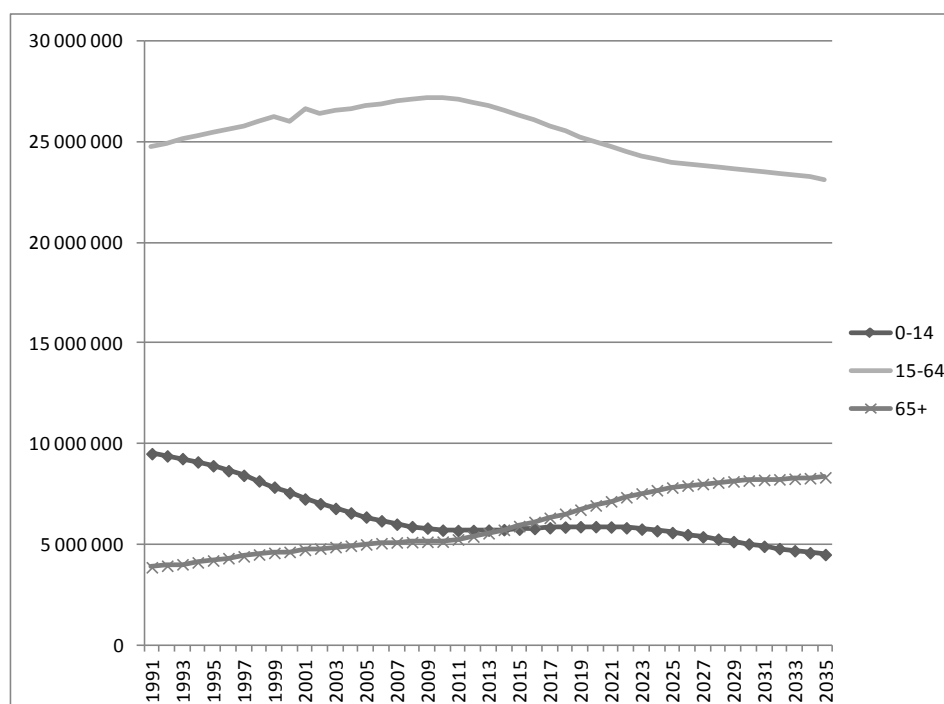
However, the same analysis shows that policy may influence and reduce these general, structural trends. The most important are measures reducing direct costs related to childbearing: tax credits; cash benefits; and support to help families to meet their childcare costs. Also important are measures reducing the opportunity costs of childbearing: childcare provision; and leave provision. Dynamic, cross-country analysis of panel data shows *that transfers to families with children, as well as provisions that allow mothers to better cope with family and career responsibilities, all help in removing obstacles to childbearing* (d'Addio, 2005). It should be emphasised that the importance of particular factors differs among countries.

France is an example of this tendency – the country has a relatively high fertility rate (above the replacement rate), a high employment rate for women, and a low level of child poverty. This is accompanied by a high level of public spending on family benefits (in 2007 it was 3.7% of the gross domestic product), and a high enrolment rate in childcare protection, which is above the OECD average (OECD Family Database).

The recent OECD study on ‘Closing the gender gap: act now’ (2012) has specific policy messages for increasing gender equality in employment, which can in turn support family policies. For example, by: (1) providing affordable, good-quality childcare for all parents and paid maternity leave for mothers in employment; (2) encouraging more equal sharing of parental leave by, for example, reserving part of paid leave entitlements for the exclusive use of fathers; and (3) addressing cultural barriers and the stereotyping of women’s roles in society, business and the public sector.

### ***1.2.3 Ageing population***

Ageing population refers to the increase of the average (and median) age for the population and an increasing share of older members in the population. Ageing may be already observed. However, in the near future, changes will accelerate, thus altering the structure of the population and the age of the workforce. Recent developments and projections of the Central Statistical Office of Poland are presented in Figure 10.



**Figure 10 Ageing of population: changes in the size of age groups**

Source: Central Statistical Office of Poland, 2012

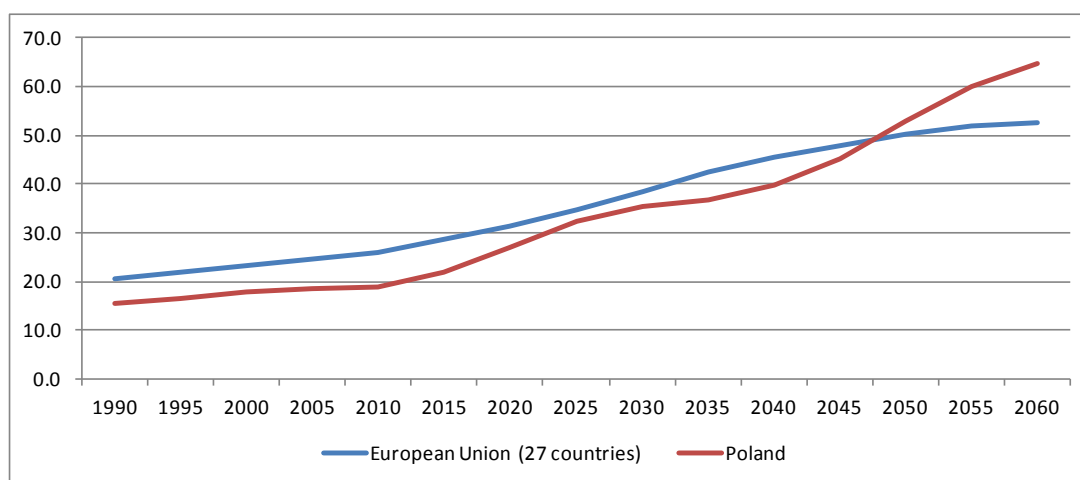
Although ageing of Polish society is underway, it should be highlighted that Polish society is relatively young. According to Eurostat (2011), the proportion of those aged 65 or over in the population is one of the lowest in the European Union, and is significantly below average for EU 27 (Figure 11). The median age is also relatively lower than the average in the European Union.



**Figure 11 Proportion of population aged 65 years and more**

*Source: Eurostat, 2011*

Future shifts can be illustrated by an old age dependency ratio (population 65 and over compared to population 15 to 64 years old). This indicator shows how demographic changes may influence pension systems in the future. According to Eurostat data from the beginning of 1990, the indicator for Poland is lower than for EU 27. In 2011 for Poland it was 18.9 (18.9 persons 65 and over to 100 persons 15 to 64 years) and for EU 27 it was 26.2. However, it is forecast by Eurostat (2011) that the indicator will be higher for Poland than for EU27 by around 2050, when it will reach 53 for Poland and 50 for EU27 (Figure 12).



**Figure 12 Old age dependency ratio (population 65 and over compared to population 15 to 64 years)**

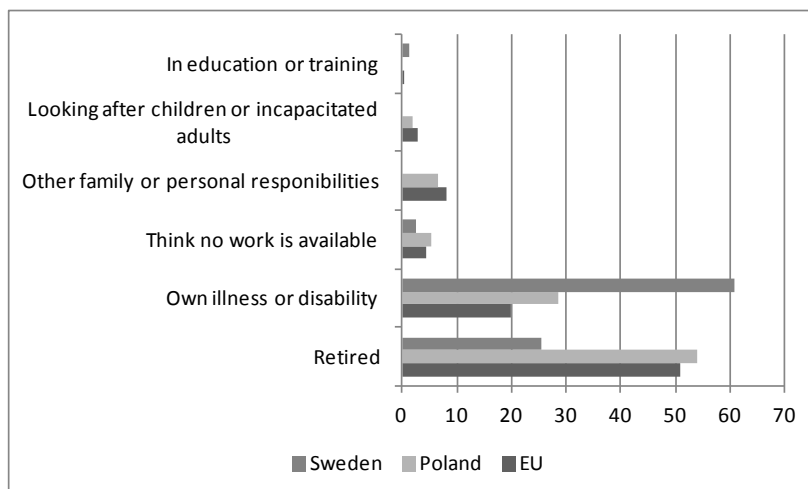
Source: Eurostat, 2011

Experiences from other OECD and European Union (EU) countries prove that there is the possibility of minimising the negative impact of ageing on a society by extending the activity period of the older members. However, in Poland the concern is the low level of engagement by older people in the labour market. The employment rate of persons aged 55-64 was 36.9% in 2011, and although this has recently improved, it is still one of the lowest in the EU, with the average in EU 27 being 47.4%. There are a number of factors causing the low participation rate of older people in the labour market. They can be systematised as those relating to the macro, mezzo or micro levels.

According to the research “*Disengagement of persons around pension age*”, commissioned in 2008 by the Polish Ministry of Labour and Social Policy, the main reason for disengagement is the entitlement to the old-age pension, including pre-retirement pension schemes. In Poland between 1980 and 1990, early retirement was utilised as a method to improve the situation within the labour market. This encouraged older employees to retire, as well as prompting employers to consider older workers first for staffing reductions in case of difficulties.

Available data from the Labour Force Survey confirmed this conclusion. In Poland, the main reason for not seeking employment for persons aged 50-64 was retirement (Figure 13). This figure was slightly higher than the average across the EU and considerably higher than, for example, Sweden (Eurostat, 2011).





**Figure 13 Main reasons for inactive persons not seeking employment, persons aged 50-64, 2011**

Source: Eurostat, 2011

The main factors for early retirement are:

- Favourable relationship between last wage and pension (particularly for low wage earners);
- Possibility of combining earned income and pension;
- Reduction of risk of losses on income (even temporarily).

Changes in the pension system (described in detail in Section 2) addressed these issues, significantly reducing early retirement schemes and increasing incentives for a longer active participation in the labour market.

According to the same research, the second reason for disengagement is state of health. This relates to both subjective assessment of health conditions, as well as the tendency to avoid exposure to harmful working conditions and excessive burdens (physical and mental) created by work (Ministry of Labour and Social Policy, 2008).

The international comparison of health conditions is possible on the basis of an indicator of disability-free life expectancy known as ‘healthy life years at age 65’, which is based on the results of the European Survey of Income and Living Conditions (EU-SILC). In 2010, Poland’s average number of healthy life years at the age of 65 was 6.8 years for men and 7.4 years for women, which is considerably less than the EU average (8.8 for men and 9 for women) and almost half that for Sweden (13.6 for men and 14.6 for women).

What seems to be even more significant is that the self-assessment of health conditions in Poland is the lowest in the OECD. Only 10.3% of those aged 65 years and over reported themselves to be in good health, while the average for OECD is 45.2% and the highest value is in New Zealand at 83.2% (OECD, 2011c). This data shows that there is a *clear challenge for policy development on the ageing society in Poland regarding health conditions of the population, particularly its older generations*<sup>1</sup>.

<sup>1</sup> These issues were also stressed during the project workshop in Warsaw in October 2012 by the representative of the Ministry of Health.

Another motivation for disengagement comes from the situation in the workplace. Increasing pressure related to workplace competition from: people who are younger and better educated; the wider usage of new technologies; new cultures of work; and new norms of behaviours – all create unfavourable conditions for older workers, especially in the absence of age management in enterprises.

Results of the research conducted by the Ministry of Labour and Social Policy show that according to 42% of employers, the main barrier for employment of older workers is the lack of sufficient demand for work and strong competition from younger candidates for work. In other words, employers prefer to employ younger, often better educated candidates, whose qualifications are up-to-date (Ministry of Labour and Social Policy, 2008).

At the same time, wages for older workers are on average higher than wages for younger workers. Therefore, in times of economic difficulties, employers are more interested in employing and keeping younger employees.

This unfavourable relationship between productivity and cost was also emphasised by the employers' representative during the project workshop. He explained that employers are very keen to employ older persons, however, they take into account two factors: productivity; and wages. It is usually the case that a younger employee has higher productivity levels but lower wages than an older worker. This is one of the barriers for employment of older workers. Another obstacle is a period of protection exists for older workers. According to Polish law, four years before the retirement age, an employee is protected against any changes of labour conditions or lay-offs. Unfortunately, this privilege often discourages employers to employ older persons.

As a result, if they are unemployed, it is rather difficult for older workers to find new employment. The average duration of job searching for unemployed people aged 55 and more in 2011 was almost 41 months, while on average it was 11.1 months. Thus, *policy developers should focus on sustaining older workers in the workplace and concentrate on identification and implementation of instruments designed to assist older workers that are still in employment. These actions should prevent older workers from unemployment and inactivity.*

The strategy for reduction of the negative impact of an ageing population should also include actions for improving productivity of the labour force. In general, older workers in many occupations are considered as being less productive: having less physical ability to carry out their duties; being less educated; and seldom participating in training (often seeing training as a form of competition with younger colleagues and thus potentially humiliating). However, employers (particularly SMEs) rarely invest time and money in the training of older workers (Ministry of Labour and Social Policy, 2008; OECD, 2013). As research shows, however, reportedly lower productivity is one of the myths concerning older workers. Older workers have a number of workplace advantages, such as experience, wider knowledge, risk awareness, higher social capital etc., which could be very productive if properly recognised and utilised. However, there is still a need for further improvement in their productivity. Thus, there is a need *for ongoing discussion and promotion of the advantages older workers bring to the labour force, and improvement of some aspects of their productivity.*

The above discussion of the main causes of low participation rates of older persons indicates that prolonging their working life and improving productivity *requires a comprehensive and active approach* that would address key issues related to:

- working conditions
- organisation of work (including insufficient usage of flexible work arrangements)

- management in the workplace (including age management)
- accurate recognition of competencies.

Demographic changes caused challenges that must be faced by local authorities. These changes will have a significant impact on the local society, economy, and labour market. In some cases, demographic changes, reinforced by migration, may lead to difficult situations, especially in poorer, rural areas. This requires smart, deliberated and co-ordinated policy.

Demographic changes will also cause increased demand for new social services, especially for older persons, and changing structures of market and social services provided by public institutions. The most important change includes the increased demand for health services. *The health sector will have to be prepared for the change in age structure of the population in terms of types of services provided, e.g. increased demand for specialists in geriatric care, and an expected increase of demand for services.* Another important area of growth will be in care services for older persons, delivered both in their homes as well as in specialised institutions. *The forms of delivery of care services should have an emphasis on flexibility and financial effectiveness (day-care centres, delivery at their abode etc.). At least some of these services may be delivered by social enterprises.*

Ageing of the population will also create the need for new services in many other areas, such as: education (*e.g. growing popularity of the University of the Third Age*); entertainment and leisure; information technology; financial services; transportation etc. Almost all sectors of the economy and society will be influenced by demographic change to some extent. This will create challenges that will have to be managed by both national and local authorities. National authorities should be responsible for the creation of suitable regulations and for enabling financial instruments, while local authorities should be responsible for direct management of services. Thus, *new approaches to the development of infrastructure and the provision of services for society are necessary.*

Local labour markets are impacted in different ways by demographic change, often in combination with other factors that are associated with the industrial structure and local economy. Migration and population decline often result from this ‘demographic mix’, which requires early intervention in order to manage the process and mitigate the undesirable impacts on the community and economic vitality. The rest of this report will unpack these factors and offer key elements for strategies and policy initiatives.

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**CHAPTER 2****POLICY FRAMEWORK FOR DEMOGRAPHIC CHANGE IN POLAND: NATIONAL INSTRUMENTS AND THE EUROPEAN SOCIAL FUND**

This chapter presents the national framework for local strategies and policies for demographic change. The chapter discusses policies for older workers in pension reform and motivating persons aged 45+; and family and children policies such as financial allowances, maternity support and childcare services. The need for flexibility in the implementation of national plans and strategies at the local level, and the importance of the European Social Fund as a support mechanism for policy response to demographic change are also highlighted.

## 2.1 Introduction

As outlined in Chapter 1, Poland is experiencing both population decline and ageing as a result of low fertility rates and increased life expectancy. Changes in fertility rates are connected to situations in the labour market and access to care services for children, thus highlighting the importance of childcare services. The increase in life expectancy and thus the ageing of the population, underlines the significance of older workers in the labour market and the importance of pension reform and inclusion of the 50+ age bracket in the workforce, which is discussed in this chapter. Also examined is the need for family and children-focused policies, particularly those financing allowances, maternity support and childcare services. However, national policies require flexibility to allow regional and local implementation, and the use of the European Social Fund (ESF) as a tool to support policy responses to demographic changes at the regional and local levels.

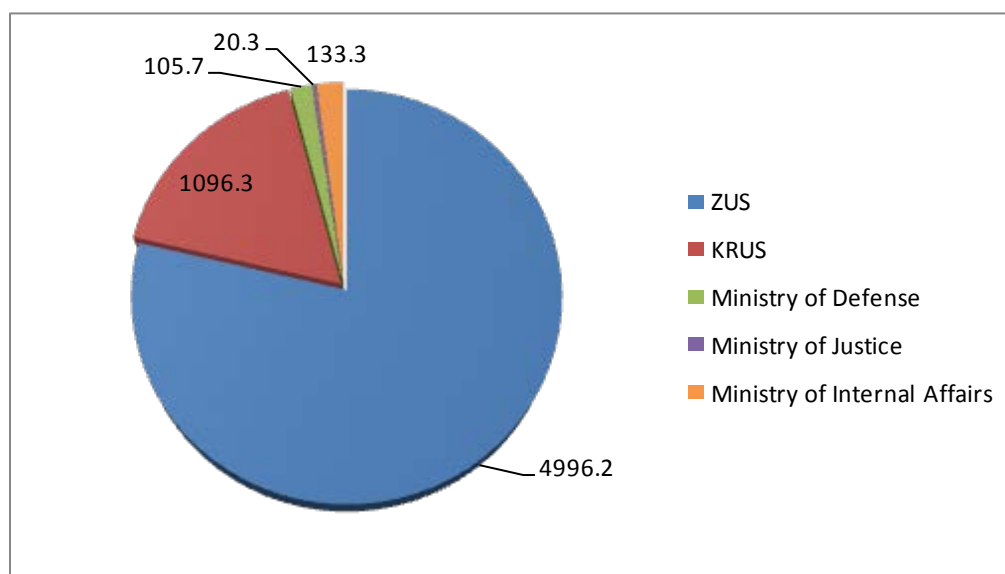
## 2.2. Policies for older workers and an ageing society

### 2.2.1 Pension reform

The retirement age needs to be raised gradually by the government in order to address increasing life expectancy and ensure that national pension systems are both affordable and adequate. At a time of heightened global economic uncertainty, such reforms can also play a crucial role in governments' economic and social policy. Discussion on the reform of the pension system in Poland is very lively and changes introduced in recent years should assist with facing the challenge of demographic change.

The Polish pension system consists of a number of schemes. The most important is the general system, managed by the Central Insurance Institution (ZUS), which covers all employees and the self-employed working outside the agricultural sector and some components of the public sector.

The second sub-system, managed by the Agriculture Social Insurance Fund (KRUS), covers persons working in the agriculture sector. The third sub-system covers employees of selected parts of the public sector. Almost 80% of all old-age pensions are managed by ZUS and a further 17% are managed by KRUS as illustrated in Figure 14 (Central Statistical Office Poland, 2010).



**Figure 14 Number of old-age pensions according to institution in 2010 (in thousands)**

*Source:* Retirement pay and pension in Poland 2010, Central Statistical Office

The main reform of the pension system was launched in 1999, focusing on the general system. The reforms' main objective was to improve the sustainability of the pension system, based on the reduction of the replacement rate and extending one's working life. The old system, based on a "pay as you go" rule, was transformed into a more diversified system, based on three tiers, including a capital component.

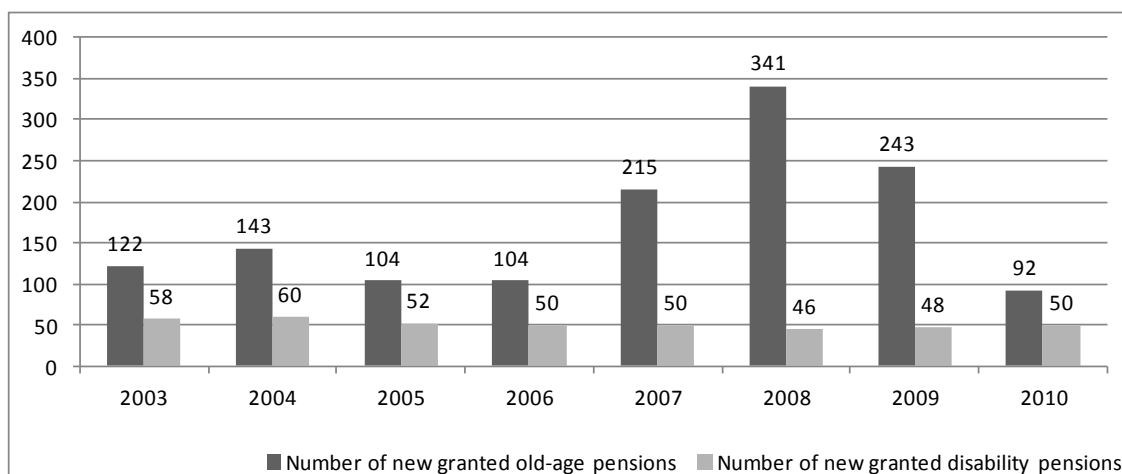
An important aspect of the reform was the introduction of the new method of calculating old age pensions, based on capital collected by individuals and life expectancy. This change should reduce the replacement rate (comparison between last wage and benefit) and create strong incentives for longer activity in the labour market (Agnieszka Chlon, 1999).

The most important, unfinished element of the reform of the pension system was the possibility of early retirement. In the second half of 2000, the government initiated discussion on this topic. However, the introduction of changes was postponed (mostly due to political reasons). Finally, in 2009 the following changes were introduced:

- Withdrawal of the possibility of early retirement.
- Introduction of bridging retirement pensions – the main assumption was to preserve the possibility of early retirement for persons working in special conditions or specific characters, born before 1960.

These changes in the pension system have resulted in the decrease of the number of newly granted old-age pensions and consequently may result in prolonging the working life period. Importantly, the changes in the pension system were not accompanied by increased pressure on the disability pension system. The number of newly granted disability pensions during 2003-2010 was stable (Figure 15), which shows that the welfare system element is functioning properly.



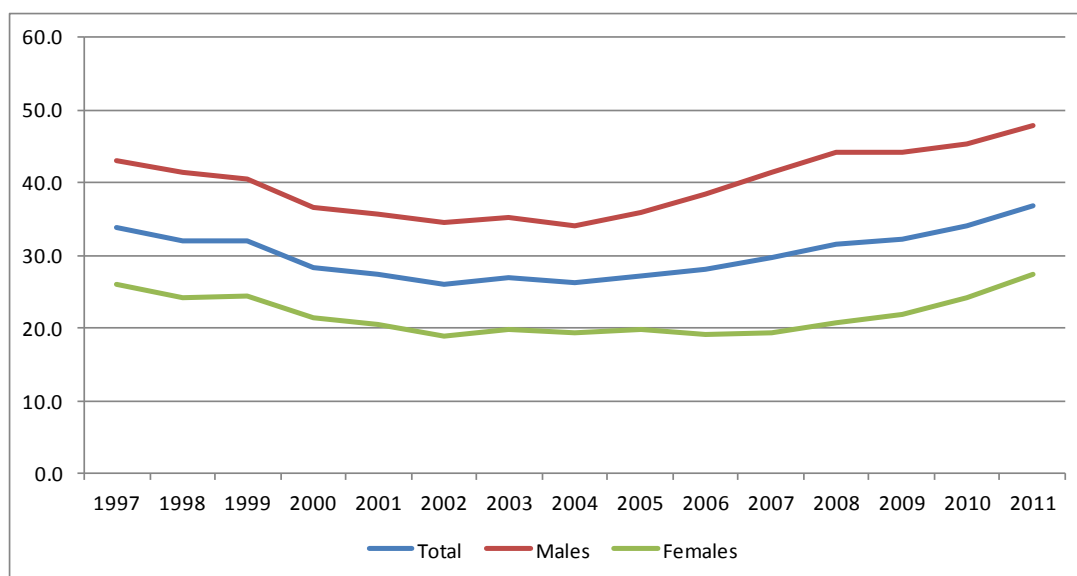


**Figure 15 Number of newly granted old-age and disability pensions (in thousands)**

Source: Central Insurance Institution.

According to data from the Central Insurance Institution, between 2001 and 2007 the average age for newly granted old-age pensions was approximately 57, while in 2008 this increased to 59 and in 2010 it was 59.6. The average age for newly granted disability pensions has also increased: from 46.7 in 2001, to 49 in 2007 and up to 50.3 in 2010. Nevertheless, the average exit age from the labour market in Poland in 2007 was still one of the lowest in the European Union (59.3 compared to 61.2 for EU).

Recent reforms to the pension system were accompanied by positive changes to the labour market. According to the results of the Labour Force Survey, the employment rate for persons aged 55-64 from 2000-2010 was improved – 34% in 2010, compared to 26.2% in 2004 (Figure 16). However, improvement has been more obvious for men than women.



**Figure 16 Employment rate of persons 55-64**

Source: Eurostats, 2011

Analysis of the recent changes in employment rates for different age groups reveals two distinct periods. In the years 2002-2008, a general improvement in the situation of all groups was observed, however, for the oldest and the youngest groups, the improvement was relatively weaker (Figure 17). In

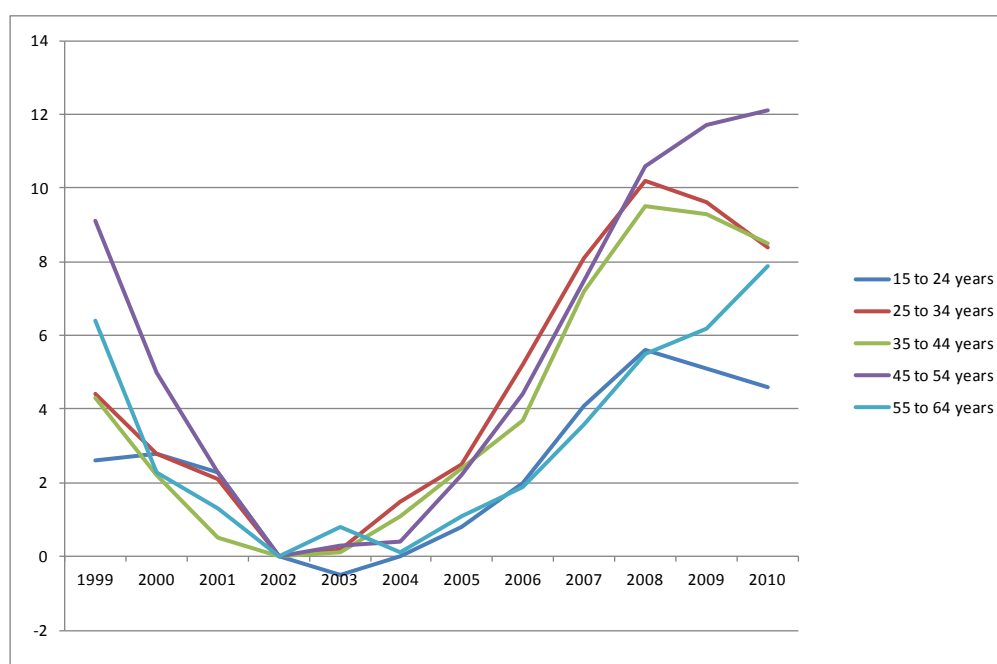
the years 2009-2010, employment in the majority of the age groups has been decreasing, however, in those aged 45-54 and 55-64, there has been a distinct increase. This can be linked to changes in the pension system.

In 2012, the government introduced further changes in the pension system. The main element is the increase and equalisation of the retirement age to 67. According to the new law, the increase in the retirement age will be introduced gradually, up to 2020 for men and up to 2040 for woman.

Additionally, further changes are proposed, concerning reduction in entitlements to favourable pension schemes for several groups: army and police; farmers; judges and public prosecutors; and clergymen.

The introduction of the proposed changes would definitely motivate older employees to undertake a longer working life and thus increase the employment rate of the elderly. However, social reactions to these proposals are generally negative. According to the survey conducted by the Public Opinion Research Centre in December 2011, 79% of the population was against the increase in the retirement age for men and 87% were against the rise in the retirement age for women (CBOS, 2012). Many organisations (including trade unions) underline that proposed changes should be accompanied by a much *wider package of actions aimed at lengthening one's working life (including an investment in training, and flexible working conditions)*.

Therefore, the government accepted a number of actions supporting these changes, *e.g.* partial pension, increase of investment in childcare services, and engagement of persons aged 50 and above (see below for further details).



**Figure 17 Changes in employment rates compared to 2002 (in percentage points)**

Source: Central Statistical Office, Bank Danych Lokalnych

### 2.2.2 Activation of people aged 50+

Changes in the pension system are the most important element of public policy aimed at extending society's working life. However, additional actions are also necessary. In 2008, the Polish government approved a Programme titled *Solidarity of generations, actions to increase the vocational activity of persons 50+* (the programme). This programme was based on the assumption that effective public policy must be comprehensive, addressing all the main issues relating to the activity of older workers. Main actions, envisaged in the programme, concern labour market policy:

- Improvement of working conditions, promotion of the employment of older workers, promotion of age management;
- Improvement of the competencies of employees 50+;
- Reduction of labour costs related to employment of employee 50+;
- Activation of persons at risk of unemployment aged 50+;
- Activation of the disabled;
- Increased employment opportunities for women by improving the possibility of combining working and family life.

The Programme contains a number of rather general statements concerning future actions. However, there are several important, concrete actions including:

- Working persons aged 45+ are entitled to financial support for training, exams, postgraduate study, and scholarship loans, provided by local labour offices (financed by the Labour Fund);
- Entitlement of employees age 50+ to be paid training leave;
- Reduction of costs for labour of older workers:
  - Social contribution exemption (Labour Fund, Fund for Guaranteed Employee Benefits);
  - Reduction of the number of days of sick leave benefits paid by employers (from 30 to 14);
  - Increase in the scale of Active Labour Market Policy addressed to persons 45+: a reserve of 60 million PLN was earmarked in the Labour Fund. In 2010, 22 629 persons were covered and 9 656 persons were employed; and
  - Persons aged 50+ were supported by the European Social Fund (ESF). However, a final estimation is difficult due to different age brackets being used in official documents. Since the beginning of the implementation of the Programme, financed by the ESF in 2008 to the end of 2011, a total 187 000 persons aged 55+ were supported, during this time, 55% were unemployed (Ministry of Regional Development).

The Programme was prepared and managed by the Ministry of Labour and Social Policy, therefore, its concentration on labour markets and lesser emphasis on the other issues *e.g.* lack of a broader approach to the engagement of older persons, including health aspects. The ageing of the population will entail an increase in the demand for care services and thus, soon, an insufficient supply of those services may become a challenge. This example shows that an *effective policy requires complex, multidimensional actions, including changes in the pension system and activation measures* and horizontal policy co-ordination across Ministries. It is also an example of the difficulty inherent in transforming knowledge and understanding of the problem into implemented policy.

According to discussions held during a workshop among different Ministries (Warsaw, October 2012), policies for older workers and an ageing society should take into account two perspectives: short-term, addressed at an age group of 50+; and long-term, addressed at persons aged 30-40. In the second case, the policy should rather be focused on the preparation for longer activity in the labour market and improvement of productivity, including promotion of lifelong learning, a healthy way of life, and regular

health diagnoses etc. In the case of persons aged 50+, the policy should focus on prevention against inactivity.

This programme has been functioning since 2008. The results achieved up to 2010 seem to be, according to the Warsaw workshop participants, below expectations. Solid evaluation is necessary in order to responsibly formulate a strong statement, however, the scale of actions addressed directly at older persons is rather low. One of the reasons is that the reduction in resources for the Active Labour Market Policy (ALMP) in 2011 and 2012 resulted in a significant decrease in the number of activate unemployed (from 800 000 in 2010 to 400 000 in 2011).

In the public debate, there are many voices indicating insufficient results of the programme. This sceptical assessment was confirmed by participants of the workshop in Warsaw. A representative of the trade unions underlined that both governmental programmes: 50+; and the Solidarity of Generations, seem to have major challenges, due to inadequate instruments and resources. *Securing adequate resources by which to develop policies for older persons is critically important for efficient policy, because an increase in the employment of older workers requires financial support (subsidised employment).*

A representative of the employers indicated that the reduction in resources for the active labour market policy (ALMP) is caused by the deficit of the Pension Fund to the value of 90 billion PLN, resulting in the generally strained situation of public finances, caused mostly by a significant number of younger pensioners. The deficit of the Pension Fund influences the economic and social situation: it reduces the level of investment, and consequently reduces the number of new workplaces, both for the young and for older persons. This shows that the situation is not very straightforward and may be seen as being an example of unbalanced solidarity of the generations, however, it is in favour of the older generations.

Available research shows that the lack of sufficient resources is not the only reason for the low efficiency of existing policies. Another problem is *inadequate instruments and measures. Local labour offices, implementing a number of available instruments, often use very standardised methods, not tailored to the specific needs or possibilities of the older unemployed* (Tokarz, 2007).

Another issue concerns the profile of the unemployed aged 50+; when compared to their working peers, they are less educated, with experience in lower-level working positions, and their health conditions are much worse. In other words, there is a strong concentration of the many negative aspects restricting access to the labour market (Tokarz, 2007). During the workshop, some participants underlined that the engagement of older unemployed people is very difficult, due to their low motivation to undertake work. Therefore, *active policy should focus mostly on prevention against deactivation and long-term unemployment in this group.*

However, it should be underlined that the overall picture should not be too pessimistic. There are many examples of effective projects and initiatives addressed at older persons: women living in rural areas; workers in the mining sector or for example, Volkswagen Poland, the company which implemented a programme of preparation for demographic change. Some of these initiatives are financed by the European Social Fund.

One of the positive effects of recent policy development is the broader public debate on this topic. Issues like age management and Programme 50+, extending one's working life, became a permanent element of public discussion. *More individuals and institutions are aware that achieving visible results requires concrete, well designed and co-ordinated actions. Most of these actions are suitable for implementation at the local level: improving the competencies of older workers; providing better workplaces; and recognition that age management may only be supported at the national level.* The chance

for improved co-ordination and better effectiveness of policy addressed at older persons may be part of the mandate of a new Department of Seigniorial Policy in the Ministry of Labour and Social Policy, which was created in September 2012.

## 2.3 National policies for families and children

The main objective of the family and children's policies is to support families and increase the fertility rate. These objectives are often referred to by policy makers and officials as being strategic policies. Family policy in Poland consists of a number of elements, however, the three most important are:

- family allowances
- maternity support
- childcare services.

The first two elements consist mostly of financial instruments.

### 2.3.1 Financial allowances and maternity support

In Poland, the system of family benefits has existed since 2004. Currently, this consists of three types of support for families:

- family allowance and supplements to family allowance
- caring allowance and caring benefit
- a one-off benefit for new births.

The main element of this system is the family allowance, administered to families with children and with an average income per member of family below 504 PLN. In situations where there is a disabled child in a family, this threshold is increased to 584 PLN (by comparison, the average income per family member in 2010 was 1193 PLN). This threshold has been "frozen" since 2004. This has caused a reduction of the number of persons entitled to the family allowance. In 2010, 2 200 families were entitled to this allowance, 9.4% less than in 2009. According to data from the Ministry of Labour and Social Policy, due to the increase in the value of the benefit and extension of the scope of entitlements to caring allowances, the total expenditure on the family allowance increased in 2010, compared to the previous year, by 10.9%. The value of benefits is rather low:

- 68 PLN for a child up to 5 years old
- 91 PLN for a child above 5 and up to 18 years old
- 98 PLN for a dependent above 18 and up to 24 years old.

There are a number of supplements to the family allowance (available for those entitled to it):

- one-off birth allowance (1000 PLN)
- maternity allowance
- sole parent
- third and next child
- education and rehabilitation of a disabled child
- commuting to school
- beginning of a school year.

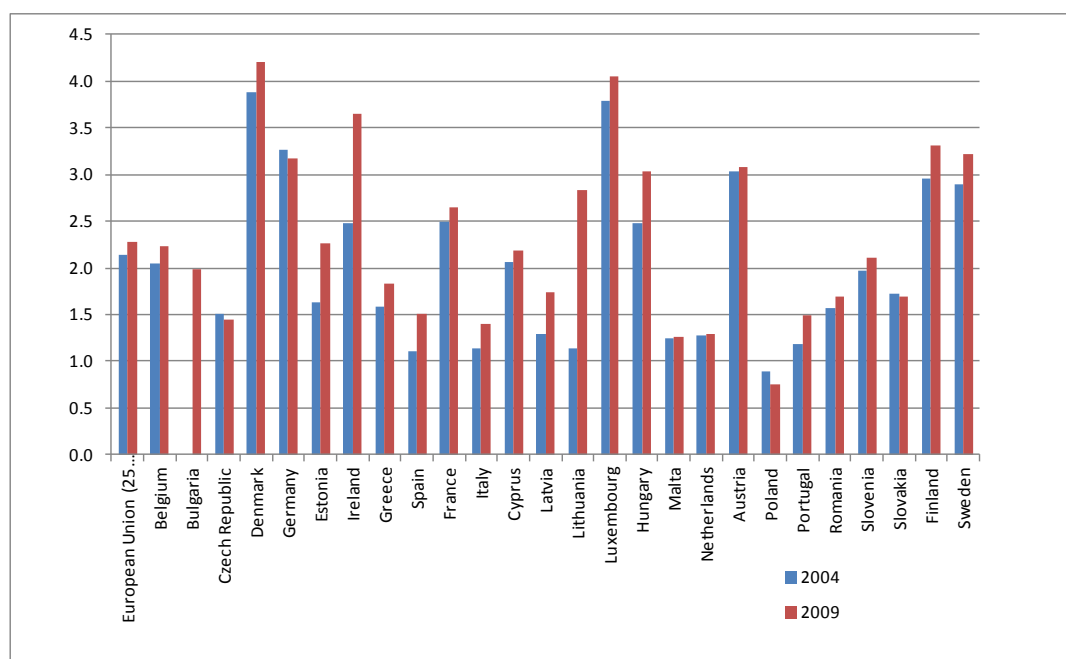
Additional elements of the family policy providing support for maternity:

- Maternity leave – 24 weeks in the case of the birth of one child (from 2014 it will be 26 weeks). Duration of maternity leave is longer in the case of the birth of more children.
- Additional maternity leave for fathers – up to 2 weeks.
- Maternity benefit – 100% of wage received before giving birth.
- Maternity allowance – 24 months, 400 PLN (for families entitled to the family allowance, in situations where entitlement to maternity benefit expires).
- One-off birth benefit for giving birth – 1 000 PLN (existing in addition to the one-off birth allowance).

Support for families with children includes a tax exemption (1 112 PLN per year reduction in income tax). This shows that the family policy is in fact two-fold. One part is for families at the poverty level, offering rather low allowances. The second is for working females, offering much more generous benefits.

Family allowances are distributed through locally based social assistance institutions, managed by local self-government, however, the policy is designed in detail at a central level. In practice, the responsibility of local self-government and local social assistance centres are limited to the distribution of family allowances and there is limited space for co-ordination of social assistance and policy for families at the local level. This reflects rather weak co-ordination of those policies at the Ministry level (for example: there is not a unified information system containing information on provided support, however, currently the Ministry of Labour and Social Policy has such a system under construction). Local authorities have no flexibility regarding family allowances.

Financial support for families is one of the most important elements of the policy supporting families. However, total expenditure, measured as a percentage of GDP, is relatively low compared to other countries. According to Eurostat (2011) figures, in 2009 it was only 0.75% of GDP, while the average for EU 27 was 2.3% (in Denmark it was over 4% and in Sweden over 3%). Furthermore, the scale of expenditure, compared to 2004, decreased, which was unique compared to other EU countries (Figure 18).



**Figure 18 Expenditure on family/children benefits as a percentage of the GDP**

Source: Eurostat, Espros

Cross-country analyses carried out by d'Addio and d'Ercole show that the direct costs of child bearing are one of the most significant factors lowering fertility rate, and an increase in financial support for families may have a positive effect on fertility rates. Also a higher enrolment rate in childcare services increases the fertility rate.

### Box 1 Cross-country analysis – direct costs of child bearing

Direct costs are defined as “additional costs incurred by households when children are present (*e.g.* food, clothing, childcare, education, housing, etc.)”. They are distinguished from indirect costs, which are defined as “loss of income incurred by parents as a consequence of the presence of children, for example, when the mother drops out of employment or reduces working hours for children, or when her career prospects decline following the birth of a child” (d'Addio, 2005). Direct costs increase due to the growing role of human capital in the future well-being of a child, which requires significant investment in the development, education and health of the child. Due to limited access to public services (*e.g.* health), a significant part of this investment is financed from private sources. Growth of employment levels and women’s income increases the indirect costs of children.

Source: d'Addio, 2005

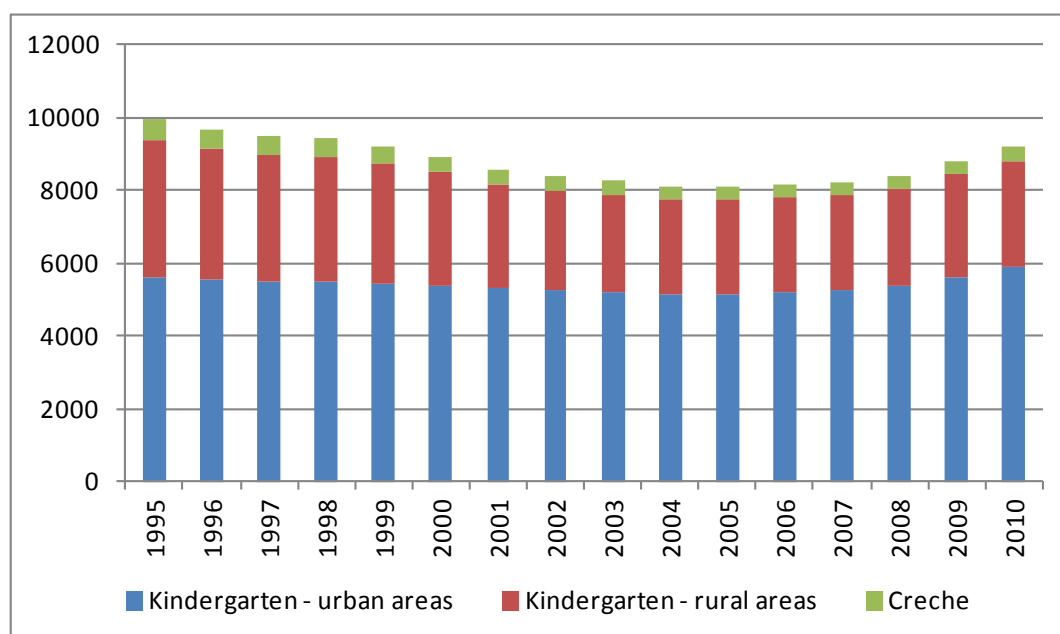
Another important factor is the situation in the labour market. On the basis of results of cross-country analyses it may be stated that a more secure labour market (with lower unemployment and a higher employment level of women), as well as a more flexible working environment (with a higher share of women working part-time) increases the fertility rate, although the impact of the length of parental leave seems to not have a major impact (d'Addio, 2005).

Results of cross-country analyses should be interpreted with caution, due to limitations of the available data and methodological constraints. Analyses are conducted on the basis of aggregated data, which makes interpretation of results for specific groups difficult. These types of analyses may be more informative for public discussion and decision making than for analysing the situation in an individual country, given that fertility rate is a complex issue, influenced by many factors.

### 2.3.2 Childcare services

Another important element of the family policy is the provision of childcare services. In Poland, the responsibility for this type of service falls within the lowest level of self-government (Gminas<sup>1</sup>). However, local authorities since 1990 have been reducing the number of these institutions. According to CSO data, some improvement has been observed since 2006 with the number of institutions providing childcare services increasing by approximately 13%. The increase was higher in the case of kindergartens in urban areas (Figure 19).

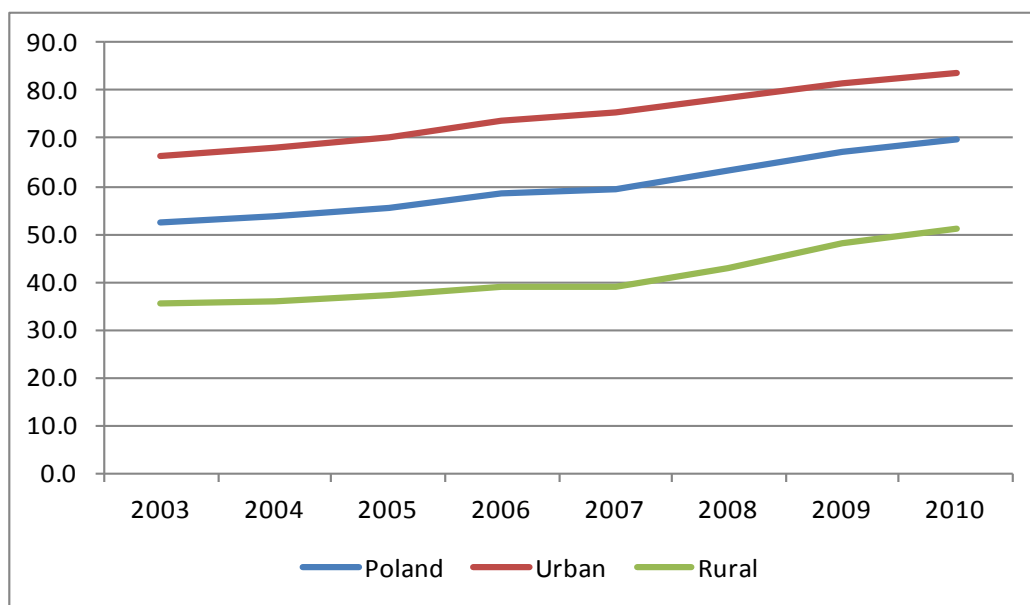
This increase is accompanied by a growing percentage of children being covered by childcare services. Importantly, this growth is observed in both the rural and urban areas, however, the gap between rural and urban areas remains significant (over 30 percentage points in 2010) (Figure 20). In spite of the observed improvement, the situation in Poland is much worse than in most EU and OECD countries (Figure 21).



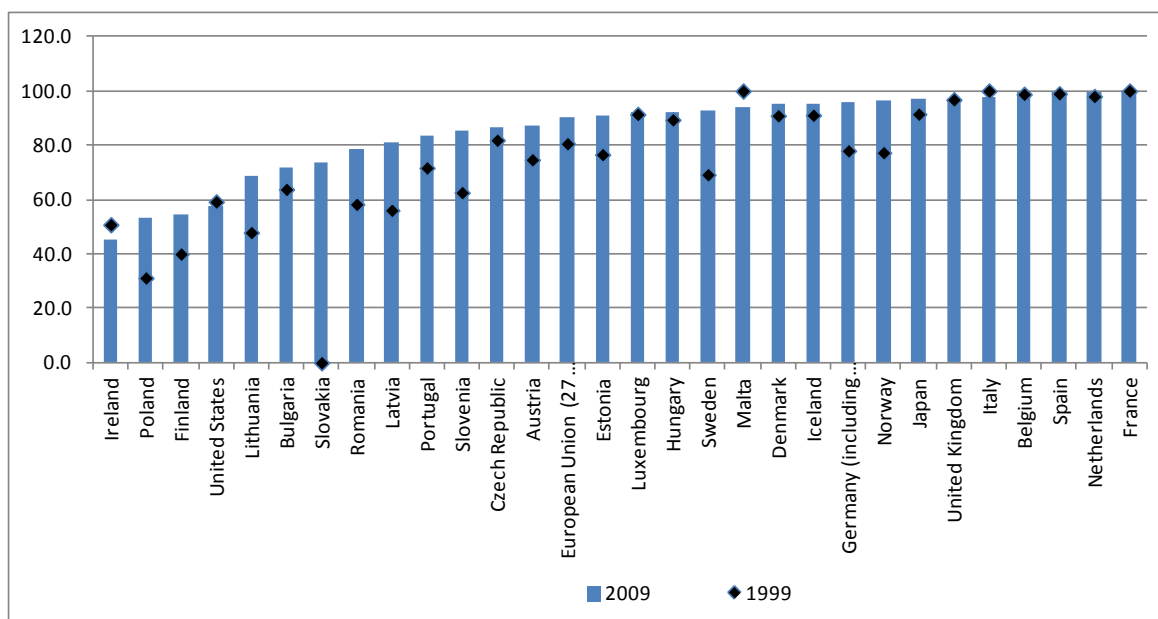
**Figure 19** Number of institutions providing social care services  
Source: Central Statistical Office of Poland, 2012

<sup>1</sup> Gmina – Is the principal unit (lowest uniform level) of territorial division in Poland





**Figure 20 Percentage of children 3-6 years old covered by childcare services**  
Source: Central Statistical Office of Poland, 2012



**Figure 21 Participation rate of 4-year olds in education at ISCED level 0-1**  
Source: Eurostat, 2011

Improvement in the situation may be a result of public policy. The entrance of the second wave of people from the baby boom (those born in 70s and 80s) to procreation age brings a growth in the number of births, and increased pressure on local authorities to provide social care services. Growth of demand stimulates non-public institutions to provide this type of service.

Responding to these expectations, significant changes in policy were recently introduced: changes in the law i provided more flexible forms of childcare services; and an increase of public funds

was provided in support of this policy. A significant part of these changes was designed to create more favourable conditions for self government for delivery of childcare services.

In 2009, some changes to the laws regarding the system of education, particularly concerning care services for children aged 4-6, were accepted:

- Obligatory pre-school education for children 6 years old;
- Introduction of more flexible, non-standard forms of pre-school education (pre-school points, pre-school units);
- Introduction of more flexible organisation of work of pre-school education institutions (*e.g.* pre-school units may work on selected days in a week, at least 3 hours a day and minimum 12 hours a week).

In 2011, a new law on childcare services for children 0-3 years old was adopted. New forms of childcare services were introduced in place of the previous form of nursery. According to the previous regulation, nurseries were treated as health care institutions and thus the costs of their establishment and functioning were high. The new law provided more flexible forms of care services, available for self-government. One of the examples is the institution of a nanny. Costs of social contributions for a nanny are covered by the state budget (up to minimum wage) while parents cover the costs of wages. Between October 2011 and February 2012, over 7 000 nannies were registered (compared to 30 000 places for children in nurseries). According to estimations, there are around 200 000 nannies working in the grey economy. For most of them, the scheme is still not attractive enough.

Additionally, in 2011, the government programme “Toddler” was launched. Its main objective was to support local self-government in establishing institutions providing care services for children under the age of three. The value of the programme, financed from the state budget, is 40 million PLN in 2011, 60 million PLN in 2012 and 90 million PLN in 2013. The programme is directed towards local municipalities, for which the needs concerning childcare services are not currently met.

This programme is supplemented by another programme financed by the European Social Fund (ESF), whose objective is to provide support for the on-going activities of these types of institutions. The programme contains financial support for already active and new pre-school institutions, especially in rural areas. Up to the end of 2011, almost 3 200 institutions were supported and almost 96 800 children from rural areas were enrolled in pre-school education, which is 23% of the targeted population. This positive result brings about new challenges for the future, namely, securing financial resources for new institutions after the EU funds end. However, initial estimates are very positive: 86.4% of supported childcare institutions are still functioning even after projects financed by European Social Funds have finished.

The European Social Fund also finances new solutions supporting reconciliation of family and working life.

In November 2012, the Prime Minister announced a new policy package, consisting of three elements:

- Support for childcare services for children up to 3 years old: the state budget will finance up to 80% of the cost of running such institutions.
- Extending the scope of persons entitled to financing by state budget contributions for social insurance during period of childcare. This means that people working in agriculture, on the basis of non-standard contracts will now be included.
- Extending parental leave from 6 to 12 months.

These proposed changes clearly show that policy designed to support families has become one of the top priorities of the Polish government.

## 2.4 Flexibility in the implementation of national plans and strategies at the local level

As presented above, demographic changes will exacerbate challenges to local development in the next few decades. The ageing of the population will generate local shortages in the labour force. Additionally, the intense migration of the younger generation, particularly from poorer regions, will contribute to: further deprivation of labour in some localities; limitation of private investments; reduction of revenue for self-government from taxes; and consequently limitation of budget and investment capacity. Firms will move to local communities (mostly cities) with young societies, attracting migrating workers from rural areas, other cities and other countries (OECD, 2011).

According to a recent paper (Martinez-Fernandez *et al.*, 2011) there is an: “... increasing relevance of the local level as the place where development actions are implemented, the increasing importance to social-economic environment; the contribution to national economic performance; and the critical role for job creation and skills development and retention.” (p.23)... “The paper argues that the local level is emerging as the key spatial dimension where EU development instruments apply and therefore a systemic local approach may be needed when designing national and regional cohesion policies and instruments” (p.9).

Local authorities (at municipal and district level) have at their disposal a number of instruments with which to respond to these challenges, however, they are only able to reduce the impact of the changes rather than reverse them. The lowest level of self-government in Poland is responsible for all public issues except those restricted by other institutions. This means that the municipality is the main level of public government responsible for meeting the needs of local communities, which are those connected with demographic change. The most important fields of responsibility for municipalities, from the perspective of demographic challenges, are:

- Local public transport
  - Health
  - Social assistance, including residential care services
  - Public education, especially child care services and primary education
  - Culture, physical culture, tourism
  - Green areas
  - Policy supporting families, including provision of health, care and legal services for pregnant women
  - Co-operation with local non-governmental organisations.
- (Law relating to municipality self-government, 1990).

At the local level, self-governments are responsible for complementary fields of public policy, such as labour market policy, vocational and social integration of disabled persons, and more specialised social assistance services also belonging to their scope of responsibility.

Local authorities have the responsibility for strategic planning: identifying needs; determining priorities; and implementing their own policies. However, very often issues that are important from the perspective of demographic changes are not a priority for local governments. According to research conducted by Stocznia (NGO) among over 700 municipalities, the most important priorities of local self-government for their current tenure (2011-2014) are: environmental investment; local infrastructure; waste

management; growth of private investment; and public education. Areas of low priority are: policy supporting families; and public transport (Klon/Jawor, 2011).

These results should be interpreted carefully. *Policy supporting families may be treated by self-government as a domain of central government, while investment in childcare services may be included in the field of public education.* There are cases of self-governments being more aware of the significance of the issue of active ageing and supporting families. For example, some cities introduce family city cards, which entitle families with many children to free public transport or discounts for public services. In Opolskie voivodship, where the decrease in population is one of the highest in Poland, regional authorities proposed to introduce Special Demographic Spheres<sup>2</sup>. Although this proposal is still under discussion, it shows clearly the growing importance of demographic issues for local authorities.

An important limitation to the adjustment of local policies to the changing demographic situation is a low level of flexibility regarding allocation of resources. A significant part of the budgets for local authorities are spent on education (34% of the budget of gminas in 2011 according to the Ministry of Finance). There are strict laws regulating conditions of employment of teachers, which local authorities often complain limits their flexibility and ability to adjust to demographic changes. Thus, it is difficult to reallocate funds from schools to institutions offering care services for older persons or childcare services (Klon/Jawor, 2011).

On the other hand, in the case of new, more flexible childcare services, some local authorities increased the charges for those services. This shows that at least some local authorities would reallocate funds to, for example, investment in infrastructure.

Other elements of social policy, implemented at the local level, are regulated in detail at the central level. For example, influence of local authorities on the labour market is rather limited. Local labour offices are obliged to implement policy designed at the central level. A similar situation concerns social assistance.

Priorities of local authorities are also strongly influenced by the priorities and funding streams from the state budget or European sources. Availability of European funds motivates local authorities to undertake more intense investment, however, this leads to tightened budget policy.

## 2.5. How the European Social Fund can support the policy response to demographic change

The key elements for successful policy in such difficult areas as ageing society or support for families and children include: *strong leadership*, usually the government; planning for policy implementation – in the case of the Solidarity of Generations Programme, many actions were not implemented; *co-operation of all key stakeholders* such as trade unions, local self-governments, NGOs, employers etc.; and *complexity of actions* – all key issues should be addressed simultaneously. These key elements should not only relate to the national level, but as also to local levels of policy design and development.

Recent improvements in the situation of older persons in the labour market, as measured by the employment rate, illustrates positive trends and may be linked to recent changes in policy, especially pension reform. However, further actions are necessary, especially regarding active ageing. *The key*

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<sup>2</sup> Special Demographic Spheres are a new idea that has just emerged. It is similar to the special investment spheres, where special conditions for investors are created in order to encourage them to invest. The same mechanism is proposed in the field of demographics, however, it is still under discussion.

*element to the policy for older workers should be retention of workers, and development of their competencies. There are three main instruments: age management; investment in human capital; and utilisation of the potential of older workers. Thus, policy and practice should both apply an active approach. However, training alone for the older person is not sufficient. It should be accompanied by professional counselling, provided at the local level. Additionally there is a need for substantial improvement of health conditions and promotion of active ageing.*

It is too early to assess the impact of recent policy changes for families and children. It seems that recent actions, such as the introduction of more flexible forms of care services and investment in new and ongoing services, are heading in an appropriate direction. However, two significant issues hinder this policy success: available resources; and the scale of introduced changes, which may be not sufficient to compensate for direct and indirect cost of child bearing at levels which would significantly change the fertility rate. Thus, further effort is required.

A recent brochure by the AGE Platform Europe (2011) identified three vital areas for EU support for local regional actors in active ageing, and highlighted key project examples (see Annex 2). These include:

- Promoting active ageing in employment:
  - help keep older workers' skills up-to-date
  - develop innovative services to support employment of older workers
  - exchange good ideas and best practice on ageing in employment.
- Promote active ageing in society:
  - enable senior volunteering activities
  - ensure active citizenship of older people
  - facilitate social networks
  - support informal carers
  - prevent dependency.
- Promote healthy ageing and independent living:
  - support independent living through home-based ICT solutions
  - promote quality health and long term care
  - improve accessibility of transport and physical infrastructure
  - promote cross-generational education exchanges
  - facilitate mutual understanding between generations
  - promote age-diversity in employment and the silver economy.

The European Social Fund is a key element of the European Union's cohesion policy, and Poland is one of the largest beneficiaries. According to the AGE Platform Europe (2011, p.35): "[The ESF] can be of particular use for local actors wishing to explore key active ageing issues, such as updating older workers' skills, adapting enterprises to the employment of older workers; combating age-based discrimination in the labour market and training schemes, improved public services for older people and combating social exclusion of older people. It can be used to promote reconciliation of work and family life for older women caring for dependent relatives."

The ESF is one of the instruments available for local and national policies, thus co-ordination with other available instruments, legal, financial, institutional etc. should be assured. This co-ordination

should be based on national, regional and local policies, which are carefully planned, deeply discussed and agreed with partners and key stakeholders and supported by policy makers. The policy should be regularly monitored, evaluated and adjusted to changing circumstances. Thus, it is important to balance the medium term planning horizon (7-9 years) to ensure the necessary flexibility exists to allow adjustments to meet the specific situations and needs of local communities. However, there is also a need to strengthen co-ordination mechanisms for the different instruments available at both national and local level. This requires improvement in the management skills of primary authorities, better communication between chief actors, and development of co-ordination mechanisms, such as information, negotiation and finalisation.

The second challenge of the ESF is the durability of the results of the intervention. Financing particular types of services means there is a risk of discontinuation of these services after the end of the ESF intervention. Thus, it is necessary to support the development of stable mechanisms of service provision, thereby providing visible results to the local community after ESF intervention, *e.g.* better management of available resources, supporting development of infrastructure, and ensuring the mechanism for financing it exists. This is much more difficult and challenging than simply directly financing services, however, in the long run can provide much more stable and crucial results.

This section is divided into three parts: one refers to support for self-government in adjusting to demographic change and managing the change; the second concerns families and children; and the third is related to policy for older persons. All three parts should be analysed and considered jointly, as they are strongly interconnected.

### ***2.5.1 Preparing local self-government for demographic change***

Demographic change brings about challenges that must be faced by local authorities. This will have significant impacts on the local society, economy, labour market and the quality of life. Failure to manage demographic change may result in negative feedback, consequently undermining the social and economic situation of local communities.

There is not any single, universal, one for all solution. Local strategies may differ, as presented in the project publication. Some of them may focus on smart downsizing, others on culture, investors, green business etc/ (Martinez-Fernandez, 2012). However, adjustment to demographic change requires *smart, deliberated and co-ordinated policy*. Thus, local authorities and key stakeholders should be supported in this area. It is proposed here to focus on three main areas: *systemic changes in financial management at the local level; improving the competencies of local actors; and supporting the adaptation of social services to demographic changes.*

The main barrier to adapting appropriate local solutions is linked to the financial situation. The budgets of self-government units are heavily determined by national law, especially those concerning education. *The ESF could support improvement of financial management at the local budget level, strengthening flexibility and adaptability to changes.*

In order to design and implement appropriate strategies, it is important to improve the level of awareness of local actors as well as their competencies. *Better understanding of the nature of the demographic change, identification of possible solutions, and selection of those that are the most appropriate requires sophisticated skills, developed via mutual learning.* Thus, specific actions are required:

- Training, seminars, and conferences;
- Identification and dissemination of good practices (national and international);
- Supporting exchange of knowledge and experience between local authorities (networking, national and international study visits, peer reviews, transnational projects for local actors regarding adaptation to demographic change); and
- Research and evaluation.

Improvement of the level of awareness should also be supported by information and promotional campaigns aimed at local communities, focused on the importance of demographic change for local development, including seminars, public discussion, publications, and conferences. Campaigns may be conducted at the national as well as regional level. In order to improve the effectiveness of such initiatives, evaluation of the recent activities should be undertaken.

Designing, implementing and monitoring of the policy at the local level requires *support*. This could include:

- Development of a toolbox for local authorities regarding demographic change;
- Coaching and consultation for the main actors at local levels (local authorities); and
- Development of a system for monitoring demographic change and the effects of the policy response.

Demographic changes will also cause an increase in demand for new types of social services, especially for older persons. Improvement of fertility rates requires new services and investment at the local level. Thus, *new approaches to the development of infrastructure and the provision of services for society* are necessary:

- Development of local demographic forecasts (medium and long-term) at least at poviats<sup>3</sup> level;
- Development and accessibility of IT tools supporting the planning process for social services on the basis of local demographic forecasts and opinion polls;
- Support to adapt social services to the needs of older persons - assessment of specific needs of older persons;
- Development of a system to monitor the satisfaction of needs and quality of services;
- Support for utilisation of social enterprises as providers of social services; and
- Support for reorientation of services addressed at older persons (subsidies for adaptation and equipment, training and counselling for service providers, training for employees).

### 2.5.2 Policy for families and children

Support for families should become one of the very top priorities for public authorities at the local and national levels. This policy should be *comprehensive and tailored to meet the specific needs of different types of families and encompass the diversity of their situations*. This policy should focus on five main fields:

- Accessible, flexible and good quality services for children. Some improvement has been observed regarding childcare services for children aged 3-5 years, however, there is a need for development of this type of service for younger children (0-3) both in rural and urban areas. There is a “gap”

<sup>3</sup> Poviats are the second-level of local government and administration in Poland.

between the end of maternity leave and the age of three, when a child may be placed in a kindergarten. This “gap” may be properly managed by a combination of developing childcare services, providing support for informal childcare schemes, and supplying financial support for parents taking care of their children. Some of these actions have already been taken, however, a much stronger effort (also in terms of resources) is required:

- Analyses of the impacts of recent changes in order to introduce necessary improvements or changes and increase policy effectiveness.
  - Investment in the development of new enterprises and social enterprises providing social services for families and children.
  - Investment in the development of new, innovative approaches to providing childcare services for families.
  - Ensuring that childcare services are responding to parents’ needs: open during holiday terms (all year round), with flexible working hours.
  - *Financing of childcare services should be also supported by the ESF, however, in order to secure durability, a high level of public co-financing would be required. Investment from the ESF should be particularly focused on the care services for children aged 1-3 years, which is a particularly important situation for parents in the labour market. Additionally, ESF could support more flexible childcare services, financing, for example, additional opening hours for childcare institutions, which is important for young parents working in flexible arrangements.*
- Family friendly local communities – childcare services are only one in a whole set of services that are important for families with children. Good transportation, good health and educational services, accessible cultural places and events, friendly and safe green parks and children’s playgrounds, and housing estates that are carefully designed, taking into consideration family and children’s needs are all important services. These types of services create a friendly atmosphere for families with children, and gives them a clear signal that their interests are important to local governments. Good quality and accessible public services also limit the direct cost of child bearing. Although the ESF could not directly finance these types of services, *it could support analyses of the need for such services, processes of planning for delivery, improving the quality of the services and their adaptation to the needs of the community. ESF could also support the preparation of staff working in these services, providing well-designed training, or encouraging the establishment of new micro or social enterprises in these fields.*
  - Financial support for families, especially those with three and more children. These families are particularly threatened by poverty. On the other hand, financial support should be carefully designed in order to minimise disincentive effects on employment. Financial support for families should be co-ordinated with other forms of social assistance and should be managed at the local level. *The ESF could support systemic changes in the system, including detailed analyses of the current systems of support for families, designing future changes to the system, impact assessment of proposed changes, and the process of implementing the new system in the field (publications, training, monitoring).*
  - A work – life balance and place of work that is parent-friendly. A number of legal instruments and opportunities already exist. The issue now is the wider, practical implementation. It should be the role of trade unions and organisation of employers to support and implement such actions and changes in workplaces. *The ESF could finance projects implemented by social partners, whose main objective would be wider implementation in the workplace of mechanisms that facilitate the work – life balance.* These would require improvement of the capacity of social partners: training; promotion of good practices; exchange of knowledge and experience. Implemented solutions should be carefully monitored and assessed and results should be widely discussed. *It is worth*



*considering delegation of responsibility for this part of the ESF to social partners (e.g. social co-operatives established by leading social partners and government institutions would be responsible for implementing such measures). Another method of promotion would be the introduction of flexible forms of employment ‘on demand’ in public administration – for parents who return to work after maternity (parental) leave.*

- Promotion of equal division of responsibilities in family between both parents. This issue is difficult to influence, because *it is strongly conditioned by cultural norms and it is a sphere of private life. Nevertheless, the evolution of social norms can be supported by properly designed legal obligations for some actions (e.g. paternity leave) and promotion of lifestyle (via media, cultural events, public debate etc.). The ESF should support promotion and information campaigns and public debate, creation of places in the public space, and events for fathers with children, training and workshop for fathers, revision of school books in order to ensure presentation patterns of equal division of responsibility in families.*

### 2.5.3 Policy for older workers

Support for active ageing required a very co-ordinated, overarching and determined approach. The analysis presented above shows that recent changes in the pension system has brought about visible, substantial effects. Other actions have rather limited impacts, mostly due to inadequate scale and co-ordination of actions. We also need to consider public intervention from the point of view of lifecycle – now the support is given to people with existing problems (unemployment), while sufficient support should also be focused on anticipated problems – it is much better to provide training to older workers than to older unemployed people. Support for older workers should focus on a number of priorities and strong effort should be made to keep older workers in employment. A situation of unemployment creates a much higher risk of inactivity and requires a much higher investment than keeping someone in work. This requires activities across at least three fields:

- competencies
- workplace
- health conditions of older workers.

#### Competencies:

Development of older people’s competencies should be treated as one of the key instruments to prolong one’s working life. This instrument is essential for both employed as well as unemployed persons. This should also be seen as a tool for correcting a market failure: employers are less interested in investing in the competencies of older employees:

- Development of new approaches to improve the competencies of older workers. Experiences from many projects prove that investment in the competencies of older workers requires an appropriate approach, taking into consideration learning methods for older persons. Although many experiences are already available, there is still a need for further research into new ways and methods. This could include:
  - Investment in innovative projects in this field, involving key stakeholders (training institutions, public employment services, research institutions, social partners);
  - Supporting research and analyses in this field;
  - Stimulating an active, nation-wide (but also regional) debate on methods and tools of improvement for the competencies of persons of different ages (supporting the learning

- process). The debate could be co-ordinated by the Ministry of Labour and Social Policy (or alternatively it could be delegated to social partners and research institutions) and involve a wide group of interested parties: scientists, entrepreneurs, HR specialists, training institutions (both private and public), institutions of higher education, and local administration. This topic should cover research, seminars, conferences, publications, apprenticeships, etc. The main aim of the debate should be to not only provide a single, universal model of increased competency in the elderly (because it is highly likely that such a model does not exist), but also to build the knowledge capital and ensure the continuous involvement of primary interested parties in the discussion regarding this issue. Another important objective of the debate will be providing information for national authorities on implementation policy, problems and possible solutions.
- Training and counselling for public employment institutions in terms of methods and tools for improvement of competencies of older persons.
- Improve access to training for older persons (employed and unemployed). Older people participate in training and other forms of competency improvement significantly less frequently than younger people. This is often the result of the approaches, as well as the attitudes of employers. Actions would include:
    - A nationwide information campaign promoting lifelong learning in older persons,
    - Development of a system of professional counselling, supporting older people to recognise gaps in their levels of competency, potential further career paths, and available tools and instruments to improve their skills. In order to ensure their participation, appropriate access to existing structures should be supported and better developed to support older persons (e.g. public employment services). Particular attention should be focused on information addressed to working persons. The main objective should be keeping and developing their competencies in order to avoid unemployment.
    - Investment in competencies and qualifications of older workers. This measure should be carefully designed in order to provide services adjusted to the specific needs and possibilities of older workers. This could include, for example: study in peer groups, where the teacher or trainer would be a similar age to the group; the study pace should be gradual, allowing for repetitions and a rather longer training period. The connection between training and the practical application of acquired skills is also vital (Simova, 2010). In some cases, training and learning should also allow a chance to review competencies of a lower level, in order to systematise and refresh necessary skills. The training scope should be decided on the basis of existing competencies of older persons, specific features of the relevant branch of the economy, and the needs of the labour market. This should be specified at the project level.
    - Stimulating employers to invest in the improvement of competencies of older workers, for example, by introduction of an obligation for employers to prepare training plans every two-three years for employees above 40 years old.
    - Development of methods of validation for competencies acquired via non-formal and informal learning. Older persons have a very broad scope of competencies, which are often not formally verified or accepted. This is especially the case for people with a lower level of formal education. Broader access to validation mechanisms would improve their situation in the labour market, improving their employability and adaptability. One example may be care skills, which are often acquired informally working within a household, but which, when validated, could improve one's chances for employment.
    - Acquisition of professional qualifications should be assisted by financial schemes supporting training breaks in employment.

- Development and strengthening the national qualification system, which includes: the national qualification framework; a system of validation of competencies acquired non-formally and informally; as well as mechanisms of assurance regarding the quality of the obtained qualifications, particularly as part of on-going training. This would improve the quality of acquired qualifications.
- Development of projections of future skills needs in terms of an ageing population.
- Development of pacts/partnerships among businesses, organisations of employers, self-government and government administrations concerning improvement in competencies of elderly people, improved working conditions, and workplace organisation. These types of pacts may be signed at national, regional or sector level, as well as at the level of individual enterprises. See Box 2 for an example.
- Improved access to on-going education for persons aged 40+. This covers strengthening of offers to attend educational institutions, including institutions dealing with professional training and institutions of higher education.

### Box 2 Dutch Social Manifesto

In January 2011, some of the Dutch social partner organisations agreed upon a Social Manifesto in which they outlined a route towards a new form of industrial relations. Among the social partners' ambitions was sustainable employability, with a focus on knowledge, vitality, new working conditions, diversity and individual choices. Such sustainable employability does not only concern older workers, but rather encompasses all workers, including people with a high or low level of education, youth, flexible workers, and workers with an open-ended employment contract. The aim of the social partners is concluding collective agreements that take into account the individual capacities and capabilities of workers, *e.g.* their challenges in combining work and care, keeping their knowledge up-to-date, and protecting and supporting their vitality.

Skugor D., Bekke S., (2012)

### Workplace

- Improvement of working conditions – reduction of work overload, stress and investment in more healthy and friendly conditions should bring positive results. This requires a number of co-ordinated actions, mostly at the sector or enterprise level. Thus, *ESF could support such initiatives through grants, counselling and training*. This would require preparation of specialised teams of consultants who would be able to provide support to the various enterprises. This action should be supported by an information campaign, focussed on the advantages for employers.
- At the national level, improvement in working conditions should be supported via research (special grants, PhD and post-doctoral grants), public debate with the involvement of key interested parties (employers and trade unions), identification and promotion of good practices, strengthening a system of health and safety in the workplace monitoring, and strengthening the capacity of the National Labour Inspectorate.
- Age management – Box 3 outline some examples of how ESF funding can be used to support employment and the exchange information about active ageing. Appropriate recognition and utilisation of skills and outlining the advantages of older workers in a workplace, in order to be effective, should be comprehensive, and cover all areas of human resources management. There

is a very long list of instruments related to age management, which should be selected by enterprises according to their needs and potential usefulness. In a project financed by ESF, implemented by the Polish Agency for Enterprise Development, called *Age management in enterprises (45+)*, the team of researchers identified a long list of such instruments, dividing them into seven groups, related to different processes in an enterprise:

- Recruitment and selection
- Lifelong learning
- Development of vocational career
- Flexible working arrangements
- Protection and promotion of health
- Movement between position
- Finishing employment and retirement.

This is an example of one of the projects that are developing our knowledge of this field, and there are number of other similar activities. However, there is still a need for further development and dissemination of this knowledge via research, publications, public debate, increasing the knowledge and skills of managers and HR specialists, and promotion of good examples and lessons learned. Special attention should be paid to supporting mutual learning between enterprises and HR specialists (via networks, peer-reviews etc.). From a new financial development perspective it is necessary to promote this knowledge and support enterprises to implement it via grants, counselling, and training.

- Promotion of flexible working arrangements for older workers, especially retirees. Older workers provide a pool of expertise which should be utilised by society. However, they may not be interested in undertaking regular employment, but may be very interested in combining retirement with, for example, part-time work. Flexible working arrangements such as “job-sharing” and “job-rotation” should therefore be promoted.
- Funding the mentoring system in a type of “student-master” scenario within enterprises (taking into account the industrial and sector specific work requirements), which has functioned in Poland in the past as informal co-operation. Currently, this type of working method does not exist and is not supported in a systematic way. For this reason, it would be appropriate to finance part-year internships and vouchers for the elderly at retirement age (55+).
- Supporting entrepreneurship of people aged 45+, who have problems finding a job, or want to find an additional source of income while being retired, through the creation of local incubators (including social enterprises and other subjects of social economy) and selective support for innovators; rewarding social innovation through operational programmes co-financed with the ESF.

### Box 3 Examples of ESF funding used to support employment and information-exchange for active ageing enterprises

#### **FIFTI - for a new professional dynamic after 45 (Co-funding: ESF)**

FIFTI is an online system in French providing a number of tools to help optimise people's careers after the age of 45. It provides specific information, guidance and support to both employers and workers aged 45+ on a range of topics: skills; training; well-being; preparing for retirement; motivation; workplace risks; and dialogue between employers and employees. The ongoing project aims to help people anticipate ageing in the workplace, challenging fears and negative preconceptions, and opening the way for new solutions and approaches to the continued employment of older workers. [www.fifti-opcalia.com](http://www.fifti-opcalia.com)

#### **ESF6 CIA - Facilitating the extension of working lives through valuing older workers (Co-funding: Interreg IVC)**

This interregional co-operative project recognised that many good working practices related to the management of an ageing workforce had been developed in pilot projects under the European Social Fund. The next step was the capitalisation and transfer of these good practices to other regions. This networking project thus seeks to fulfil this need, spreading their use and implementation through action plans in eleven partner regions in eight EU countries. [www.esf6cia.eu](http://www.esf6cia.eu)

#### **ESF-AGE Network (Co-funding: ESF)**

The ESF-AGE network consists of public authorities from 14 EU-member states and regions. By working together and pooling their knowledge, it hopes to identify, validate and disseminate high-level strategies to manage the ageing workforce in Europe effectively. <http://esfage.isfol.it>

*Source:* AGE Platform Europe, 2011

### **Improvement of health conditions for older workers:**

- Promotion of a healthy lifestyle, including provision of sport infrastructure, improved accessibility to sports facilities (including in financial terms) for persons aged above 50 (not only pensioners), and promotion of an active style of life:
  - Support in designing the local infrastructure and accessible services; and
  - Promotion campaigns.
- Improved access to medical diagnosis and better prevention against main age-related illnesses. Improved access to health services (general and specialised), as well as rehabilitation.
  - Increase number of doctors prepared to work with older patients, by financing specialised PhD and post-doctoral programmes, providing specialised training for doctors (who have existing different specialisations), and training nurses specifically in age related health issues.
  - National programmes of diagnosis of specific age related illnesses.
  - National programmes focused on teaching how to combat stress and feelings of tiredness, which is very often the answer provided by older workers when asked about factors that contributed to their early retirement.
- Improvement of access to services for older persons, especially those related to care services. Although ESF cannot finance infrastructure, it may support the preparation and development of staff, the introduction of new forms of delivery of social services, or provide support for new micro and social enterprises acting in this field (grants and loans).

## 2.6 Conclusions

The key elements for successful policy in difficult areas such as an ageing society or support for families and children include: strong leadership (usually from the government); plan for policy implementation (in the case of the Solidarity of Generations Programme, many actions were not implemented); co-operation of all key stakeholders (such as trade unions, local self-governments, NGOs, employers etc.); and complexity of actions (all key issues should be addressed simultaneously). These key elements should not only relate at the national level, but as also at local levels of policy design and development.

Recent improvements in the situation of older persons on the labour market, as measured by the employment rate, illustrates positive trends that may be linked to recent changes in policy, especially to pension reform. However, further actions are necessary, especially regarding active ageing.

*The key element of the policy for older workers should be retention and development of their competencies.* There are three main instruments: age management; investment in human capital; and utilisation of the potential of older workers. Thus, policy and practice should be actively applied. However, training by itself for the older person is not sufficient. It should be accompanied by professional counselling, provided at the local level. Additionally, there is a need for substantial improvement in health conditions and promotion of active ageing as a behavioural change.

It is too early to assess the impact of recent changes in policy for families and children. It seems that recent actions, such as the introduction of more flexible forms of care services and investment in new and ongoing services, are heading in an appropriate direction. However, two significant issues hinder this policy success: available resources; and the scale of introduced changes, which may not be sufficient compensation for the direct and indirect costs of child bearing at levels that would significantly change fertility rates. Further effort is required in this area.

Demographic changes cause challenges that are primarily faced by local authorities as they will have significant impacts on the local society, economy, and labour market. In some cases, demographic changes, reinforced by migrations, may lead to severe population shrinkage, especially in poorer, rural areas. This requires counteraction from smart, deliberated and co-ordinated policy.

Demographic changes will also cause an increase in demand for new types of social services, especially for older persons. In order to improve the fertility rate, there is a need for new services and investment at the local level. Thus, new approaches to development of infrastructure and the provision of services for society are necessary.

As a result of the analysis of the national policy framework, the following key policy areas were outlined for *potential ESF utilisation*:

- *Support for families and children's services:* family friendly local communities; financing during the current children's 'gap' years support; promoting work-life balance; and family-friendly workplaces for parents.
- *Support for older workers:* building up competencies; adjustments to their places of work; and improving health conditions for older workers.

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### CHAPTER 3

## MAŁOPOLSKA, ŁÓDZKIE AND POMORSKIE: AN ANALYSIS OF DEMOGRAPHIC TRANSITIONS AND RESOURCES

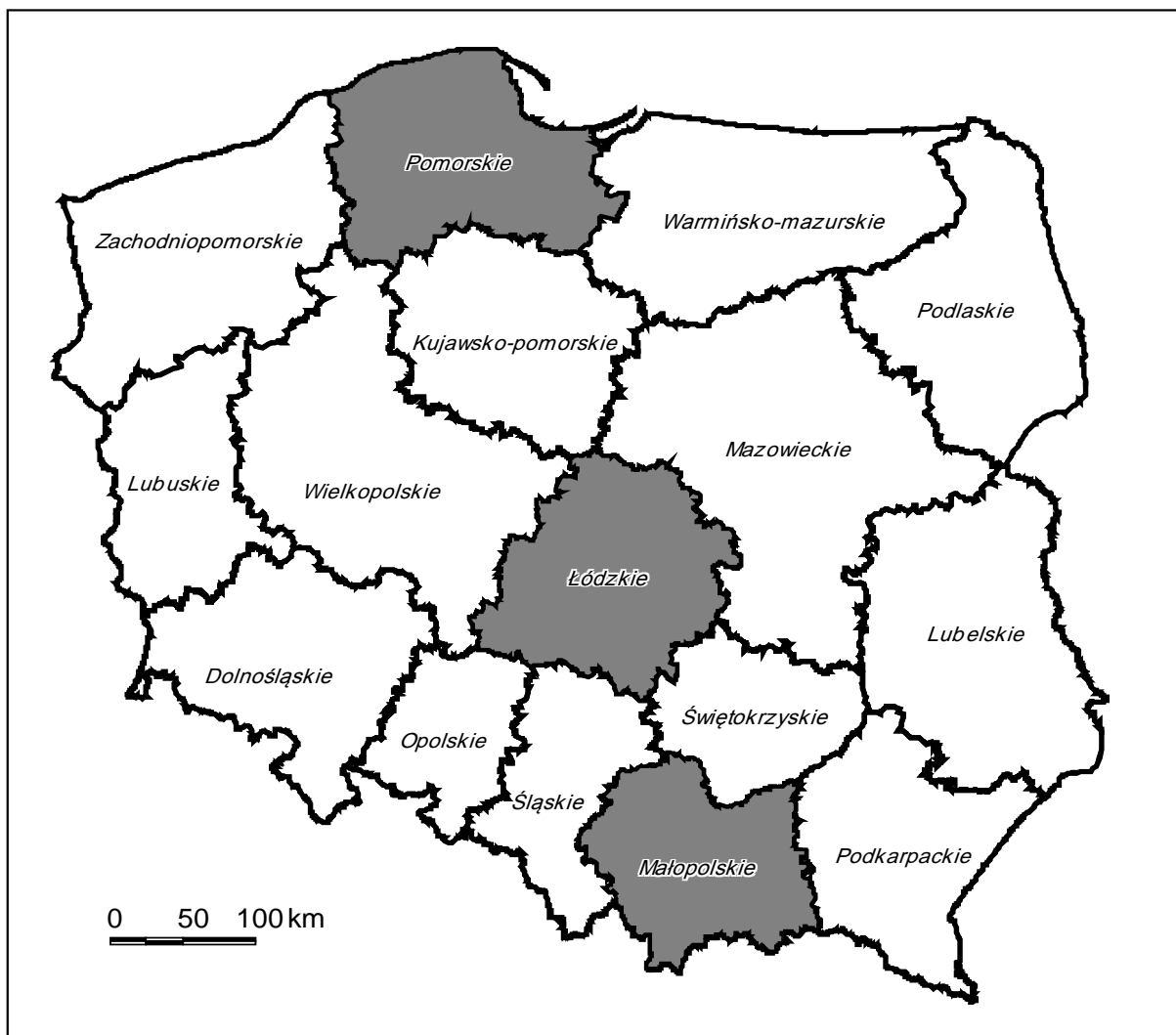
This chapter presents an overview of the regions of Małopolskie, Łódzkie and Pomorskie. The analysis focuses on demographic challenges such as low fertility, ageing population, negative net migration rate and, as the result of these processes, changes in the population size of the study regions. Challenges associated with the discussed demographic trends require systemic and sustainable policies, because demography is a key factor affecting economic development. Location and transport accessibility, natural environment, and human capital potential within the regions are the resources that could be used to deal with demographic challenges, and particularly with the development of health services (*white* economy), which are significantly affected by these resources. Demographic change is also enhancing demand for new goods and services, creating a “silver economy”. Cities and regions will need to adjust their strategies to meet these challenges in order to promote sustainable development.



### 3.1 Introduction

This chapter presents an overview of the cross-regional analysis undertaken for the three regions examined in this study: Małopolskie; Łódzkie; and Pomorskie (see Figure 22). The chapter discusses key issues in relation to demographic challenges, and highlights the similarities and differences between these regions. Conclusions from this chapter provide a sample of the challenges and opportunities facing regional governments in dealing with demographic changes. More in-depth analysis of each study region is published in OECD LEED working papers series (Perek-Białas, 2013; Sagan, 2013; and Szukalski, 2013). The chapter is divided into the following sections:

- Demographic challenges across the regions;
- Regional resources to deal with demographic change;
- Labour market challenges for older workers; and
- Regional policy documents/strategies that take into account demographic change.



**Figure 22 Map of the study regions within Poland**

*Source: Author elaboration*

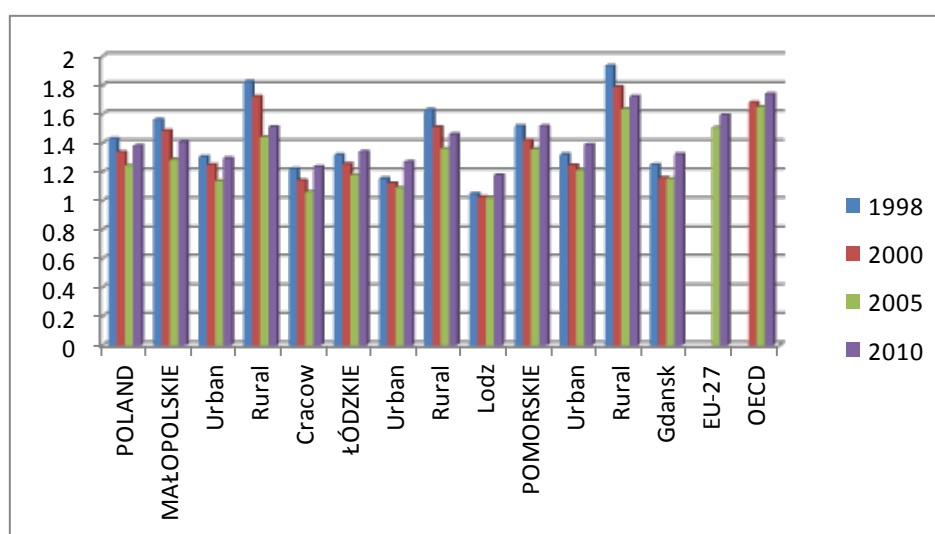
### 3.2 Demographic challenges across the regions

The three study regions are each different and unique in their development, however, some similarities are found, with the three regions all facing the following challenges:

- Low fertility rates;
- Population ageing, changes to population structure by age, and life expectancy;
- Internal and external migration; and
- Population growth/decline.

#### Fertility

The fertility rate has remained below the replacement rate level for the last two decades, which is a common trend within the three study regions and on the national level, with distinctions across urban and rural areas and in the capitals of the regions analysed (see Figure 23 and Annex 3)



**Figure 23 Total fertility rates, 1998-2010**

Source: Central Statistical Office of Poland, 2012

However, different regions are in a preferable position to others – Pomorskie and Małopolskie regions are in a better situation than Łódzkie, although their fertility rates remain at a low level. This is because the territories of these two regions contain areas that, within the last decade, have been characterised by having the highest fertility rate on the national scale, *i.e.* in the Małopolskie region: Nowy Sącz, Limanowa, Sucha Beskidzka, Nowy Targ, Myślenice and Kaszuby in the Pomorskie region. Pomorskie is experiencing a high rural fertility rate in the population of the northern part of the region – overall fertility rates of the rural populations of Wejherowo and Kartuszy powiaty are close to the replacement level.

It should be emphasised that the problem of a low fertility rate is especially serious in the larger cities. All three capital agglomerations of the study regions are characterised by a particularly low fertility rate over a long period (from at least the 1960s), and their populations reproduce at below the regional average. As indicated by the OECD (2011), the challenge of low fertility tendencies needs a *long-term and stable family policy supporting parenting decisions by creating the conditions to ensure that more children are born, and improving the quality of life and reducing poverty among families. Successful family policy requires state-level legislative initiatives to support regional and local efforts to reverse the negative trends.*

Family allowance is one instrument of family policy that provides financial benefits. Analysis discussed in the previous chapter shows that there is a strong correlation between direct assistance to families and the number of children they have. Ireland, Denmark, France, Sweden, and the United Kingdom, where the expenditure on social protection varies between 19% of gross domestic product (GDP) for Ireland and 30% of GDP for France, all have the highest fertility rates in Europe (Eurostat data, 2011). On the other hand, Gauthier (2005) showed that this correlation is quite weak. In many cases, other cultural factors play a role.

The *family policy* should be understood as being the broad political concept responding to such challenges as the population ageing, child wellbeing, changes in family form and structure, changes in the labour market, and finally cultural changes influencing the parental relationships. Specific activities should target areas such as:

- development of the institutional supportive structures for promotion of family values, family situation monitoring and family problems recognition;
- development of a system of financial instruments to support the families in their everyday life, for example, common family benefits, child wellbeing benefits, family-friendly tax systems etc.;
- development of a system of assistance for parents who want to have children aimed at, among others special allowances for mothers and fathers, baby products' VAT reduction, establishment of care centres for pregnant women, extension of maternity leave, improvement of the nurseries networks, incentives for employers to introduce family-friendly working hours, help for families caring for elderly members of the family;
- development of a system of assistance for children's education expenses, including recognition of the cost of education that is borne by the family as a ground for income tax relief; or
- development of a system of assistance for families in crisis through creation of family assistance centre, introducing legislative measures of prevention and family mediation, and conducting research studies on the causes and consequences of families' decay among others.

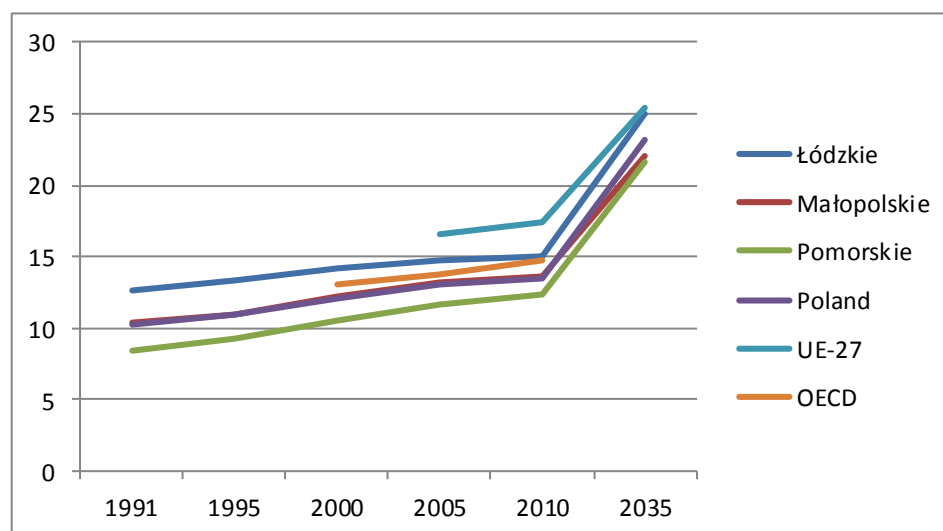
The efficiency of state initiatives to raise fertility levels is sometimes assessed as meagre or even doubtful. One of the reasons for that is the time needed to evaluate the effects of public intervention<sup>5</sup>. Regional methods of directly affecting the fertility level are much more meagre, and are restricted to public organisational help to raise children (*crèche*, kindergarten, assistants' maternells, etc.). Of course, there is a much more broad set of indirect measures, affecting labour market opportunities, or access to public space for people with babies. There is no one model solution. Even in the case of successful activities, their transferability is limited due to the different cultural and institutional endowments of societies<sup>6</sup>.

### *Population ageing and life-expectancy*

<sup>5</sup> Gauthier A. H., 2005, *Trends in policies for family-friendly societies*, [in:] M. Macura, A. L. MacDonald, W. Haug (eds.), *The new demographic regime. Population change and policy responses*, UN, New York-Geneva

<sup>6</sup> Baranowska-Rataj A., Matysiak A., 2012, *Czy znamy lekarstwo na niską dzietność? Międzynarodowe badania ewaluacyjne na temat polityki rodzinnej (Do we know a medicine against low fertility? International evaluation research on family policy)*, „Polityka Społeczna”, nr 7

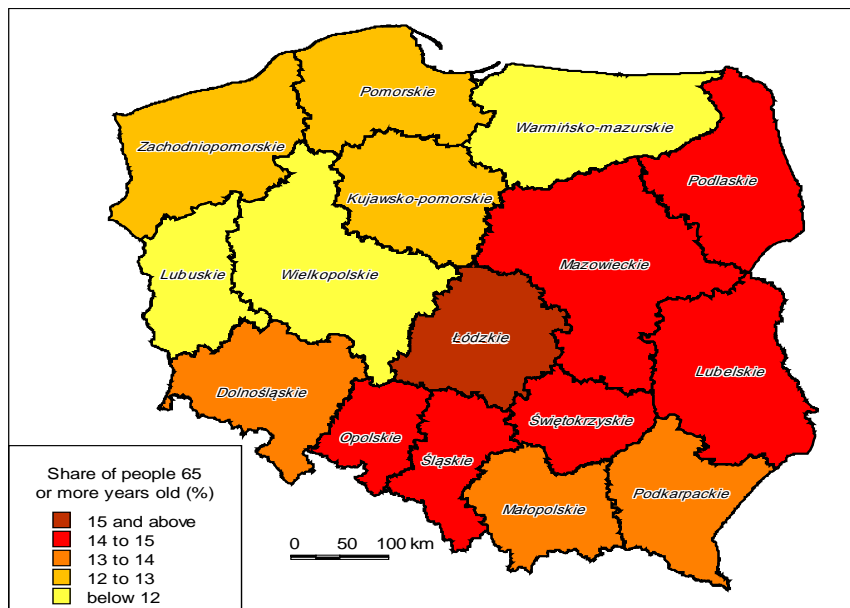
Population ageing represents common challenges due to the increase in demand for expensive public services aimed at the elderly and to the decrease in economic vitality (human resources, incomes, individual spending, and taxes). The challenges of an ageing population are also directly linked to decreasing fertility. The second main component of the processes of population ageing is increasing longevity. The proportion of senior citizens in the study areas has been growing steadily and this trend will continue in the future (see Figure 24 and Annex 4).



**Figure 24 Proportion of citizens aged 65+ between 1991 and 2035**

*Source: Central Statistical Office of Poland, 2012*

Population ageing trends vary slightly between the three regions under investigation: the Małopolska region is following a similar trend to the national one; the Łódzkie region has a larger percentage of older persons compared to the national level; and the Pomorskie region is characterised by a lower percentage than the national trend (Figure 25). This indicates that population ageing is currently the biggest problem in the Łódzkie Region. Ageing in Łódzkie is a consequence of long-term low fertility and migration outflow (the first period of outflow was observed in the early 1970s in the north-western part of the region, and was related to migration to industrial cities (Konin, Płock and Włocławek). Distortions in the age-structure of the population of that time affect today's reproduction rates and accelerate population ageing, leaving the city in a situation of 'shrinkage' (Martinez-Fernandez *et al.*, 2012). Nevertheless, all the study regions are experiencing a significant rise in the ageing population and need to implement measures focused on addressing needs that are caused by the current and future population ageing process, particularly in terms of the widespread and fast increasing number and share of senior citizens. Regional governments should focus on extending existing services for the elderly (medical care, nursing, daily care centres, senior centres, social assistance) and on creating new services adjusted to emerging demand ("edutainment", tourism, assisted living arrangements).

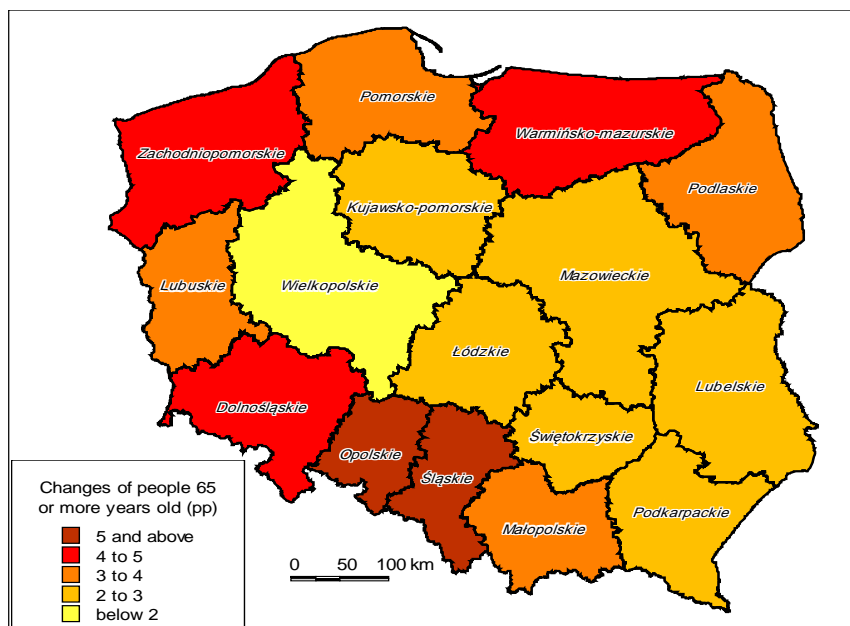


**Figure 25 People 65 or more years old in Polish regions in 2009**

Note: legend refers to percentage of population 65 years old and more

Source: OECD 2012

Generally, population ageing is the fastest in the south-west and northern parts of Poland (Figure 26), mostly due to negative migration balance. But different factors are dominant in specific regions. Although Pomorskie is ageing faster than Łódzkie, its population is relatively stable due to high and stable fertility rates and a relatively positive migration balance. Of significance is the fact that even though Łódzkie currently has the highest percentage older population, the other study regions have a high pace of ageing, which is very significant for those regions not only now, but also in the future. Their self-governments will be “hit” by the cohort effect if they do not – in an extremely short period – reshape their strategies and politics to include an increased demand for senior-focused public services as a basic foundation of their activities.



**Figure 26 Changes in the ratio of people aged 65 years or more in Polish regions in the years 1991-2009**

Note: The legend refers to percentage change in the share of people 65 years old and more Source: OECD, 2012

Within the past two decades, the death rates in the study regions show some slight differences. In the case of Małopolska, the death rate is significantly lower than the national average, which translates into a longer life expectancy in relation to the average values recorded for Poland. Moreover, the difference between the national average and the value recorded for Małopolska is more or less constant through time. In the case of Pomorskie, initially the death rate for both genders was slightly higher than the national average. However, within time, the situation has been improving, and currently the death rate remains at a significantly lower level (males) or slightly lower level (females).

However, in Łódzkie, a slightly higher death rate was recorded in the early 1990s in comparison to the national average, which was then replaced by a significantly higher death rate value, which mainly resulted from a high death rate among people in their prime age (*i.e.* aged 20-50 years). As a result, Łódzkie is characterised by an approximately 8-10 year delay in life expectancy in relation to the national average, *i.e.* today's life expectancy in Łódzkie region was attained ca. 8-10 years ago at the national level. This position is mainly the result of its capital city being particularly neglected in terms of health and safety behaviours. The relatively worse-off position of the city in terms of unemployment, lower incomes (wages, salaries and pensions), and the lower education levels attained by the inhabitants when compared to other regions (especially within the older population, who lack the skills needed in today's society) are also all social reasons for this neglect. People without education about a healthy lifestyle and lacking financial resources are more prone to leave the responsibility for their health to "specialists" and deny the importance of lifestyle for good health. *The best counteractions to this are health promotion campaigns and actions aimed at providing affordable health screening – these activities could be co-financed at least partially by the European Social Funds (ESF) and public health resources.*

A subjective measure is the health status self-assessment – people are asked to evaluate their health condition in a descriptive way (Annex 5). According to this assessment, the situation is worst in the Łódzkie region, partially due to the population's age structure (the region is more advanced in the population ageing process). Comparing more specific age groups, the differences are generally narrowing except in the highest age group. The mortality in the Łódzkie region is usually above average (with the exception of cancers and infant mortality), and especially extensive mortality rates (and "over morbidity") can be found in the case of diseases of the liver, digestive system, circulatory system, and in cases of external causes of death. Pomorskie, and especially Małopolskie, have much better situations. The Małopolskie region is having, together with the Podkarpackie and Podlaskie regions, the lowest level of mortality in most causes of death. The causes of death dominating in the Łódzkie region are closely related to major lifestyle elements: addictions (liver – alcohol and circulatory system – tobacco); nutrition (digestive system); physical activity (circulatory system); risk behaviours (external causes of death – accidents, intoxications, suicides). This trend calls for *implementation of more intensive measures focused on health promotion, as this can influence the key reasons behind deaths in early adulthood, i.e. lifestyle.*

Population ageing is strongly associated with two other demographic processes: 'feminisation' and 'singularisation' of elderly population groups. Feminisation (decrease in the sex ratio due to male higher mortality rates) and singularisation (living alone and forming a one-person household) are intertwined. Most senior one-person households are formed by widows, having on average lower incomes, living in spacious apartments and as a consequence often affected by energy poverty, with very limited access to everyday support from their families and acquaintances. The phenomena create new social environments and at the same time, new challenges to regional and local policies to deal with this specific social structure. Local and regional authorities must be aware of the new social structure, which will be a consequence of the ageing process. It should be adequately reflected in *strategies of regional development, aimed at services enabling the so called "ageing in place", estate exchange agencies.* The elderly are very often concentrated in smaller areas, which were developed a few decades ago, and the self-governments should be aware of the "pockets of the old age" in cities and towns.

### Migration

Large differences occur between the regions concerning migration-related attractiveness, which may be evaluated in terms of the subjective assessment performed by potential migrants, of the living standards in the study regions - Table 3. In the case of internal migration, the Łódzkie region was assessed as the place of residence with the lowest attractiveness level, which was demonstrated by the continuous negative migration balance. One of the reasons is that Łódzkie is in close proximity to Warsaw, as a high number of emigrants from the Łódzkie region move to Mazowsze and its capital city. A solution could be creating a place to live for people with relatively high incomes (high enough to rent/buy an apartment in Łódź, but not rich enough to live in Warsaw), who have no requirement to commute daily, such as some public servants (like teachers), but also journalists, and other representatives of the so-called learned professions. The two other regions were characterised by a strong force of attraction of potential settlers due to their relatively good situation in terms of labour markets and lack of "a competitor" at the regional level in their closeness.

**Table 1 The internal and external migration balance, 1995-2010**

Region	Internal migrations				Foreign migrations			
	1995	2000	2005	2010	1995	2000	2005	2010
Łódzkie	-1 113	-1 107	-1 564	-1757	-59	-188	-201	-23
Małopolskie	571	2 376	3 153	3673	-81	-332	30	735
Pomorskie	1 054	1 651	2 270	2749	-1 427	-1 233	-1 197	-100
Poland	a	a	a	a	-18 223	-19 668	-12 878	-2114

Note: (a) Data not applicable because the category does not apply

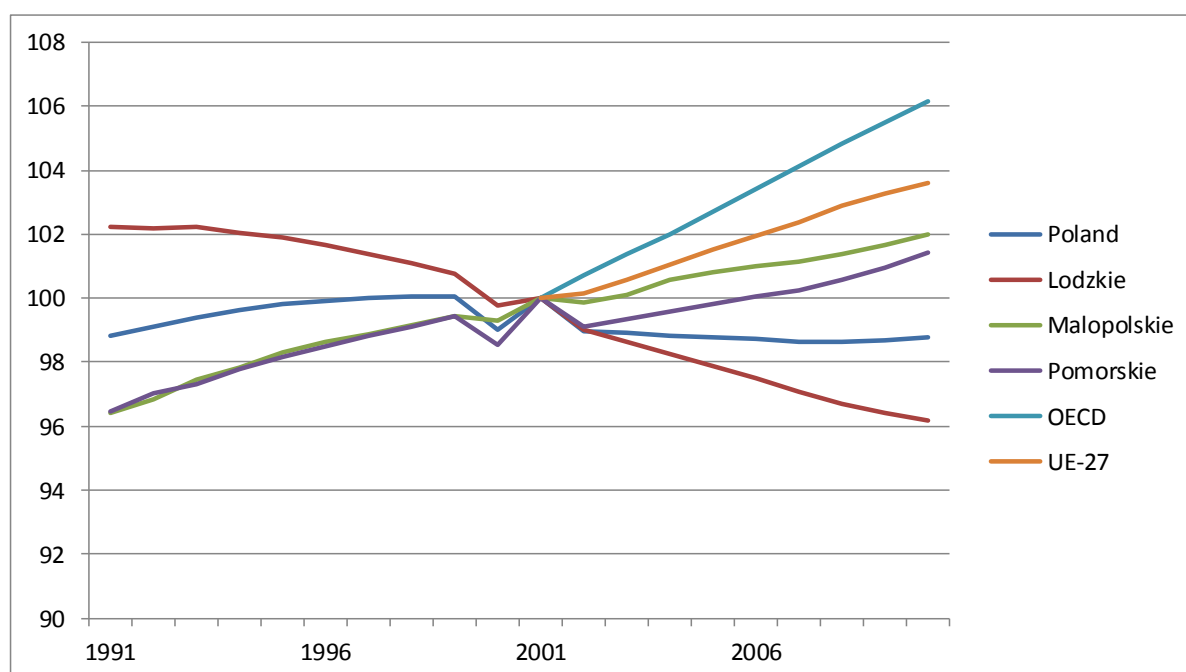
Source: Central Statistical Office of Poland, 2012

In the case of the external migrations, a growing settlement-related attractiveness of Polish regions has been observed, and among these regions, it is mainly Małopolska and Kraków, that have become a magnet attracting more immigrants in comparison to the volume of emigration recorded in these regions. This is mainly because there are a lot of job/work opportunities in Kraków in various branches and sectors (including dynamic developing IT, new technologies and outsourcing businesses), which is confirmed by it having one of the lowest unemployment rates among the cities within the analysed regions. In 2011, in Kraków the unemployment rate was 4.8, in Gdańsk 5.4, in Gdynia 5.5, Sopot 4.0, while in Łódź it was 11. At the same time, in Poland this indicator equalled 12.5 (Central Statistical Office database, 2012). It seems that due to its improving living standards and job prospects, some regions of Poland could be characterised as having a positive external migration balance. Therefore, *the regions should start developing strategies to attract immigrants and facilitate their settlement within their respective territories. It seems that such a strategy is crucial for the development of the Łódzkie region due to its less favourable demographic situation.*

Effective systems of national state law are fundamental to utilise the profits from the positive external migration balance in the regional labour markets. Yet the regions should also be prepared to confront new social problems caused by the influx of people of different nationalities. It very soon might be a daily issue of regional policy. Due to the population ageing in the next ten years, the work-force will diminish and a shortage could be observed in a "simple works" sub-segment. Immigration could be seen as a solution but it is followed by many issues related to methods of social integration and social participation of the immigrants in Poland. *Public institutions should be prepared to provide the immigrants with independent social services to improve the linguistic competencies of the immigrants and their offspring.*

### Population size changes

The unfavourable situation in Łódzkie is most clearly demonstrated by changes in the number of inhabitants residing in the study regions within the past two decades, and related forecasts performed by Statistics Poland<sup>7</sup> – Figure 27 and Table 4.



**Figure 27 Population Growth/Decline (Year 1991 = 100)**

Source: Central Statistical Office of Poland

Note: small distortions in the early 2000s are related to statistical adjustment to the census data

**Table 2 Population size of the study regions between 2000 and 2035 (in thousands)**

Region	2000	2005	2010	2020	2035
Łódzkie	2 627.8	2 577.5	2 541.8	2 419.2	<b>2 188.0</b>
Małopolskie	3 229.1	3 266.2	3 298.3	3 364.7	<b>3 328.7</b>
Pomorskie	2 172.3	2 199.0	2 230.1	2 285.1	<b>2 262.8</b>
Poland	38 254.0	38 157.1	38 167.3	37 829.9	35 993.1

Source: Central Statistical Office Poland

<sup>7</sup> This forecast was developed in 2009 for the period to 2035. Statistics Poland is currently working on developing the next version of the population forecast, which is based on the data obtained under the National Census 2011.



While increases in population size for Małopolskie and Pomorskie can be observed, in Łódzkie, the population size was continuously declining throughout the study period. Moreover, the changes predicted in the forecast period are envisaged to be of a similar nature. While Małopolskie and Pomorskie are characterised by a small increase in the population size, the Łódzkie region is predicted to be characterised by depopulation (Table 4).

In summary, in a country that is homogeneous in terms of its ethnic and cultural aspects such as Poland is, and in conditions where the demographic behaviours are becoming similar, the individual regions will experience various population-based issues. As the regional working papers show, there are more differences at the local level (powiat and gmina).

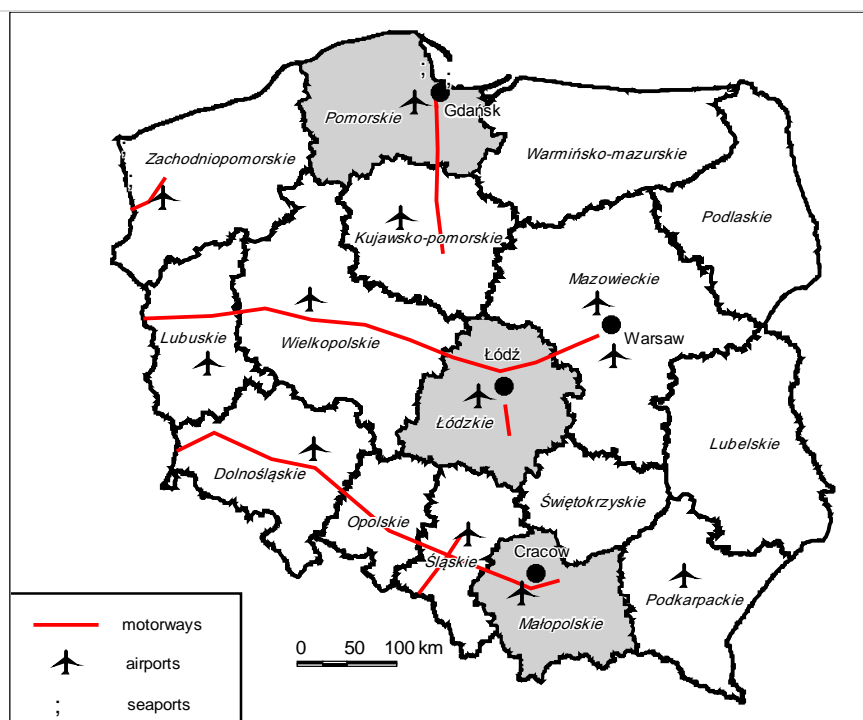
The population ageing process, which is a key issue of the analysis, is of great importance, and requires that new growth drivers should be “invented”, in the areas of the silver and white economies (further detail in Section 3.3.3). Some of these issues will differ – health conditions measured against indirect life expectancy significantly differentiates the study regions, just like other non-demographic factors influence their settlement-related attractiveness. Considering the present statistics, the Łódzkie region is in the worst demographic situation: apart from the low fertility rate and high death rate, it has to cope with the ‘magnetic’ attraction of Warsaw. This close proximity “sucks out” the young adults from the region (thus lowering the reproductive capacity of the region), as well as reducing the attractiveness of the Łódzkie region to immigrants from other countries. In the mid-1990s, there was a proposal to create a “duopolis” type functional connection between Warsaw and Łódź (where Łódź would have an auxiliary function), however, the proposal was not fulfilled and is still not in operation. A railway reconstruction and a new highway connecting Warsaw and Łódź may change the situation and transform this proximity into an opportunity, however, this transformation will probably relate to the creation of new and cheaper “bedroom” and recreation areas than to equiponderant economic co-operation.

The processes of population ageing are both the result of and the incentive for socio-economic change occurring in the country. Therefore, challenges associated with the discussed demographic trends require *systemic, sustainable policy, simultaneously conducted at all administrative levels of governance: state, regional and local.*

### 3.3 Regional resources for demographic transitions

#### 3.3.1 Location and transport connections

The advantages and disadvantages of location between the three study regions are quite different. Transport accessibility is a necessary condition in order to increase the attractiveness of the region to migrants. The Łódzkie and Małopolskie regions are ideally located, with highways and motorways connecting to the rest of Europe. In Łódzkie, there is a fast highway, the A2, which is a part of the European E30 road from the west, starting in London via Berlin, and from east via Warsaw to Moscow. Małopolska’s highway A4 (and Kraków city) is part of the European E40 motorway, which connects Calais via Drezno from the west and Rostow to Don River in the East of Europe. The highways in these voivodships have connections with the whole system of other highways in Western Europe, however, there are no highway connections to the eastern part of Poland. The worst transport accessibility is the Pomorskie region, having only an under-construction part of the A2 highway which will allow connection between Gdańsk and Łódź and in future join the system of European highways (*Generalna Dyrekcja Dróg Krajowych i Autostrad 2012; Figure 28*).



**Figure 28 Transport infrastructure in Poland in 2012**

Source: Generalna Dyrekcja Dróg Krajowych i Autostrad, 2012-07-14, [www.gddkia.gov.pl](http://www.gddkia.gov.pl)

The transport accessibility from Gdańsk to the capital of the country, Warsaw, is the worst amongst all three regions, as the distance is about 340 km (about 5 hours by car). Better access to Warsaw is available from Kraków (290 km or about 4 hours by car) and from Łódź, which is the nearest to Warsaw city and has the best car connection (140 km and about 2.5 hours by national fast road and about 1 hour by the recently opened highway A2).

The railway from Gdańsk-Warsaw is currently being modernised, with the travel by train to the centre of Poland being even worse than by car, taking approximately 6-7 hours. It is much quicker to reach Warsaw from Kraków, although the railway tracks were built a long time ago, but some trains take only 2.5 hours. To travel by train from Łódź to Warsaw takes 1.5 hours (Polskie Koleje Państwowe, 2012).

Much faster than the road infrastructure is the air infrastructure. The important international airports are located in Warsaw (42% of total passengers in Poland) and in Kraków (14%), and Gdańsk (11%). Due to Łódź's location so close to Warsaw (130 km), the airport in Łódź covers only 2% of the total passengers (*Analiza rynku transportu*, 2011). Besides air transport, in the case of the Pomorskie region, the important and additional means of transport is via the Baltic Sea. Two of the three Polish main ports are located in the region: in Gdańsk; and in Gdynia. In Gdańsk, the deepwater container terminal is more often used to ship products and goods, while Gdynia focuses on (and is further developing) passenger transport, from which the ships to Sweden quite often operate.

Transport accessibility is essential to improving the residential attractiveness of the regions. It also increases the availability of the regional labour market. As a result of this, transport accessibility stimulates the inflow of migration, which may compensate for the low fertility rate of regions. *It is important to emphasise the transport accessibility of the study regions – that increases and promotes the current inter-linkages affecting improvement of their strategies.* For example, Pomorskie has an airport and port but lacks road transport accessibility, with rail currently being modernised. Łódzkie benefits from road access (highway/motorway) from the capital and connections

with Europe. Małopolskie benefits from air and road transport linkages and, to an extent, rail, particularly to Warsaw.

Another important element of transport accessibility is transport inside the region. The situation of each the regions is different due to differences in population concentration and to area configuration, also development of the railway infrastructure in the past. The largest distances between the furthest area and the capital of each region is similar (150 km in Pomorskie, 130 km in Małopolskie, and 115 km in Łódzkie).

### 3.3.2 Natural resources (environment)

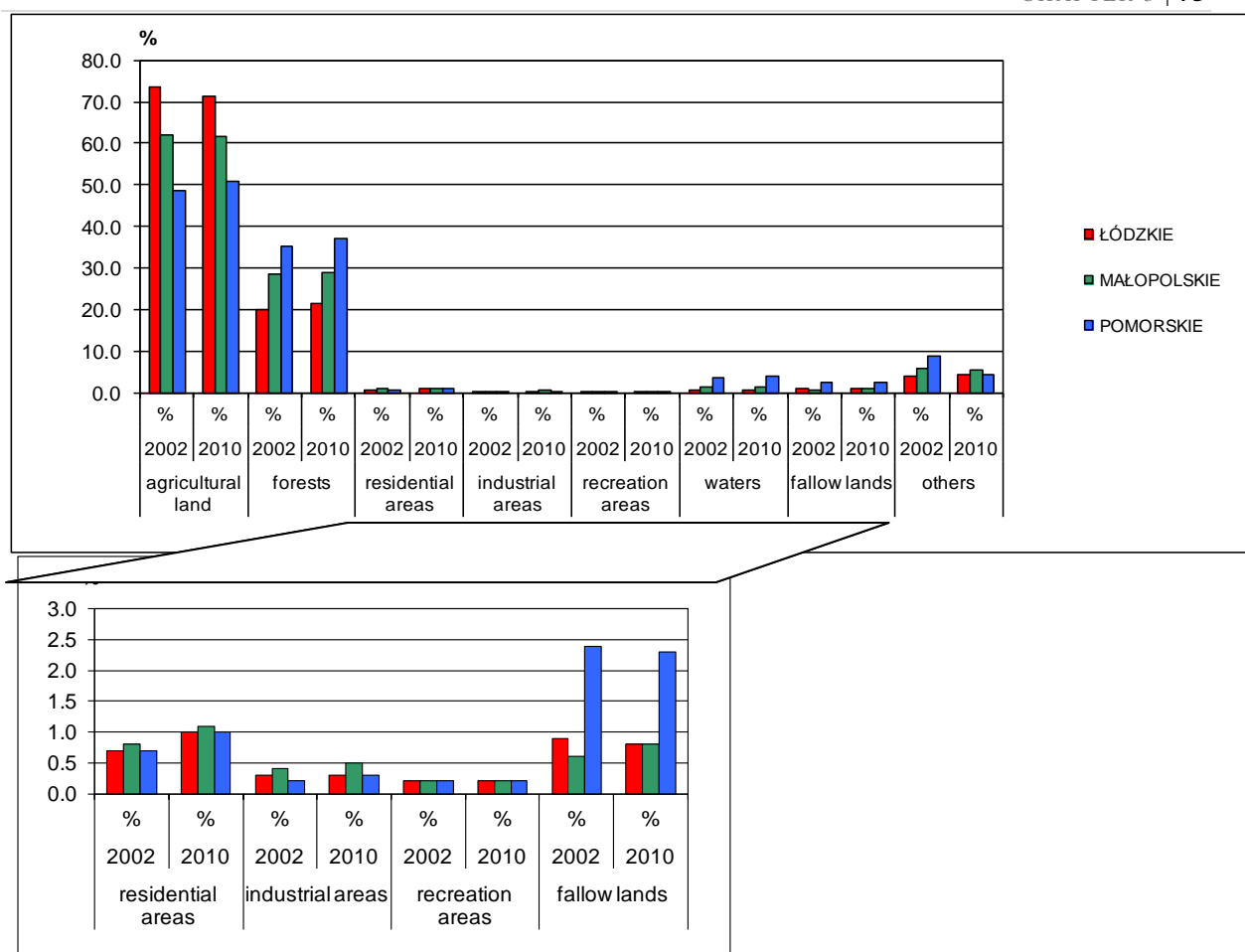
The analysed regions also have different potentials due to their natural geographical attractiveness, especially in the context of developing the silver and green economies (including the tourism sector, spa and health). Natural resources with good infrastructure are a key issue not only for Małopolska (with the Tatra Mountains and available spa infrastructure), but also for Pomorskie (with a central location at the South shore of the Baltic Sea and with numerous spa/holidays resorts able to attract customers from the whole Baltic Sea Region). Both regions are in a better position compared to Łódzkie.

In Poland, the majority of land use is for agricultural purposes, followed by forests. In 2002-2010 the share of agricultural area of the country decreased from 61.3% to 60.5% and the forest area increased from 28.5% to 29.7%. The share of residential and industrial areas was relatively small and increased through these years by 0.1% (Central Statistical Office of Poland, 2012).

The only region to increase its agricultural land was Pomorskie, however, the biggest agricultural areas among the regions are to be found in Łódzkie. In all regions of the study, the forests areas have increased, which is the result of one of the European policies aimed at establishing forests in areas which are not good enough for agricultural purposes. Pomorskie has the highest share of forest areas among the three study regions. In 2002-2010, the share of residential areas in total land use of the region increased, with a slight decrease of fallow lands, which should be acknowledged as a positive trend. However, the share of recreational areas (excluding forests) does not change (Figure 29).

In the Łódzkie region there has been a growth of residential areas accompanied by the decrease of fallow lands. These changes should be positively assessed and promoted. In the Małopolskie region, the growth of residential areas was also observed.

The land use structure in all analysed regions is conducive to the development of tourism and recreation. This creates, therefore, favourable conditions for the development of health services and recreational facilities for an ageing population and the possibility of increasing the population in Łódzkie. *There is a need to promote the regions' environmental resources to encourage economic growth in tourism/recreation and develop favourable conditions for the ageing population.*

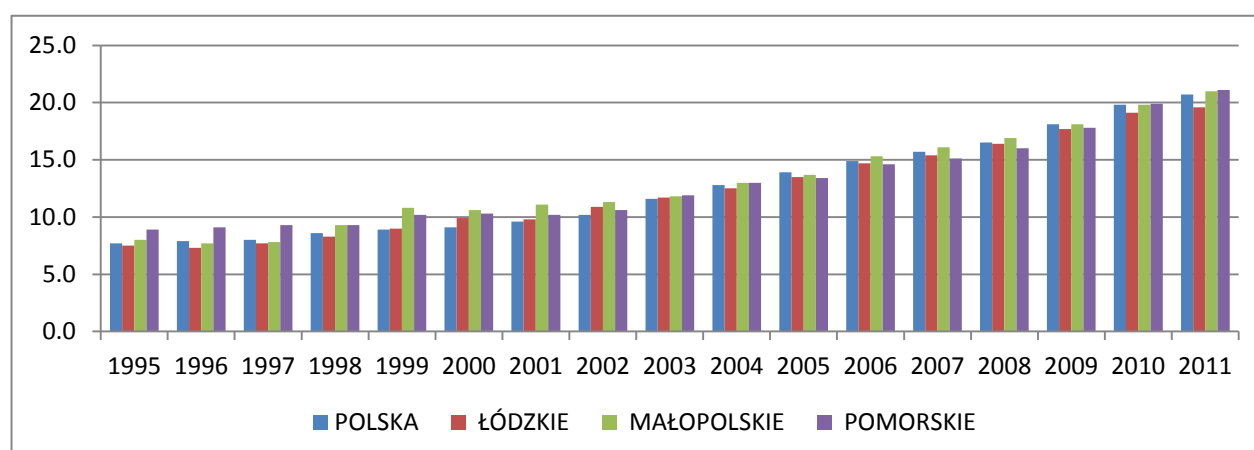


**Figure 29 Land use in Łódzkie, Małopolskie and Pomorskie region in the years 2002-2010**

Source: Central Statistical Office of Poland, 2012

### 3.3.3 Human capital potential and skills for developing the ‘white economy’

The three regions differ in the potential for human capital, which is crucial for the future of the voivodships. There has been a significant increase in the share of persons with tertiary education in the total population aged 15-64 from 1995 to 2011, which could be treated as being an indicator of a significant rise in the level of skills of the workforce. Regionally, the same trend has been experienced, in 2000, Małopolska led the way, with more than 10% of persons aged 15-64 having a tertiary education. In 2011, the two regions (Małopolska and Pomorskie) were above the average for tertiary education. In the whole country, the share of highly educated persons increased to more than 20% (Figure 30). The trend is not so clear – the share is increasing very rapidly in the young cohorts (according to the 2011 Census data, 45% of people aged 25-29 have a tertiary education), but at the same time there is an emerging question about the quality of the education, quality expressed in terms of adjustment to current and future employers’ expectations. Tertiary education is not necessarily fitted to job position offers, *and a very important task is to close the gap between “tertiary production” and the labour market.*



**Figure 30 Share of people aged 15-64 with a tertiary education in the Łódzkie, Małopolskie, Pomorskie regions and in Poland in selected years 1995-2011**

*Source: Central Statistical Office of Poland, 2012*

The number of higher education units within the study regions has also increased, although at different rates:

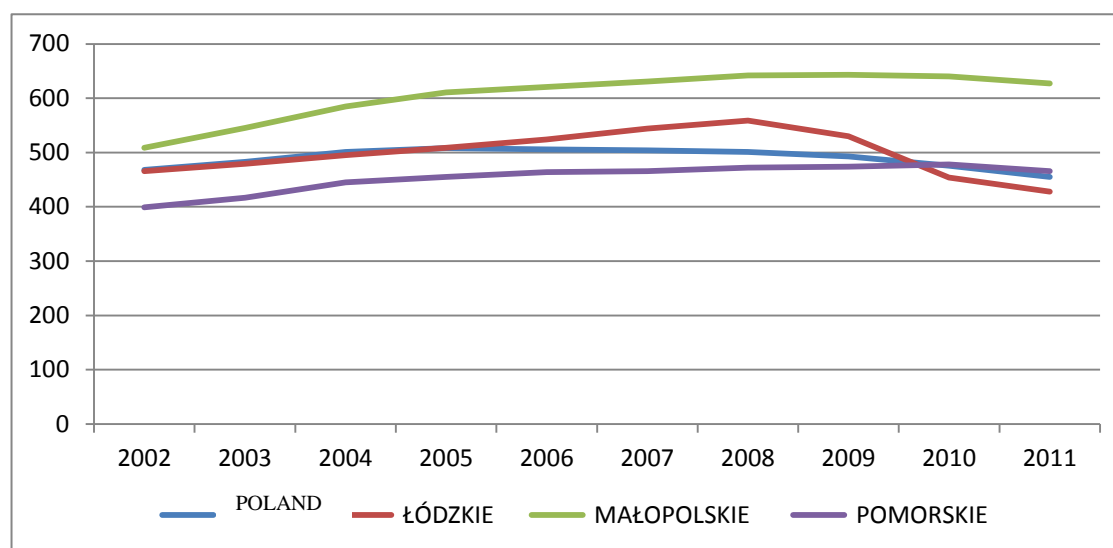
- Małopolska - in 2000 there were 23 institutions, by 2010 the number increased to 33;
- Łódzkie - in 2000 there were 19 institutions, by 2010 the number increased to 32 (in 2011 – 30);
- Pomorskie - in 2000 there were 17 institutions, by 2010 the number increased to 28.

The changing age structure of Poland reflects a decrease in the numbers of youth and as a result there are less students to undertake study. Małopolska has managed to increase the number of students per 10 000 of inhabitants up to 2010 and is still in a better situation compared to the other two regions and to Poland in general. The Jagiellonian University (JU) is at the top of the list of the best universities in the country. JU, but also other Universities in the city, like AGH University of Science and Technology, also have international recognition. This makes Kraków a strong academic centre. The Pomorskie region is the strongest educational centre in Northern Poland. In 2010, there were over 107 000 students in the region. Most of them studied at the TriCity agglomeration. Its potential is created predominantly by the state universities. Despite the demographic change, the number of students by 2010 continued to grow. Over a 12% increase was observed during the last five years (Local Data Bank, CSO, 2012).

The Łódź trajectory is different; from 2002-2008 the number of students was increasing, but since 2008 there has been a dramatic decrease in numbers, which dropped below the national average in 2010 (Figure 31). Łódzkie competes for new students not only with Warsaw, but with Wrocław and Poznań. The catchment area (*i.e.* the region from which students come) is declining, young people from the eastern part of the Łódzkie region prefer to study in Warsaw; those from the southern part in Wrocław; and those from the western part in Poznań. The other cities offer – according to the students' opinion<sup>8</sup> – better opportunities to start a professional career (due to lower unemployment rates and higher incomes) and to be able to reconcile studying and working. The decrease in students numbers poses important challenges ahead for skills development in the region; at a time when highly skilled human resources are needed to increase the competitiveness of the local firms. The decrease in

<sup>8</sup> [Łódź w oczach studentów łódzkich publicznych uczelni wyższych. IV edycja \(2009-2010 \(Łodz in eyes of the people studying in Łódź\), http://spatium.uni.lodz.pl/?page\\_id=303](http://spatium.uni.lodz.pl/?page_id=303)

student numbers shows the adjustment in relation to employment and attractiveness of the SMEs' sector. *There is a need to develop Łódź as a centre for student education, by creating favourable conditions both aesthetically and economically.*



**Figure 31 Number of students per 10 000 inhabitants in Poland and Łódzkie, Małopolskie and Pomorskie region in years 2002-2011**

Source: Central Statistical Office of Poland, 2012

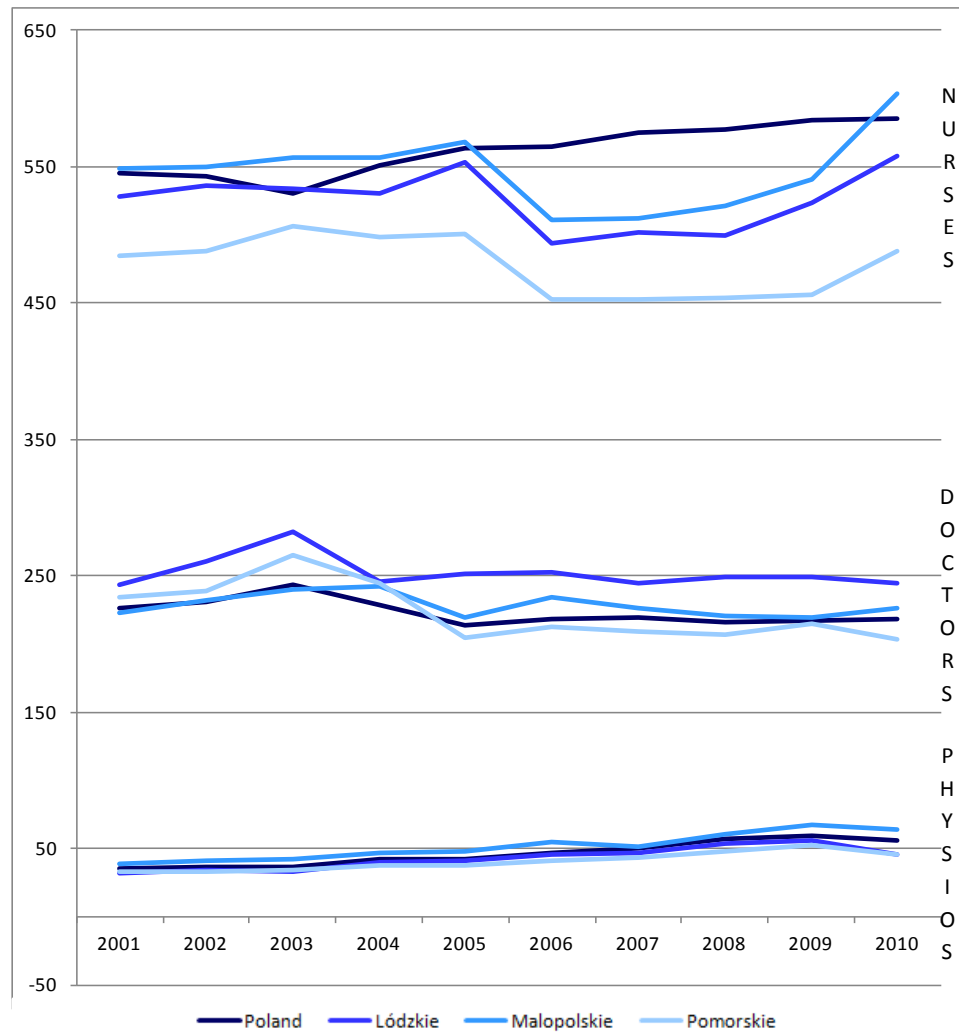
The number of public higher vocational schools has also been increasing (there were changes in classification of higher vocational schools/other higher schools). In Poland in 2007, there were 234 such schools, and in 2011 there were 254, while in the regions:

- Łódzkie - in 2007 there were 12, by 2011 the number increased to 14;
- Małopolska - in 2007 there were 15 and it remained at that number to 2011;
- Pomorskie - in 2007 there were 16, by 2011 the number increased to 17.

The level of development of education services in the regions directly affects the quality of human capital. This, in turn, determines the quality of the labour market and has an impact on the dynamics of the region's economic development and a further impact – on the living standards. The high share of people with higher education in the region has an even more positive aspect because of the ageing processes. People with higher educations tend to stay professionally active for longer. They are mentally well prepared for long lasting activity in the labour market. *The importance of education services within the regions cannot be under-estimated. The continued development and improvement in these services is required to ensure quality market supply of labour, and the longevity of a professionally active population.*

#### *Skills for the “white” economy*

“White economy” refers to those products and services and activities related to health care and care including dependent, disabled and the elderly. Regional comparisons of the “white” sector with reference to the situation in Poland are much more challenging, as there are no direct nor composite indicators giving the precise information about this sector's importance in the economy. Some indicators describe the differences. The number of physicians per 100 000 inhabitants in Łódzkie is much better than in other regions and in Poland generally. In Pomorskie, statistics reveal the decline of physicians per 100 000 inhabitants in the last years (Figure 32 and Annex 6). The significant drop in their number is observed from 2004 after joining the EU. It may be explained by the external emigration of white sector professionals, however, this would need further research.



**Figure 32 Physicians/doctors, physiotherapists and nurses per 100 000 inhabitants**

*Note: Physios – Physiotherapists*

*Source: Eurostat, 2011*

The very positive trend of constant growth in the number of physiotherapists per 100 000 inhabitants is observed in all regions as well as in Poland (Figure 32 and Annex 6). The level of development of this type of service is especially significant in the Małopolskie region, where the number of physiotherapists is above the national average, which is related to the number of available schools and universities in which it is possible to obtain the adequate education, and the relatively large number of rehabilitation and spa/health resorts in which they can work in the region.

For nursing professionals, the trend is not clearly positive as the indicator shows increases and as well decreases in the number of nursing professionals per 100,000 inhabitants (Figure 31 and Annex 6). In this aspect of white services development, Małopolska is in the best situation, having statistics above the national average. Concerning the ageing population, the access to nursing staff is of crucial importance. It may be considered to be one of the key indicators for the quality of life for elderly people. *The importance of continued resources and support to the white sector is of utmost importance considering the ageing of the population in the three study regions.*

### Long-term care

In the context of an ageing population, further analysis of possibilities and barriers to long-term care is part of the “white” sector. There is limited data on long-term care, not only at a regional level, but also at a national level (*e.g.* no data are available on the number of informal older carers there are in Poland and the regions). However, demographic changes currently do not have an impact on improving the infrastructure of long-term care sectors. It is due to changes in law regarding social assistance (2004), but also due to the obligatory standardisation of social assistance houses (Domy Pomocy Społecznej), called nursing or residential care facilities, which for some it is not possible to access. Data presented here is sourced from Eurostat sources. However, in some regions, information about the beds available in the region are officially presented on a website, with costs and waiting lists. As an example, in Małopolska, there are currently (as at 31 July 2012) 7 315 available beds in nursing and residential care facilities (for all people, including older persons), while 137 beds are free and 679 persons are still on waiting lists. The indicator of available beds in nursing and residential care facilities per 100 000 inhabitants show Małopolska and Łódzkie are above the average, even though Łódzkie has decreased the number of available beds in 2010 compared to 2003, while in Pomorskie this indicator is lower than the national average, but it increased from 2003. Many experts and scientists indicate an *urgent need to prepare the long-term care system for the population ageing phenomena, not only in finding new ways of securing financing for elderly care services*<sup>9</sup> through additional care insurance, but also to support family carers (Eurofamcare project<sup>10</sup>), especially working ones<sup>11</sup>.

The inconsistency in data of the health care sector can be found in various reports. For example, in the official report of Małopolska’s health department of the Voivodship Office responsible for the health sector, there were 13 (in total) geriatricians employed at the end of December 2010 and no nurses with geriatrician qualifications (see *Zabezpieczenie opieki zdrowotnej na terenie województwa małopolskiego w 2010 roku*, 2011). However, the information differs at shown in Table 5, where data is available regarding geriatricians and geriatric beds, and centres of independent expertise (Dubiel, Klicz-Rączka, 2011). According to Table 5, Małopolska is in a much better situation than the two other regions, both Łódzkie and Pomorskie, however, the leading region in Poland is Śląskie.

**Table 3 Geriatricians and geriatric centres, beds at the end of 2010 (31/12/2010)**

	Małopolska	Łódzkie	Pomorskie	Śląskie
Geriatricians	36	15	15	58
Geriatric centres	7	1	5	25
Geriatric beds	73	10	5	229

<sup>9</sup> Augustyn, M. (ed.) (2010), *Opieka długoterminowa w Polsce. Opis, diagnoza, rekomendacja*, Warszawa, Grupa robocza ds. Przygotowania Ustawy o Ubezpieczeniu od Ryzyka Niesamodzielnosci przy Klubie Senatorów Platformy Obywatelskiej, Golinowska, S. (2010), *The Long-Term Care System for the Elderly in Poland*, ENEPRI-ANCIEN Research Report 83, Brussels, CEPS, [http://www.ancien-longtermcare.eu/sites/default/files/ENEPRI%20RR%20No%2083%20\(ANCIEN%20-%20Poland\).pdf](http://www.ancien-longtermcare.eu/sites/default/files/ENEPRI%20RR%20No%2083%20(ANCIEN%20-%20Poland).pdf), accessed 20.10.2012.

<sup>10</sup> For more information on this EU-funded study carried out in Germany, Greece, Italy, Poland, Sweden, and the UK (contract n. QLK6-2002-02647), see the website: <http://www.uke.de/extern/eurofamcare/beschreibung.php>; accessed 20.10.2012

<sup>11</sup> Stypińska J., Perek-Białas J., (2010), „Łączenie pracy i opieki nad osobą starszą - wpływ na jakość życia opiekuna”, w: Kałuża D., Szukalski P. (red.), *Jakość życia seniorów w XXI wieku. Ku aktywności*, Łódź 2010 and Drożdżak Z., Melchiorre M.G., Perek-Białas J., Principi A, Lamura G., (2013), Ageing and long-term care in Poland and Italy: a comparative analysis”, in ‘*The Making of Aging Policy: Theory and Practice in Europe*’, editors R. Ervik, T. Linden, Edward Elgar Press (forthcoming).



Source: M. Dubiel, A. Klich-Rączka, *Wyzwania dla opieki zdrowotnej – kadry, leki, badania w Zeszyty Naukowe Ochrony Zdrowia. „Zdrowie Publiczne i Zarządzanie”*, tom. IX, nr 1/2011.

The new demographic trends and particularly the issue of an ageing population poses different sets of challenges for health services. From the available data, it seems that the Małopolskie region is already in the best position to face these new challenges. In particular, the *Pomorskie region has to carefully consider the health sector's needs in its development strategy plans.*

### *Social Exclusion*

Poverty should be taken into account in the study of the overall socio-economic situation in regions. This situation is definitely worst for Łódzkie, followed by Małopolska and with a relatively better situation in Pomorskie, where the data is below the national average (Figure 33). In fact, Małopolska has fewer people experiencing severe material deprivation than the other regions. The problem is closely related to: 1. remuneration levels (especially to frequency of minimal wages); 2. unemployment levels (lack of income); 3. size of the agricultural industry (typically the incomes of people working in agriculture are much lower than the average income). The three factors affect poverty levels directly and indirectly (via a formula for pension calculations). *The policy could try to relieve the situation via social transfers, but the long-term solution should be found in the labour market.*

The analysis of persons who are supported by social assistance per 10 000 inhabitants shows that there is a decrease in numbers in Poland and the study regions (Table 6), but this is mostly due to changes in the regulation of social assistance, which limits access to social assistance. In 2004 there was a similar decrease, because in 2004 there was also a change in the social assistance laws. However, in Poland, as well as in the regions, similar trends could be observed in each year analysed. The change in this indicator between 2011 and 2002 for Poland shows about a 21% decrease, in Łódzkie, the change in the value of this indicator is only 12% in the period 2011-2002, and it is similar for Małopolska and Pomorskie, which were above the average at approximately 28% and 27% respectively. Małopolska previously experienced (in 2002) and still experiences (in 2011) the lowest number of beneficiaries of social assistance per 10 000 inhabitants.

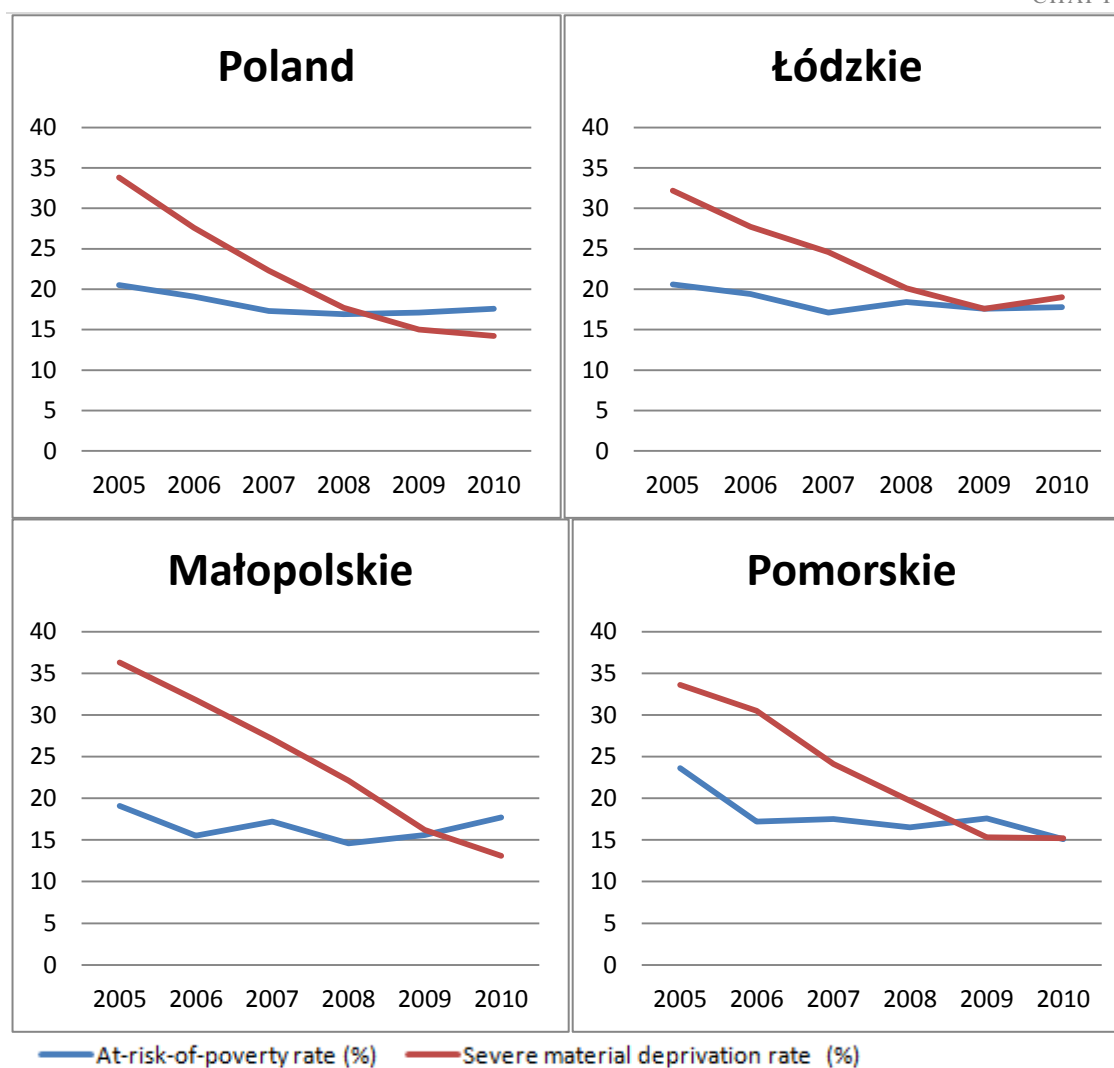


Figure 33 People at risk of poverty or social exclusion compared with severe material deprivation rate

Note: Percentage of population

Source: Eurostat, 2011

Table 4 Persons of social assistance per 10 000 inhabitants

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Poland</b>	666.8	691.3	631.2	674.7	738.4	620.8	551.3	545.9	541.5	523.7
<b>Łódzkie</b>	605.4	656.2	585.7	654.3	734.8	632.6	545.4	539.5	544.8	530.4
<b>Małopolskie</b>	580.4	604	483.3	511.4	562.2	480.8	436.9	436.7	437.4	418.7
<b>Pomorskie</b>	763.9	796.5	696.6	728.4	733.3	675.6	585.3	580.7	569.6	561

Source: Central Statistical Office of Poland, 2012

*Civil society*

In the context of population ageing, civil society and its role have to be particularly taken into account, as civil society can fill the gap if public institutions are lacking. The data regarding the development of non-government organisations (NGOs) focused on tasks related to population ageing (children, older and intergenerational co-operatives) are not easily accessed and not necessarily accurate (as shown by the studies of Klon/Jawor or estimates prepared for the EY 2011 of Volunteerism). Based on data from the Central Statistical Office, there is an increased number of NGOs in Poland, and in all analysed regions (Table 7). It should be stressed that in these organisations, besides volunteers, there are options to be employed, as shown in Table 8.

**Table 5 Number of active NGOs (in total, in thousands)**

	2008	2010
Poland	70.9	75
Łódzkie	4.6	4.8
Małopolskie	6.6	6.8
Pomorskie	3.6	4.2

Source: Central Statistical Office of Poland, 2012

**Table 6 Number of total employed persons in NGOs (in thousands)**

	2008	2010
Poland	70.8	85.4
Łódzkie	3.0	3.3
Małopolskie	7.2	8.1
Pomorskie	3.8	5.3

Source: Central Statistical Office of Poland, 2012

Regarding the development of civil society and the activity of NGOs in the regions, there are limited accessible quantitative studies that explain determinants and factors relating to higher or lower activity of citizens in NGOs for these regions, which could be compared as being better or worse. Recent studies do highlight initiatives for seniors in the three regions (Perek-Białas, 2013; Sagan, 2013; and Szukalski, 2013). However, in Kraków there are no additional advisory groups at the city level that have a direct influence on what could be done for the older population (such as in Gdańsk where there is the Council for Seniors, with an active University of Third Age, and in Gdynia where there is the Centre for Senior Activity, which also tried to engage older persons in various activities).

In Łódź, the Senior's Council was established in October 2011, and had its first session in July 2012. In recent years, due to public support from the ESF, a substantial increase in the number of NGOs focused on pre-primary education was observed. Unfortunately, there are still only 72.2% of children aged 3-6 with access to pre-primary establishments (83.5% of those living in urban areas have access, and 55.1% of children in rural areas), and an even smaller proportion were able to attend kindergartens (respectively: 53.8%, 73.2%, and 24.6%). Particularly in rural areas, grandparents,

particularly grandmothers, substitute for those services that are lacking for families with young children. This is still the dominant form of intergenerational support, although some new initiatives are emerging. However, discussion around the intergenerational solidarity at the regional level is focused primarily on initiatives aimed at education of the elderly (such as the UTAs) and at leisure activities for older people.

In Małopolska, the NGOs are well-known and active not only at the regional level, but also at the national level, as they fall within the structure of umbrella organisations of Forum 50+, and the AGE Platform Europe. Projects of Małopolska's NGO's are treated as being good practices and are well known in Poland and abroad (as the Academy of Fullness of Life). The role of the S@S in engaging seniors via educational and cultural offers is internationally known and appreciated (Brussels Conference, 4<sup>th</sup> of June 2012). The social sphere is the region's resource, and constitutes its endogenous capital, whose capabilities should be considered in the development scenarios. The described nature of the region's social capital helps to develop the attitudes and activities aimed at social inclusion and integration. The strong bonding of social relations and human capital resources create the conduit for the high social milieu of the NGOs' activities. Regional policy should stimulate the development of NGOs focused on tasks related to population ageing. Their role in providing services devoted to the existential needs of older people may be crucial. The mobilisation of the NGOs' sector to combat social exclusion processes should be strengthened by information technology services development and availability. Considering the high level of households' computer equipment and broadband Internet connection access, the development of e-administration and of e-governance generally may significantly help to avoid social exclusion phenomena stemming from low mobility caused by the age of the region's inhabitants. In this sphere, the role of regional and local policy is pivotal. Therefore, *promoting the importance of NGO's role in society, maintaining and, in some cases (as the population ages), increasing the support and importance of sharing knowledge between NGOs and others institutions dealing with seniors at the local level can boost community inclusion.*

One of the most successful initiatives developed throughout the entire country are the Universities of the Third Age (UTAs). The number of these universities is expanding very rapidly, in 1989 there were only 9; by 2007 – 125, in 2010 – 248 and in March 2012 – 385 (and in 2012, there were 32 in Małopolska, 28<sup>12</sup> in Łódzkie and 20 in Pomorskie). These numbers are changing constantly - in August 2012 there are 410 UTAs, including new one in Pomorskie (Łeba).

In addition to increasing the number of UTAs, the increase of the number of students as well as the education range of individual universities is observed. The dynamic of growth of Gdańsk University of the Third Age provides a good example of the intensity of the changes (Figure 34).

Academic year	Lecturers			Number of lectures	Classes - number of teaching hours	Number of students				
	professors	doctors	M.Sc			Gdansk	Kartuzy	Pruszcz Gd.	Pelplin	Total
2004/2005	7	8	6	29	464	470	-	-	-	470
2005/2006	11	10	10	27	945	735	-	-	-	735
2006/2007	13	12	19	51	2378	770	-	-	-	770
2007/2008	9	16	17	50	2525	800	50	200	-	1050
2008/2009	17	10	26	52	2878	1250	70	220	180	1720
2009/2010	15	13	33	75	3033	1300	70	220	180	1770

**Figure 34 Gdańsk University of the Third Age**

Source: based on <http://www.ug.edu.pl>

<sup>12</sup> See <http://www.rcpslodz.pl/Informator/67/1/>

The other successful University from Małopolska is The Nowy Sącz UTA, which besides general education offers for seniors upon retirement, has introduced courses which can give participants new skills and an option to obtain certificates in new professions (as older persons' assistants) (see Box 4).

**Box 4 An example of initiatives for older citizens in Nowy Sącz city – The Third Age University**

**EDUCATION at the THIRD AGE UNIVERSITY – NOWY SĄCZ**

Participants of Nowy Sącz' University of the Third Age are obtaining job certificates in new professions like medical assistants, IT technicians, beauticians, tour guides, and human resource experts.

Participants of Nowy Sącz UTA's made up half of the whole group for the courses preparing to undertake the exam to become a medical assistant (at additional education levels after the secondary level of education). The course was divided into two terms, twice per week for four hours (60 minutes each). At the beginning there were 42 persons, 31 managed to graduate, while the participants were in an age range of between 20 and up to 60. Besides theoretical lessons, there was also a lot of practical training. Skills could be verified via special training/apprentices in rehabilitation hospitals, social welfare houses (including those for older persons). As a result, three graduates of the UTA became volunteers in the newly opened Nowy Sącz's hospice and others could be informal caregivers for their ill, disabled family members. This is an innovative project, meaning that the participants of the UTA could obtain new skills and re-enter the labour market for free.

*Source: information from President of the Sąddecki University of Third Age Wiesława Borczyk and <http://www.dziennikpolski24.pl/pl/magazyny/kariera/1219196-nowe-kwalifikacje-na-emeryturze.html,0:pag:2#nav0> [August 2012]*

The Universities of the Third Age have had political support in Parliament as there is a special Parliament working group for the UTA, and they became important partners in creating and designing social policy for seniors (a new Department of Senior's Policy in the Ministry of Labour and Social Policy has been established since Autumn 2012).

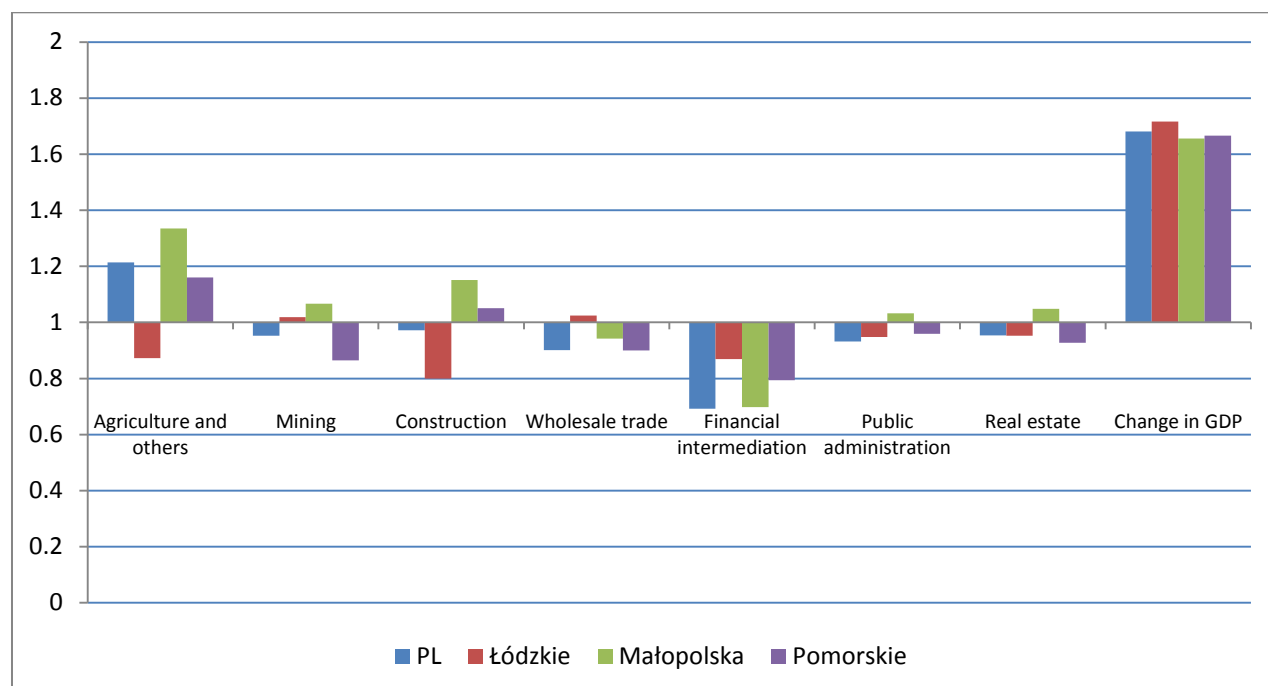
It seems that there is a need for continued support for UTA and other seniors' organisations to create a knowledge network of sharing initiatives between UTAs and to help find volunteers from among its members. Here, the Programme of the Social Activity of Older People (ASOS) of the Ministry of Labour and Social Policy could be indicated. Since Autumn 2012, with great success, more than 400 organisations, UTAs and other institutions focused on seniors could finance their activities thanks to this Programme. Many activities financed from these funds are directed at increasing the activity of seniors at local level (via volunteering, see, the Organisation of Creative Initiatives "ę" from Warsaw<sup>13</sup> which managed to organise special intensive workshops for leaders from UTAs from various parts of Poland, to share best practices between UTAs, their leaders and to develop skills at being volunteers for their local community).

### 3.4 Demographic change, older workers and regional policy challenges

The regions under study have different economic situations, not only in terms of current inflows, but also in terms of accumulated resources. GDP per capita is a synthetic indicator commonly used for the comparative analysis of the level of economic development of regions. Between the years 2002-2009 the economic growth rate was almost the same in all analysed regions (Pomorskie – increased by 57.6%, Łódzkie – 58%, Małopolskie – 59.6%), but the absolute differences were stable (Łódzkie 91-92% of the national average, Małopolskie 85-86%, Pomorskie - 95-98%). The differences result from structures by age, economic activity, and economic sectors (Figure 35). The lower value of GDP per

<sup>13</sup> <http://e.org.pl/>

capita for Małopolska compared to the other regions could be explained probably by the fact that it is an agricultural region.



**Figure 35 Changes in national and regional employment at place of work by main industry sectors and in GDP per capita, national currency, current prices in years of 2000-2007**

*Source: OECD Statistics database*

However, in 2010, all regions were below average for Poland (GDP per capita), which is heavily weighted by Mazowsze (especially in comparison to Warsaw, where the GDP per capita is equal to 301.1% of the national average, with a population of 4.4% of the country). In 2010, the GDP in Pomorskie and Łódzkie region was relatively close to the average (Pomorskie – 96.0%, Łódzkie – 92.1%) with Małopolskie (84.9%) being in a much worse situation. But at the same time, there were sub-regional differences. The region’s capital area is in a much better situation compared to the rest of the region (for example, in Łódzkie, GDP in Łódź is 123.6% of the national average, which is almost twofold of the GDP in the Sieradz sub-region, which is 64.7%; in Małopolskie, Kraków is 150.9% and the Nowy Sącz sub-region is 57.9%; while in Pomorskie Tricity sub-region it is 140.6% and in the Gdansk sub-region – 69.8%<sup>14</sup>). The sub-regional differentiation is more important than the inter-regional differences.

Demography is a key factor affecting the development of an economy. In the last decade, changes in economic activity in the study regions were closely related to the national situation on the labour market. The directions and pace of changes were generally similar to the national trends. At the same time, differences between regions were observed in employment figures, reflecting demographic components (age structure of the populations) and economic dynamics – Table 9.

<sup>14</sup> Statistics Poland, *Produkt krajowy brutto - Rachunki regionalne w 2010 r.*, [http://stat.gov.pl/cps/rde/xbcr/gus/RN\\_pkb\\_rachunki\\_regionalne\\_2010.pdf](http://stat.gov.pl/cps/rde/xbcr/gus/RN_pkb_rachunki_regionalne_2010.pdf)

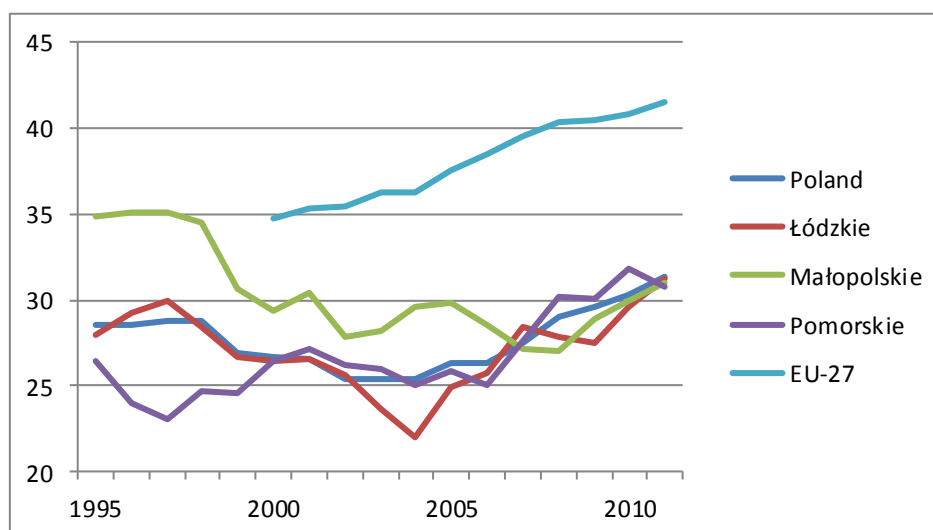
**Table 7 Employment rates of 20-64 in Poland and comparing Łódzkie, Małopolskie and Pomorskie regions, 1999-2011**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PL</b>	62.6	61.0	59.2	57.1	56.9	57.1	58.0	60.1	62.7	65.0	64.9	64.6	64.8
<b>1</b>	64.7	62.1	59.4	57.9	57.7	58.1	58.8	61.2	64.3	66.6	65.6	66.2	67.0
<b>2</b>	64.9	65.1	64.2	60.7	59.5	60.4	60.6	61.7	64.1	67.3	66.6	65.3	65.7
<b>3</b>	61.1	59.5	59.3	56.3	55.6	54.8	55.9	58.9	62.1	65.0	63.9	64.4	64.1
<b>UE-27</b>		66.5	66.9	66.8	67.2	67.3	68.0	69.0	69.9	70.3	69.0	68.6	68.6

Notes: green highlight indicates better than average for Poland and red highlight is below the Poland average. White= the same as the national average. PL) Poland 1) Łódzkie, 2) Małopolskie, 3) Pomorskie

Source: Central Statistical Office of Poland, 2012, Eurostat database, 2012

The Łódzkie region is experiencing a higher employment rate compared to the national average in the 20-64 age group (the difference is especially visible in the female population, see regional working paper), in spite of having the highest proportion of workers in the so called immobile working age and lower than average activity and employability among those aged 50+. Relatively high economic activity and subsequent employment levels for young females is probably one of the reasons for low fertility in Łódzkie. The Małopolskie region profited from a relatively high proportion of people who were self-employed (especially in agriculture), particularly for people 50+. The structural changes restricting the importance of agriculture as an economic sector are responsible for the long-term decline in employment rates among people aged 50+ in the region – Figure 36.

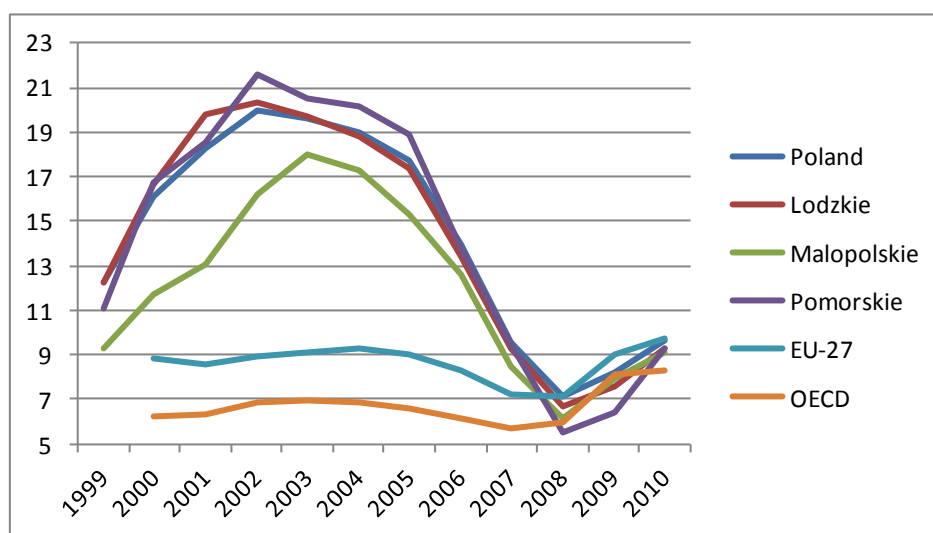


**Figure 36 Employment rates of 50+ in Poland and Łódzkie, Małopolskie and Pomorskie region in years 1995-2011**

Source: Central Statistical Office of Poland, 2012, Eurostat, <http://appsso.eurostat.ec.europa.eu/>

The labour market in post-socialist Poland was affected by a high level of unemployment. All study regions experienced the phenomenon, but its extent was dependent on many factors – generally the best situation was observed in Małopolskie where due to a significant proportion of

agriculture and self-employment (artisanship, small commerce), the influence of broader economic crises of 1998-2002 were modest. The initially worst labour market position of Łódzkie, which resulted from the collapse of the textile and chemical industries developed in the socialist era, changed due to SME closures (especially small enterprises). The inter-regional differences narrowed due to generally economic *hausse* after EU accession (Figure 37).



**Figure 37 Unemployment rate in regions (as % of total workforce), 1999-2011**

Source: Central Statistical Office of Poland, 2012; Eurostat, <http://appsso.eurostat.ec.europa.eu/>

It is worth underlining that the unemployment rate in the Łódzkie region is close to the national average, despite the relatively high rate of this indicator in Łódź. The city is an exception to other Polish “big cities”, where unemployment is typically lower by one-third to one-half than in the rest of the surrounding region. For example, in April 2012, the unemployment rate in Łódź (11.6%) was more than twice that observed in Warsaw (4.0%), Kraków (5.5%), Wrocław (5.4%) or Gdańsk (6.2%), and was much closer to the regional average (13.5%) than in other regions (Małopolskie – 11.0%, Pomorskie – 12.8%, Mazowieckie – 10.4%, Dolnośląskie – 13.1%)<sup>15</sup>. Also, in Łódzkie, the share of 55+ among the long-term unemployed is higher than the national average (2010: Poland 15.1%, Łódzkie – 19.2%, Małopolskie – 11.4%, Pomorskie – 15%)<sup>16</sup>. In the case of Łódź, the higher unemployment level is related to lower level education of the population and to long-term consequences of initial unemployment (people who lost their positions in early 1990 and were unemployed for a few years are treated as less valuable work candidates). It implies the need to develop an education system fitted to its employers’ expectations and fit for the future demand for labour.

Graphs (Figure 36 and 37) illustrating the changes in the level of employment and unemployment rates show a clear convergence of values for the regions over the years. The values for the regions are also much closer to the national average. This may be the result of cohesive policy subsequently carried out in the country with the EU structural funds support. Although the differences among regions are still present, their scale is much smaller, which is well reflected on the presented graphs.

<sup>15</sup> *Bezrobotni oraz stopa bezrobocia wg województw, podregionów i powiatów - kwiecień 2012 r.*, Statistics Poland, Warsaw 2012

<sup>16</sup> Own calculation based on: Statistics Poland, Bank Danych Lokalnych, [http://www.stat.gov.pl/bdl/app/strona.html?p\\_name=indeks](http://www.stat.gov.pl/bdl/app/strona.html?p_name=indeks)



Due to general regulations related to the eligible retirement age in Poland being 60 for women and 65 for men, the majority of Poles aged 65+ are not working and are pensioners. However, as the Polish average employment rate for people 65+ is close to the European one, the obvious exception is clearly Małopolskie, which is above average. On the other hand, in Łódzkie and Pomorskie, the employment rate for people 65+ is lower than the average for Poland. Differences across regions could be explained by different attitudes to work and job places being available for silver workers or by development of the agricultural sector. However, more detailed data is lacking, which could clarify this situation.

**Table 8 Employment rates 65+ (%)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Poland</i>	6.4	5.9	5.8	5.6	8.5	4.8	4.7	4.7	4.7	4.8
<i>Łódzkie</i>	5.5	4.3	4.0	4.8	6.2	3.5	3.6	3.0	3.4	3.9
<i>Małopolskie</i>	10.5	9.8	9.9	10.0	14.3	6.0	5.0	5.3	6.9	7.0
<i>Pomorskie</i>	3.5	3.5	2.7	2.5	4.4	2.5	2.9	3.4	2.8	3.2
<i>OECD</i>	10.7	10.8	10.8	11.1	11.3	11.6	11.9	11.9	12.4	12.3
<i>EU27</i>	4.6	4.3	4.1	4.3	4.4	4.6	4.7	4.7	4.7	4.8

Source: Eurostat, 2012

The interpretation of differences in employment rates for people aged 65+ requires in-depth research, taking into account the qualitative aspects of both human capital and the structure of the economy in particular regions. Such features as high education rates and self-employment prolong the period of professional activity for people. The positive regional statistics of employment rates for those 65+ for Małopolska seem to confirm this relationship. However, *there is a need for resources and support for education and entrepreneurship, which can further prolong the period of professional activity for people, which needs to be taken into consideration, especially in Łódzkie and Pomorskie.* The higher the level of education of professionals, the stronger the tendency to stay longer in the labour market and to be more flexible with retraining. Also, the activity in the entrepreneurial sector is positively correlated with an extended employment period. This is most evident in the examples of self-employment and family business where achieving the retirement age rarely means actual retirement.

The development of education services oriented towards population ageing should take place in two directions:

1. *Developing and improving the education system in strengthening generic skills.* These skills are best developed in secondary schools and at higher education institutions. This type of education shapes the attitudes towards lifelong learning which are necessary for flexible and longer engagement in the labour market. Schools which provide a broad education are the best places to promote and form an active and healthy style of life. The Universities of the Third Age are the last phase of this type of education. Due to the general education profile, secondary schools and universities have very limited access to funds from business and production sectors, including private funds. Thus, any support from the ESF to strengthen and develop this type of education within regions seems to be a desirable investment for the future. Programme support for life-long learning and promoting an active lifestyle including active ageing, in the education system helps to save costs for future older worker training and health care.

2. *Training and skills development should be directly oriented on the needs of the labour market.* They are also of a two-fold nature: i) skills and competence training for employees (especially aimed at ICT competencies to eliminate possible ‘e’-exclusion but also on other specific skills needed by the enterprises); and ii) age management training for employers. The innovative project ‘*I work – I develop competency. An innovative model of support for workers 50+*’ financed from ESF and carried out in the Pomorskie region, provides an example of this kind of initiative (see Box 5).

**Box 5 I work – I develop competency. An innovative model of support for workers 50+**

PBS DGA implemented in 2010–2012 in the Pomorskie Region is one of the first innovative projects-testing. The project was aimed at target groups, among which were:

- **User Group:** *i.e.* representatives of local and regional institutions, leading employment promotion policy, holding the instruments for implementation of system solutions to economic activity in the labour market, and public counsellors (employment offices) and private labour market institutions;
- **Groups of customers:** those working in the age group 50 +, residing in the Pomorskie Region, interested in maintaining employment and continuing professional development. Moreover, in this group are Human Resource professionals, human resource departments dealing with human resource management, including age management personnel in companies.

**The main objective** of the project was to increase the activity and the attractiveness of employment of workers in the age group 50 + in the labour market by developing and testing an innovative model of providing consulting services and development (including use of career counselling and assessing levels of competence, participation in training and courses, the use of specialised prevention of health-related consulting and legal services relating to the functioning of the labour market).

**The dimension of innovation** in the labour market affected three ranges:

- A new approach to the problem of availability and dissemination of career counselling services for people who work (creation Career Centre 50 +);
- Implementation of new methods of vocational guidance, Balance of Competence (including the development of tools to diagnose the potential competences of workers 50 +);
- Implementation of the new forms of support – financial instrument activation services in the form of Talon Career.

**Balance of Competency** included activities such as:

- Training / training of ABC Enterprise,
- Personal development training,
- Legal consultations on issues of employment and labour law,
- Consultations on the functioning of the labour market,
- Pro-health consultation (geriatrics doctor, physiotherapist, dietician, psychologist).

*Source:* Pracownia Badań Społecznych (PBS), 2012

Population ageing increases the demand for services within the silver economy in each of the investigated regions. The region will react to the need for investments in silver economy services as soon as the positive economic results appear. The silver economy should be understood in a broad sense as covering all activities addressing:

- existential needs of older people
- needs of older employees
- needs of older customers
- needs of employers focusing on silver consumers’ needs.

Main areas in which the silver economy can be developed include:

- measures to extend the active working life of individuals; they should be targeted at both employees (skills and competency training to match them to employers' expectations) and employers (age management tools and training on how to adjust positions and the workplace to meet requirements related to old age, like job sharing, mentoring, flexible working time, and ergonomic measures);
- measures to extend the period of independent living of older people, which includes independent living (cleaning, shopping and care services), training in the use of high-tech household equipment; organisation of transportation services friendly to elderly people; smart homes services (apartments and homes equipped with electronic equipment enabling longer and more independent autonomy);
- older people free time management, which helps to occupy one's free time after retirement and which includes education (*e.g.* Universities of Third Age), entertainment, tourism and recreation;
- health and beauty care services provided in spa, bath and sanatorium centres;
- measures to secure social inclusion, targeted at cross-generational community building within the place of living and the place of work of older people;
- self organisation of seniors, voluntary work and non-commercial organisations, whose participants are willing to work under the wage rate or for free;
- age sensitive financial services provision<sup>17</sup>.

The general character of population ageing processes means that most of the interventions can be similar or the same across the regions. However, in each region, development strategies should identify the endogenous resources for particular types of silver economy activity development. It especially refers to activities targeted at older customers in such areas as tourism, recreation, spa and bath services. The possibilities for their development are connected with natural environmental resources and green economy development within the particular region. The development of the silver economy should be treated as an opportunity for regional economic recovery.

*The development of sectors of the silver economy devoted to the existential needs of older people and needs of older workers should be supported with public funds, including the ESF. However, the activities in these areas are especially appropriate for broader involvement by volunteers, NGOs and all other types of civil society organisations. Some financial support from the ESF may trigger real social movement in this sphere. The development of the silver economy, aimed at older customers and older entrepreneurs, opens up a variety of opportunities for SMEs' sector activities. The SMEs are able to provide services and products tailored to the specific demands of particular age groups of clients and to be flexible enough to follow the ever changing needs. ESF funds may be used to provide the know-how and/or start-up funds supporting entrepreneurs and the self-employed ready to settle their businesses within the silver economy field of activity.*

### 3.6 Conclusions

The cross-regional analysis highlighted the similarities and differences between the three study regions and how they are positioned within the wider economic environment (Poland, EU and OECD). These include:

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<sup>17</sup> cf. Szukalski P, 2012, *Solidarność pokoleń. Dylematy relacji międzypokoleniowych (Solidarity between generations. Dilemmas of intergenerational relations)*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź

- The three regions are experiencing either low or declining fertility rates, which are impacting on the population and economic growth of the regions. A long term comprehensive family policy implemented at all levels of government is required to reverse this negative trend. On the other hand, to mitigate this trend, regions should encourage and invest in raising their attractiveness for immigrants.
- An ageing population is a key challenge facing the three study regions – the national, regional and local authorities will need to adjust to this change in the population's structure. Governments need to be aware of the ageing workforce, increase in health and care services requirements, and encouraging lifelong learning and active lifestyles.
- There has been a positive trend in tertiary education levels in the three regions, however, further investment in resources is required to maintain and increase these levels. Education at all levels plays a significant role in encouraging lifelong learning. Particularly for the youth, for whom investing in education provides them with opportunities to gain employment and knowledge of entrepreneurship. The support and development of higher educational institutions positively strengthens the regional human capital, improves the quality of the labour market and in the same way shapes the required attitudes that lead to longer professional activity and a healthy style of life for the ageing population.
- Health prevention programmes are one of the crucial activities, not only for an ageing population, but also to maintain a healthy labour force. For example, in Łódzkie, there is a need to implement more intensive measures focused on health promotion, as this influences the key reason for deaths in early adulthood, *i.e.* lifestyle factors. Health sector services are predominantly under state level control and financial system. Thus, the development of services aimed to meet the ageing population requirements should be stimulated by the central authorities' decisions and incentives. For the ageing population, all regions need to plan, implement and monitor interventions.
- Economic opportunities: the three regions have various economic opportunities on which they can capitalise, in addition to the white and silver economies, other areas include:
  - Łódzkie – transport linkages with Warsaw and with Europe
  - Małopolskie – regional attractiveness (education, tourism, cultural and silver and white economy); developing new and innovative technology businesses; transport linkages
  - Pomorskie – regional attractiveness, and access to the Baltic sea, serve as the prevailing sectors of the economy.

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**CHAPTER 4****LOCAL DEVELOPMENT STRATEGIES FOR DEMOGRAPHIC TRANSITIONS IN  
MAŁOPOLSKA, ŁÓDZKIE, POMORSKIE**

This chapter provides an overview of local initiatives and strategies within the study regions, and an analysis of local views on demographic transition, based on the study visits and workshops in Kraków, Łódź and Gdańsk. All regions need to be aware of demographic changes and its consequences for current policy, particularly at the local level (both powiat and gmina level). Key findings include: the need for both short and long-term flexible policies for the older workforce/population; seizing opportunities for the silver and white economies; and that public involvement and ownership within programmes and initiatives are required in order to create local sustainable development. The chapter outlines a number of policy messages.

## 4.1 Introduction

The previous chapter provided analyses of cross-regional indicators for the key demographic and labour market aspects, identifying similarities and differences between the regions of Poland. This chapter provides an overview of local initiatives and strategies within the study regions and a cross-regional comparison of the outcomes of the study visits and workshops, to identify various actors' and stakeholders' opinions, strategic approaches, and actions in relation to past, present and future demographic change. The workshop findings below present an analysis of the following topics: older workers; silver, white and green economies; urban and local sustainable development; and family policy.

The chapter consists of three parts: 1) overview of local initiatives and strategies; 2) policy indexes; and 3) local insights for demographic transition, with conclusions at the end. To enable a better understanding of the local context, the presented parts are divided into smaller sections, devoted to particular regions.

## 4.2 Local Initiatives and Strategies

The importance of the demographic challenges is defined differently in each of the regions under investigation. In the previous chapter (also see Perek-Białas, 2013; Sagan, 2013; and Szukalski, 2013), similarities and dissimilarities of demographic changes in Małopolskie, Łódzkie, and Pomorskie were presented. However, responses to these challenges are shaped by different factors and actors, which are manifested by heterogeneous local initiatives and strategies.

### 4.2.1 Małopolska

In Małopolska, there was a special '*Regional Programme of Social Policy and Social Assistance against Ageing for 2003– 2005*' (which was then extended to 2007). The issues of demographic change due to population ageing, the situation of older persons, and family have always been considered within the strategic documents of the Małopolska region (*i.e.* in the *Development Strategy of the Małopolska Region for 2007-2013*). Currently, *the Development Strategy of the Małopolska Region for 2011-2020* ([www.strategia2020.malopolskie.pl](http://www.strategia2020.malopolskie.pl)) includes the demographic issues considered within the areas of *environmental, health, and social safety*. In this area, there are numerous themes, but importantly it includes sub-action 6.3: *Improving social safety by integrating social policy*, in which the aim is to prevent and eliminate social, cultural and economic exclusions, especially among vulnerable groups, including the elderly and disabled people.

One of the activities planned within this action is implementation of the regional action strategy in the context of the ageing society (*Challenges of Małopolska in the Context of an Ageing Population*, 2010). It is still too early to comment on the resultant effects of implementing the new regional strategy in the context of the ageing society. It will be necessary not only to prepare the labour market (employees, employers, trade unions, consumers) for an ageing workforce, but also to build a new network of specialist services targeted at seniors/older persons. This process could be an important opportunity for social integration and improvement of life quality, but also for economic growth, including within the silver economy. Małopolska, via its regional strategy, recognises ageing society as a challenge - not as a threat, but acknowledging that the on-going and mid-term evaluations of the implementation of the strategies' recommendations are needed. It will then be possible to provide recommendations on how and in what areas the regional strategy could be improved, including the ageing society aspects.



The Now Huta district in Kraków City, within the Małopolska region, is a good example of resultant actions undertaken in the region (see Box 6). A local social assistance institution, the Centre for Culture and Recreation for Seniors, was chosen to provide an example of how it is possible to operate, with support provided from the local community of older inhabitants living within the vicinity or supporting an inactive population, including persons 50+ (the Social Integration Club) (see Box 7).

**Box 6 Some key facts about The Centre for Culture and Recreation for Seniors in the Nowa Huta district of Kraków city**

**Daily home of social assistance in Kraków city (MDDPS)**

**The Centre for Culture and Recreation for Seniors (Nowa Huta)**

In 2006, the Centre for Culture and Recreation for Seniors was established, which is currently attended on a daily basis by about 130 persons, all of them aged over 60, to participate in a range of interesting activities such as: rehabilitation; working seniors groups (*i.e.* art, handicrafts, singing and others); Nordic Walking exercises; participation in events such as “We love Kraków” and in concerts or musical meetings; recreational trips, both single or multiple days; and organising exhibitions of participants’ art work and that of other people.

Meals are also prepared on-site for inhabitants of other social assistance houses in Kraków. It is important to add that breakfast, lunch, and dinner are also provided to the Centre participants. This case is thus a very good example of how infrastructure can be adjusted to meet the new challenges of an ageing population, as in the past it was a canteen for nearby school children. In this way, the various needs (basic but also rehabilitation, recreational and cultural) of many older inhabitants of the Nowa Huta area can be met and satisfied.

The Centre, and the overall Municipality of the City Centre, collaborate with local universities, including Jagiellonian University, Pedagogical University, Kraków’s University of A. F. Modrzewski, by educating students and social workers. There is also collaboration with Małopolska Wyższa Szkoła Zawodowa (the local higher vocational school), and with the University “Ignatianum” and the Post-secondary School of Social Workers. Additionally, there are linkages between the nearby voluntary labour corps, and pupils from vocational schools engaged in teaching seniors to use computers and the Internet via their ICT courses (this is an example of an education ecosystem).

*Source: The branch of the Municipal/City’s Daily Nursing Home – oś. Szkolne 20, Kraków. Contact person: Antoni Wiatr – Director MDDPS w Krakowie and Katarzyna Mimiec – Chair of the Centrum Kultury i Rekreacji Seniorów, see also the OECD/LEED working paper about Małopolska (Perek-Białas, 2013).*

The Centre for Culture and Recreation for Seniors is a particularly interesting example from a sustainable development perspective, because existing buildings have been utilised by retrofitting, rather than demolishing and rebuilding. It thus combines: 1) vocational/training opportunities for the younger generation (vocational schools were located in the same compound); 2) retrofitting existing facilities (buildings that were initially intended for serving meals to children have been renovated for use by seniors); and 3) providing different services to ensure social inclusion and active ageing. The Centre is financed from the city’s funds (as a form of social assistance at the local level) which, in times of cut-backs due to high deficit levels, is an issue for maintaining an adequate level of service provision, and means there are limited options to extend their services to other users.

**Box 7 Some key facts about the Social Integration Club (KIS) in Nowa Huta, Kraków**

The Social Integration Club has been in operation since 2005, and provides individual and group support, and arranges social employment. The workshops in this Club are for people who are considered long-term unemployed. Usually, they have additional personal problems e.g. poverty, chemical addictions (pills), homelessness, disability, chronic disease, suffering from home violence, depression, or experiencing adaptation problems after departing from gaol.

Admission to the Social Integration Club comes following diagnosis of the need to be a beneficiary, based on a particular life experience. After the problem has been recognised, a contract is signed, which includes objectives, schedule of action, and expected outcomes. The workshops last at least 6 months and include from 16 to 28 hours per month. The work with a participant begins with improving and developing their so-called 'soft abilities' (communication, sense of responsibility, work time co-ordination, and hygiene diligence). Only after improvements in these soft abilities, can a beneficiary update, improve or obtain vocational abilities and qualifications. During vocational skills training, a person has the chance to work in what are termed 'socially useful jobs', and if a participant proves themselves there, they can move on to regular work.

The Social Integration Club has linkages with 40 labour market entities, which are eager to employ trained participants. In 2010, the Social Integration Club provided support to 632 persons, of which 40% were in the age group 50+. There are various activities organised for participants, such as: self-help groups; support and education groups; group meetings; individual meetings; working in socially useful jobs, in public works and, in 2010, 131 participants gained jobs in the open labour market.

Attendance at the Social Integration Club is voluntary. The only condition is to undertake a social contract. Work with the participants is carried out via: craft workshops; access to computers; practical skills rooms; and individual and group meeting rooms. All accommodations are furnished with essentials tools and any other necessary aids. The Club occupies two premises within the district of Kraków-Nowa Huta, and employs 20 staff. From its inception the Social Integration Club has helped 820 citizens of Kraków to gain and maintain a job ( in 2011 alone, 111 people found jobs).

The evaluation of KIS by one participant:

*When I was 59 and after 35 years [of work], I became unemployed. I felt like a person put in the corner - not needed. The employers did not hide their surprise that at my age I was looking for a job. So, the stress, depression and being more closed-down were all increasing. Thanks to the social workers, I started to participate in the KIS's activity. Today, I am 63 years old. I am doing social utility work in the workshop of KIS. Me and my work are needed. I am learning new things, which I have never done before. I have met a lot of people. My age and my health are not a problem for anyone. It is important that I am able to have this social utility work until my retirement. As I finish the training/courses here, I dream of working in an institution where I will still be needed.*

Source: info from KIS, oś. Słoneczne 15, Kraków.

The *Social Integration Club* (KIS) is a good example of how to ensure training opportunities exist for unemployed/inactive older workers. While employment opportunities gained as a result of training opportunities provided at KIS were important, a number of beneficiaries also mentioned that the sense of fulfilment or connection with society that they gained through participation in KIS activities was equally important. Thanks to various activities run by KIS, there is the possibility for knowledge exchange amongst participants (including inter-generational exchange). The Club is financed from the city's funds but also thanks to the European Social Fund, as it provides a substantial and important source of activities such as training, workplace linkages etc.).

The activity options available at the Centre for Culture and Recreation for Seniors should not be limited solely to social assistance support, as there is the potential for them to provide more services, which could be effectively used by those living in the district that do not necessarily currently qualify for social assistance support. Nevertheless, the Centre provides a good example of an institution adjusting to demographic transition within a district, which can be held up as a model for other similar institutions not only within the region, but also across the rest of the country. The same opportunities exist for the Club. It appears feasible that the Club could be facilitators not only for

inactive persons, but also to help currently working middle-aged and older workers prepare themselves against a situation such as losing their job and/or having to change employer etc. Institutions such as the Social Integration Club need to be allowed to be more flexible in obtaining funds for their activity. The Clubs operate within the social assistance structure of the city (local level), which places certain limitations on them as public institutions. A positive aspect is that the European Social Fund could be used to co-finance such activities. It is also important to realise that the role of such institutions is beyond the scope of simply being social assistance institutions, as the Club acts in the same way as labour market institutions do (providing counselling, advice, and training for the unemployed), and undertaking actions that are similar to those seen in social co-operatives (*e.g.* unemployed people can obtain work there). A systematic solution (and one that is not necessarily only based on European projects) is needed at the country level to determine how to better utilise programmes that already exist and have been tested and shown to be good examples of practical, achieving systems.

#### 4.2.2 Pomorskie

The local and regional authorities in Pomorskie are aware of the trends in demographic change and are trying to adjust the regional economy and living conditions to meet the new types of needs and demands that will result from an ageing population. In the *Social Policy Strategy of Pomorskie Voivodeship to 2013*, which was developed in 2006, regional authorities noted the ageing population as being a growing problem. At present, authorities are including more citizens into the discussion about the region's future, taking into account demographic issues. A new Strategy (*The Development Strategy of Pomorskie Region 2020*. [www.strategia2020.pomorskie.eu](http://www.strategia2020.pomorskie.eu)) has been launched this year (2012). The negative demographic trends connected with the fall of fertility rates and population ageing were identified as being one of the six main threats for the development of the Pomorskie region. The other main threats are connected to a possible disintegration of existing EU economic structures, decreases in the level of infrastructure investments, the lack of sufficient reforms in national health, education and social assistance systems, the growing anthropogenic pressure on the natural environment, and extreme natural phenomena.

The forecasts that predict a constant growth in the post-production aged population indicates a substantial and constant growth of elder age groups' share in the population's structure. Therefore, undertaking actions aimed at adjusting the labour market to meet the new demographic transition (of an ageing population) is a priority.

One of the successful initiatives taken to adjust the labour market to prepare for the challenges being evoked by the process of population ageing is implementation of the "I work – I develop competency; an innovative model of support for workers 50+" project. The Partner in Business Strategies (BDS) research agency, which carried out this innovative project, in doing so has provided an example of how to better support current middle-age and older workers experiencing unemployment, job dismissal or needing assistance in finding new work. The project was funded from the European Social Fund.

Another initiative developed in the Pomorskie region was the "Wykorzystaj Nas! Pracownicy 45+ w Twojej Firmie" (lit. "Make Use of Us! 45+ Workers In Your Enterprise") project, whose objective was to increase the knowledge on how to more effectively use 45+ workers' potential, and to find the means of adjusting HR policies to better handle the changing demographic situation in the SME sector. The project was implemented in the years 2009-2010 and was co-financed by the European Social Fund (see Box 8).

**Box 8 “Make Use of Us! 45 + Employees in Your Enterprise”**

**The aim** of the project was to identify opportunities to develop the human resources policies of Small and Medium Enterprises (mainly through the development of the age management concept) to more fully exploit the potential of workers 45 +.

**Quantitative and qualitative research** constituted an integral part of the project, and was aimed at monitoring the situation in the labour market in the Pomorskie Region, with particular emphasis on issues related to the employment of workers aged 45+. The studies were conducted among SME entrepreneurs and **500 enterprises** were questioned. Managers responsible for human resources policy in the investigated entities were the respondents in the survey.

The respondents evaluated the group of elder workers quite positively, pointing to loyalty of these workers, respect for work, flexibility, diligence and experience. On the other hand, they evaluated as low: the ability to adapt to change; the desire to undertake further education; and openness to innovations. The results of the positive evaluation of 45+ workers, as well as declarations regarding implementation of age- management-oriented policies draws a quite optimistic picture of 45+ workers’ employment perspectives in the SME sector.

As a result of the project’s realisation, two publications were issued: a guide for SME employers entitled "How to be successful at employing workers 45+"; and a book titled "45+ employees in an enterprise".

*Source:* Polskie Towarzystwo Ekonomiczne w Gdańsku, 2012

**4.2.3 Łódzkie**

In Łódzkie's official documents<sup>18</sup>, the demographic factor was - until recently - visible only in that it was considered as a variable for which the region has to adjust, but which cannot be shaped. The Development Strategy for the Łódź Region for 2007-2020<sup>19</sup> generally ignored demographic problems as a whole and rarely mentions actions facilitating adjustments for population changes as operational objectives. The priority problems specified in The Strategy of Social Policy for Łódź Region for 2007-2020<sup>20</sup> include: poverty; long-term unemployment; the crisis facing families; social exclusion; addictions; providing equal opportunities for the disabled as regards social and professional rehabilitation; the ageing society; and infrastructure and systems of support. The above-mentioned failure to highlight the importance of demographic changes in an explicit way results from the evident focus of strategic documents on "hard" actions associated, above all, with the development of infrastructure and attracting investments offering new jobs.

The visible results of the actions undertaken are more important than those which are difficult to quantify. However, some changes are noticeable - during the debate regarding updating the Regional Strategy and the City of Łódź Strategy, there was pressure to include more solutions that will improve the quality of life for the citizens. It should also be acknowledged that the above-mentioned

<sup>18</sup> Łódź Region Assembly, The Development Strategy for the Łódź Region for the years 2007-2020 (English version), Łódź 2006,

[http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/strategia\\_rozwoju\\_województwa\\_lodzkiego\\_na\\_lata\\_2007-2020\\_2.pdf](http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/strategia_rozwoju_województwa_lodzkiego_na_lata_2007-2020_2.pdf);

Łódź Region Assembly, The Strategy of Social Policy for Łódź Region for years 2007-2020, Łódź 2007, dostępna na <http://www.rcpslodz.pl/Strategia/19/0/>

<sup>19</sup> Łódź Province Assembly, The Development Strategy for the Łódź Region for the years 2007-2020 (English version), Łódź 2006, [http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/strategia\\_rozwoju\\_województwa\\_lodzkiego\\_na\\_lata\\_2007-2020\\_2.pdf](http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/strategia_rozwoju_województwa_lodzkiego_na_lata_2007-2020_2.pdf)

<sup>20</sup> Łódź Province Assembly, The Strategy of Social Policy for Łódź Region for years 2007-2020, Łódź 2007, dostępna na <http://www.rcpslodz.pl/Strategia/19/0/>

failure to explicitly recognise the importance of demographic changes in the strategic documents of the regional government does not mean that nothing has been done in this field at local levels. These actions, however, were until recently not designed to actively shape the demographic changes (e.g. by implementing family policy).

The *Development Strategy for the Łódzkie Region* is being updated now (social consultation was underway up to the end of 2012<sup>21</sup>) and demographic change is one of the most important problems mentioned in this document. The Marshall's Office is preparing a specific plan aimed at counteracting the depopulation of the region (the plan was created in November and December of 2012). In December of 2012, the Marshall's Office accepted a draft version of the "Plan to counteract depopulation of Łódzkie region for 2013-2014" and sent it out for public consultation. The plan, which is subtitled "Family – children – work", focuses on rebuilding human capital and on ameliorating quality of life. The crucial proposed activities can be divided into two groups: the first one consists of activities whose cost could be covered by existing public funds (principally from the European Social Fund); the second one is a list of activities which are desirable but which require legal changes and reallocations of the region's budget<sup>22</sup>.

The Office is planning to create the Demographic Observatory (probably in 2014 due to accessibility of financial resources in that period), treating demographic change as one of the main challenges in the future. There was also an initiative to prepare a Special Demographic Zone (the second one in Poland, the first was announced by Prime-Minister Mr. Tusk in December of 2012 in the Opole region), but the initiative was halted due to financial constraints.

On the local scale, especially within Łódź, there are different issues requiring immediate resolution as well as active planning for the future. The option of establishing social co-operatives in Łódź, in the currently neglected neighbourhoods of Legionów and Gdańska Streets, needs to be evaluated, not only because of the formal pre-requisite that would accompany an application to use EU funds for the project's contract, but also because of the need to analyse the external consequences of establishing a business activity that could operate in the open market (refer Box 9 for examples of local initiatives). The need to support young people who feel they must leave Łódź because of the risk of unemployment is an important consideration, but it highlights the clear difference between this area and Małopolska, where such an activity would have difficulty obtaining approval to utilise EU funds. It may be that this signals the need to try and find a way to support those of the city's youth who would like to establish their own business. Innovative businesses that are not only focused on local market demand, but rather provide opportunities to attract clients from beyond the city, region or even abroad (see the example of "Off Piotrkowska" in Box 9).

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[http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/prace\\_nad\\_aktualizacja](http://www.lodzkie.pl/wps/wcm/connect/bip/bip/urzymarszalkowski/programy/strategiawojewodztwalodzkiego/prace_nad_aktualizacja)

22 Urząd Marszałkowski w Łodzi, Plan przeciwdziałania depopulacji w województwie łódzkim na lata 2013-2014, Łódź 2012

**Box 9 Local Initiatives**

- The co-operative “Zaraz wracam” (I’m just going to come back) is an initiative of five young Łódź citizens, the graduates of humanities and social studies, who could not find work, and started up their own company, which is a coffee bar club. Members of this co-operative rented a facility from the city of Łódź, in which, apart from the strictly commercial service operations, they also organise discussions and concerts of alternative music.
- The second social co-operative – DOM (Home) – is an initiative of graduates from the school of art, who established a music club. The club is located within the Off Piotrkowska zone (Piotrkowska is main street of the city). DOM is a music club orientated towards alternative music, which holds concerts every day, and dance events at the end of the week.
- The Off Piotrkowska concept was created in 2011. The OPG Orange Property Group developed the idea for Off Piotrkowska, and now co-ordinate it. The project’s objective is to create an alternative to the consumption-oriented fashion that predominates in our times. Following a crisis-related suspension of business plans to turn a former factory into a modern hotel and office building, instead of paying the city of Łódź fines for halting implementation of the investment, OPG Orange Property Group decided rather to help tenants to start up their own operations. They did this by offering low rent, renovation of the adjacent areas, and promotion of all the entities under the same logo of ‘Off Piotrkowska’. Most of the tenants are young designers and entrepreneurs focused on production of clothing and jewellery in small batches, characterised by unique patterns and including a significant amount of hand-made elements (e.g. “Pan tu nie stał” – “You didn’t stay here”, one of the most popular brands of youth’s clothing). By the second half of 2012, some restaurants (predominantly providing ethnic food) and pubs had opened in the area.

In Łódź, social exclusion is very evident in the city centre (particularly in the area around Legionów and Gdańska Streets), which is decaying and experiencing social problems stemming from unemployment, such as alcoholism, inability to pay rent, low standards of residential spaces, high crime rates and high levels of early school leavers. In this case, social policy intervention programmes, aimed at improving people’s perception of the city and improving the quality of life for all inhabitants (particularly families) are urgently recommended. Problems with the city centre should also be seen in a broader context. According to demographic, social and economic analyses, regional weakness is anchored in the weakness of its capital. As a result, special attention should be paid to revitalising Łódź, as the heart of the region.

**4.2.4 Summary**

In all regions, demographic transition is reflected differently within regional and local strategies, from objectives and priorities, through to actions and implementation. *More focus is required, particularly on the ageing population and youth support within these strategies, not only in the short term, but also in the medium and long term. Specific actions need to be identified and implemented at the local scale.* In particular, at the local level there are physical locations that need programmes to manage and support social inclusion and prevent social exclusion. These local programmes and initiatives require co-ordinated support and resources that take into account the local context. The EU funds can provide just such a useful option. However, there are several questions regarding the effectiveness of the projects financed from EU funds and which must be considered in comparison to similar activities that do not have such support. For example, how many of these initiatives, could be, and are, successful without EU funds? What happens to these business activities when financial support from the EU funds is finished? What can be done to assist the citizens in developing their own business activity so it is viable? These issues should be considered carefully when choosing policy interventions, so that strategies are sustainable both in resources and over time. Demographic change strategies need to be both short and long-term oriented in order to be successful (Martinez-Fernandez *et al.*, 2012).



The initiatives and strategies discussed here illustrate the value and importance of EU funds and the important role they can play in the context of demographic change. However, it is by examining the different ways that the funds are used that a more beneficial analysis may be provided, in order to determine which solutions could be implemented in other regions of Poland. *The exchange of information and experience between regions is of the utmost importance, as it provides opportunities to discuss not only successes but also failures, and from this sharing of knowledge, tailor-made solutions can be recommended.*

### 4.3. Local visions for demographic transitions

Workshops co-organised by the OECD LEED Programme, Poland Ministry of Regional Development, the regional Marshall's Offices of Pomorskie, Małopolska and Łódzkie, and involving local stakeholders, discussed demographic changes in their regions under the following themes: older workers; silver, white and green economies; urban and local sustainable development; and family policy. The key messages are discussed below.

#### 4.3.1. Older workers

Stakeholders from the three regions share the same concerns regarding older workers, in particular:

- Negative perceptions of older workers compared to younger ones (negative attitudes/stereotypes);
- Current poor economic and labour market situation, which works against older workers; and
- Lack of systematic solutions that could promote the longer labour market activity of older workers (increase in retirement age is not enough).

Government solutions are not enough, or at present even act against older workers (such as the 4 years of income protection before retirement age). There is a considerable lack of the proper and adequate culture in relation to age management at company levels. The attitude and behaviour of older workers are different depending upon their education level, type of work, and profession, and thus an increase in motivation or a change in attitude is needed. The table below outlines workshop conclusions regarding older workers in the labour market.

**Table 9 Key messages from the regional workshops concerning older workers in the labour market**

MAŁOPOLSKA	ŁÓDZKIE	POMORSKIE
<ul style="list-style-type: none"> <li>• There are a lot of negative stereotypes that make active ageing difficult to achieve, some of these include: older people are not ready for change and they are more often sick than younger workers. On the other hand, some people said that ageing workers are reliable, stable and respectful members of staff. It became clear that actively helping older people find jobs can have a high success rate. In addition, ageing workers in employment can play a crucial role in supporting different generations. This is not a one-way system, younger workers can also support older workers.</li> <li>• It is important to recognise the potential of older people and not to focus solely on shortcomings. In addition, training and skill development needs to be adjusted to what older people need and want. This also holds for specific programmes. An example was given of an entrepreneurship subsidy programme that was not successful among older unemployed, but it was noted that they were not supported either.</li> <li>• Some participants wondered if the current stance on older people in society is sustainable in the longer term. There will be better times after the financial crisis and with an increasingly ageing population, skills shortages on the labour market might frustrate the region's further development.</li> </ul>	<ul style="list-style-type: none"> <li>• It is a complex situation made up of shrinking numbers, ageing and unemployment due to redundancies. There is a tendency to think short term. Policy making needs to take into consideration the medium and longer terms, not only at the national level but also at a regional level. The problem might not be evident now, however, in the future there could be substantial problems.</li> <li>• It is very important to be proactive. Policy making needs to look ahead. Particularly in a region that currently has economic problems, there is a need to make sure the conditions for progress and growth are in place. If there are shortages of workers in the future, it could make growth very difficult.</li> <li>• What came out as being a very important topic in the discussion was the need for flexibility. By working longer it does not mean working in the same job. Career opportunities are very important as well as intergenerational solidarity.</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing is not a standalone issue. Ageing, economic and other trends jointly demand new ways of thinking about work, the labour market, and continuous development of human capital and policies.</li> <li>• Working longer does not always mean working in the same job. Radical job changes can be difficult, but there is a need to think in creative ways to discover promising career opportunities. There is also a need to make sure that actions are not undermined by negative stereotypes – people encountering many difficulties lose self-confidence after a while.</li> <li>• The issue of ageing and difficulties in infrastructure are very much connected. It is very hard to expect ageing people to engage in a new job that requires a significant amount of travel to and from work.</li> <li>• Labour market intelligence is a crucial tool to deal with the challenges of ageing. Although forecasting precise changes in the future is problematic, there are tools that give some direction which are very useful. However, intelligence is not only something at the macro level, it also encompasses skill matching tools at individual level. Such initiatives are already present in the region, and this is encouraging.</li> </ul>

*Source:* based on focus group discussions and feedback

Overall major implications from the older worker focus group include:



- *The need for programmes/initiatives that promote older persons in the workforce* (removing the negative stereotyping, enhancing employers' awareness of costs related to age discrimination and of future potential changes in labour markets), and skills development and training need to be adjusted to meet older people's needs, by undertaking frequent, regular evaluations of their skills and ways to potentially use these in their current or new jobs. In cases where some skills may be lacking, there should be an easy and co-financed way of updating these skills via training. It is not possible to have a unique solution to cover the training needs for each person, so it is the role of job advisors to help not only the employers, but also to act as independent advisors for employees.
- *Policies and strategies need to be proactive – not only in the short term – but also in the long-term, and to recognise the need for flexibility.* Labour market regulations should be as stable as possible, or, if they must be changed, there should be clear information provided to all interested parties before changes are introduced. The primary aim is to activate the potential of the ageing workforce, not by simply changing the current situation, but mostly by setting up systems to maintain it in the long term. At the regional level, the strategies should take into account the specifics of the local labour market for older workers, and people should be equipped with basic economic skills, which are useful in any business.
- *Labour market intelligence is a crucial tool not only on a national level, but also at the regional and local levels. Forecasting changes and skills matching are initiatives that need to be developed.*

#### 4.3.2 Silver, white and green economies

New areas of growth in which older people can fully participate include activities centred around leisure, health care and green growth. In this context, the *new approach in any planned strategy for ageing needs to consider the new multipliers of growth: the silver, white and green economies; whose combination may provide systemic solutions for a particular area.*

The differences between the three regions are found by looking at which actions they emphasise. Within the Łódzkie region, there is both an urgency to act now, but also an underlying view that change is too difficult, which links to the lack of a long-term perspective and unwillingness to wait for results that may not be immediate. Additionally, and this is probably true not only for Łódzkie, part of this short-term search for solutions seems to include a perception that solutions have to come from government institutions - there is a dearth of strong involvement and activity from other stakeholders. *There is a need to develop programmes/initiatives that encourage public involvement, not only by citizens, but also by private firms.* At the same time, participants of the workshops found it challenging to define what concrete measures should be implemented in order to achieve the above-mentioned goals. A practical problem is how to convert desired aims into affordable and easy-to-implement instruments.

The ageing of society is providing a new customer profile, from working older-age to senior older people, and the aged consumer, all of whose needs are different, meaning the solutions need to take these differences into account. Leisure and health go together in the last part of the life-cycle, which offers an enormous potential for developing new businesses and occupations, and for the ageing-friendly workplace and urban space. *Thus, the ageing profile of the regions is actually offering new opportunities for the economy, which need to be encouraged and promoted.* The differences should be analysed in terms of scale, pace, and spatial differentiation of the population's ageing. All regions are touched by the cohort effect, *i.e.* by the fact that the post-war baby-boomers are reaching

the ages of 60-65. But at the same time, the regions have different opportunities due to variations in seniors' positions due to income, educational attainment, and place of residence.

From a practical point of view, the silver economy will be developed primarily in bigger cities, led by older people with the financial resources and higher levels of expectation and demand. Thus, the situation will depend on the economic and educational characteristics of the sub-populations in the regions. In comparing the socio-economic characteristics of the older population across the regions, the situation is most favourable in Kraków (due to a better educated and healthier population); Tricity in Gdansk is in second place; and Łódź is lagging behind due to the city's economic history (current senior citizens worked in the textile industry, where there were no special education requirements and where proffered wages and salaries were relatively low, meaning that today their pension benefits are low).

At the same time, incentives to increase the participation of older workers and their motivation to work will provide an ageing society with better overall economic performance and allow for intergenerational knowledge-intensive activities. The transfer of tacit knowledge in the workplace to the new generations of professionals, as an innovative training and skill development method, benefits both older and the younger employees, and also benefits the firms and industry at large. *There is a need for programmes (such as promoting age-management measures, joint intra-generational co-operation, mentoring, coaching and programmes aimed at encouraging a healthy lifestyle) that promote the older workforce within businesses as a valuable resource for training and skill development through the transfer of tacit knowledge at the workplace.*

There is an enormous potential for encouraging older and elderly people-inclusive developments. A key factor is to increase the *purchasing power of the elderly through raising pension schemes, thus creating a market that in turn can respond to the demands from senior customers.* Secondly, consequent on re-engaging older people, is a *need to increase the tolerance and acceptance of other areas of society, which will only occur by changing the image of seniors to one that demonstrates that they are fit, well skilled and active in the labour market and society.* This could be done in various ways, but starting with the education of the young generation regarding ageing is a must (e.g. special educational programmes at schools, special incentives for teachers and pupils to prepare lessons, initiatives which promote healthy lifestyles programmes and physical activity). Additionally, not only media campaigns are needed, but rather it is important to show real people, who can tell the younger generation about their life, their achievements, their healthy and active style of life – thus making them 'real' examples. An answer to the challenges is educational change, which ensures that the next generations of the elderly are better educated and more aware of their power. However, despite the huge demand already developing, the supply of products and services, and new occupations are currently very limited, which is putting constraints on developing the silver market or the silver industrial ecology. Public policy should promote elderly self-organisation as both good examples of practical institutions that can raise seniors' quality of life, and as an example of non-commercial entities.

Entrepreneurship of the elderly should be promoted too, particularly if the newly established enterprises are quasi-commercial, *i.e.* production of items is priced lower than their market equivalent. Also, promotion of volunteering in various spheres, including long-term care sector, can have positive results for all (European Commission, 2013).

There is a need to support the development of the *silver economy* and new financial instruments are needed to encourage the entrepreneurship of older workers as well as younger. New professions can also be developed, such as 'assistants for cultural advice' or 'assistant elderly' to provide flexible solutions for elderly people. The silver economy could act as an umbrella strategy for engaging older people.

However, more challenging is to support the development of the *white economy*, which sees new professions also needed for the management of disabilities, diabetes, hypertension, smoking and mental health issues. The new health professions are fundamentally different from mainstream healthcare, which is focused on ‘curing’ the patient. In an ageing society, the focus needs to be shifted to ‘management of symptoms’ and management of the variability of symptoms. For example, more professionals are needed to develop monitoring systems and procedures for at-home caring, and also those professions connected with rehabilitation or the use of telemedicine could be significantly expanded. Motivating health professionals to invest in their careers and to innovate is a significant challenge in the nursing area alone. There is also a generation gap in certain professions and a lack of flexibility in the sector, which is already leading to difficulties as the regions are ageing.

The policy implication for this could include financing projects using medical facilities which test the advantages of telemedicine and telecare in regional centres away from the city centres, and particularly at the local levels (gminas of regions). In Małopolska, the project ADAT2DC, is a good example of such a project, with its aim of testing and introducing telemedicine and telecare options into the everyday life of older inhabitants of the selected poviats.

Additionally, within in the white sector, there is a need to support those who live alone and those who cannot care for older family members because they need to go out to work. Day-visit centres for older people could be more widely developed and used to assist in this sphere of need, as is currently exemplified by the Daily Centre for Culture and Rehabilitation in Nowa Huta, Kraków.

In terms of supporting the development of the *green economy*, recycling and waste treatment in hospitals could be optimised. Also, linking tourism with leisure activities will offer quality and healthy services to the silver customer. One concrete recommendation from Małopolska that was mentioned during the group discussion, is that there could be support for projects/programmes that would support medical institutions such as hospitals in applying for environmentally friendly infrastructure developments, which would in turn provide better management of recycling and waste treatment.

### **4.3.3 Urban and local sustainable development**

In all workshops, local stakeholders indicated the importance of changing the perception of the older population (both among themselves and of the others about them) in order to engage them in the labour market for a longer period of time. A number of practical and good examples of projects and programmes implemented by local government agencies, businesses and NGOs were mentioned, which can be found in regional working papers (Perek-Białas, 2013; Sagan, 2013; and Szukalski, 2013). However, not all projects/initiatives seem to be sufficiently meeting the needs and so *more systematic approaches will be needed to meet future demands*. Some irregular and unconnected projects could be joined in order to “synergise”.

Engagement of the older population is important for economic reasons, but also for social reasons (*e.g.* to engage in social activities in order to generate a sense of belonging to society, which is an important element of well-being for the older population). In this respect, all three workshops stressed the importance of third age universities and IT training for older people in order for them to stay informed and connected.

Given some of the differences in the urban and rural environment (*e.g.* the older population in the rural environment may be better supported by existing family systems and therefore may be more resilient than those in the urban environment, but they may not be as well supported by medical/health care, education and cultural services as those in the urban environment), recommendations for social policy should *encourage the development of different policies and*

*programmes for urban and rural environments in order to better cater to the different needs – thereby taking into account the ‘territorial’ dimension (Martinez-Fernandez et al., 2011). To obtain this aim, updates to strategic planning, at different levels of governance, and taking into account demographic changes, are needed. All regions have already noted demographic issues in their Strategies, but ageing is still treated with quite differing emphases in these official strategic documents. Comparisons could thus be made between regions, but at the same time, constant evaluation is needed if changes are required.*

There is a need to *acknowledge that local governments will need to be mindful of the differences in demographic composition* within their jurisdiction, even if the overall trend may be characterised as “young” or “shrinking” (e.g. the percentage of 60+ population in districts of Kraków ranges from between 14% to 27%) and take appropriate actions based on analysis of different scenarios. This should be accompanied by a *cost-benefit analysis*, which will confirm the rational and best way to implement solutions. To convince the public of the importance of such changes, there is a need for social consultation and transparency in all dealings. Information on demographic change at the local or sub-local level should be readily accessible to inhabitants and their representatives.

Older people are often seen as burdensome or a threat (e.g. source of increased medical or care costs), rather than as valuable resources for society (e.g. stable, predictable, knowledge-rich and loyal workforce). There is a need to *raise awareness to overcome the stereotyping of the older population in society*. This could be done in various ways, and not just via media campaigns, but also through education from kindergarten onwards (including school, work and retirement), explaining ageing and its possibilities. The Universities of The Third Age and other such senior citizen-oriented organisations could act here as partners, helping to develop a joint curriculum.

From a sustainable development perspective, it is important to ensure that *different stakeholders are engaged in decision-making processes* and that those who benefit or are affected by certain decisions *have ownership of the issue*. It appears that in Poland, the historic role played by the central government (e.g. free, state-provided medical services) is affecting the current way of thinking and society’s view of how some of these issues should be addressed and dealt with, which in turn makes it difficult to gain support for some solutions.

Given the likely financial challenges associated with an ageing society, the issue of governance may need to be revisited. *Citizens may need to acknowledge their role in society* in dealing with some of the challenges ahead (e.g. in the form of volunteering or social entrepreneurship or co-operative membership), rather than leaving it all in the hands of the government. *Participatory actions and consultations are needed with as many interested groups as possible*. A recent good example of this type of interaction was a consultation programme undertaken by the Ministry of Labour and Social Policy. The programme, which was called the Programme of Activity of Older People (ASOS) was run in Summer 2012 mostly via the Internet, with more than 140 suggestions and opinions being expressed by different institutions, organisations and individuals. The Ministry were then able to take into account some of these suggestions and recommendations in order to improve the plan and better implement the programme, which had been approved in Parliament and was then introduced in Autumn 2012.

As has been demonstrated, most initiatives in this area are supported by the European Social Fund (e.g. the Operational Programme on Human Capital Development). However, the Programme will not last forever and from an economic sustainability point of view, it is important to *diversify the resource base now or to have scenarios for projects which can be continued when funding ceases*. Recommendations could be formulated to encourage local governments to diversify the funding base, ensuring it meets legal requirements.

In general, during the workshops, the environmental considerations were quite limited. However, there seemed to be some potential for a green/low carbon economy in all three regions. Well-designed transport systems, allocation of service points, commercial and residential mixes, management of environmental qualities (including energy, air, waste and water management) are particularly important in preparing for an ageing society. In the case of Małopolska, during group discussion, the issue of the environment was not mentioned spontaneously. However, Małopolska was perceived as being a region that is attractive to tourists, meaning the region could develop silver tourism (including for religious purposes) and health or spa tourism options. In Łódzkie, the emphasis is laid on geothermic energy as an important factor, which has had a double positive effect on the competitiveness of the region: improving its attractiveness to tourists; and providing renewable energy.

All policy recommendations in this report are formulated bearing in mind that different levels of government are responsible for different policy areas concerning demographic change. This is crucial as the *gmina level is/should be the most decisive actor, having the ability to finance or not certain actions or measures*. Gminas level governance should be able to ascertain which funds are not sufficient for a certain year. There should be a ‘buffer’ *demographic fund*, which could temporarily be used to ensure that the primary needs in a particular year can be met; as a kind of solidarity agreement within the region. As was stated in the analysis of local initiatives, some services, if they are really needed, should have the option of being cross-financed, and it is therefore *important to look at both horizontal and vertical linkages across different policy fields and use these options to ensure development proceeds*.

#### 4.3.4 Family policy<sup>23</sup>

Demographic change creates an increased risk of social exclusion and affects many different social categories (including older people, homeless people and families).

Stakeholders in all regions agreed that a major weakness of the family policy is underdevelopment of public child-care services. Limited access to low cost services is one of the reasons why many young women decide to only have one child or remain childless altogether. Polish demographers<sup>24</sup> have provided many recommendations, some of which could have policy implications:

- longer maternity leave (and also longer paternity leave for fathers);
- income tax deductions to cover the cost of baby-carers;
- tax deductions for employers who organise crèches and kindergartens at their workplaces;
- more “flexibility” of crèches and kindergartens (*e.g.* longer operating hours).

The second important factor affecting decisions concerning raising a family is access to housing. High housing prices (either renting or buying) are among the determinants of fertility ageing and fertility reduction. There is a need to enable access to housing – the government programme “Family at own” (*Rodzina na swoim*), which provides government support to pay the interest on a mortgage for young families, is not sufficient. Local authorities own some buildings that are available to rent more cheaply, but social housing overall is undeveloped. One suggestion is that housing could be assigned to rent temporarily by young people who are starting out in a profession or starting a family.

<sup>23</sup> Based on comments of OECD/LEED expert Ms Antonella Noya/CFE/LEED.

<sup>24</sup> Rządowa Rada Ludnościowa (Governmental Council for Population), Założenia polityki ludnościowej Polski. Projekt (Assumptions of Population Policy. Draft), Warsaw 2012 - [http://stat.gov.pl/cps/rde/xbcr/gus/POZ\\_Projekt\\_zalozenia\\_polityki\\_ludnosciowej\\_Polski\\_RRL\\_listopad\\_2012.pdf](http://stat.gov.pl/cps/rde/xbcr/gus/POZ_Projekt_zalozenia_polityki_ludnosciowej_Polski_RRL_listopad_2012.pdf)

The third factor is insecurity in one's career, which is related to the growing number of temporary and contract positions, and lower paid jobs.

*Institutional spaces are needed to deal with intergenerational solidarity, for example:*

- *In the workplace*, to allow the transfer of skills and knowledge. This ensures people learn from each other, and is particularly valuable when one generation lacks certain skills such as ICT, or new technologies, in which case the older person can have their skills updated with the support of the younger generation. In turn, the younger generation can see and discuss how to deal with different 'real working life' situations, which the older generation, having more work experience, have encountered. This would require more flexibility in the workplace. Workplaces should be places where gender solidarity is pursued through different measures in order to ensure a fair balance between family and professional life, such as equal sharing of the care duties between both parents etc.
- *In the family*, to allow grandparents and even "adoptive grandparents" to take care of the grandchildren. It could be that special allowances should be paid to grandparents, to substitute for potentially lost remuneration, in order to help them when deciding if they wish to undertake "active" grand-parenting.
- *In society*, to help develop a more solid and cohesive society, this could be the ideal platform to foster intergenerational dialogue. Social economy initiatives seem especially tailored for this. One such example exists already in Łódź, where there is an initiative aimed at encouraging the elderly to utilise day senior centres, at which their involvement with kindergartens is promoted by encouraging them to assist and supervise the kindergarten attendants.

To deal with the consequences of demographic change, 'thinking outside of the box' is required, and this includes new institutional thinking, as construction of policies in consultation with the users (older persons and families) is needed in order to provide effective services.

#### 4.4 Policy indexes

The World Health Organisation (2007) definition states that an age-friendly city encourages: "... active ageing by optimising opportunities for health, participation and security in order to enhance quality of life as people age" (p.1) and thus "...in an age-friendly city, policies, services, settings and structures support and enable people to age actively by: recognising the wide range of capacities and resources among older people; anticipating and responding flexibly to ageing-related needs and preferences; respecting their decisions and lifestyle choices; protecting those who are most vulnerable; and promoting their inclusion in and contribution to all areas of community life (p.5)<sup>25</sup>.

The small-scale surveys of the opinions of selected regional/local actors<sup>26</sup> in the three regions enable us to present the "Elderly Friendly Places to Live (OECD ELFRI) Index (Figure 38). The overall ELFRI indexes, which are out of 5, with 1 being poor and 5 being excellent, for the Małopolska region is 2.4, for Łódzkie is 2 and for Pomorskie – 2.27 – which for all regions are just below average.<sup>27</sup>

<sup>25</sup> World Health Organisation (2007), *Global Age-friendly Cities: A Guide*, World Health Organisation, Geneva.

<sup>26</sup> The participants of the workshops organized in Cracow (Wawel Castle) - 26th of March 2012, in Łódź - 28<sup>th</sup> of March 2012 and in Gdańsk in 30<sup>th</sup> of March 2012. There were 35 questionnaires completed for ELFRI index in Małopolska, 20 in Pomorskie and 39 in Łódzkie, while for OLWOF in Małopolska 32, 36 in Łódzkie and 22 in Pomorskie.

<sup>27</sup> Indexes based on qualitative responses of local actors participating in the project workshops.

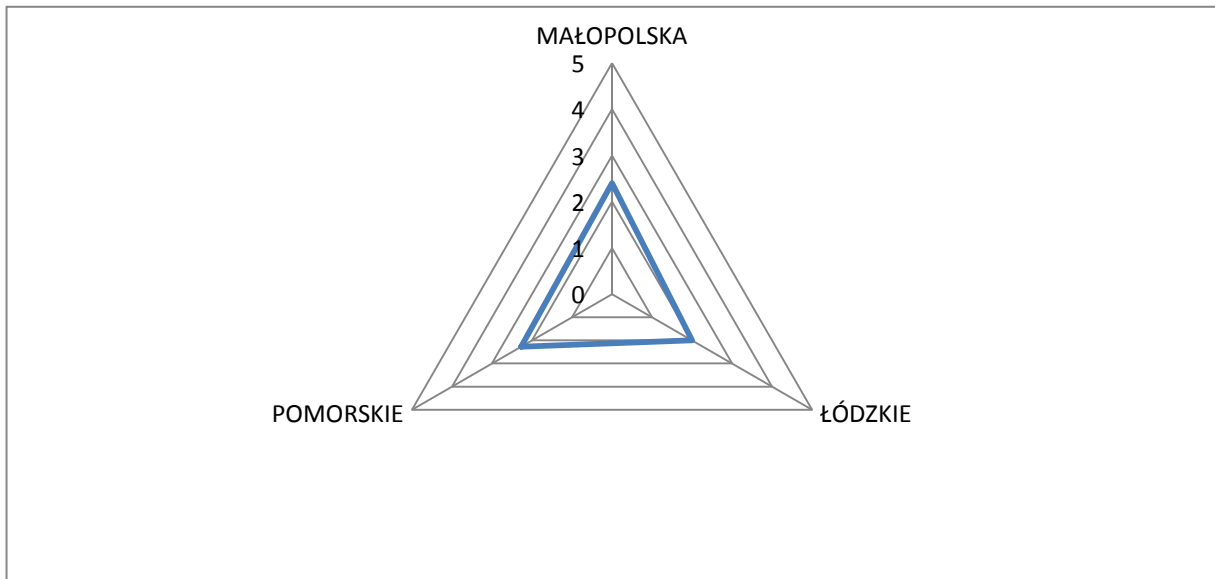


Figure 38 Overall ELFRI index scores in three regions

In Figure 39, the ELFRI topic index more specifically consists of: outdoor spaces and buildings; transport; housing; social participation; respect and social inclusion; civic participation and employment; communication and information; and community support and health services. Generally, all regions receive below 3, meaning they are not considered as the best elderly friendly places to live, but there was not much difference between Małopolska and Pomorskie, compared to a much lower rating for Łódzkie. In Łódzkie, *community support and health services* received only 1.73, and *housing* 1.77, indicating the respondents’ lack of confidence in the public authorities’ capacity to provide social services of an appropriate range and quality.

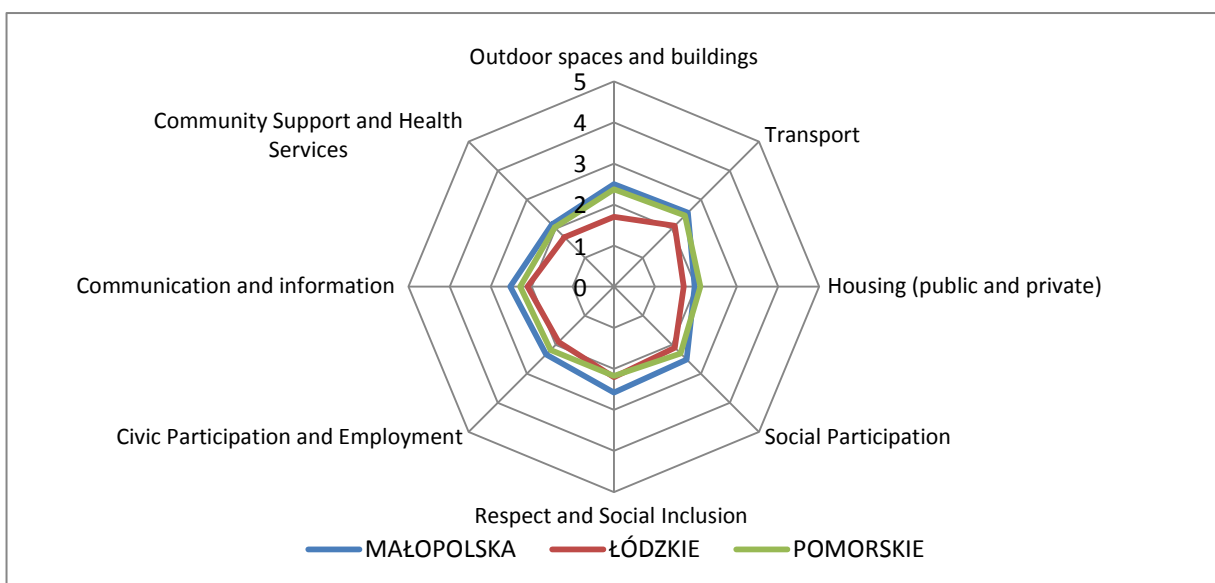


Figure 39 Elements of the ELFRI index scores in the three regions

In addition to determining how regions are perceived in terms of their suitability and friendliness as abodes for the elderly, the key actors were asked to evaluate if the regions were friendly places to work for older workers. This data was used to develop the “Older Workers Friendly Places to Work” (OLWOF) Index. The methods utilised to obtain the data used to calculate the index was the same as for the ELFRI index. The OLWOF index used the same categories as those used by the American Association for Retired Persons (AARP<sup>28</sup>, a non-profit organisation) to determine suitability to receive rewards for ‘Best Employers for Workers over 50’, which includes:

- Recruitment actions and practices
- Work and culture opportunities
- Training and skills development opportunities
- Company (or ‘firm’) health and benefits.

The elements are each rated for the current work situation, and then their individual importance is calculated, contributing to the overall OLWOF index, which is out of 5, with 1 being poor and 5 being excellent. The importance of each of these elements in the index is presented in Figure 40 for all regions, while the overall OLWOF index for all regions is presented in Figure 41. More details can be found in the working papers for each region (Perek-Białas, 2013; Sagan, 2013; and Szukalski, 2013).

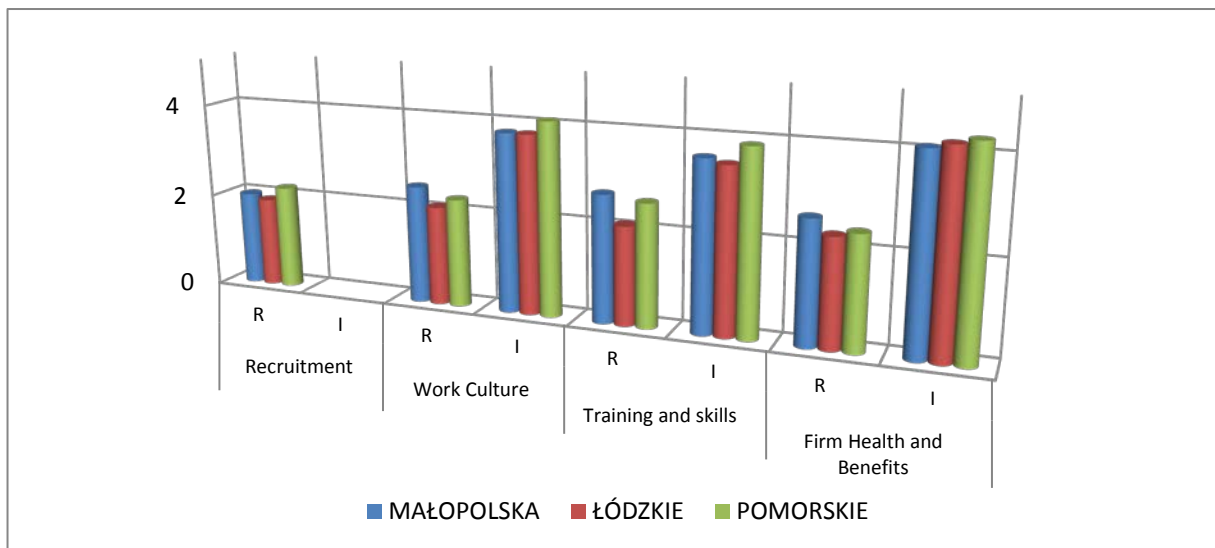
Małopolskie’s overall rating for the OLWOF index was 2.5, Łódzkie’s was 2.1 and Pomorskie’s overall index was 2.4, which categorises all three regions as poor Older Workers Friendly Places to Work (1 is poor through to 5, which is excellent). Interestingly, between regions there are not a lot of differences, and it is evident that in all regions recruitment was given the lowest ranking, followed by training and skills development. Here, urgent *interventions and actions are needed* to change this rating in the short term. The results of the poor evaluation of training and skills development for older workers were reflected in workshop attendees’ tones of voice at the workshops when discussed by participants. In all dimensions, respondents gave rather low values, but Łódzkie had the lowest rates of all.

The overall importance of OLWOF topics was rated high – in Pomorskie 4.1 and in Małopolska and Łódzkie at 3.8, with the most important element of this index being company or firm health and benefits. This means that respondents are aware of these elements as having importance in their regions for older workers friendly places to work, but despite their importance, they did not receive high current situation values. Thus, the negative contemporary situation reflects a policy gap, which requires deeper investigation. It could be suggestion good idea to share these results with the respondents, and have a more specific or detailed discussion regarding how, if these aspects are so important, what could be done to change the situation and their current low rating?

The difference between the overall rating and the importance rating reflects a policy gap between the reality of the situation and what should occur. Although the importance is not overly high it still indicates the significance of achieving older workers friendly places to work, and provides the impetus to do so.

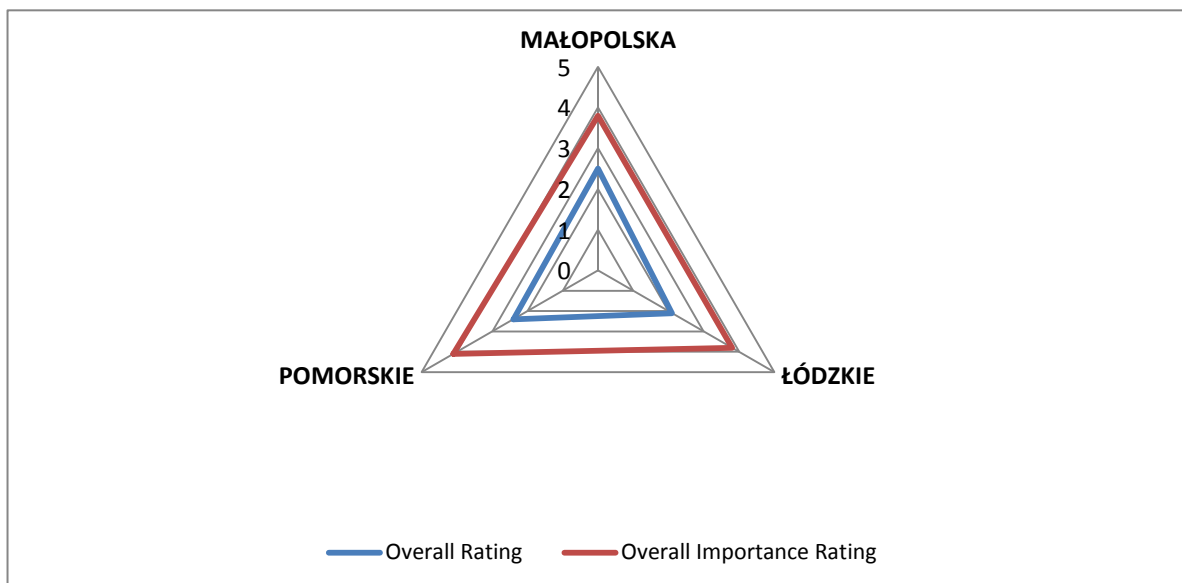
<sup>28</sup> AARP (American Association for Retired Persons) - <http://www.aarp.org/>





**Figure 40 Elements of the OLWOF index scores in three regions**

Note: R – Overall rating at current situation; I – Overall importance of the elements of the OLWOF index scores



**Figure 41 Overall rating and overall importance rating OLWOF index scores in the three regions**

In general, the survey is not intended to be statistically representative (due to the small number of respondents in all regions and the fact that probability sampling methods were not used for the selection of respondents), but rather to provide an indication of some additional policy aspects that could be taken into account, in combination with the quantitative and qualitative data collected for this study. The indexes could also be further developed in other surveys and comparisons of the situation over time within the regions.

However, quite striking is the fact that in all regions the respondents gave similar ratings and evaluated the situations and aspects and their relative importance in the same ways. This could indicate that there may be less regional differences related to opinions about this particular policy for older people/older workers, but it is also important to consider that here, rather general overviews and opinions about the national policy have an impact on their evaluations and their perceptions.

## 4.5 Conclusions

Increasing the awareness and knowledge about demographic change and its consequences is essential for current policy in all regions. Even though the demographic changes are different between regions (in Małopolska, Pomorskie it is the ageing population, in Łódzkie, it is depopulation in combination with population ageing), discussion can still occur, focused on specific possible solutions which could yet influence (*e.g.* family policy) and adapt to future needs, given there will be more and more older people.

Regional authorities are more aware of demographic challenges, but at the same time the degree of awareness is diminishing at the lower administrations levels – at the regional level, there is a clear conviction that demography is – if not destiny – at least an important factor affecting future development. At the poviát level, and especially at the level of the gmina, the awareness is meagre, which is partially the result of lack of interest and partially from limited opportunities to access the population projections. As a result, there is a strong recommendation to develop updated strategies at different levels of governance, not only obligatory ones, designed to prepare them to solve local social problems, but also to respond to consequences of dealing with an ageing population.

All regions and administration levels could be better prepared for the demographic changes, but they also need the support and changes in areas such as national regulations (*e.g.* those related to the labour market, business/entrepreneurship etc.), which will allow them more flexibility to create, implement and monitor policies which can, in the long-term, bring about meaningful results. Key messages for policy development are presented below in relation to (1) optimising the use of funding; (2) accelerating information/knowledge sharing; (3) adjusting to an older workforce/population; (4) developing the silver, white and green economies; and (5) fostering regional/local sustainable development.

### 1. Optimising the use of funding:

- Funding flexibility – to support regional/local contexts and needs, thereby providing opportunities for innovative, tailor-made solutions. This flexibility will avoid expenditure on general programmes that are not relevant to the local context.
- The need to diversify the resource base (alternative funding sources, not relying solely on ESF funds) either now, or to have scenarios to ensure projects can continue when funds end.
- It is crucial that the gmina level be the most decisive actor, with the option of deciding whether or not to finance certain actions or measures. Gminas level governance should be able to ascertain if funds are insufficient for a certain year. There should be a ‘buffer’ demographic fund, which can provide a temporary source of funds to secure the needs for a particular year – as a kind of solidarity agreement within the region. Therefore, it is important to look at both horizontal and vertical linkages across different policy fields and use these options to maintain development, funding and resources.

### 2. Accelerating information/knowledge sharing:

- The exchange of information and experience is the most important issue between regions, to have the option of discussing not only successes but also failures; sharing knowledge. In addition to this, tailor-made solutions are recommended.
- Labour market intelligence is a crucial tool not only at a national level, but also at the regional and local levels, forecasting changes and designing appropriate skill matching in response are initiatives that need to be developed.

- Promoting innovative projects/activities – sharing experiences between various actors and projects is essential in order to learn and build knowledge on local level initiatives. An approach to support this could be that if funds are received, it is an obligation to collaborate and share information within social co-operatives that are all supported by EU funds; or Social Integration Clubs could regularly meet not only at a local and regional level, but also at the national level. The use of electronic media is a useful means by which to increase participation and sharing of information between stakeholders. Examples of actions include:
  - *Day of ESF Projects* – not only by region or by specific type of project (training) priority, but for all aspects related to demographic change. The selection of projects could occur firstly at the gmina level, then the powiat and then the regional level, to discuss proposals in a more detailed way. A major ESF event could be organised in Warsaw with the representatives of the institutions that potentially stand to benefit from the various projects' results (e.g. actions/projects/initiatives that support the local community of older people). Not only the project proposal should be supplied, but also an interactive tool that could allow decision makers to easily: 1) find, 2) learn and 3) evaluate the projects/actions and initiatives (possibly via a webpage<sup>29</sup>).
  - *Day of Social Co-operatives* – a similar structure and idea as above; examples of good practice in social economy can be found on the Internet (<http://atlas.ekonomiaspoleczna.pl/> or all the various social co-operatives at <http://mapa.ekonomiaspoleczna.pl/>)
  - *Day of Social Integration Clubs, Day of Supportive and Innovative Centres for 50+ etc.*
  - *Day of “Friendly Places for Families”, Day of “Friendly Places for Older Persons”* – such places exist in Małopolska, and Kraków but not many people are aware of them.

### 3. Adjusting to an older workforce/population:

- The need for programmes/initiatives that promote older persons in the workforce (removing the negative stereotyping and promoting tacit knowledge exchange at the workplace) and skills development and training need to be adjusted to what older people need.
- Set up a day to respect older people (such a day has existed in Japan since the 1960s), at the local, regional and national levels. The 1<sup>st</sup> of October is set to be a similar day in Japan, but it is focused on problems of old age.
- Create a better media image of older people as useful people, to be respected – aim to change the current somewhat negative image of old people.
- Develop school curricula that encourage pupils and students from a young age to interact with old people and to incentivise them to choose future careers with demographic trends in mind (e.g. silver economy) – special programmes or projects for teachers and schools could be designed for such activities.
- Policies and strategies need to be proactive and flexible, not only in the short term but also in the long-term.

### 4. Developing the silver, white and green economies:

<sup>29</sup> At present, there is a map of ESF projects, but the functionality is limited if one is looking for projects' best practices. However, based on this idea, there could be a recommendation to further develop this, and share the knowledge with potential users, including persons interested in ESF' projects who may not use ESF funds, but who can learn what could be done and how.

- A new approach in any planned strategy for ageing needs to consider the new multipliers of growth: the silver, white and green economies; so that this combination can provide systemic solutions for a particular area. For example, the ageing population that regions are and will experience is offering new opportunities within the economy, which need to be encouraged and promoted.
- There is a need to develop programmes and initiatives that encourage public involvement, not only from citizens, but also from private firms.

#### **5. Fostering regional/local sustainable development:**

- Social policy should aim to encourage the development of different policies and programmes for the urban and rural environment, in order to better cater for their different needs – thus taking into account the ‘territorial’ dimension (Martinez-Fernandez *et al.*, 2011). To achieve this aim, updates to strategic planning at different levels of governance that take into account demographic changes are needed.
- Acknowledge that local governments will need to be mindful of the differences in demographic composition and take appropriate actions following analysis of different scenarios. This should be accompanied by a cost-benefit analysis, which will confirm the rational and most financially viable way of implementing solutions.
- Ensure that different stakeholders are engaged in decision-making processes and that those who benefit or are affected by certain decisions have ownership of the issue.
- Citizens may need to acknowledge their role in society in order to deal with some of the challenges ahead (*e.g.* volunteering or social entrepreneurship and co-operatives), and not leave it all in the hands of the government. Participatory actions and consultations are needed with as many interested groups as possible.

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**CHAPTER 5****GUIDELINES FOR LOCAL MANAGEMENT OF DEMOGRAPHIC TRANSITIONS IN LABOUR MARKETS AND AN AGEING SOCIETY IN POLAND**

This chapter firstly presents a performance comparison of key demographic indicators between the EU27, OECD, Poland and the three study regions, using a new dashboard technique, and discusses the results from the Warsaw seminar policy index questionnaires. The chapter outlines guidelines for the management of demographic changes at the local level so that the effects of shrinking and ageing populations are strategically addressed in advance. Policy messages and guidelines are outlined according to: (1) managing the demographic transition and providing economic support; (2) a focus on family policy in light of low fertility rates; (3) encouraging healthy and active communities for youth and within an ageing society; (4) developing new sources of economic growth and managing an ageing workforce; (5) increasing skills and competency levels in light of a changing workforce; and (6) the use of the European Social Fund.

The Polish case study revealed the complexity of the demographic challenges that are occurring within the regions. Each region is experiencing different issues associated with their socio-economic situation, such as: population ageing experienced in all three study regions; and population shrinkage in Łódzkie. These differences in demographic situations require a territorial analysis so that regional and local perspectives on policy preparation, development and implementation are co-ordinated with national policy efforts. This chapter firstly presents results from a review of the performances of the regions, when compared to OECD member countries, EU27 and Poland, using a Dashboard method<sup>1</sup> (see Annex 7). Secondly, the chapter discusses the results of a small scale policy index. Thirdly, guidelines for the management of demographic changes at the local level are presented so that effects of the shrinking and ageing of the population can be strategically addressed in advance.

### 5.1 Performance review – Polish Dashboard on demographic change

A comprehensive set of indicators were collected for each study region, and Poland as a whole. As noted by (INTERREG VIC and European Union, 2012) in the Declining, Ageing and Regional Transformation (DART) project: “...[a] prerequisite for analysis and evaluation of demographic change is first the supply of regionally differentiated information and data, for which regional benchmarking can be used” (p.22). The DART project produced an indicator set (see Annex 8), with the majority of these indicators having been collected as part of this study. The Dashboard presents sets of indicators in a simple pie chart based on three principles:

1. The size of a segment reflects the relative importance of the issue described by the indicator.
2. Colour codes signal relative performance, with green meaning “good” and red meaning “bad”.
3. A central circle, the Policy Performance Index (PPI), summarises the information from the component indicators – in this case, it is called the *Demographic Change Index* (DCI).

The demographic change dashboard is an evolving tool designed to assess the performance levels of demographic transition at a regional scale between 2000 and 2010. The Polish dashboard provides a comparison ‘with and between’ OECD member countries, EU27, Poland and the case study regions – Łódzkie, Małopolskie, and Pomorskie (see coding for regions in Table 12). Thus, green indicates the region’s performance is better (good), while red indicates its performance is behind or lower (bad) than the comparison regions.

The DCI (central circle) provides a summary performance index of the demographic change themes (Demographic change, Economy, Labour, and Skills and Education), the surrounding segments provide the overall summary of the performance of the each theme. The table below outlines the codes for the dashboard.

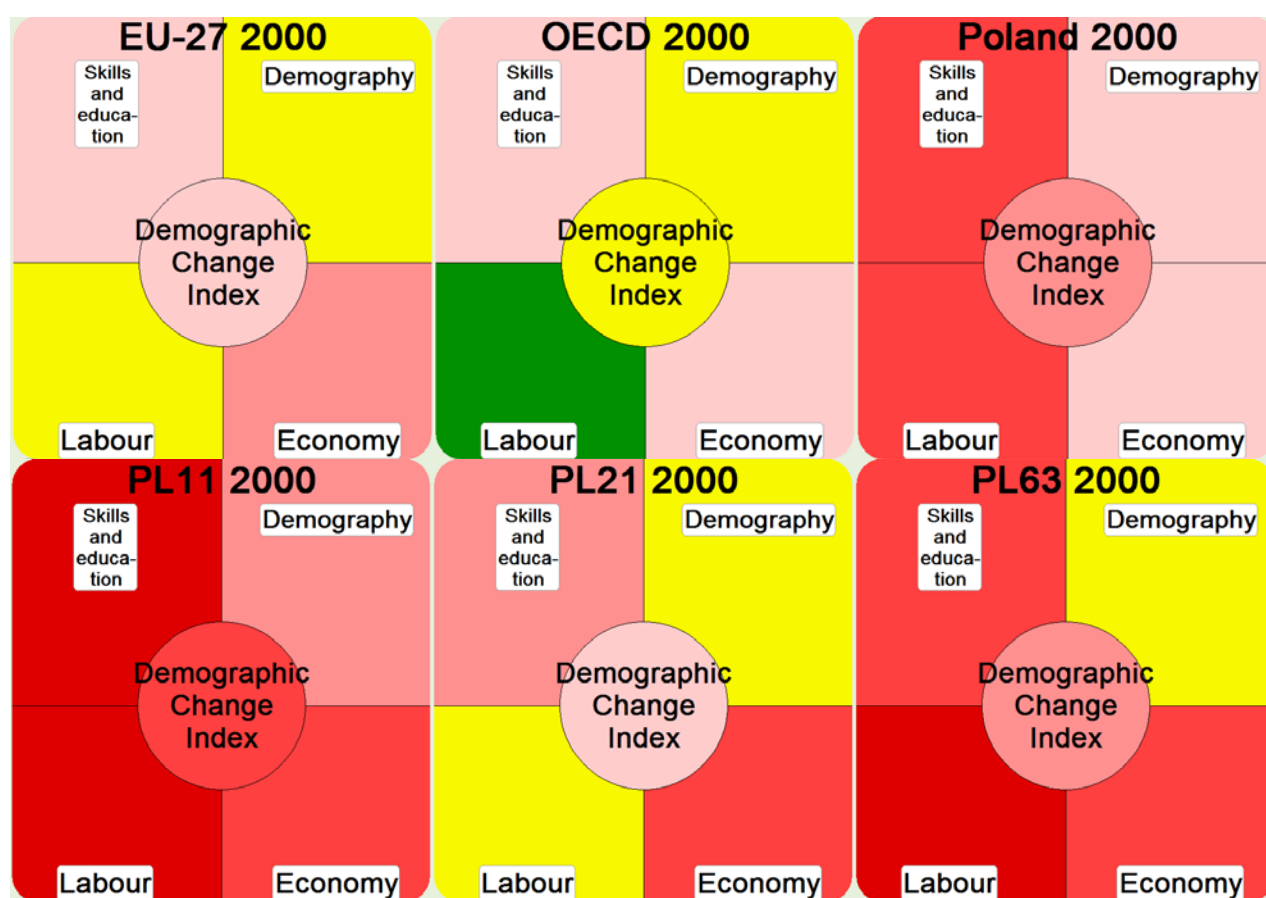
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<sup>1</sup> The Dashboard tool was developed by the Consultative Group of Sustainable Development Indices (CGSDI) - (<http://esl.jrc.it/envind/dashbrds.htm>). The demographic change dashboard has been developed in consultation with the CGSDI.

**Table 10 Dashboard regional codes**

1 – Poland	Poland
2 – Łódzkie	PL11
3 – Małopolskie	PL21
4 – Pomorskie	PL63

In 2000, the DCI performance comparing EU27, OECD, Poland and the three study regions (PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie) revealed that all economies were struggling and that none of the regions performed well, as indicated by the lack of green shading in the centre circle (Figure 41). As illustrated, Łódzkie and Pomorskie in 2000 were under performing in nearly all policy sub-themes of the DCI (Demography, Economy, Labour, and Skills and Education). However, of note, is that Małopolskie out performed Poland, particularly in the areas of demography and labour.

**PERFORMANCE LEGEND**

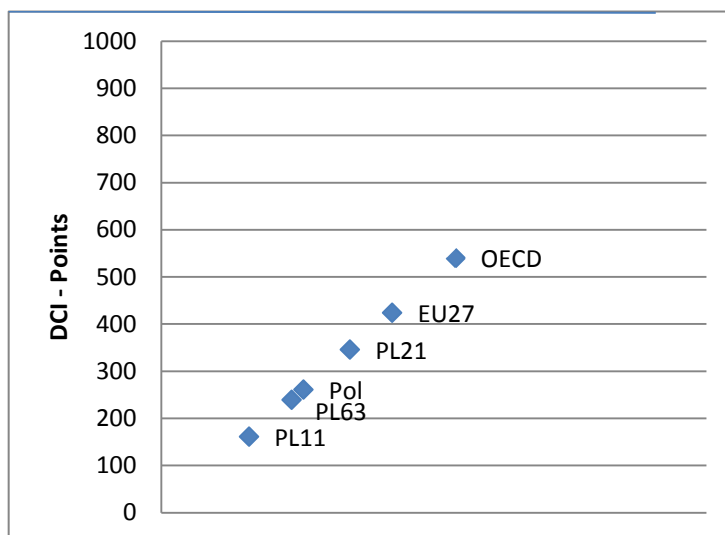
EXCELLENT	VERY GOOD	GOOD	FAIR	AVERAGE
BAD	VERY BAD	SERIOUS	CRITICAL	

**Figure 42 Demographic change index dashboard results for 2000**

Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie



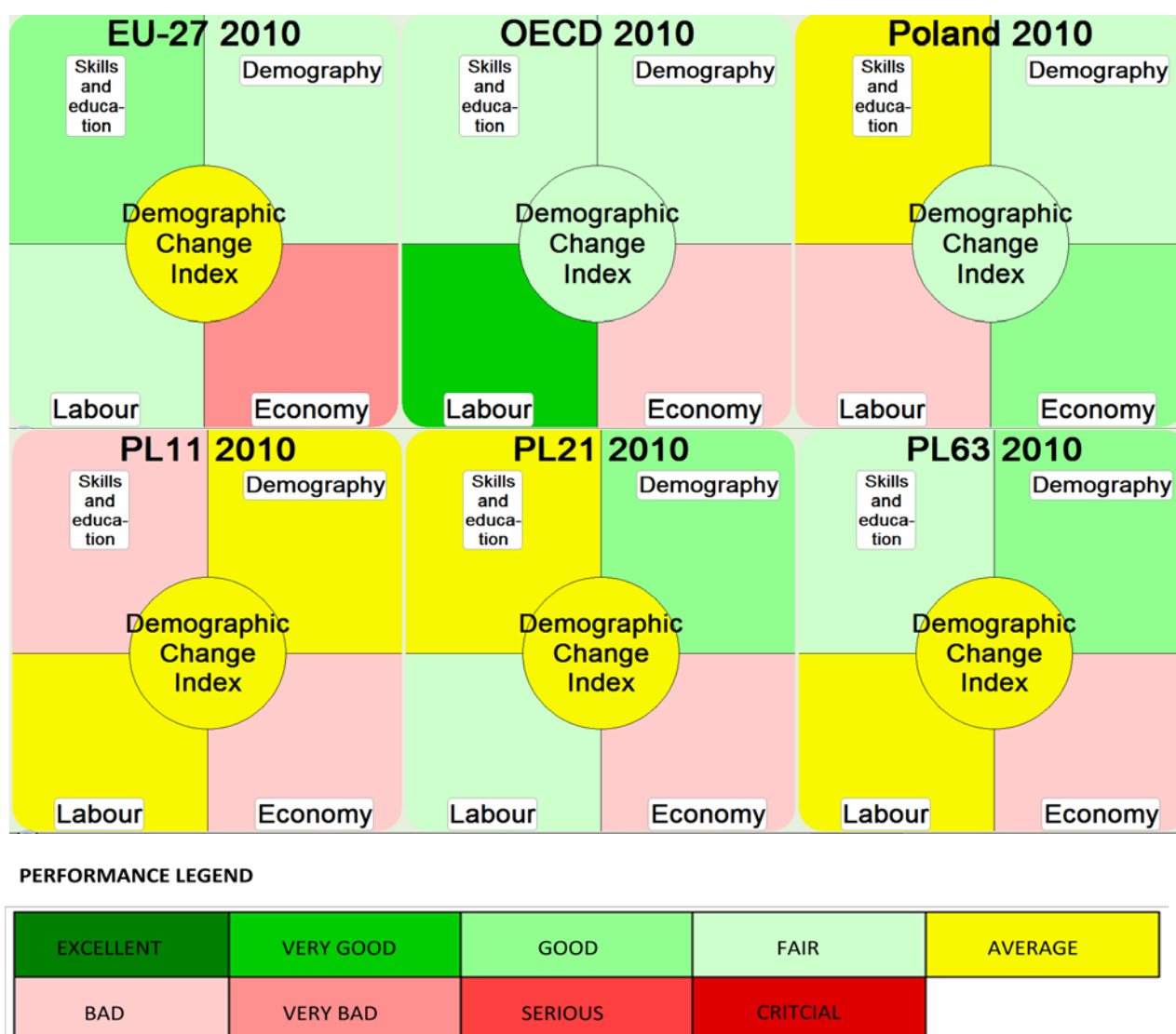
Figure 43 below illustrates the 2000 DCI (summary of demography, economy, labour, and skills and education) points score according to the Dashboard. The points are out of 1 000. As can be seen, the points for each region are quite widespread, from 161 (PL11- Łódzkie) to 540 (OECD) (1 is poor graded up to 1 000). The lower the DCI points, the worse the region is performing, as seen for Łódzkie and Pomorskie in 2000, while Małopolskie was the best performing study region in Poland. The OECD and EU27 outperformed Poland and the three study regions.



**Figure 43 Demographic Change Index (points) for 2000**

Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie

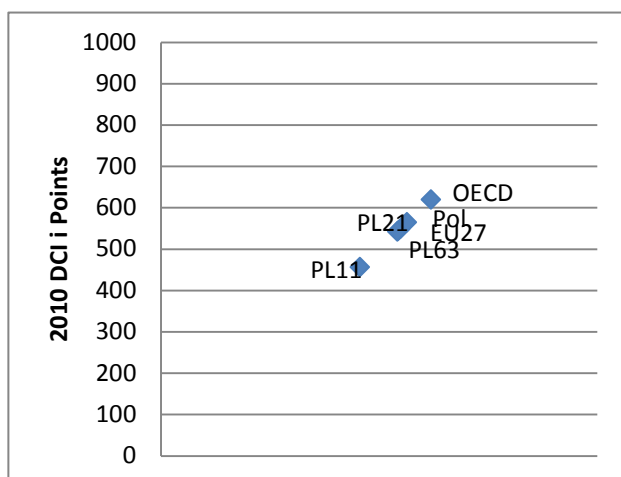
In 2010, there has been a significant improvement in the DCI index for all regions, with the OECD and Poland now performing above average (as indicated by the green shaded circles in Figure 44), and especially with Poland performing better than the EU27. Łódzkie was still the lower performing region, although improvement has been made since 2000. The study regions appear to be let down by their performance in economy, and skills and education.



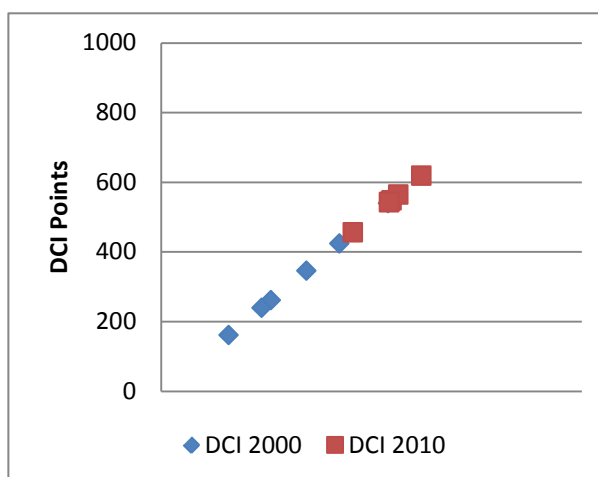
**Figure 44 Demographic change index dashboard results for 2010**

Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie

Figure 45 illustrates the 2010 DCI (summary of demography, economy, labour, and skills and education) points score according to the Dashboard, with the points scoring ranging from 0 to 1 000. It can be seen that points for each region have narrowed and improved since 2000, from 456 (PL11) to 619 (OECD). The improvement of all regions is also illustrated in Figure 46.



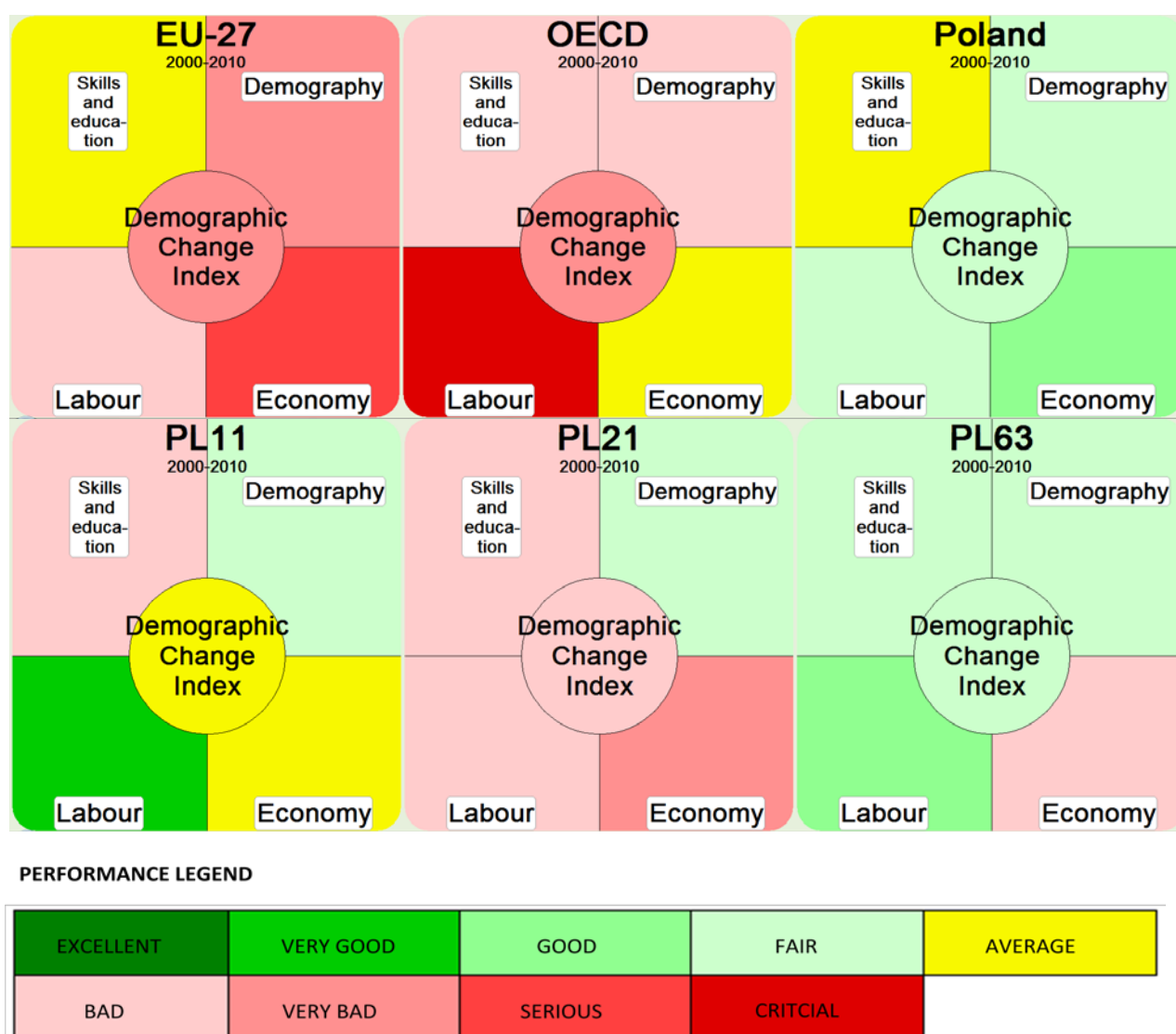
**Figure 45 Demographic Change Index (points) for 2010**



**Figure 46 Demographic Change Index (points)**

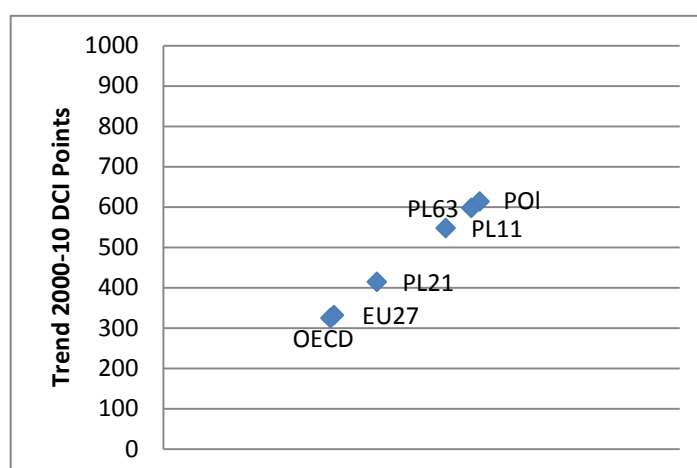
Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie

Although all regions performed better in 2010 compared to 2000, it is the performance change (trend from 2000-10) that is significant. Surprisingly, Poland and Pomorskie performed above average, while Łódzkie out-performed Małopolskie, as indicated by the green and yellow shades in the centre circle (Figure 47). Notably, the OECD and EU27 performed below Poland, and the three study regions outperformed the OECD and EU27. The improvement spread was from 613 (Poland) to 324 (OECD) (Figure 48). This performance change from 2000 to 2010 indicates the level of improvement in Poland and the study regions, resulting from their entrance to the European Union and the subsequent support they received, as well as the substantial national and regional strategies for modernisation of the country.



**Figure 47 Demographic change index dashboard results for trend from 2000-10**

Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie  
 Colour codes signal relative performance, with green meaning “good” and red meaning “bad”



**Figure 48 Trend from 2000-10 DCI points**

Note: PL11 – Łódzkie , PL21 – Małopolskie and PL63 – Pomorskie

## 5.2 Policy Index Result

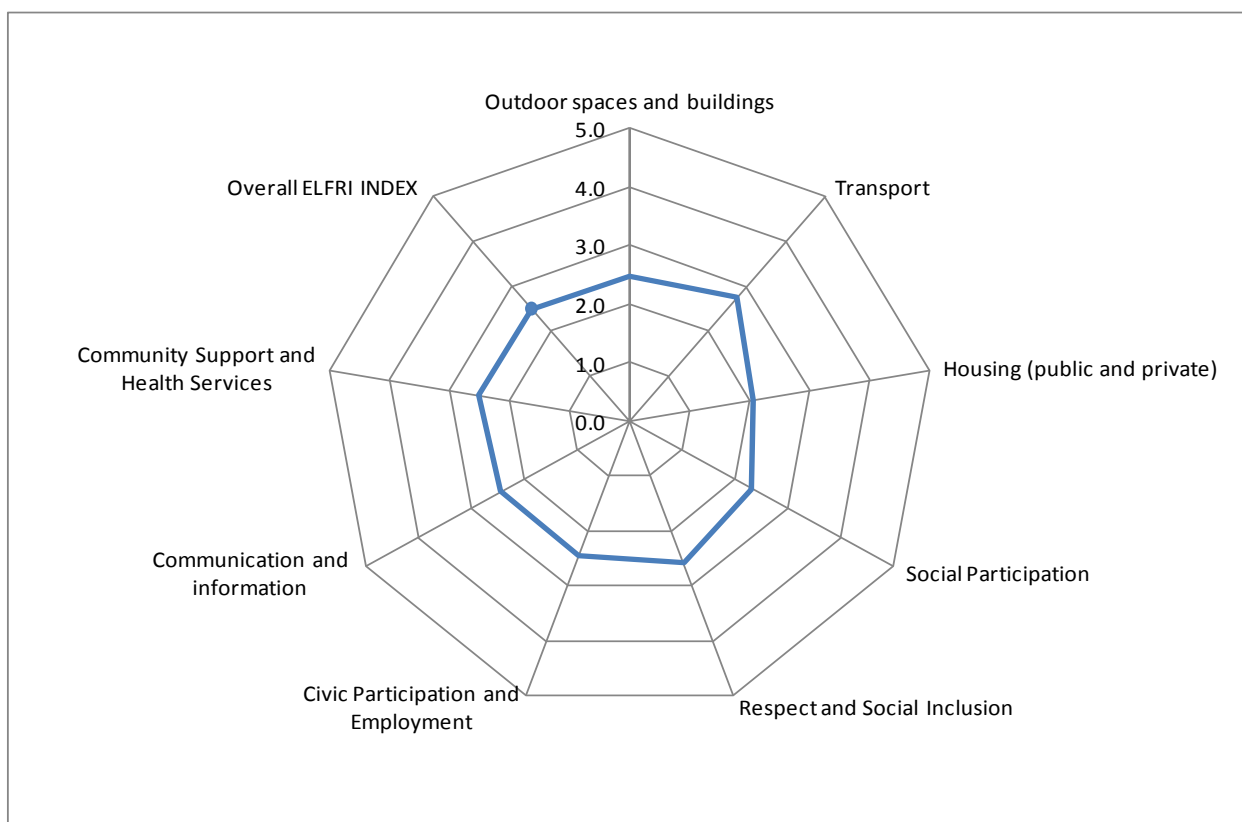
During the Warsaw Seminar (16<sup>th</sup> October 2012) representatives of various public administrations and organisations at the central government level were asked to complete two surveys. Fifteen and eighteen participants completed the “Older Workers Friendly Places to Work” (OLWOF) and “Elderly Friendly Places to Live” (ELFRI) questionnaires respectively, from which two policy indices were extracted.

The overall ELFRI index for Poland was 2.5 out of 5 (with ratings based on 1 being poor up to 5 being excellent), which is an ‘average’ score for an elderly friendly place to live. More specifically, the ELFRI topic index includes the following scores: Outdoor spaces and buildings – 2.5; Transport – 2.7; Housing – 2.1; Social participation – 2.3; Respect and social inclusion – 2.6; Civic participation and employment – 2.4; Communication and information – 2.4; and Community support and health services – 2.5 (Figure 49). Interpretation of these results indicates that there is a significant amount of ‘policy appetite’ to ensure that the ageing society is considered and looked after. More specifically:

- Participants considered that Poland had above average adequate green spaces for older people (3.7), however, significantly, there is a lack of elderly friendly public toilets (1.9) and age-friendly pavements. *Having adequate amenities for the elderly in outdoor spaces and buildings is essential in order to encourage the older population to have the confidence to leave their homes, participate, and be active in society.*
- Concerning transport, participants considered availability, vehicles, travel destinations, priority seating, reliability and frequency to be above average for the Polish elderly population. Significantly, however, taxis and community transport for the elderly were below average (1.83 and 1.59 respectively). *As the population ages, it is essential to facilitate ‘mobility’ to ensure independence and social inclusion; improving transport infrastructure for all provides an avenue for this.*
- The participants regarded the private and public housing for the elderly as being below average. Significant areas for improvement include: housing options, affordability, modifications, essential services and maintenance – all received an index below 2 (out of 5).

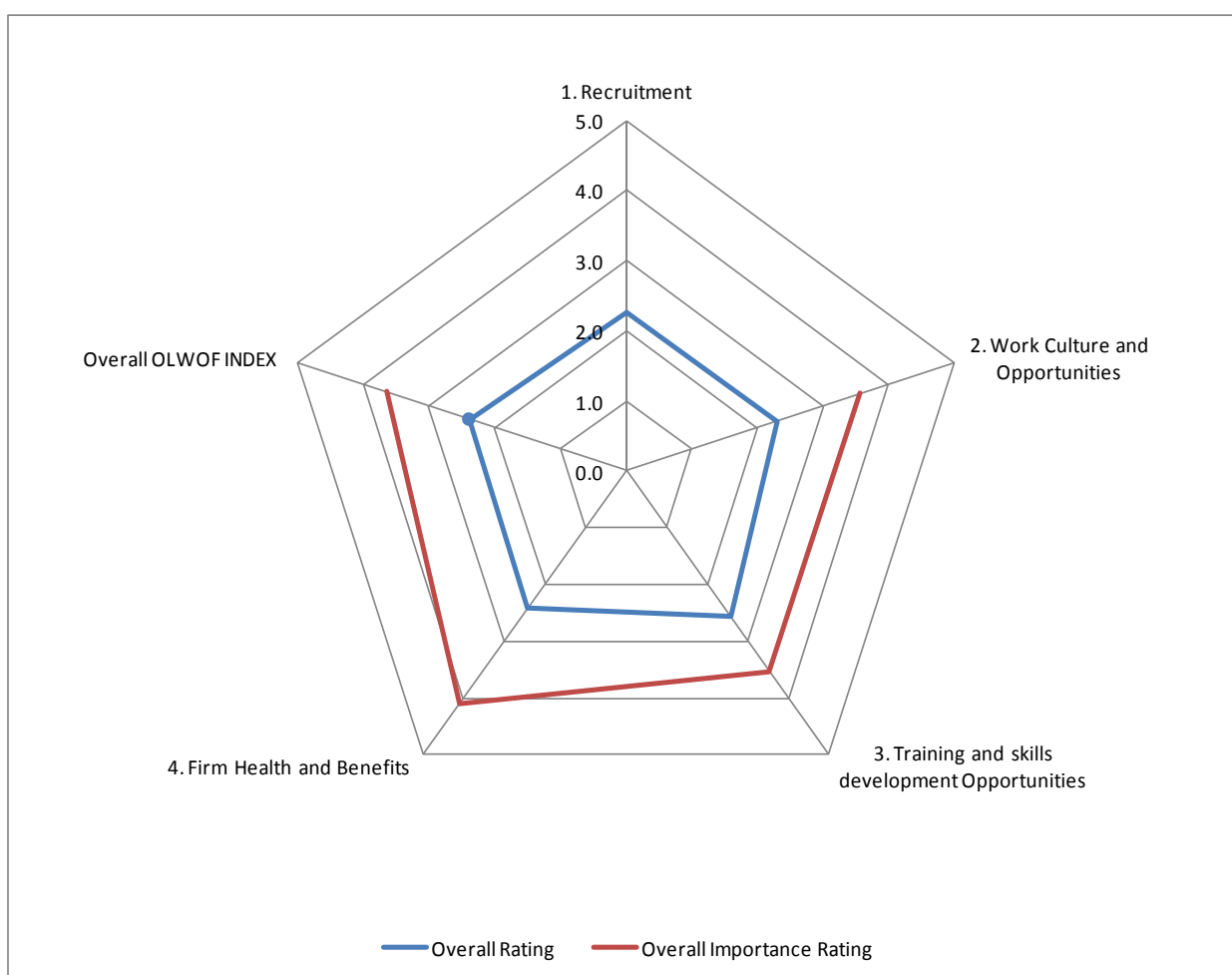
*Ensuring adequate housing for the older population is an important policy responsibility, to enable autonomy and good living conditions.*

- Social participation of the ageing population helps to keep the elderly both mentally and physically active, again this was considered as below average. *There is a need to not only improve the range of opportunities for the older population to socially participate in society, ensuring affordability and accessibility, but also to increase their awareness that activities are available in which they can participate.*
- Respect and social inclusion for the elderly are essential; making the older population feel worthwhile in the community stimulates the need and will to live. The Warsaw participants considered this area to be above average, especially within: the elderly's role within the family, and economic inclusion. Areas where policy consideration is needed are within the community - improving respectfulness, intergenerational interaction and public education; and general helpfulness of the community. *An awareness campaign would help in this aspect.*
- Civic participation and employment of the older population is important for a successful growing and active economy. Although overall, the participants considered this as below average for Poland and improvement is needed, there were areas where it was considered above average, including: volunteering, encouraging civic participation, and valuing older persons contributions. Although these areas could be improved, focus should be on *creating better employment options and more opportunities, allowing flexibility in order to accommodate older workers and volunteers, improving training and entrepreneurial opportunities.*
- Communication and information are essential for an ageing population. Raising awareness and sharing information on the services available and the opportunities that exist to participate in the community are important actions. Again, this was considered below average in Poland. It is important to implement tools that will allow widespread distribution of information in an orderly and timely fashion. This may include encouraging the older population to turn to information technology or the implementation of other age-friendly formats and designs for information dissemination.
- Community support and health services for the elderly are essential, not only on a national basis, but also at the regional/local level; participants indicated this was average for Poland. *Areas for improvement include: having volunteers to provide support services to the elderly; a network of community services; providing residential facilities for those people who are unable to live at home; providing ageing-well services and home care.* These services (the needs of the silver economy) will increase in the future as the population ages, and perhaps provide an area in which SMEs and entrepreneurs can benefit by creating a targeted business that provides a community service at the same time.



**Figure 49 Overall ELFRI Index scores for Poland**

The overall “Older Workers Friendly Places to Work” (OLWOF) index, which is out of 5 (with 1 being poor and 5 being excellent), is 2.4 for Poland, which is just below the average for older workers friendly places to work. More specifically, results were: recruitment (2.3); work culture and opportunities (2.3); training and skills development opportunities (2.6) and company/firm health and benefits (2.4) (Figure 49). The policy gap is noticeable when one compares the importance of these aspects to friendly places to work for the older person, which has an overall index of 3.7 (out of 5). The figure breakdown is specifically: work culture and opportunities (3.4), training and skills development opportunities (3.4), company/firm health and benefits (4.1) (Figure 50).



**Figure 50 Overall OLWOF Index for Poland**

When considering recruitment for older people, it is important to improve the marketing of older workers, with the use of senior placement agencies, job fairs, specific internet sites, partnerships with social organisations, and employee referrals. The work culture and opportunities for older workers is paramount in creating respectability and ensuring intergenerational workplace interaction and learning. Improving organisational culture by creating older workers friendly organisations is needed through methods such as (NB all these were considered important by Warsaw participants):

- reducing stereotyping and promoting the benefits of older workers
- improving human resources management
- providing guidance and counselling
- flexible, interesting and challenging work environment
- re-evaluating career objectives
- providing communication and feedback
- offering training opportunities
- providing the opportunity to serve as mentors for younger colleagues
- celebrating older workers' contribution and long-service



- enabling people to return to work after illness and providing alternative work options (flexible scheduling, job sharing and phased retirement).

Providing training and skills development opportunities for older workers is important in order to ensure continued skill development and improvement, and their contribution to the firm. Implementing company training plans was considered important by participants, however, they noted that it is not common practice. Also considered important were tuition cost reimbursement, formal classroom training, and online training. On-the-job training was considered to be the most likely common training technique for older workers. Providing opportunities for older workers to gain new experiences is essential for keeping the workforce motivated and interested, either through temporary assignments, team projects, or job rotations. There is need for an awareness campaign, and programmes that promote training and skills development for older workers within firms, to encourage a longer-working life.

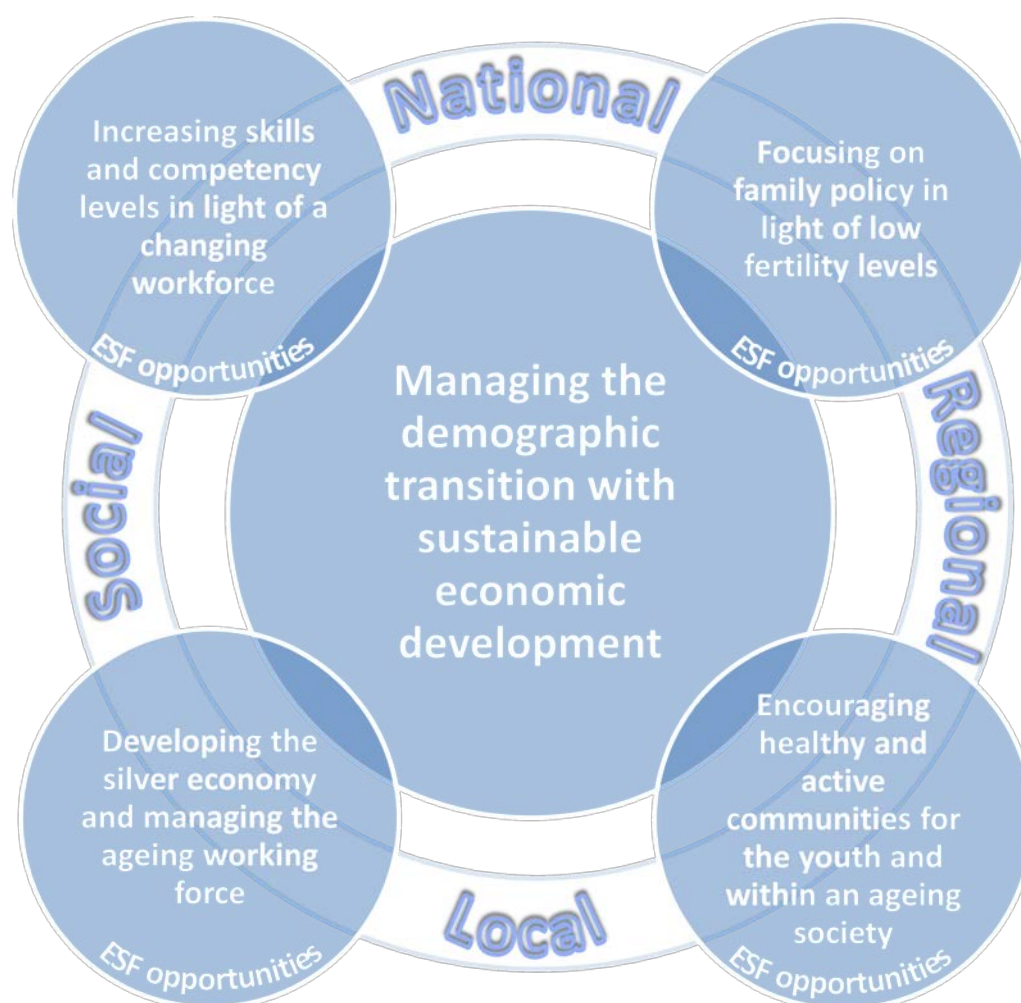
Company health and benefits provide encouragement for older workers to stay working and contributing to the economy. Insurance coverage such as health, medical, long-term care and disability are tools that will enable the older generation to keep working.

### 5.3 Guidelines for local management of demographic changes

As highlighted in Chapter 1, demographic change is experienced in all OECD member countries and developing economies. Demographic change has become a high policy priority in recent years, especially within Europe and corresponding European countries. A 2008 report by the Commission of the European Communities noted the potential significance of demographic change to generate "... a substantial asymmetric socio-economic impact on European territories, which might further increase regional disparities in Europe" (p.3). As outlined in a recent EU report (INTERREG IVC and European Union, 2012) on Declining, Ageing and Regional Transformation (DART) demographics "... change constitutes a challenge for many European regions, as a result of low fertility and migration; by 2030 every third person in the EU will be over 60. This situation has created obstacles in providing adequate public services, while shrinking regional demands and the need for a sufficiently large qualified workforce are a big challenge to avoid endangering the economic basis of the regions" (p.7). The report highlighted three strategic documents that outline the importance of demographic change, including the 'Vulnerability index report', 'Lisbon Strategy' and its successor 'Europe 2020'.

The OECD LEED's Poland 'Local scenarios of demographic change' project and the corresponding final seminar in Warsaw, hosted by the Ministry of Regional Development, 16<sup>th</sup> October 2012, revealed six key interconnected areas of demographic change for which policy responses were required both at national, regional/local, and social levels (see Figure 51):

1. Managing the demographic transition and providing economic support;
2. A focus on family policy in light of low fertility rates;
3. Encouraging healthy and active communities for youth and within an ageing society;
4. Developing the silver economy and managing the ageing workforce;
5. Increasing skills and competency levels in light of a changing workforce;
6. Utilisation of the European Social Fund.



**Figure 51** Poland's demographic transition strategic areas

These areas of strategic policy development are now discussed in turn.

### **5.3.1** *Managing the demographic transition with sustainable economic development*

Challenges associated with the demographic trends, including population decline, population ageing, low fertility rates and migration, according to the DART report, undermines the sustainability of the general infrastructure (INTERREG IVC and European Union, 2012) and requires “flexible adaptation strategies” at the national and regional levels. These strategies should be systemic and sustainable policies focusing on the development of economic sustainability both nationally and regionally. Key measures include:

- The regions should develop strategies to attract immigrants and facilitate their settlement within their respective territories, such as improving living and labour market conditions. It seems that such a strategy *is crucial for the development of the Łódzkie region*, due to its negative internal and external migration balance from 1995-2010.
- It is important to emphasise the transport accessibility of the study regions, such as the advantages of good transport in Łódzkie and Małopolskie (road transport), and to promote the current inter-linkages affecting economic strategies.

- Pomorskie requires focused transport strategies, not only to improve the road infrastructure within and between the regions, but also to capitalise on the region's proximity to the Baltic sea (trade, tourism, green economy, transport, labour market, innovation).
- All regions need to focus on creating family friendly local communities, encompassing good transportation, health and educational services, accessible cultural places and events, parks and playgrounds, and housing estates that take into consideration family and children's needs.
- stronger local job generation approaches, such as within the renewable energy sector, innovation centres that aim at generating new jobs from old materials, or gaps in the current market, and increased tele-computer firm development (designing new products and services virtually).
- The promotion, financial support and institutional entrenchment of SME sector development in the regions will assist in creating a more stable regional economy that is resistant to economic fluctuations. The self-employed and workers in family businesses tend to stay in the labour market longer than in other sectors.

The last point above is vitally important, according to the DART report, "... the single enterprise plays an important and responsible role in dealing with demographic change...they have to react to the social transformation with products and processes. Nevertheless, the role of public bodies is to support, especially SMEs, with targeted subsidies or as agents of awareness and ideas" (INTERREG IVC and European Union, 2012, p. 28). Box 10 outlines four key recommendations in the field of entrepreneurship and business opportunities from the DART report, which are relevant for the study regions in Poland.

#### **Box 10 Recommendations for entrepreneurship and business opportunities**

Special measures should support ownership succession and transfer of knowledge.

Entrepreneurship should be encouraged and supported, especially entrepreneurship among the young / starting entrepreneurs, senior entrepreneurs, women, immigrants and academics, and in the form of co-operatives in rural areas.

Targeted tax breaks could support employment generating enterprises in areas of population decline.

In depopulated areas, landscape, natural attractiveness, conservation and management should be viewed as opportunities, providing potential for those areas.

Source: INTERREG IVC and European Union, 2012

As part of the European Union's Strategy for the Baltic Sea Region<sup>2</sup> Action which comprises 15 priority areas (Annex 9), Poland, and specifically the Pomorskie region, have the opportunity to be partners in constructive co-operation with external partners in the region and with international bodies. Poland and the Pomorskie region should embrace this collaboration and fully participate in the co-operative actions and projects. Opportunities such as co-operative actions concern: the environment, research and

<sup>2</sup> Baltic Sea Region - Agreed in November 2007 by Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany, Denmark, Russia and the European Commission (Commission of the European Communities (2012) January 2012 Version, Commission Staff Working Document, Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concern the European Union Strategy for the Baltic Region, *Action Plan*, Brussels).

innovation, clusters and SME-networks, removing hindrances to trade, promoting entrepreneurship, transport links and education, youth, tourism, culture and health.

### 5.3.2 Focusing on family policy in light of low fertility levels

All regions are experiencing low fertility rates, being below replacement levels, which has a significant impact on population growth and economic stability. The DART project highlighted the fact that ‘... fertility rate recovery is no longer a real possibility without extensive and intense child care and work-life balance facilities...’ (INTERREG IVC and European Union, 2012, p.25). An OECD (2012a) report ‘The Future of Families to 2030’ stated that ‘... fertility rates could rise in countries where work-family life reconciliation policies are dramatically enhanced’ (p.18). Martinez-Fernandez *et al.* (2012) noted the importance of “[a]ddressing low fertility through policies that better support families, in particular better conditions for working parents and for those entering the labour market. Much work still needs to be done by public institutions to raise awareness of the critical need to support families beyond standard working conditions in the public and private sectors (chiefly in SMEs) as well as the need to provide good and flexible access to childcare” (p.30). It is within these areas that policies, strategies, programmes, initiatives and, importantly, funding are all required to not only manage, but also to promote family support and creation.

Long-term and stable family policy should outline provisions to support parenting decisions by: creating the conditions necessary to ensure that more children are born; improve the quality of life; and reduce poverty among families. Successful family policy requires the legislative initiatives to support regional and local efforts to reverse the negative trends. Family policy should focus on:

- Institutional supportive structures promoting family values; monitoring the family situation and recognising family problems These supportive structures include:
  - Financial assistance – supporting families (family and child well-being benefits, family-friendly tax system, elderly assistance programme), child-bearing (allowances, baby product VAT reduction), childcare (nannies/babysitters, childcare health and safety regulations/compliance), and children’s education (tax relief for expenses incurred).
  - Establishing and supporting social infrastructure such as care centres for pregnant women; universal access and expansion of childcare; family centres for families in crisis; financing nurseries, kindergartens and schools all year round; diversity of working hours to adapt to the needs of working parents; creating ‘social activation’ with children’s clubs and associations for intergenerational integration.
  - Flexible forms of employment and workplaces for women such as the extension of maternity leave, improving nursery networks, incentives for employers to introduce family-friendly working hours, tele-working places (in the form of pilot actions funded by ESF) and introduction of ‘on-demand’ public administration.

In order to achieve successful family support, a national long-term policy is needed whereby regions are supported by central area initiatives. This policy should take into consideration the diversity of the family unit across the country (rural/urban), and allow flexibility for intraregional differences. Therefore, it is essential that policy and decision-makers be open to new initiatives, and implement policy with the support of government departments and social organisations.

### 5.3.3 Encouraging healthy and active communities for youth and within an ageing society

The DART project noted that “... the increasing life expectancy, the superannuation of the population and the decreasing birth rates pose a challenge for health care systems” (INTERREG IVC and European Union, p22). According to Ahtonen (2012), creating a European society that promotes health and active ageing demands the following actions:

1. Increasing healthy life expectancy – health and disease prevention must be promoted.
2. Creating age-friendly environments – addressing issues such as transport, infrastructure, pollution, housing, public spaces and services.
3. Increasing the retirement age and the labour market participation rate – more discussion is needed on making early retirement less flexible and later retirement more feasible, abolishing mandatory retirement ages, managing the transition between work and retirement, maximising volunteering and second career opportunities after retirement, and changing employers and employees' attitudes to part-time work and longer careers.

The importance of continued resources and support to the white sector is of utmost importance considering the ageing of the population in all study regions. Developing a health cluster within each region would assist in creating a network and pooling of resources for the benefit of the community. Furthermore, the Pomorskie region, as part of the European Union Baltic Sea region, has a unique opportunity to be part of the projects for innovation in health and life sciences. Being involved in co-operative actions within this region would enhance the innovation in public health not only within the Pomorskie region, but also, through knowledge sharing, throughout the country.

Implementation of more intensive measures focused on health promotion is needed, as this can influence the primary reason for deaths in early adulthood, *i.e.* an active lifestyle. Because of the poor health record in Łódzkie for persons aged 20-50 years, there is the need for a healthier life campaign to be run by the regional/local government, supported by ESF and public health resources. The DART report outlined the need to promote the “... well-being of all generations in the duration of their work life with active age and health management in enterprises” (INTERREG IVC and European Union, 2012, p.23).

Using abandoned, “empty” buildings (especially schools) as a material base from which to create new social functions; and competitions organised by the ESF, which are awarded to those projects which claim to make use of an existing social, educational and health infrastructure, could all be practical means by which to improve health resources at reduced costs.

### 5.3.4 Developing the silver economy and managing the ageing workforce

According to INTERREG IVC and European Union, (2012), over “... the next 20 years, the ageing process in Europe will speed up considerably. ... The share of the old population in the overall population will increase ... from 17.4% to 23.6%” (p.10). Population ageing is a demographic phenomenon that is occurring across Poland. The impact of this demographic change is significant, not only on the national economy, but also on the regional and local economies. Again, policy focus is required, providing strategies, programmes, initiatives, and funding to manage this change, and to promote and encompass the opportunities that the ageing population provides.

The CEDEFOP (2012) report stresses the need to tackle the challenges associated with an ageing workforce and make use of new opportunities. The report states that actions from stakeholders on all levels are required, including enterprises. Reversing the negative stereotyping, encouraging investment in the ageing workforce, for example in workplace design and management concepts, or promoting lifelong

learning for ageing workers, is not only needed, but is also essential for maintaining a sustainable labour force in the future. The CEDEFOP (2012, p.313) report highlights three policy implications:

1. Policies and actions can stimulate learning not only by providing incentives, but also by addressing barriers and by strengthening factors that support learning.
2. Lifelong learning policies that target enterprises; these could be made more effective if more attention was paid to the development of demographic literacy in firms to enable them to take action and develop or expand age-aware human resource systems on the basis of solid evidence.
3. Stimulating research on ageing that takes a multi- and interdisciplinary perspective that has strong ties to practitioners in the human resources field.

According to an OECD (2012b) report, a key priority of OECD countries is to encourage work at an older age, and should be a key policy agenda "...to pay particular attention to demand-side issues and appropriate measures to strengthen employability of older workers ...more focus should be given to improving the demand for older workers and on facilitating greater labour mobility as a way of promoting employment at an older age" (p.34).

In managing population ageing, regional authorities need to be aware that the ageing population is negatively correlated with the growth of GDP, as it raises the dependency ratio, health, pension and age-care costs. Systemic and sustainable ageing policy, simultaneously conducted on all administrative levels of governance: national, regional and local; is needed in order to implement measures focused on addressing needs caused by the current and future population ageing process, in two significant areas: ageing support and the ageing workforce.

#### **Ageing support:**

- Prepare a long-term care system for the ageing population, not only finding new ways of securing finance for elderly care services, but also supporting family carers, particularly those who are working.
- National and long-term partnership projects focused on age management strategies, connected with a widespread promotional campaign.
- Promote the importance of the role of NGOs within regional and local society and, especially as the population ages, maintain and increase funding and support of NGOs and create a network for information/knowledge sharing between NGOs.
- Develop institutional forms of care for the elderly, including development of the social economy sector and institutional support of volunteering.
- Continued support for UTAs and creation of a knowledge network to share initiatives and programmes across the country. This network will need to be supported by funding and resources in order to enable successful implementation.
- The need to extend the period of independent living for the elderly, to encourage development of the silver economy Measures include:
  - independent dwelling (support for cleaning, shopping and care services), which requires policy support for the development of services (both private and public) and support for accessibility (cost support for the elderly),
  - training in use of the high-tech household equipment (encouraging and supporting civil society in developing programmes/initiatives);
  - organising transport services friendly to elderly people (enabling accessibility, low cost transport);
  - smart homes services (apartments and homes equipped with electronic equipment enabling longer and more independent autonomy).

As identified by the DART project, there are entrepreneurship and business opportunities in the development of products and services for elderly people (silver economy). According to DART, “...more efforts and resources should be allocated to investigate undiscovered potential and to concretise opportunities of the silver economy” (INTERREG IVC and European Union, 2012, p. 29). The development of the silver economy should be supported primarily through public funds, including the ESF. The ESF funds may be used to provide the know-how and/or start-up funds supporting entrepreneurs and the self-employed that are ready to settle their businesses within the silver economy field of activity.

### **Ageing workforce:**

- Erosion of the mental barriers among different social groups and institutions through information related to a change of thinking about old age and stereotypes associated with it.
- Programmes and initiatives to extend the working activity of individuals, targeting both employees (skills and competency training) and employers (age management tools and training).
- Further education, persistent training, life-long learning, and acquisition of skills in the labour market for the needs of the silver and white economy.
- Supporting entrepreneurship of people aged 45+, who have problems finding a job or want to find an additional source of income while retired: through the creation of local incubators (including social enterprises and other subjects of social economy); and selective support for innovators; rewarding social innovation in the operational programmes co-financed with the ESF.
- There is a need for funding of a mentoring system of the “student-master” type within enterprises (taking into account industrial and sector specific requirements), which functioned in Poland in the past as informal co-operation. Currently, this type of working method does not exist and is not supported in a systematic way. For this purpose, it would be appropriate to finance semi-year internships and vouchers for the elderly in retirement age (55+).
- Entering the funding mechanisms, such as tax reductions and exemptions for employers, related to reduction of costs for older workers.
- Realisation of partnerships projects among self-governments, social partners and NGOs on the implementation of prophylaxis in workplaces (funding prevention tests and health care measures) and in socio-cultural initiatives (*e.g.* organisation of “white Sundays” and promotion of healthy lifestyles and the idea of healthy and active ageing).
- Informational and promotional operations about specific “flexible work forms”, *e.g.* “job-sharing”, “job-rotation”; presenting their advantages, such as:
  - providing employment for the elderly / young / threatened by social exclusion / marginalised in the labour market;
  - creating conditions for intergenerational co-operation by employers, by allowing the exchange of experience and knowledge among the different age groups of workers;
  - ensuring supportive conditions exist for staff responsible for caring for dependent persons (taking into account the relevant type of employment), including providing care support for children, the elderly, chronically ill, and disabled persons.

### **5.3.5 Increasing skills and competency levels in light of a changing workforce**

The importance of education, and skills and training development services within the regions cannot be under-estimated, which is highlighted by the fact that the OECD has developed an OECD Skills

Strategy ‘Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies’<sup>3</sup> introducing three policy levers: 1) Developing relevant skills: encourage and enable people to learn throughout their lives, enable skilled people to enter their territory, and establish cross-border skills policies; 2) Activating skill supply: encourage inactive people to participate in the labour market, and retain skilled people (discourage early retirement, and staunch the brain drain); 3) Putting skills to effective use: assist individuals to make the best use of their skills, and increase the demand for (high level) skills.

The European Commission’s (2012) report, ‘New skills and jobs in Europe: Pathways towards full employment’ highlights the fact that the “... relation[ship] between skills and jobs has to be considered in the light of target groups”. Three target groups are highlighted: youth; older workers; and migrants.

Continued development and improvement in these education, and skills and training development services is required to ensure quality market supply of labour, and the longevity of a professionally active population. Key measures include:

- Develop Łódź as a centre for student education, by creating favourable conditions both aesthetically and economically;
- Resources and continued support for education and entrepreneurship, which can further prolong the period of professional activity of people. This needs to be taken into consideration especially in Łódzkie and Pomorskie:
  - *Developing and improving the education system by strengthening the generic skills of the youth.* Support from ESF to strengthen and develop this education within regions seems to be a desirable investment for the future.
  - Support for lifelong learning and promoting active lifestyle programmes such as education and learning promotion. Lifelong learning should become a priority for both national and regional governments. According the DART project, there is a need to “... implement realistic, flexible and efficient life-long learning schemes, adapted to the demographic changes and their impact on the job market” (INTERREG IVC and European Union, 2012, p. 28).
  - *Training and skills development should be directly oriented to the needs of the labour market.* They are also of a two-fold nature: i) skills and competency training for employees (especially aimed at ICT competencies to eliminate possible ‘e’-exclusion); and ii) age management training for employers.
  - The European Union highlights the important role of civil society organisations in fostering citizen participation, providing a range of opportunities for an immediate local engagement of young persons, increasing young people’s skills, improving their employability and activating them via training activities, education and internships (European Union, 2012).

### 5.3.6 European Social Fund as an instrument of change

According to Martinez-Fernandez *et al.* (2011), “a territorial approach (both local and regional) is an effective and needed mechanism for development, employment, education and poverty reduction, which are the core issues of the EU2020 strategy. The ESF is a vital tool in pursuing these goals, but it must be flexible to integrate a territorial approach, to create ownership at the local level and to foster a co-ordinated policy approach” (p.41).

<sup>3</sup> OECD (2012), *Better Skills, Better Jobs, Better Lives: A Strategic Approach to Skills Policies*, OECD Publishing. <http://dx.doi.org/10.1787/9789264177338.en>



As highlighted in Chapter 2 and throughout the report, the *ESF was identified as a tool* in projects and programmes designed to address demographic transition in family support, research and resources for childcare needs, work-life balance, and supporting SMEs in age management. However, to enable successful implementation, ESF projects require: co-ordination with national, regional and local policies; partnerships with key stakeholders; flexibility (monitored, evaluated and adjusted); good management; and a portal for information support and sharing. Essential to ensuring long term project/programme achievement after ESF funding ends, is having a stable mechanism of provision, and the support of regional and local government and social enterprises.

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## ANNEXES

## Annex 1 Study methodology

1. *Extensive statistical/data analysis* and building of demographic change dataset for Poland and the three study regions from approximately 1990 to 2010, see table below for topic grouping. There were some difficulties experienced in finding all the data at the local level, however a comprehensive dataset was accomplished in the following indicators groups.

Table 11 Indicators topic groupings

Groups	Indicators
<b>Group 1: Demographic change</b>	Total population, population growth rates; Population density; Median age; Birth and death rates; and Life expectancy
<b>Group 2: Declining fertility</b>	Fertility rates; Infant mortality rates; Income of households (measures the level of affluence); Female employment rate; and Female education
<b>Group 3: Labour Markets</b>	Economic active population; Employment rate; Employment by highest level of education; Number of employees by industry; Employment and commuting; Weekly hours worked; Number of establishments by industry; Migration; and Unemployment
<b>Group 4: Older worker and the silver economy</b>	Population aged over 55 and over 65; Employment rate by age cohort and gender; Retention rates for older workers; Hiring of older workers; Unemployed rate of older workers; Incidence of long-term unemployment for older workers; Full time earning for older workers; Education attainment (50-64); Participation in training for older workers; Older self-employed workers; Exit age form labour force; Average pension age; Disability benefits; and Pension rates.
<b>Group 5: Infrastructure and social service adaption</b>	Land use; Inland passenger transport; Good transport; Transport to work; Households with access to broadband; household with internet connection; Number of hospitals; Number of GPs; Employment in the health sector; Infrastructure expenditure; Property-real-estate investment; Social expenditure; Number of associations; Number of NGOs; Number of persons in receipt of benefits; Dependency ratio; Economic dependency ratio; and Lifestyle and mental health (suicide, depression, number of mental health consultants).
<b>Group 6: Education development trends</b>	Students enrolled in education; Participating of adults in education and training (by gender and labour status); and Education expenditure by government
<b>Group 7: Environmental factors</b>	Regional green attractiveness (green amenities, access to clean water, human exposure to air pollutants); Industry green attractiveness; Regulator framework; Resource efficiency (energy, waste and recycling, water usage); Green planning (Brownfield sites, contaminated land, land use changes, environmental protection expenditure)

2. *Analysis of policy indexes* – Elderly friendly places to live (ELFRI) questionnaire and Older workers friendly places to work (OLWOF) questionnaire (see table for themes) was distributed at

the workshop and completed by participants in order to provide qualitative data for the regions under analysis.

**Table 12 ELFRI and OLWOF themes**

Index	Themes
<b>Elderly Friendly Places to Live (ELFRI Index)</b>	1. Outdoor spaces and buildings (public areas and buildings)
	2. Transport
	3. Housing (public and private)
	4. Social participation
	5. Respect and social inclusion
	6. Civic participation and employment
	7. Communication and information
	8. Community support and health services
<b>Older Workers Friendly Places to Work (OLWOF index)</b>	1. Recruitment
	2. Work culture and opportunities
	3. Training and skills development and opportunities
	4. firm health and benefits (private and public organisations)

3. *Regional field mission and workshops* in which a film crew capturing the event and OECD expert panel provided comments and in deep discussions:

- Field study visits of selected cases where demographic change is prominent and/or where innovative strategies addressing demographic change have been put in place.
- Experts' consultations and meetings (academics, policy/institutional experts, practitioners, trade unions, business organizations). Workshops in each of the regions analysed cases within the domains of the project, and extract policy and strategic recommendations. The OECD expert panel provided workshop comments and feedback. Four focus groups topics was selected and analysed:
  - Labour markets and older workers: organisational approaches by businesses and trade unions
  - New business developments and entrepreneurship: the silver economy plus the white economy and the green economy
  - Sustainable local development models: the urban form and social and financial implications of an elderly society
  - Social transformations: dynamics of social inclusion, family development and intergenerational solutions

**Annex 2 Areas for EU support for local and regional actors in active ageing and project examples**

	Project Examples	More information
<b>Promote active ageing in employment?</b>		
<b>Help keep older workers' skills up to date</b>	Pedagogy assisting workforce transitions (PAWT) - Extending working life (Co-funding: Grundtvig)	<a href="http://pawt.pikes.fi/">http://pawt.pikes.fi/</a>
	PEOPLE - Pan European Older People's Learning and Employment network (Co-funding: Leonardo da Vinci)	<a href="http://www.europeanpeoplenetwork.eu">www.europeanpeoplenetwork.eu</a>
	Senior Enterprise (Co-funding: Interreg IVB (Atlantic Programme))	<a href="http://www.seniorenterprise.ie">www.seniorenterprise.ie</a>
<b>Develop innovative services to support employment of older workers</b>	FIFTI - for a new professional dynamic after 45 (Co-funding: ESF) (see box ?)	<a href="http://www.fifti-opcalia.com">www.fifti-opcalia.com</a>
	AWARE: Ageing Workforce towards an Active Retirement (Co-funding - AAL Joint Programme)	<a href="http://aware.ibv.org">http://aware.ibv.org</a>
	ePAL - Extending Professional Active Life (Co-funding - FP7)	<a href="http://www.epal.eu.com">www.epal.eu.com</a>
<b>Exchange good ideas and best practice on ageing in employment</b>	ESF6 CIA - Facilitating the extension of working lives through valuing older workers (Co-funding: Interreg IVC) (see box?)	<a href="http://www.esf6cia.eu">www.esf6cia.eu</a>
	ESF-AGE Network (Co-funding: ESF) (see box ?)	<a href="http://esfage.isfol.it">http://esfage.isfol.it</a>
	Best agers - Older citizens in modern society: economics, education, creativity (Co-funding: Interreg IVB (Baltic Sea Programme))	<a href="http://www.best-agers-project.eu">www.best-agers-project.eu</a>
	ActiveAge - solutions for an ageing society (Co-funding: URBACT II)	<a href="http://www.activeage.org">www.activeage.org</a>
<b>Promote active ageing in society?</b>		
<b>Enable senior volunteering activities</b>	The Voice of European Seniors (Romania / Portugal) (Co-funding: SVP)	<a href="http://projectotio.wordpress.com/give">http://projectotio.wordpress.com/give</a>
	SEVEN - Senior European Volunteers Exchange Network (Co-funding: SVP)	<a href="http://www.seven-network.eu">www.seven-network.eu</a>
<b>Ensure active citizenship of older people</b>	INCLUSage - Debating older people's need- (Co-funding: PROGRESS)	<a href="http://www.age-platform.eu/en/action-name-02">http://www.age-platform.eu/en/action-name-02</a>
	ADD ME! - Activating drivers for digital empowerment in Europe - (Co-funding: ICT-PSP)	
<b>Facilitate social networks</b>	Social networking for senior citizens - (Co-funding: Grundtvig)	<a href="http://www.laterlife.eu">www.laterlife.eu</a>
	SEELERnetz - Seniors in Europe learn in networks (Co-funding: Lifelong learning programme)	<a href="http://www.seelernetz.eu">www.seelernetz.eu</a>
	Go-myLife: Going online: my social life (Co-funding: AAL Joint Programme)	<a href="http://www.gomylife-project.eu">www.gomylife-project.eu</a>
<b>Support informal carers</b>	INDEPENDENT – Co-ordinated eCare (Co-funding: ICT-PSP)	<a href="http://www.independent-project.eu">www.independent-project.eu</a>
	AGNES - User-sensitive home-based systems for successful ageing in a networked society (Co-funding: AAL Joint Programme)	<a href="http://www.aal-europe.eu/calls/funded-projects-call-1/agnes">www.aal-europe.eu/calls/funded-projects-call-1/agnes</a>
	Life After Care (Co-funding: Lifelong Learning programme)	<a href="http://www.lifeaftercare.eu">www.lifeaftercare.eu</a>
<b>Prevent dependency</b>	HANNN - Healthy Ageing Network	<a href="http://www.hannn.eu">www.hannn.eu</a>

	Northern Netherlands (Co-funding: ERDF)	
	ICT for health (Co-funding: Interreg IVB (Baltic Sea Programme))	<a href="http://www.ictforhealth.net">www.ictforhealth.net</a>
	CIB Cities in Balance - Active Cities for all Ages (Co-funding: Interreg IVB (North-West Europe Programme))	<a href="http://www.cib-online.eu">www.cib-online.eu</a>
	NEURO-RESCUE - Neurosciences Research Clusters of Excellence (Co-funding: FP7 - Regions of Knowledge initiative)	<a href="http://www.medtech-pharma.de/english/cluster/activities/eu-project-neuro-rescue.aspx">www.medtech-pharma.de/english/cluster/activities/eu-project-neuro-rescue.aspx</a>
	MARK-AGE - Biomarkers of Human Ageing (Co-funding: FP7)	<a href="http://www.mark-age.eu">www.mark-age.eu</a>
	<b>Promote healthy ageing and independent living?</b>	
<b>Support independent living through home-based ICT solutions</b>	InCasa - Integrated Network for Completely Assisted Senior Citizens' Autonomy (Co-funding: ICT-PSP)	<a href="http://www.incasa-project.eu">www.incasa-project.eu</a>
	ALIAS: The Adaptable Ambient Living Assistant (Co-funding: AAL Joint Programme)	<a href="http://www.aal-alias.eu">www.aal-alias.eu</a>
	Oasis - Open Architecture for Accessible Services Integration and Standardisation (Co-funding: FP7)	<a href="http://server-5.iti.gr/joomla/">http://server-5.iti.gr/joomla/</a>
<b>Promote quality health and long-term care</b>	Quality care for quality ageing (Co-funding: PROGRESS)	<a href="http://www.cdicoop.it/QualityCare">www.cdicoop.it/QualityCare</a>
	Tecforlife - Assistive technology cluster for quality of life (Co-funding: FP7)	<a href="http://www.tecforlife.eu">www.tecforlife.eu</a>
	RTF - Regional Telemedicine Forum (Co-funding: Interreg IVC)	<a href="http://www.regional-telemedicine.eu">www.regional-telemedicine.eu</a>
<b>Improve accessibility of transport and physical infrastructure</b>	Mediate - Methodology for describing the accessibility of transport in Europe (Co-funding: FP7 - transport)	<a href="http://www.mediate-project.eu">www.mediate-project.eu</a>
	AENEAS - Attaining Energy Efficient Mobility in an Ageing Society (Co-funding: Intelligent Energy Europe)	<a href="http://www.aeneas-project.eu">www.aeneas-project.eu</a>
	Q-AGEING - Quality ageing in an urban environment (Co-funding: Interreg IVB (Central Europe Programme))	<a href="http://www.q-ageing.eu">www.q-ageing.eu</a>
<b>Promote cross-generational education exchanges</b>	HEAR ME - Highly educated retirees mentoring early school leavers (Co-funding: Grundtvig)	<a href="http://www.viauc.com/projects/hearme/Pages/hearme.aspx">www.viauc.com/projects/hearme/Pages/hearme.aspx</a>
	LET'S - Let seniors teach entrepreneurship through innovative storytelling approaches (Co-funding: Grundtvig)	<a href="http://www.letsenterprise.eu">www.letsenterprise.eu</a>
	Computeria - Intergenerational solutions (Co-funding: Lifelong learning programme)	<a href="http://www.mycomputeria.eu">www.mycomputeria.eu</a>
<b>Facilitate mutual understanding between generations</b>	Learning through Volunteering in Senior Age (Co-funding: SVP)	For more information on these and other SVP projects on intergenerational cooperation: <a href="http://ec.europa.eu/education/grundtvig/doc/svp09_en.pdf">http://ec.europa.eu/education/grundtvig/doc/svp09_en.pdf</a> <a href="http://www.youthforeurope.eu/index.php?page=searchdetails&amp;pid=1083">www.youthforeurope.eu/index.php?page=searchdetails&amp;pid=1083</a>
	Volunteering: Say yes! (Co-funding: SVP)	
	Dialogue Between Generations: One Way to Solidarity (Co-funding: Youth in Action)	
<b>Promote age-diversity in</b>	How to Age in Europe (Co-funding: Europe for Citizens Programme)	
	Creator - Creative regional policies addressing economic development	<a href="http://www.creator7.eu">www.creator7.eu</a>

<b>employment and the silver economy</b>	opportunities related to ageing societies (Co-funding: Interreg IVC)	
	Rur@ct - European regions for rural innovation (Co-funding: ERDF)	<a href="http://www.ruract.eu">www.ruract.eu</a>
	Sen@er - Silver Economy Network of European Regions (Co-funding: Interreg IVB (North West Europe programme))	<a href="http://www.silvereconomy-europe.org">www.silvereconomy-europe.org</a>
<b>Multi-thematic active-ageing projects</b>		
<b>CE-Ageing Platform</b> - Central European Knowledge Platform for an Ageing Society (Co-funding: Interreg IVB (Central Europe Programme))		<a href="http://www.zsi.at/object/project/1570">www.zsi.at/object/project/1570</a>
<b>DART</b> - Declining, Ageing and Regional Transformation (Co-funding: Interreg IVC)		<a href="http://www.dart-project.eu">www.dart-project.eu</a>
<b>Better ageing in Europe: local authorities exchange their visions</b> (Mostly self-financed)		<a href="http://www.age-platform.eu/en/age-policy-work/solidarity-between-generations/best-practices/1345-local-authorities">http://www.age-platform.eu/en/age-policy-work/solidarity-between-generations/best-practices/1345-local-authorities</a>
<b>Multilinks</b> - How demographic changes shape intergenerational solidarity, well-being, and social integration (Co-funding: FP7)		<a href="http://www.multilinks-project.eu">www.multilinks-project.eu</a>
<b>The European Urban Knowledge Network (EUKN)</b> (Co-funding: URBACT II)		<a href="http://www.eukn.org">www.eukn.org</a>
<b>BRAID</b> - Bridging research in Ageing and ICT Development (Co-funding: FP7)		<a href="http://www.braidproject.eu">www.braidproject.eu</a>



**Annex 3 Total fertility rates, 1998-2010**

Region	1998	2000	2005	2010
<b>Poland</b>	<b>1.431</b>	<b>1.337</b>	<b>1.243</b>	<b>1.382</b>
<b>Małopolskie</b>	1.564	1.486	1.286	1.408
<i>Urban</i>	1.306	1.251	1.137	1.293
<i>Rural</i>	1.825	1.723	1.440	1.510
<i>Kraków</i>	1.221	1.143	1.061	1.237
<b>Łódzkie</b>	1.320	1.255	1.181	1.340
<i>Urban</i>	1.154	1.120	1.091	1.269
<i>Rural</i>	1.632	1.511	1.361	1.460
<i>Łódź</i>	1.049	1.027	1.022	1.177
<b>Pomorskie</b>	1.517	1.421	1.359	1.518
<i>Urban</i>	1.321	1.247	1.213	1.389
<i>Rural</i>	1.934	1.789	1.635	1.723
<i>Gdańsk</i>	1.250	1.159	1.153	1.324

*Source: Central Statistical Office of Poland*

**Annex 4 Proportion of citizens aged 65+ between 1991 and 2035**

	1991	1995	2000	2005	2010	2035
<b>Łódzkie</b>	12.6	13.3	14.2	14.8	15.0	25.0
<b>Małopolskie</b>	10.4	11.0	12.2	13.2	13.6	22.1
<b>Pomorskie</b>	8.5	9.3	10.6	11.7	12.3	21.6
<b>Poland</b>	<b>10.2</b>	<b>10.9</b>	<b>12.1</b>	<b>13.1</b>	<b>13.5</b>	<b>23.2</b>

*Source: Central Statistical Office of Poland*

## Annex 5 Health status by self-assessment and by age, 2009 (as % of total)

Area	Self-assessment					Self-assessment				
	excellent and good	not too bad	too bad	and very	very	excellent and good	not too bad	too bad	and very	very
	<b>Total</b>					<b>Aged 30-49</b>				
Poland	65.7	23.4		10.9		74.8		20.6		4;6
Łódzkie	62.7	25.5		11.8		78.0		17.0		5.0
Małopolskie	65.3	24.8		9.9		74.6		21.9		3.5
Pomorskie	69.8	21.1		9.0		77.4		18.4		4.2
	<b>Aged 0-14</b>					<b>Aged 50-69</b>				
Poland	92.2	6.4		1.4		38.6		42.7		18.8
Łódzkie	92.5	6.3		1.2		34.1		49.0		17.0
Małopolskie	92.6	6.4		1.0		32.7		48.6		18.7
Pomorskie	93.4	5.5		1.1		44.8		40.1		15.1
	<b>Aged 15-29</b>					<b>Aged 70+</b>				
Poland	90.7	7.9		1.4		14.6		42.8		42.7
Łódzkie	90.2	8.3		1.5		8.4		44;2		47.4
Małopolskie	90.2	8.0		1.8		16.0		44;4		39.6
Pomorskie	90.2	7.3		2.5		22.2		40.6		37.2

Source: own calculations based on Stan zdrowia ludności Polski w 2009 r., Warsaw 2011, Central Statistical Office, Poland, pp. 400-404.

**Annex 6 Physicians or doctors per 100,000 inhabitants**

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Physicians/ doctors</b>	<b>Poland</b>	<b>226.7</b>	<b>230.4</b>	<b>243.4</b>	<b>229.0</b>	<b>213.8</b>	<b>217.9</b>	<b>219.1</b>	<b>216.1</b>	<b>217.1</b>	<b>217.9</b>
	Łódzkie	243.9	260.0	282.4	246.1	251.3	252.1	244.4	249.0	249.4	244.9
	Małopolskie	223.1	231.6	239.5	242.5	219.9	234.2	226.8	220.0	219.4	226.1
	Pomorskie	234.8	238.6	265.2	244.9	204.5	212.4	208.7	207.4	214.6	203.0
<b>Physiotherapists</b>	<b>Poland</b>	<b>35.2</b>	<b>36.3</b>	<b>36.8</b>	<b>41.8</b>	<b>42.5</b>	<b>47.3</b>	<b>49.8</b>	<b>57.3</b>	<b>59.5</b>	<b>56.2</b>
	Łódzkie	31.5	33.7	33.6	40.2	41.0	45.4	46.9	54.0	56.1	45.8
	Małopolskie	38.9	40.9	42.8	46.3	47.4	54.8	51.7	60.6	67.8	63.9
	Pomorskie	32.9	33.1	33.9	37.3	38.0	40.7	43.7	47.9	52.5	45.9
<b>Nursing</b>	<b>Poland</b>	<b>544.7</b>	<b>543.1</b>	<b>529.8</b>	<b>550.7</b>	<b>563.9</b>	<b>564.4</b>	<b>575.3</b>	<b>577.5</b>	<b>583.6</b>	<b>585.0</b>
	Łódzkie	528.5	535.7	533.5	529.9	553.5	494.2	501.4	499.9	523.6	557.6
	Małopolskie	548.4	549.4	556.1	556.8	568.5	511.2	512.6	521.0	541.0	603.3
	Pomorskie	484.4	488.4	506.5	498.1	500.4	452.9	452.1	453.3	456.0	488.4

Source: Eurostat database.

## Annex 7 Demographic Change Dashboard

Source: C:\db\_circs\DATA\_SRC\Poland Dashboard.xlsx

Favourite: 3 panes view for comparing countries – dashboard Demographic Change

The Dashboard tool was developed by the Consultative Group of Sustainable Development Indices (CGSDI) in an attempt to help and launch the process of putting indicators at the service of democracy. Their website (<http://esl.jrc.it/envind/dashbrds.htm>) is a free, non-commercial software, allowing the opportunity to download ‘the Dashboard Development Kit’ which has a dashboard Excel template allowing the setup of personal dashboards.

The Dashboard presents sets of indicators in a simple pie chart based on three principles

1. The size of a segment reflects the relative importance of the issue described by the indicator
2. Colour codes signal relative performance, with green meaning “good” and red meaning “bad”
3. A central circle, the Policy Performance Index (PPI), summarizes the information of the component indicators.

The demographic change dashboard is an evolving tool to assess the performance levels of demographic transition at a regional scale. The Poland dashboard provides a comparison ‘with and between’ the Poland and the case study regions – Łódzkie, Małopolskie and Pomorskie (thus green indicates the region's performance is better (good), red indicates its performance is behind or lower (bad) than the comparison regions)

2000-2010 – current indicators included	
<b>Theme: Demographic Change</b>	<b>Codes</b>
Population growth (%)	PopGR
Population 0-14 years old (%) of the total population	PopYR
Population 15-64 years old (%) of the total population	PopWR
Population 55-64 years old (%) of the total population	PopOWR
Population 65+ years old (%) of the total population	PopER
Life Expectancy (Years)	LifeE
Life Expectancy – Male (Years)	LifeEM
Life Expectancy – Female (Years)	LifeEF
Crude Birth Rates (number of births per 1,000 per year)	Cbrate
Crude Death Rate (number of deaths per 1,000 per year)	Cdrate
Fertility Rate	Fert
Infant Mortality Rates (death per 1,000 births)	InMort
<b>Theme: Economy</b>	<b>Codes</b>
Primary Income (millions of national, currency, current)	PrIn
Regional GDP (US\$ current PPP, current prices)	GDP
Regional GDP per capita (Current prices, millions of national currency)	GDPcap

Youth Dependency	YDR
Elderly dependency	EDR
Economic dependency	EcDR
<i>Theme: Labour</i>	
Employment Rate (%) (15-64)	EmpR
Employment Rate – Young adults (15-24) (%)	EmpYR
Employment Rate – Older workers (55-64) (%)	EmpOR
Unemployment Rate (%)	UEmpR
Unemployment Rate – Young adults (15-24) (%)	UEmpYR
Unemployment Rate – Older workers (55-64) (%)	UEmpOR
<i>Theme: Skills and Education</i>	
Students enrolled in education (% of total population)	STenED
Students enrolled in tertiary education (% of total students enrolled)	STenTED
Tertiary education attainment (% total employment)	TerEdAtEm
Tertiary education attainment (% of labour force)	TerEdLF
Participation of adults in education (%)	PaAdEd
Participation of adults in education – males (%)	PaAdEdM
Participation of adults in education – females (%)	PaAdEdF
<b>LIST:</b>	<b>Dashboard name</b>
EU27	EU27
OECD total / ave	OECD
1 – Poland	Poland
2 – Łódzkie	PL11
3 – Małopolskie	PL21
4 – Pomorskie	PL63

**Annex 8 DART demographic change indicator set**

<b>Indicators to measure demographic change</b>	Total population by gender Population density Proportion of foreign citizens in the population Gender age structure of the population Migration
<b>Indicators to predict the demographic change</b>	Population projections Fertility rate Mortality rate Net balance of natural population movement Life expectancy
<b>Indicators for the classification of the regions in demographic change</b>	Qualitative data – decrease or increase of the total population at specific time intervals (annually, etc.) and cluster
<b>Indicators to measure social participation and quality of life</b>	Structure of households/size of households Marital status of persons in private households Education/educational structure by age group Number of students or trainees Proportion of employees/workforce per sector of the economy Participation (economically active population) Employment rate of old and young people Development of unemployment Number of death by gender or causes of death Human resources development in the health and care sector

*Source:* Table development from INTERREG VIC and European Union, 2012, p. 22

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**Annex 9 European Union Strategy for the Baltic Region Action Plan Priority Actions**

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***To make The Baltic Sea Region An Environmentally Sustainable Place***

1. To reduce nutrients inputs to the sea to acceptable levels
2. To preserve natural zones and biodiversity, including fisheries
3. To reduce the use and impact of hazardous substances
4. To become a model region for clean shipping
5. To mitigate and adapt to climate change

***To Make the Baltic Sea Region A Prosperous Place***

6. To remove hindrances to the internal market in the Baltic Sea Region including to improve cooperation in the customs and tax areas
7. To exploit the full potential of the region in research and innovation
8. Implementing the Small Business Act: to promote entrepreneurship, strength SMEs and increase efficient use of human resources
9. To reinforce sustainability of agriculture, forestry and fisheries

***To Make the Baltic Sea Region An Accessible And Attractive Place***

10. To improve the access to, and the efficiency and security of the energy markets
11. To improve the internal and external transport links
12. To maintain and reinforce attractiveness of the Baltic Sea Region in particular through education, youth, tourism, culture and health

***To Make the Baltic Sea Region A Safe And Secure Place***

13. To become a leading region in maritime safety and security
  14. To reinforce protection from major emergencies at sea and on land
  15. To decrease the volume of, and harm done by, cross border crime
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## NOTE ON CONTRIBUTORS

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**Dr Jolanta Perek-Białas** is statistician and economist (PhD, 2001, Institute of Statistics and Demography, Warsaw School of Economics, Poland). She also graduated at the Practical French School of Management – The Special Polish-French Programme of the Post-Graduate Study at the French Institute of Management. She was participant of the Young Scientist Summer Programme in IIASA, Vienna, Austria (1997) and received a scholarship of Prof. Leslie Kish in the Institute for Social Research, University of Michigan, Ann Arbor, USA (2002). She was also a fellow of the ERSTE Foundation under the Programme of the “Generations in Dialogue” in 2009-2010. Currently she works at the Warsaw School of Economics and since 2001 also in the Institute of Sociology of the Jagiellonian University in Kraków, Poland. Since 1999 she has been involved in international projects under the 5th, 6th and 7th FP of UE related to active ageing policy and relevant topics: PEN – REF, ACTIVAGE, TRIPLE-DOSE and ASPA. As well she has been active in the projects financed by: the Norwegian Research Council of Science, VW Foundation and just recently – since February 2012 – OECD/LEED Programme. She is also an expert and advisor in projects on ageing issues at the national and regional level of Poland (*i.e.* the institutions of Małopolska region, the Ministry of Labour and Social Policy, the Ministry of Regional Development). Her main scientific research interests include socio-economic consequences of population ageing in Poland, and in selected Central and Eastern European countries, active ageing policy, reconciliation of work and care, social exclusion/inclusion of older people.

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**Professor Piotr Szukalski** obtained his Ph.D in economics at the University of Łódź, where he works in its Chair of Applied sociology and Social Work. He has published over 200 articles and chapters related to social gerontology, demography, intergenerational relations and family issues. His research interests are in family care-giving, older adults activities, economic activity of the elderly, ageism, intergenerational relations. He has been recipient of research grants from – Polish Committee of Scientific Research in the areas of population ageing and social policy (Family status of the oldest old and their economic and health status, 2002-2004; The oldest old – demographic and epidemiological studies, 2006-2008), the Institute of Public Affairs (Withdrawal or participation? Social and professional activity during retirement, 2006-2007), National Research Center (Marriage: beginnings and ends, 2011-2013), Ministry of Labour and Social Policy (Equalizing chances of people aged 45+ in the Polish labour market, 2010-2013). Szukalski was involved with international research projects – including the IPROSEC (Improving Policy Responses and Outcomes to Socio-Economic Challenges: changes family structures, policy, and practice, 5FP, coordinator: Linda Hantrais) – member of the national research team – and the PROFIT (Policy Responses Overcoming Factors in Intergenerational Transmission of inequalities, 6FP, coordinator: Wielisława Warzywoda-Kruszyńska) – member of the Co-ordinating Team. In last years dr. Szukalski was author and co-editor of 4 books, including *Przepływy międzypokoleniowe i ich kontekst demograficzny* (Intergenerational Transfers and the Demographic Change), *Nasze starzejące się społeczeństwo. Nadzieje i zagrożenia* (Our Aging Society. Opportunities and Threatens), *Rodzina w zmieniającym się społeczeństwie polskim* (Family in the Changing Polish Society); *Starość i starzenie się jako doświadczenie jednostek i zbiorowości ludzkich* (Old age and ageing as an individual and population experience).

**Dr. Tamara Weyman** works as a contracted expert for the OECD, working on various projects involving employment and skills, SMEs development, South-East Asia, territorial development policy, and demographic change and sustainability. Recently Tamara has been involved in publications such as ‘Martinez-Fernandez, C.; I.Miles; T.Weyman (2012) *The Knowledge Economy at Work: Skills and Innovation in Knowledge Intensive Services Activities*, Edward Elgar; Martinez-Fernandez, C.; P.Chorazy; T.Weyman; and M.Gawron. (2011), *The Territorial Dimension of the European Social Fund: A Local Approach for Local Jobs*, OECD; OECD (2012) *Skills development and Training in SMEs*, OECD publishing; Martinez-Fernandez, C.; N.Kubo; A.Noya; and T.Weyman (2012), *Demographic Change and Local Development: Shrinkage, Regeneration and Social Dynamics*, OECD; and a chapter in a forthcoming book Schatz, L.; D.Leadbeater; C.Martinez-Fernandez; and T.Weyman (2013), ‘From “up north” to “down under”’: Dynamics of shrinkage in mining communities in Canada and Australia’ in *Stories of Tough Times: International perspectives and policy implication in shrinking cities*, Routledge. Tamara worked as a Research Associate at the Urban Research Centre, University of Western Sydney (UWS) and completed her PhD on *Spatial Information Sharing for Better Regional Decision Making* in 2007 at UWS. Since 2009, Tamara has been involved in the COST Action TU 0803 “Cities Regrowing Smaller”.



# DEMOGRAPHIC TRANSITION AND AN AGEING SOCIETY:

## Implications for local labour markets in Poland