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# General characteristics of the labour market in Małopolska Region (2012/2013). Interregional comparison

Małopolska Region covers an area of 15.2 km<sup>2</sup>, which is 5% of Polish territory. More than two thirds belongs to the Karpaty region, and places located more than 500 m above sea level cover about 30% of the area, which has a huge impact on the labour market, as referred to in this report. Małopolska Region includes five sub-regions, 22 districts (including 3 cities with district status - Kraków, Tarnów, Nowy Sącz) and 182 municipalities (14 urban, 47 rural-urban and 121 rural). Population as of 30.09.2012 amounted to 3 353.8 thousand (8.7% of the country population), so an average of 220 people per 1 km<sup>2</sup> of area. The share of the working age population amounted to 63.5%. Małopolska Region has a long list of developmental strengths, the use of which may in the future provide an even stronger competitive advantage. The dynamic development of entrepreneurship, the availability of qualified workforce, while moderate wages, is significant. These features make the Małopolska Region one of the most attractive investment areas, as evidenced by statistics on the inflow of foreign capital. Małopolska Region in recent years was characterized by employment structure with a large share of people working in agriculture. This share is steadily decreasing at a higher rate than in other Polish regions. At the same time, the employment rate in the services sector was growing really fast.

However, the current employment structure in Małopolska Region is still quite traditional.

According to the Market Economy Research Institute (Gdańsk), Małopolska Region is one of the most attractive regions for investments in Poland. In 2011 it took the fourth place in the ranking prepared by the MERI. This is possible mainly due to the availability of labour (skilled workers, graduates, students, unemployed), relatively low labour costs and a well-developed social infrastructure. In the mentioned ranking, the subregion of Kraków gained a high, second position in the category of subregions good for investment in high-tech activities and the fifth position among subregions good for investment in the service industry. On the other hand - the 11 subregions particularly attractive for investors in the industrial sector included two areas of the Małopolska Region: Oświęcim (8) and Kraków (10). High marks are confirmed by the 8% share of Małopolska Region in the value of direct foreign investments realized in the years 1989-2010<sup>1</sup>.

In the first three quarters of 2012 an increase in average employment in the corporate sector by 0.5% was noted in the Małopolska Region labour market compared to the same period last year, with a decline in the ratio in relation to the conditions in the first half by 0.2%. Average employment in the corporate

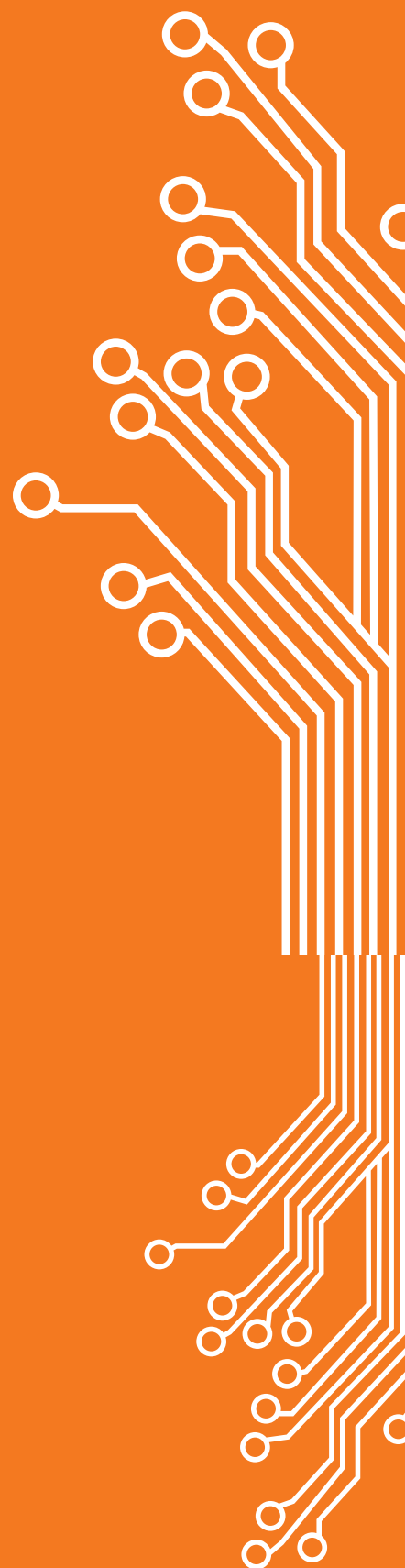


<sup>1</sup> Assessment of the situation on the labour market of Małopolska Region in 2012. Annex to Resolution No. XXXIV/585/13 of the Małopolska Region Assembly of 03.25.2013.

sector amounted to 440,7 thousand people in the period from I to III quarter of 2012. In the period from I to III quarter of 2012, the average employment in the corporate sector in relation to corresponding period of the previous year was higher by 0,3%. Taking into account the division of the economy into sections (*Polish Classification of Economic Activities*), in Małopolska Region, in an annual view, the increase in employment was noticeable in most of those sections (with the exception of sections such as *Accommodation and catering and Manufacturing*). Similar trends were recorded in the country, but they were accompanied by a decrease in employment in the *Real Estate Market service activities and Administration and support service activities*<sup>2</sup>.

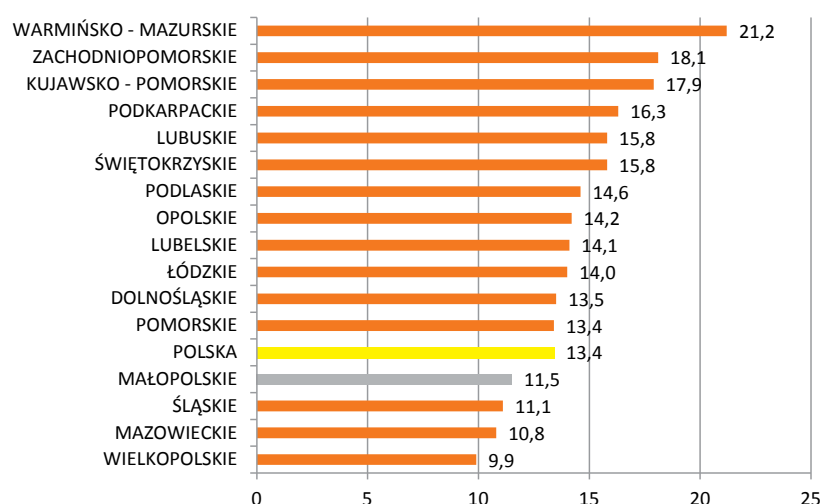
According to the data from the District Labour Offices of the Małopolska Region, there were 161 161 unemployed persons registered in the end of 2012 - 11% more than in 2011. In the previous corresponding period increase in the number of unemployed people year on year was only 2%. There were, however, periods more drastic for the Małopolska Region inhabitants - in 2009 the number of unemployed persons increased by over 30%! Worsening situation of companies, which was a result of the economic downturn, was very noticeable then.

<sup>2</sup> Quarterly report on the socio-economic situation of the Małopolska Region in the third quarter of 2012. Statistical Office in Kraków.



Registered unemployment rate in Małopolska Region for many years remained at a lower level than nationwide - oscillates around two percentage points (11.5% compared to 13.4% in 2012). Trends in the index values were similar in the country and the region. In 2012, the unemployment rate rose by 1 percentage point in the region and 0.9 percentage points in Poland. In 2012, the unemployment rate increased throughout the country. For several years, Małopolska Region ranks as 4th in the country in terms of the lowest unemployment rates. The other regions, where the unemployment rate in 2012 was one of the lowest, include: Wielkopolskie (9,9%), Mazowieckie (10,8%) and Śląskie (11,1%). The most difficult situation in terms of unemployment was noted in Warmińsko-Mazurskie (21,2%), Zachodniopomorskie (18,1%) and Kujawsko-Pomorskie (17,9%) regions<sup>3</sup>. This ranking remains unchanged for several years.

Figure 1. The registered unemployment rate in regions at the end of 2012



Annex No. 1. Source: Assessment of the situation on the labour market of Małopolska Region in 2012. Annex to Resolution No. XXXIV/585/13 of the Małopolska Region Assembly of 03.25.2013

Małopolska Region is one of the most polarized regions in Poland in terms of economic development. Its strong position in comparison with other regions results from the large share of industry and construction in the global value of production marketed. Despite the growing importance of development sectors including - among others - IT, BPO and automotive, the traditional sectors of the economy, including: chemical, metal, food, tobacco, metallurgy and mining are still the basic ones.<sup>4</sup> Well-educated, young workers attract companies from the IT, BPO and SSC sectors. The Polish Information and Foreign Investment Agency has identified the so-called „high chance” sectors within the Małopolska Region. Those include the **automotive sector**, due to the high availability of qualified engineers - about 6.6 thousand graduates of technical colleges per year, high supply of qualified workforce - developed network of secondary schools at a professional level, a large number of sub-suppliers to the aerospace and automotive industries, located in the Małopolska Region and neighbouring regions - Śląskie and Podkarpackie. Also the **high-tech sector** is rapidly growing - mainly due to the high potential of the scientific-research and educational community.

Kraków is the country's second Research and Development Centre. Małopolska Region is well equipped with research facilities, technology parks and technology incubators, which are crucial for the development of this sector. Also the demographic structure - young population - is important. The region is a leader in the production of computers and light sensitive and telecommunications cables, as well as internet services. Large resources are invested in research and development: twice as high as the national average. Also the **Business Process Outsourcing** is included in the „high chance” sectors. BPO centres include at least five types of services: information technology, financial

<sup>3</sup> Assessment of the situation on the labour market of Małopolska Region in 2012. Annex to Resolution No. XXXIV/585/13 of the Małopolska Region Assembly of 03.25.2013.

<sup>4</sup> Polish Information and Foreign Investment Agency – Economic information on the region.

and accounting services, research and development, logistics and warehousing and call centres).

In the Małopolska Region the development of BPO is determined by the availability qualified workforce: more than 200 thousand of students in the higher education institutions in the region (54 graduates per year, including over 10 thousand of graduates of economic schools), very good accessibility: Kraków-Balice International Airport.

Polish Information and Foreign Investment Agency determined **tourism** as a sector of great importance for the Małopolska's Region economy. The touristic attractiveness of the region is due to the rich cultural and natural heritage, which form the basis of tourism over the entire year. 8 of 13 Polish sites inscribed on the UNESCO World Heritage List are located in Małopolska Region. The region is the most visited in the entire country. It is characterized by favourable natural and climatic conditions. There are also rich deposits of mineral water here (1/4 of national resources). They are the basis for the development of health resorts. Kraków is most recognizable Polish city abroad, has an extensive tourist infrastructure of various standard.

Vibrant growth in these sectors is largely determined by the availability of qualified personnel. The Antal International survey: „Activity of professionals and managers on the labour market”<sup>5</sup> shows, that in Małopolska Region, 32% of professionals and managers are actively looking for work, which demonstrates the high mobility of mid-level and senior staff in the region. 30% of the surveyed inhabitants of Małopolska Region changed job within the last year. Thanks to this fact, the new investors are more likely to attract highly skilled workers. Specialists and managers, in their decision to accept a job offer, pay a special attention to: higher wages (64%), a higher degree of responsibility and decision-making at the new position (36%), and - which is particularly important in the case of new companies entering the

Table 1.

Please indicate the three most important factors that would make You accept a job offer.	
Salary increase	64%
Higher degree of responsibility and decision-making on the proposed position	36%
Acceptable management style and organizational culture in the company	30%
Good opinion about the employer on the market	28%
Higher stability of employment	23%
High promotion opportunities	22%
Wide possibilities of training	20%
Better work-life balance	17%
Short time of everyday commuting	14%
High degree of innovation of the company	13%
Attractive benefits	12%
More prestigious brand	8%
Possibility of travelling abroad	6%
Possibility of relocation	4%

Source: *Activity of professionals and managers on the labour market, Antal International research*

Polish market - management style and organizational culture acceptable for them (30%).

Additionally, Krakow is perceived by professionals and managers, as an attractive place to relocate, which further facilitates the employment of experts. 45% of the surveyed respondents declared that Kraków would be the best place to relocate for an attractive job offer. However, only 23% of the population of Małopolska Region would decide to leave the region, which shows a positive balance for the region's specialist and managerial staff flow.

In the present study, respondents also pointed out the areas to which the employers should pay closer attention - discouraging professionals and managers to accept a new job offer. These include lower wages (60%), lower stability of employment (40%) and unacceptable management style and organizational culture.

<sup>5</sup> Activity of professionals and managers on the labour market, Antal International research, May 2012.

Table 2.

Please indicate the three most important factors that would make You reject a job offer.	
Lower wages	60%
Lower stability of employment	40%
Unacceptable management style and organizational culture	36%
Bad opinion about the employer on the market	34%
Low or no promotion opportunities	24%
Lower degree of responsibility and decision-making on the proposed position	19%
Lack of work-life balance	19%
Low or no possibilities of training	17%
Need of relocation	16%
Longer time of everyday commuting	16%
Low degree of innovation of the company	10%
Less prestigious brand	3%
Low level or lack of benefits	3%

Source: *Activity of professionals and managers on the labour market*, Antal International research

There is a number deficit professions, which require the employers to put a particular emphasis on the attractiveness of job offer. The results of the „Professional barometer 2013”, conducted by the Małopolska Region Labour Market and Education Observatory identifies the professions that will be the most deficit on the labour market and the surplus ones. Construction managers will be one of the deficit professions. There were never a lot of specialists in this field, with all the required permissions on the market, so - despite the stagnation in the construction industry - the demand for them is still

outstripping supply. The same situation applies to independent accountants. Specialists in this area must be authorized to provide accounting services. They are also required to monitor the changing law on an ongoing basis. Often they have knowledge of very advanced computer systems. Also the truck drivers are extremely wanted on the labour market within the Małopolska Region. This profession is often associated with the need to have both powers for driving license in the category as well as for the transport of goods.

The persons with a good knowledge of foreign languages are the most valuable - both for jobs in foreign transport and SSC/ BPO sector. In 2013, the deficit profession list was supplemented by skilled sales representatives. The economic slowdown causes the entrepreneurs insist on sales effectiveness. The economic slowdown caused the entrepreneurs insist on sales effectiveness. The labour market in Małopolska Region also lacks chefs who, for example, are able to run a restaurant on their own, offering high quality services. The market is saturated with graduates of gastronomic schools without experience. Also the mid-level employees with insufficient professional skills: construction technicians, electricity/ electronics technicians, computer technicians joined the ranks of surplus professions. The same applies to the graduates of popular fields of study, such as economics, marketing specialists, teachers, political scientists, sociologists. In 2013, the situation of teachers will be extremely difficult due to the smaller number of students and reduction of jobs in schools. This does not apply to teachers of professional and special schools.<sup>6</sup>

<sup>6</sup> *Ibidem*.





# Basic principles for the employment of workers in Poland

In Poland, the fundamental act of defining the rights and obligations of employers and employees is the Labour Code (LC). The Labour Code regulates in particular the principles of establishing and terminating employment, the basic rules for determining remuneration for work, the issues of working hours and annual leave, employment of young persons and safety and hygiene principles. In addition to the LC, there is a number of valid laws regulating matters in more detail, among others:

- Act on the minimum wage,
- Act on the employment of temporary workers, Act on resolving employment relationship for reasons not attributable to the employees.

Employment law can also be shaped by the collective labour agreements between employers and trade unions.

## Basic conditions of employment with respect to the Labour Code.<sup>7</sup>

### Working hours

Working hours were set at 8 hours per day and an average of 40 hours during the contractual period. No employee can work more than 48 hours per week including overtime during the contractual period. Overtime work causes the need to pay wage supplement or enable overtime reception on the part of the employer.

### Annual leave

An employee employed in full-time is entitled to leave during the calendar year:

- 26 days – if employment period is shorter than 10 years,

- 26 days – if employment period is 10 years or more.

If the employee took his first job during the calendar year - he is entitled to annual leave for each completed month in the amount of 1/12 of the of annual leave available to him after having worked a full year. Article 155 of the Labour Code regulates the number of years of education to be included in the employment period, on which the annual leave length depends:

1. basic or another equivalent vocational education - the duration of study provided by the curriculum, but not more than 3 years,
2. secondary vocational education - the duration of study provided by the curriculum, but not more than 5 years,
3. secondary vocational education for the graduates basic or another equivalent vocational education – 5 years,
4. secondary general school – 4 years,
5. postsecondary school – 6 years,
6. university – 8 years.

### Remuneration for work

The employee cannot waive or assign his rights to pay to another person. In addition, it should be appropriate to the nature of work undertaken and the skills necessary to provide it. It must take into account the quantity and quality of work. In Poland there is a legally guaranteed minimum wage. The minimum salary was set on 01.01.2013 at a level of PLN 1600 gross - for a worker employed on a full-

<sup>7</sup>EURES, European Job Mobility Portal.



time job. An employee is entitled to pay additional to the basic salary for overtime work in an amount of:

- 100% of remuneration for overtime work: at night, on Sundays and public holidays, which are not working days for the employee in accordance to his current time schedule of work, during a day off from work granted to an employee in return for his work on Sunday or on a public holiday in accordance to his current time schedule of work.
- 50% of salary for overtime work on any other day than those specified in the point above.

### **Types of employment contracts**

Indefinite term contracts:

- permanent employment contract: do not specify the duration.

Definite term contracts:

- contracts for a specified period: specify the duration, may be concluded in case of the replacement of an absent employee;
- probationary period contracts: may not be concluded for a period longer than 3 months;
- duration period of a specific operation: the implementation of a project, performance of a task;

The rules for hiring temporary workers are slightly different - they have been specifically defined in the Act on the employment of temporary workers, which will be discussed below.

### **Employment contract conclusion**

The contracts should be concluded in writing, define the parties and a type of contract, working and remuneration conditions, in particular:

- the place of work;
- date of commencement of employment;
- remuneration for work;
- working hours.

### **Employment of foreigners**

The working permit is not required within the European Union, the European Economic Area and Switzerland. Outside this area, a foreigner should possess a work permit. This document is issued by the Voivode at the request of a company that wants to employ a foreigner for a period of up to three years (five years in the case of a member of the board of a large company). Visa is also required, which is issued by the consul of Poland, or residence permit issued by the Voivode. In addition to the above mentioned citizens of EU, EEA and Switzerland (and their families), others dismissed from the obligation to obtain a work permit include:

- Residents of the European Community (EC) in Poland;
- foreigners holding a residence permit;
- forced migrants;
- foreign language teachers in educational institutions;
- graduates of Polish high schools or full-time studies at Polish higher education institutions;
- citizens of five countries (the Republic of Belarus, the Republic of Georgia, the Republic of Moldova, the Russian Federation and Ukraine), having a statement of the employer of the intention to employ registered with the District Labour Office.

All the criteria for determining the exemption from the obligation to hold a work permit are specified by the Regulation of the Minister of Labour and Social Policy of 20 July 2011 (Journal of Laws of 2011, No. 155, item 919).

As regards the scope of social security, as a general rule, an employee is subject to national insurance system of the country, where the job is performed. The situation is different in case of the posted employees - they are subject to regulations of the country, from which they are posted, provided that the anticipated duration of that work does not exceed 24 months and that the person was not delegated as a replacement for another employee.

### Obligations of the employer to the worker employed

Before the employee takes up employment, the employer must:

- organize training on occupational health and safety;
- arrange the execution of medical examinations.

The contract of employment, as already mentioned, should be made in writing. In case of absence a written form, the employer shall - not later than on the work starting date - confirm the arrangements specifying the parties, the nature of the contract and its terms in writing. In addition, within seven days from the date of conclusion of the employment contract, the employer must inform the employee - in writing - on the basic conditions of employment, defining the standard working hours, dates for remuneration payment, holiday entitlement.

In addition, the employer must:

- familiarize the employee with the rules and regulations concerning occupational health and safety, inform on the occupational risks associated with working at a given position and the principles of risk protection;
- familiarize the employee with the rules of work, if it exists (in the case of employers who employ more than 20 people).

### Insurance contributions

The insurance contributions for businesses that pay them on general principles (there are also preferential rules) include:

1. Social insurance contributions - the basis of their assessment is the declared amount, not less than 60% of the projected average monthly remuneration used to establish the amount of reduction of the annual basis of contribution on the pension scheme, announced on a calendar year. In 2013, the amount is PLN 3713. The

lowest basis of social security contributions for entrepreneurs is therefore PLN 2227.80. Social security contributions from the specified base amount to:

- a. pension 19.52% (9.76% paid by the employer, 9.76% paid by the employee)
- b. disability benefits 8% (6.50% paid by the employer, 1.50% paid by the employee)
- c. sickness 2.45 (paid by employee)
- d. accident insurance - determined individually by the Social Insurance Institution based on submission of relevant information or set independently by the entrepreneur (if he was not a payer of accident insurance for 1 month or more) based on the number of persons reported to the insurance and business groups to which they belong. Paid by the employer.

2. Health insurance contributions include the average monthly salary including profit distribution. In the fourth quarter of 2012, it stood at a level of PLN 3877.50. Minimum base of the contribution is 75% of salary. The percentage rate of health insurance is 9% of the base. Paid by the employee.
3. Contribution to the Labour Fund (LF). The contribution to the Labour Fund is determined by the entrepreneurs on the basis of contribution to the pension scheme. The interest rate of this insurance is 2.45% of the base.
4. Contribution to the Guaranteed Employee Benefits Fund (GEBF), which is designed to protect employees claims in the event of, if they will not be satisfied by an insolvent employer. Shall be calculated according to payments being a basis for calculating contributions to mandatory pension insurance (without the use of the annual limit). Its height is now 0.10% of the base.<sup>8</sup>

There are many exemptions from the LF and GEBF contributions - they are not paid for employees returning from maternity leave, additional

<sup>8</sup> [www.gofin.pl](http://www.gofin.pl)

maternity leave or parental leave through a period of 36 months. Detailed rules of social insurance and related deadlines and application forms are available on the website of the Social Insurance Institution ([www.zus.pl](http://www.zus.pl)).

### **Keeping employee files**

The employer is obliged to keep records for each employee, the so called employee files. They consist of three parts and include:

- part A - documents collected in connection with applying for employment;
- part B - documents relating to the employment relationship and the course of employment of an employee;
- part C - documents related to the termination of employment.

In addition to the above, the employer must keep time sheets and lists of names of salaries and other benefits paid related to job performance.

### **Dismissal**

The Labour Code specifically defines the rules for termination of employment contracts. In the case of employers with at least 20 employees, the Act on Special rules for termination of employment for reasons not related to employees regarding collective and individual redundancies.

### **Termination of employment relationship**

Termination of employment relationship is possible on the basis of:

- agreement of the parties;
- notice;
- without notice;
- the expiry of the employment time;
- completion of work subject to the contract.

Under the agreement of the parties, the employer and employee agree to terminate the employment contract within the time limit accepted by both parties.

Termination of employment with a notice consists of a written notice of one of the parties, respecting the notice period. The length of the notice period is determined by the time of work for an employer. An indefinite period contract is the most favourable for the employee. Termination is then:

- Two weeks in case of an employment period less than six months;
- One month in case of an employment period of six months and more;
- Three months in case of an employment period of three years and more.

In the case of temporary contracts longer than six months, the parties may agree as for its earlier termination with a 2 weeks' notice period. Termination of an employment contract for a probationary period is:

- three days, if the employment period does not exceed two weeks;
- one week, if the employment period is longer, than two weeks;
- two weeks, if the employment period is longer than three months.

Termination of the contract of employment without notice - a contract of employment is terminated by written statement the employee or employer without notice of termination.

An employer may terminate an employment contract in this mode, only by the fault of the employee, in the case of:

- serious breach of basic work duties;
- a crime committed by an employee in the course of employment period, which prevents further execution of work at the occupied position, if the offense is clear and has been rendered by a final judgment;
- loss of power (due to employee) necessary to perform work at the occupied position.

The agreement may be terminated by the employer through no fault, or in the case of employee's incapacity for work lasting for a limited time.

The employee may terminate the employment contract without notice in the case of:

- performance of work having a detrimental effect on employee's health which will be confirmed by a medical certificate, and the employer does not move the employee to other work corresponding to the terms of his health by the date indicated in the medical certificate;
- serious breach of fundamental obligations towards the employee.<sup>9</sup>

In addition to the contracts referred to above, in Poland there are also temporary employment contracts.<sup>10</sup> The topic is regulated in detail by the Law of 09.07.2003 on the employment of temporary workers, which came into force on 01.01.2004. The characteristic of temporary employment contracts is triangular employment relationship, in which:

- temporary employment agency,
- a temporary employee,
- an employer/ user.

Employer of the temporary worker is an agency. It concludes a proper contract with the employee and performs the role of an employer. The employer/ user obtains an employee who performs work on his behalf and under his direction, and therefore, as in a typical relationship, but he is not an employer in a legal sense. The employer/ user performs the obligations of an employer only in the scope resulting from the legal regulations and the contract concluded with the agency.

### Temporary employment

*„Temporary work is (...) to perform the tasks for an employer/user given for a period not longer, than the period specified by the Act:*

- *of a seasonal nature, periodic, ad hoc;*

<sup>9</sup> Ibidem.

<sup>10</sup> „Temporary employment agencies – triangular employment relationship”. Ewa Drzewiecka – <http://www.monitorprawapracy.pl>

- *the timely execution of which by the workers employed by the employer/ user would not be possible;*
- *the execution of which is a responsibility of the absent worker employed by the employer.”<sup>11</sup>*

In case of the replacement of an absent employee, the employer may agree to cooperate with a temporary employment agency (agencies list available on the [www.kraz.praca.gov.pl](http://www.kraz.praca.gov.pl) website), or enter into a contract specified by the LC for the duration of replacement. The contract of employment for a replacement may be concluded for the duration of the employee excused absence only. The temporary employment contracts are not limited this way. Therefore, if the absence is unexcused, the employer may use only one of the above possibilities of replacing an employee.

The employer/ user may be an individual or even a person who is not an employer within the meaning of the Labour Code. It is worth noting that it is not possible to conclude a temporary agreement with own employees - regular employment excludes the temporary employment.<sup>12</sup>

### Duties of the agency, the employer/ user and the employee

The temporary employment agency concludes a contract/ a civil law contract with the employer/ user, determining (among others) the conditions of employment of a temporary employee, concerning (among others) the health and safety training, payment of allowances for business trips, the conditions for granting annual leave, etc. The Agency shall inform the potential temporary employee on those arrangements prior to the conclusion of the employment contract. In the case of the existence of trade union organizations, the employer is required to inform them on the intention to cooperate with the temporary work agency. If the temporary work is to be carried out for over six months, the

<sup>11</sup> Act of 09.07.2003 on Employment of Temporary Workers.

<sup>12</sup> „Temporary employment agencies – triangular employment relationship”. Ewa Drzewiecka – <http://www.monitorprawapracy.pl>

employer is obligated to establish a dialogue with the representative trade unions, but their opposition is not essential for the employer (he may enter into cooperation with the temporary work agency despite their opposition). The duties of the employment agency include all the HR and payroll formalities, so the recruitment projects, organization of medical examinations, reporting to the Social Insurance Institution, keeping employee files, calculation of salaries, tax accounting, issuance of relevant documents / certificates / certificates of employment.

The employer/ user also has a part of the rights and obligations of the employer in the scope necessary to organize any work activity involving temporary worker (Article 14 paragraph 1). The process of familiarizing the employee with the work regulations, conducting job position teaching, assignment of professional and trade secrecy rest upon him. The employer/ user should also train the employee in health and safety, but there are cooperation models present, where this obligation rests on the temporary work agency. During the course of the employment relationship, the employer/ user also takes over a part of the employer's obligations from the agency - some under the act and some due to the conditions of cooperation with the agency. By virtue of the Act, the employer/ user provides an employee safe and healthy working conditions and working time record.

As for the duties of the employee - he must generally comply with the rules of the employer/ user (comply with applicable regulations, adhere to the guidelines superiors). It is worth noting that the employer/ user cannot entrust the employee with work activity other, than specified in the contract - on the principles set out in Article 42 § 4 of the LC, so for a period not exceeding three months of the year, if this is justified by the specific needs of the employer, will not cause a salary reduction and is consistent with the employee's qualifications. Other nature of the work may be entrusted to the employee in the event of downtime. An employer cannot make the agency employee available to other entities.





## Employment of people with disabilities

Employers in the open market may freely determine the structure of employment. However, the powers and responsibilities of the rehabilitation and employment of people with disabilities depend on the category of employees occurring in the workplace. The main legal instrument governing the employment of people with disabilities is the Act of 27 August 1997 on Occupational and Social Rehabilitation and Employment of Disabled Persons. Specific rules for the employment of workers with adjudicated degree of disability include:

- working time - for people with severe or moderate disability it may not exceed seven hours per day and 35 per week, while for those with a light degree of disability - 8 hours per day and 40 per week; a disabled person may not work at night time or overtime; a disabled person must be provided with additional break for rehabilitation, exercise or rest, which is 15 minutes and is included in the working time;
- holiday - people with severe or moderate disability are entitled to additional annual leave of 10 working days per calendar year, unless they use an annual leave in excess of 26 working days or other leave, higher than 10 working days allocated under separate legislation (person acquires the right to the first additional leave after working one full year after being classified as to a proper class of disability);
- release from work with the right to compensation: for up to 21 working days to participate in a rehabilitation, not more than once a year,

at the request of an attending physician; for specialist medical examination and medical or improvement treatments as well as for obtaining or repairing orthopaedic supplies - if these activities cannot be done outside working hours.

An employer who employs at least 25 employees converted into full-time work must regulate contributions to the State Fund for Rehabilitation of Disabled Persons (PFRON) if he doesn't employ 6% of disabled persons. This is the amount equal to the product of 40.65% of the average wage and the number of employees (the difference between employment ensuring the achievement of the factor rate and the actual employment of people with disabilities). In order to confirm the structure of employment, the employer has to submit information to State Fund for Rehabilitation of Disabled Persons monthly and yearly. To encourage employers to hire people with disabilities, many preferential instruments are used, based on funding and exemptions. Those include funding for wages, reimbursement of the cost of adapting the workplace, training expenses, reimbursement of disabled employee's helper worker. Some of those costs are financed by State Fund for Rehabilitation of Disabled Persons, and some by local government.

Sheltered employment companies operate on special conditions laid down by the Act on the occupational and social rehabilitation and Employment of Disabled Persons. They have to meet a number of requirements relating to health and safety regulations but most of all - achieve an appropriate employment rate of people with disabilities: at least 40%; including at least 10% of all employed persons are persons classified as significant or moderate disability, or at least 30% of employed persons are blind, mentally

ill or mentally retarded persons with significant or moderate disability. Sheltered employment companies receive many special powers and financial relief, including tax relief (not applicable for gaming tax, VAT tax, excise, customs, income tax, transport means tax). Exemptions also apply to property tax, agriculture and forestry tax (conditions determined under separate provisions), civil law transactions tax - if the transaction is directly related to operation of the sheltered employment company and charges - with the exception of stamp duty. A sheltered employment company may obtain the following from the State Fund for Rehabilitation of Disabled Persons:

- contribution to the interest rate for bank loans incurred, provided the use of these loans for purposes related to professional and social rehabilitation of persons with disabilities;
- reimbursement for the training of disabled employees;
- financing or reimbursement of salaries of disabled persons diagnosed with mental illness, mental retardation, epilepsy and blind employees.

In Poland there are about 2000 sheltered employment companies, which employ a total of approximately 200,000 people with disabilities in large, moderate and light degree of disability.

### **Cooperation Contract with specialists and managers**

Contractual cooperation is an interesting possibility of cooperation with specialists and managers. Contracting is defined as an external form of employment (cooperation through recruitment

company based on the business activities; temporary work; outsourcing of labour) or direct form of cooperation with the client. It is characterized by a pre-determined period of cooperation, in which specific tasks are to be carried out by a specialist or managerial nature. This is an increasingly popular form of cooperation in Poland. In the "IT Contractors" Antal International study, the respondents indicated the cooperation based on project/ contract as the preferred form of the work and income generation. 39% of respondents believed that they prefer this form of work, while 18% would rather prefer it. This means that more than half (57%) of IT professionals and managers who have experience of cooperation on the basis of the project/ contract prefers this form of work. For 24% of this group of professionals - employment status doesn't matter.

Table 3.

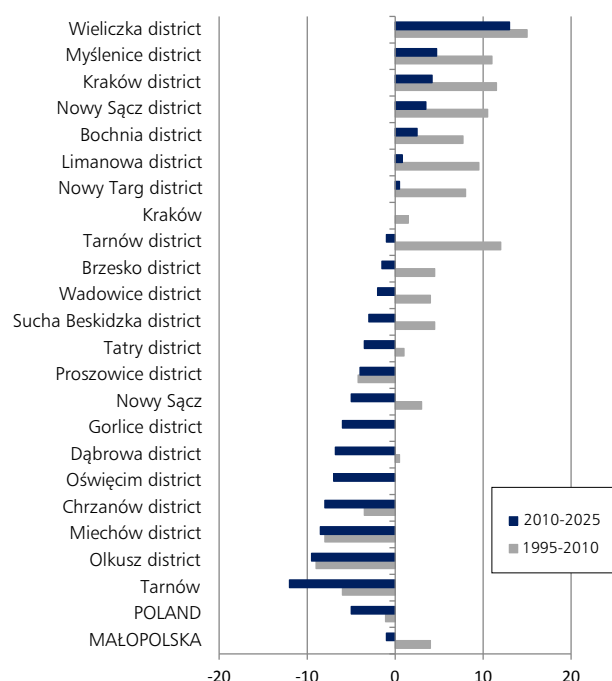
Benefits for Contractor	Benefits for Client
Access to a wide range of projects	Fast process of contractor acquisition
Proposals for new projects in accordance with the demand	The contractor meets company's needs
Proposals for new projects in accordance with preferences of the contractor	Time savings
Reduced business risk	Reduced employment risk
Recruiting company is the contractor's <sup>13</sup> agent	Recruiting company is the employer's partner

<sup>13</sup> Source: Activity of professionals and managers on the labour market, Antal International research, May 2012

# Regional demographic data – trends, changes and forecasts

A characteristic feature of the Małopolska Region is one of the best demographic situations in Poland.<sup>14</sup> Over the years 1995-2010, an increase of almost 40% was noted here, while a slight decline was noted for the whole country. According to the CSO forecasts - over the next 15 years, until 2025, the population of the region is stable and will not change. Meanwhile, the population of Poland will fall to 36.4 million people. Małopolska Region, just like most regions in the country, is characterized by population processes of bipolar nature. Population decline is observed in the peripheral districts - this process will continue to accelerate, and demographic activity is mainly focused on areas around Kraków. A decrease in population was noted in the last few years in five districts of the region: Olkusz, Chrzanów, Miechów, Proszowice and Tarnów. According to forecasts by the CSO - another nine districts will depopulate until 2025 (including Oświęcim, Gorlice and Nowy Sącz). Tarnów district is going to lose its inhabitants fastest - until 2025, the city population will reduce by 12,5% - to 100 thousand people. At the same time - the number of inhabitants will increase in seven districts. Those mainly include the areas surrounding Krakow, as well as several mountain districts in southern Małopolska Region. In terms of demographics, particularly fast growing district is the Wieliczka district. Each year it gains approximately 1000 inhabitants, and will probably maintain this rate in the next few years. Also the districts of Kraków, Myślenice and Bochnia - according to CSO forecasts - will be areas, where the number of people is going to grow. However, the population of Kraków is remaining at the same level since eight years - according to the forecasts, it will remain stable in the next few years.

Figure 2. Change in the number of the population in the years 1995-2010 and forecast for 2010-2025 in the counties in Małopolska Region.



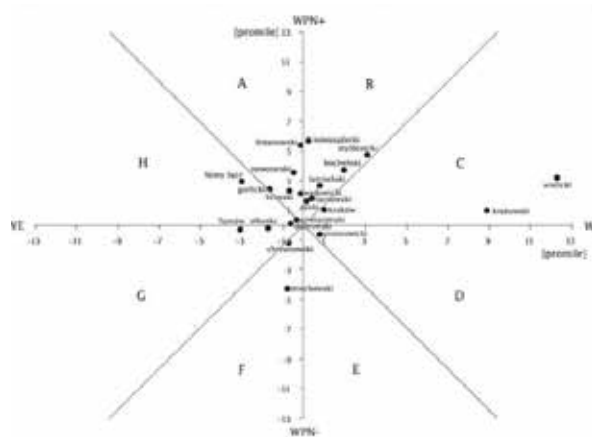
Annex No. 2. Source: „The economic conditions for the development of the labour market in Małopolska Region” - Regional Labour Office in Kraków.

## Population growth and migration

Population growth and migration processes are the result of changes in population. Reports of these two processes for districts in Małopolska Region in 2011 are presented in the diagram below: one axis shows population growth and the other one - migration: in sections A to D there was an actual increase in the number of residents - in sections E to H- an actual decline in population. In 2011, in Małopolska Region - there were 8 districts, the absolute number of the population of which has decreased - mainly due to

<sup>14</sup> „The economic conditions for the development of the labor market in Małopolska Region” - Regional Labour Office in Kraków.

Figure 3. Migration and population growth in the districts of Małopolska Region in 2011.



PN– negative natural increase; PN+ positive natural increase.

Annex No. 3. Source: „The economic conditions for the development of the labour market in Małopolska Region” - Regional Labour Office in Kraków.

emigration. The highest percentage of residents left Tarnów and Nowy Sącz. It seems that only a small proportion of these emigrants settled in the rural districts of Nowy Sącz and Tarnów. In both of these districts, the significant increase in the number of inhabitants is mainly the result of natural growth with a minimum advantage of immigration over emigration.

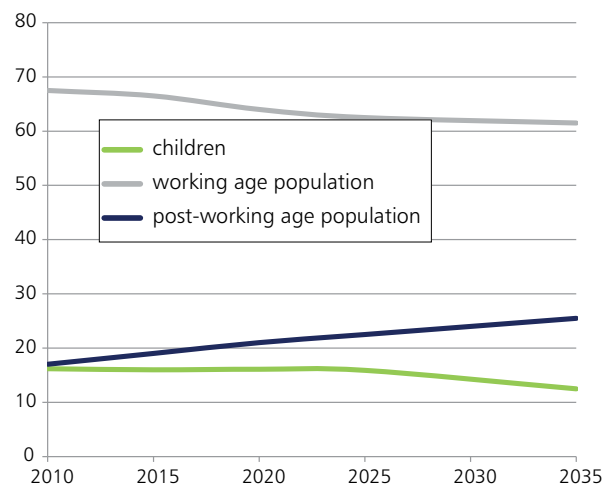
Negative population growth took place only in the district of Miechów - more than 4th part in a thousand, and to a lesser extent, in the district of Chrzanów. It is worth noting, however, that the vast majority of districts of the region were characterized by a positive natural increase. In this respect, the traditional mountain districts dominate: Nowy Sącz, Limanowa, Myślenice, Nowy Targ and Tatry. Districts surrounding Krakow: Wieliczka, Kraków, Myślenice and Bochnia, in addition to the natural growth, are characterized also by significant influx of migrants from other districts. Proszowice district was the only one characterized by negative population growth and a positive immigration. It is perceived as an attractive location for detached houses in the vicinity of Krakow. Arrival of new residents should over time result in a positive natural growth.

### Aging of the population

Despite the favourable demographic structure of Małopolska Region, the next 20-30 years will bring rapid aging of the population - presented in the chart below. As early as in 2010 the number of children under the age of 14 was identical to the number of people of retirement age. It is predicted that by 2035 there will be two such persons per one child. A gradual decrease in the number of people of working age will be important for the labour market and economic development of Małopolska Region. In 2010 there will be 0,26 people in the retirement age per a single person of working age. In 2035, this value will reach 0,46. Thus, this means that currently there are four persons of working age per one person of retirement age and in less than 25 years - there will be only two persons of working age per one person of retirement age. In the city of Tarnów and the districts of Miechów and Chrzanów, where the aging of the population will be accompanied by depopulation and emigration, the rate will be shaped even below 2.

The demographic processes will bring many significant changes in the further development of the region. There will be less of people willing to take up employment, and more leaving the labour market. This will bring a need to use and retrain people aged 50+ or even 60+.

Figure 4. Demographic trends of three age groups by 2035 in Małopolska Region.



Annex No. 4. Source: „The economic conditions for the development of the labour market in Małopolska Region” - Regional Labour Office in Kraków.

# Demographic data for the sub-regions of Małopolska Region (South, North, East, West)

The following section quotes the basic demographic data of the subregions, but for understanding the regional labour markets, it is necessary to characterize them in terms of economic development.

## **KRAKÓW METROPOLITAN AREA (KMA)**

spatially covers:

- town of Kraków,
- Bochnia district,
- Kraków district,
- Miechów district,
- Myślenice district,
- Proszowice district,
- Wieliczka district.<sup>15</sup>

Number of people living in the metropolitan area is 1 457.1 thousand people.

Size of the metropolitan area is 4 382 km<sup>2</sup>.

The average population density in the metropolitan area is 329 people / km<sup>2</sup>. Kraków Metropolitan Area is the most economically developed fragment of the region. The literature concerning KMA divides it into 2 zones:

- Kraków - central metropolitan centre,
- suburban area called the commuting zone.

KMA is distinguished by the level and dynamics of urbanization, a high degree of linkage with the Kraków labour market. It is significantly influenced by, among others, the special economic zone. The economic structure of the region is diversified, mainly due to its metropolitan nature. The development of tourism in

the Kraków also is very important here. The city has a high potential to support many visitors at the same time (well-developed accommodation, catering). The tourism structure is dominated by short-term stays, lasting few days - which is a potential direction of further development. Also in other districts, tourism is local and short-term. The specificity of Kraków provides the sub-region residents with an easy access to culture, public education and health care services. The cultural offer is available mainly in Kraków. There are communication gaps between Kraków and the other districts of the sub-region - which prevent residents of those from using Kraków's resources. Reasons behind this situation may be sought in the fact that the city has accumulated the best resources of the sub-region for years, which is particularly significant in terms of the labour market. The implementation of the agglomeration function of Kraków would be beneficial for the development of the areas located outside the city itself. Kraków would continue to focus innovation, so other areas could grow outside of it.

The labour market situation in the KMA is good.<sup>16</sup> The key role is played by the region's capital, rich in jobs, also for people from the suburban areas. Location of - among others - companies with foreign capital and thus - creation of new jobs - caused a trend of salary increase, which is beneficial for the employees. New jobs are occupied by the university graduates, although their education does not always meet the requirements of the labour market, which will be discussed in a separate section of this report.

<sup>15</sup> [www.politykarozwoju.obserwatoria.malopolska.pl](http://www.politykarozwoju.obserwatoria.malopolska.pl)

<sup>16</sup> *Economic conditions of the labor market in Małopolska Region*



**TARNÓW SUBREGION** spatially covers:

- town of Tarnów,
- Brzesko district,
- Dąbrowa district,
- Tarnów district<sup>17</sup>

Number of people living in the metropolitan area is 463,8 thousand people.

Size of the subregion is 2 605 km<sup>2</sup>.

The average population density in the metropolitan area is 177 people/ km<sup>2</sup>.

Tarnów subregion is characterized by low levels of economic and agricultural structure of the local economy. There is a lack of expertise in the production of certain agricultural products. The level of advancement and lack of changes in this area indicate a danger of monoculture. It seems that it is possible to develop the tourism, agro tourism and organic farming markets in this region. In addition to agriculture, industrial zones operate within the subregion, focused on non-organic branch (chemical and mechanical industry). Under favourable conditions, those have a development potential. The bad situation is fulfilled by the low level of local entrepreneurship and social activity, which is observed even in the town district.

The Tarnów subregion is not without prospects. Potential can be seen in the structure of professional higher education - State Higher Vocational School in Tarnów emphasizes in technical and health sciences. This gives a chance to raise the level of social activity and also a change in the economic structure with the use of the local labour resources. The attempts to turn the State Higher Vocational School in Tarnów into an academic institution - which are a response to the aspirations of young people from the subregion - are worth noting. In the future, this may constitute a source of positive changes in the region. Also the sector of logistics services related to the construction of the A4 motorway seems to be promising. The

area around the highway should serve as a place for investments such as logistics parks.

The discussed sub-region is characterized by an average accessibility of public services. There is no clear advantage or deficit over other regions. A weakness of the sub-region is the availability of public transport. Tarnów, the capital of the sub-region, is a medium-sized city, providing public services at an average level. Its attractiveness is not judged high enough to attract new residents. This assessment is also influenced by the labour market. Tarnów is facing intense desertification processes. The demographic projections for the future keep this direction. Tarnów, as the capital of the region, faces the difficulty of being a leader in economic development for surrounding districts.<sup>18</sup>

The labour market in Tarnów described as diverse, moderately good.<sup>19</sup> The largest employer is the chemical plant Azoty Tarnów (Azoty Group). the company provides the inhabitants with employment stability and relatively high wages. Focusing jobs in the dominant employer in the region bring the danger of the risk related to job loss with it. The Brzesko district remains in the KMA zone in terms of the labour market. Agriculture, services and industry including construction play an important role here. Persons unable to find a job inside their district commute to work, mainly to Kraków and KMA municipalities. The labour market in agricultural districts - Dąbrowa and Tarnów is underdeveloped. The unemployment rate here is not particularly high, but in the case of these districts - the so-called hidden unemployment needs to be taken into account. Within these districts, in addition to agriculture, the number of jobs is limited.

**NOWY SĄCZ SUBREGION** spatially covers:

- town of Nowy Sącz
- Gorlice district,
- Limanowa district,
- Nowy Sącz district.<sup>20</sup>

<sup>17</sup> [www.politykarozwoju.obserwatoria.malopolska.pl](http://www.politykarozwoju.obserwatoria.malopolska.pl)

<sup>18</sup> *Ibidem*.

<sup>19</sup> *Economic conditions of the labor market in Małopolska Region.*

<sup>20</sup> [www.politykarozwoju.obserwatoria.malopolska.pl](http://www.politykarozwoju.obserwatoria.malopolska.pl)

Number of people living in the subregion is 529,7 thousand people.

Size of the subregion is 3 524 km<sup>2</sup>.

The average population density in the subregion is 148 people/ km<sup>2</sup>.

Nowy Sącz subregion has weak level of economic development and low growth rate. Moderate income is generated by tourism. The services and industry sectors are poorly developed. There is, however, a functioning window manufacturing industry, but of a point nature and it doesn't generate a large share in the market. Potential cannot be seen in the processing of crude oil which is one of environmentally unfriendly and less innovative industries. Underdeveloped service sector, which generates many jobs in other regions - in the Nowy Sącz area does not provide jobs to the graduates of schools of various levels. Poorly developed transport infrastructure limits the mobility of educational and professional. These drawbacks adversely affect the quality of life. Problematic area is housing - there is high density of housing and average availability of the network infrastructure (especially in the district of Limanowa and Gorlice) observed. Nowy Sącz - the capital of the sub-region in terms of economic development has a slightly higher position than the other districts. A local centre of an academic study is developed, which may be perceived as an opportunity to advance. Recently an innovation centre functions in Nowy Sącz - a multimedia „park”, the strategic purpose of which is to become one of the most innovative centres for the use of multimedia in education, business and entertainment in the world. Labour market experts forecast, however, that development of the city and the entire sub-region will essentially be based on less innovative industries. The rise of the multimedia „park” is perceived positive anyway.

The labour market should be discussed separately for Nowy Sącz and other districts. In Nowy Sącz - centre of the subregion- despite the relatively low

unemployment, the situation is not easy, especially for the young, well-educated persons. This is evidenced by a lack of well paid jobs that require high qualifications. This leads to the emigration of highly skilled professionals, who look for work appropriate to their skills. Also the level of wages is low. difficult labour market situation motivates people to start a business on their own account, which must be picked up as a positive result. The labour market of other mountain counties - Gorlice, Limanowa, Nowy Sącz is largely based on agriculture, as well as small and medium-sized enterprises in the service sector- trade and construction, to a lesser extent - the industry. However, this does not generate enough jobs. In this situation, an outflow is noticeable - especially of young, enterprising persons. Some people are trying to commute to work to Kraków and KMA, but this is very time consuming and costly. There is a considerable influence of the mountain terrain, which makes travel more difficult.

#### **PODHALE SUBREGION** spatially covers:

- Nowy Targ district,
- Sucha Beskidzka district,
- Tatry district<sup>22</sup>.

Number of people living in the subregion is 340,3 thousand people.

Size of the subregion is 2 632 km<sup>2</sup>.

The average population density in the subregion is 127 people/ km<sup>2</sup>.

Podhale subregion, especially its southern part is located in area of low territorial accessibility, often under legal protection, which influences the subregion development model. Its characteristic feature is the development of systematically growing touristic specialization. The influx of tourists is accompanied by the development of infrastructure. To reduce the seasonality of revenue from tourism, investments

<sup>22</sup> [www.politykarozwoju.obserwatoria.malopolska.pl](http://www.politykarozwoju.obserwatoria.malopolska.pl)

are made in - for example - business tourism. The entrepreneurship of the region is focused around tourism and recreation. Directions of education have been subordinated to the needs of the labour market. Popular directions of education include restaurant, hotel and construction. The accessibility of public services is dedicated to the tourists. In addition to the dominant tourism, economic development in other sectors is determined by the geographical location. The development of information technology in the area may be perceived as an opportunity to improve the educational situation and labour market. An inadequate public transport network is a major constraint. The capital of the subregion - Nowy Targ, is a limited driving force for other districts. Due to the favourable demographic forecasts and support for the development of public services (both in quantitative and qualitative terms), it is expected that the Nowy Targ will strengthen its role of the regional centre. For the safety of the local economy, it is necessary to create alternative opportunities for the region, regardless of the tourism industry.

The labour market requires a separate comment for Tatry district and other districts in the subregion.<sup>23</sup> Tatra district is characterized by an underdeveloped general service sector and almost lack of industry. Small entrepreneurship is highly developed - almost double the number of companies per 1,000 inhabitants in comparison with Kraków. However, this is accompanied by a low level of wages. The district has a limited demand for highly skilled workers. Other mountain districts: Nowy Targ and Sucha Beskidzka base their labour market primarily on agriculture, as well as small and medium-sized enterprises in the service sector, trade, construction and - to a lesser extent - the industry. Small and medium enterprises in these areas are unable to create a number of jobs appropriate to the needs, which results in a high level of unemployment and emigration - especially among young people.

## **OŚWIĘCIM SUBREGION**

**(WESTERN MAŁOPOLSKA REGION)** spatially covers:

- Chrzanów district,
- Olkusz district,
- Oświęcim district

Number of people living in the subregion is 556 thousand people.

Size of the subregion is 2 040 km<sup>2</sup>.

The average population density in the subregion is 270 people/ km<sup>2</sup>.

The subregion borders the province of Śląsk, remaining in the sphere of influence of the Katowice conurbation, KMA and also - Bielsko-Biała. Thanks to this it is possible to develop the region based on the use of potentials of two / three markets and build a network of cooperation. Western Małopolska Region has great potential for tourism recreation (for example Błędowska Desert); pilgrimage (Kalwaria Zebrzydowska and Wadowice), cultural (Kalwaria Zebrzydowska and Eagles' Nests Trail and Lanckorona) and Memorial Site in Auschwitz-Birkenau. Besides tourism, Western Małopolska Region is an area focused on heavy industry (coal mines, zinc, lead). It has a relatively well-developed road infrastructure. A satisfactory level of public services shows that the sub-region can be an attractive place to live. Areas of the subregion to a large extent are urban. All four districts are relatively equal partners - there is no one clearly dominant centre.

The labour market in the districts of the Oświęcim region is highly polarized. Large workplaces provide stable and well-paid jobs. The other operators offer lower wages and employment lability. Wadowice district remains in the sphere of KMA influence - people who have trouble finding work commute to Kraków and the surrounding districts. The Chrzanów, Oświęcim and Olkusz districts are characterized by fast growing industrial activity. Many people commute to workplaces located in the Śląsk Region, in particular to the Upper Silesian Metropolis „Silesia”.

<sup>23</sup> *Economic conditions of the labor market in Małopolska Region.*

# Labour market

## Unemployment

It is estimated that in 2013 the unemployment rate in Poland will increase from 13.3% to 14.1%, and in Małopolska Region from 11.5% to 12.5%. It is already known that the first two quarters of the year will bring economic downturn, which will be reflected in the labour market in the rest of the year. Perhaps in the second half of the year, the economic situation will start to improve, but it will not be noticeable until 2014. In Małopolska Region, in 2013, the impact of economic conditions and seasonal factors, taken together, will translate into an increase in the number of unemployed - in some months this number may exceed 170 thousand people. At the end of the year, the labour market specialists forecast a reduction in the number of unemployed people.

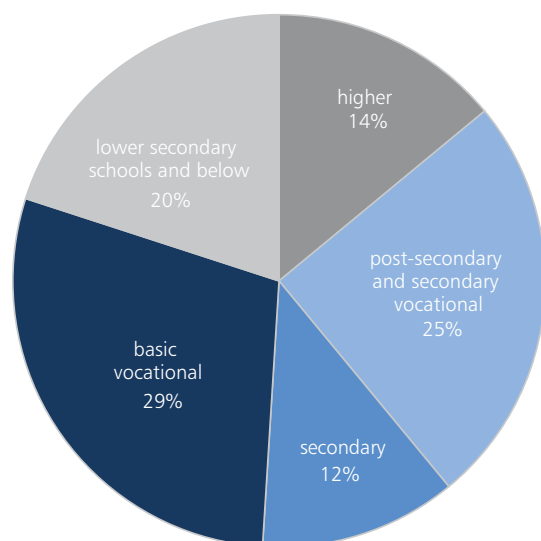


Table 4. According to CSO data, the number of registered unemployed and unemployment rate by regions, subregions and districts, the state at the end of February 2013 will be as follows:

Region/ Subregion/ District	Registered unemployed persons in thousands	Unemployment rate (against labour force) in %
<b>MAŁOPOLSKA REGION</b>	<b>178,0</b>	<b>12,6</b>
<b>Kraków subregion</b>	<b>33,4</b>	<b>13,0</b>
Bochnia district	5,0	12,4
Kraków district	10,9	11,8
Miechów district	2,7	12,5
Myślenice district	7,1	15,1
Proszowice district	2,5	13,0
Wieliczka district	5,4	13,8
<b>Kraków town subregion</b>	<b>26,5</b>	<b>6,5</b>
town of Kraków	26,5	6,5
<b>Nowy Sącz subregion</b>	<b>52,4</b>	<b>16,4</b>
Gorlice district	7,2	14,9
Limanowa district	11,3	19,9
Nowy Sącz district	14,7	19,5
Nowy Targ district	10,0	15,2
Tatry district	3,7	13,3
town of Nowy Sącz	5,5	12,1
<b>Oświęcim subregion</b>	<b>36,9</b>	<b>15,4</b>
Chrzanów district	7,6	17,3
Olkusz district	8,2	16,6
Oświęcim district	8,0	14,8
Sucha Beskidzka district	4,3	12,8
Wadowice district	8,8	14,9
<b>Tarnów Subregion</b>	<b>28,8</b>	<b>14,9</b>
Brzesko district	5,1	14,1
Dąbrowa district	5,3	21,1
Tarnów district	11,8	16,4
town of Tarnów	6,5	11,0

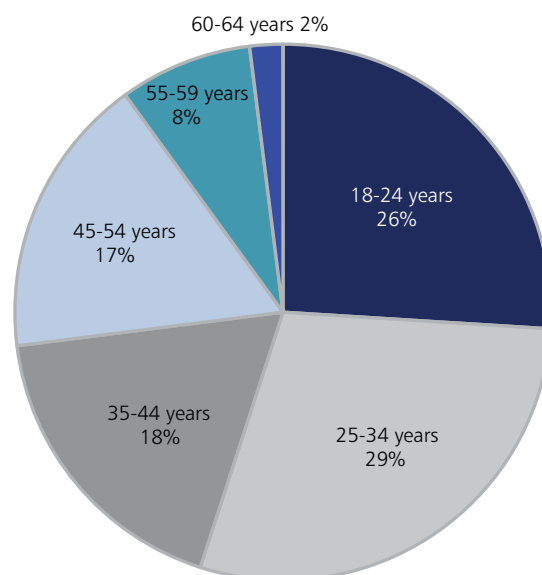
Annex No. 6. Source: own development based on the CSO data

Figure 5. Structure of registered unemployed according to education (December 2012)



Annex No. 7. Source: VLO Newsletter, the fourth quarter 2012

Figure 6. Structure of registered unemployed according to age (December 2012)



Annex No. 8. Source: VLO Newsletter, the fourth quarter 2012

## Structure of employment

Results of the Labour Force Survey in the third quarter of 2012 showed that in Małopolska Region, the number of employed amounted to 1,308 million, the number of unemployed to 146 thousand, and the number of economically inactive persons remained at a level of 1.176 million people aged 15 years or more. People not being employed - the unemployed and economically inactive persons accounted for as much as 50% of the population of the Małopolska Region.

The activity rate, defined as the share of economically active population aged 15 years and more was 55.3% (56.2% in Poland), and thus fell by 0.9 percentage points compared with the second quarter of 2011, but increased by 0.5 percentage points compared with the second quarter of 2012. In terms of gender,

men were more economically active than women (47,8%). In terms of age, the highest ratio of activity characterized a group of residents aged 35-44 years (87.4%), 25-34 years (83.8%) and 45-54 years (80.8%). The lowest value of the indicator concerned persons aged 55 years and older (23.9%), which was associated with the retirement.

According to the criterion of education, the highest rate of activity concerned persons with higher education (78.7%). In the third quarter of 2012, the largest share among the employed took those with higher education (almost 30%) and vocational education (less than 29%). Not much less were those with post-secondary and vocational education - about 28%. Least workers achieved lower secondary education or less (6.8% of the working population). Persons employed on the basis of employment relationship accounted for



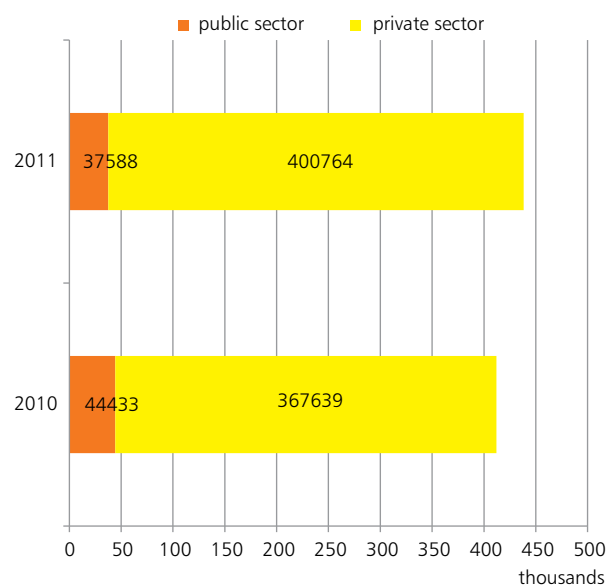
74.7% of total employment (977 thousand of 1308 thousand of employees), more than two thirds of them (68.2%) were employed in the private sector. 78,4% of employed persons were employed through a contract of indefinite duration, and the remaining 21.6% was employed through fixed-term contracts.

Taking into account a group of professionals - the most numerous group of in Małopolska Region includes specialists - 259 thousand people, including 62.9% of women. Craft and related trades workers' number amounted to 214 thousand people, including over 90% of men. Service and sales workers' number amounted to 182 thousand people, including 65,9% of women and were the third largest professional group. In the corporate sector, after an increase in January (by 8.6 thousand compared to December 2011, up to 460,5 thousand people), the number of employed persons gradually decreased to 455,6 thousand people in September. In October there was a slight increase (by 0.7 thousand people), and then another drop. In December, the figures were better than 2011 (by more than 0.5%).

More detailed analysis may be performed based on the data at the end of the third quarter of 2012. In reference to September 2011, employment in the enterprise sector was 0.1% higher. The largest increase occurred in the sections: information and communication (9.4%), transport and storage (6.9%), and administrative and support service activities (by 5.4%), so in the service and manufacturing sectors, and among the production sectors - in the production of paper and paper products (by 5.1%). Declines occurred in accommodation and food service activities (by 9.9%) and construction (2.2%), the largest decrease was noted in the entities involved in the construction of buildings and civil engineering (by 7.6%), and among the manufacturing section: in the manufacture of other non-metallic mineral products (10.5%) and production of clothing (by 7%).

The structure of employment in the enterprise sector in Małopolska Region in the 2012 was similar to that in 2011: 2/5 persons worked in industry, 1/4 in trade and repairs, 1/9 in the construction and 1/7 in services (including administration and support activities, accommodation and catering, in professional activity - scientific and technical and real estate market). It is worth to note the decline in the number of people employed in the construction industry and increase in the employment in the service sector.<sup>24</sup>

Figure 7. Average employment in the enterprise sector by ownership sectors

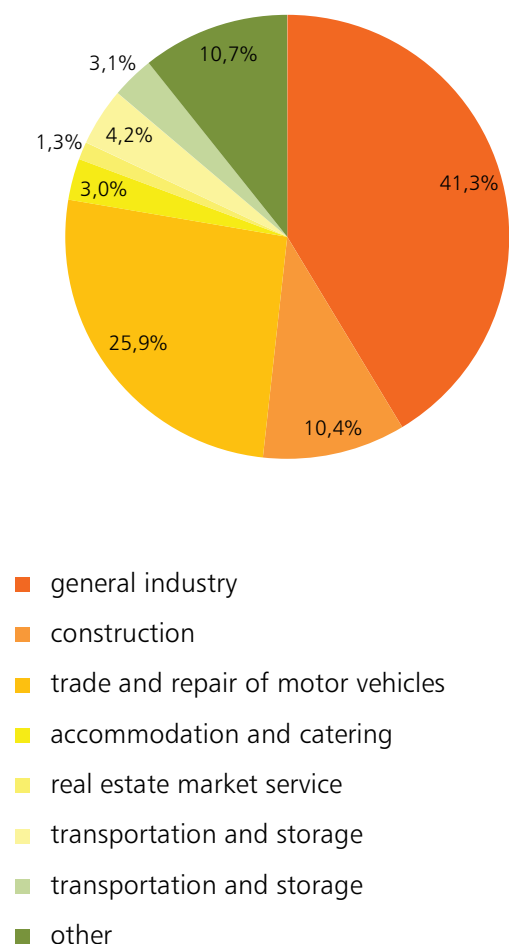


Annex No. 9. Source: Małopolska Regional Research Centre „The labour market in the Małopolska Region. 2011”



<sup>24</sup> Ibidem.

Figure 8. Average employment in the enterprise sector by ownership sectors



Annex No. 10. Source: Małopolska Regional Research Centre „The labour market in the Małopolska Region. 2011”



## Changes

Małopolska Region changes in the labour market are moving in the direction of the development of advanced technology and innovation. Job vacancies generate sections: administration and support, information and communication, professional activity - scientific and technical.

In Małopolska Region there are numerous Business Processes Outsourcing Centres (BPOs) and IT service providers.<sup>25</sup> It was noted that at the end of 2012, 25 thousand of people worked for the companies that provide services to other entities. Employment growth that has taken place over the last four years by as much as 20%, is likely to continue in the current year.

In the „Transport and storage” section, in relation to the upsurge of industrial production expected in the second half of 2013, it is expected the demand for such services (supplementation of the production means, transport of the goods produced) will increase. In 2012, the industry lost many employees - as part of redundancies 222 people lost their jobs, which accounted for 10% of the group releases.

Gradual increase in employment is observed in retail trade. This is due to the accumulation of trade in the areas of new shopping centres.

Experts predict that 2013 will be difficult for the „Industrial production”. The authors of „Assessment of the labour market in Małopolska Region” predict that: “furniture production (reduction of exports to Western Europe), meat production (decreasing profitability of conducting business), production of clothing (among others - the downward trend associated with relocation of manufacturing processes to the East), manufacture of machinery and equipment (deteriorating condition of construction and industrial processing), and car production will be in the worst situation”<sup>26</sup>. The ongoing year will be difficult also for construction. There has been a reduction of housing and infrastructure

<sup>25</sup> Assessment of the situation on the labor market in Małopolska Region in 2012. Annex to Resolution No. XXXIV/585/13 of Małopolska Provincial Assembly of 03.25.2013

<sup>26</sup> Ibidem.

noted. The housing market has reached saturation. Infrastructure construction slowed down due to the end of the period of use of EU funds 2007-2013. The restructuring of the electricity market probably will reduce employment in the „Energy and the provision of media”. The study „Survey of demand for workers among employers in Małopolska Region in 2012” - representatives of the energy industry were determined as ones the demand for which will decrease in the next year.<sup>27</sup>

Development trends are visible in the high-tech and innovation. The ongoing processes of robotization, however, cause less demand for workers. Reduction of employment clearly primarily affects industries with a significant labour consumption. Reducing employment is also a result of the restructuring and transformation processes.

„Professions barometer 2013” for the Małopolska Region is confirmed by forecasts indicating stagnation in the labour market. Relative to last year, the number of occupations under pressure reduced, which means a rapid response of the education, training and courses market, as well as of the employees themselves - complementing their qualifications and thus adapting it to the requirements of employers.

In 2012, the majority of employers is planning to increase the number of employees in the next year.<sup>28</sup> Employers declared no changes in the level of employment in the following sectors: real estate services and administration services, health care and public administration. The plans to reduce the number of employees were reported by the largest companies in the region.

It is still possible to distinguish rapidly growing sectors. The Antal Global Snapshot research<sup>29</sup> indicated that in the fourth quarter of 2012, recruitment of specialists and managers was declared by 52% of companies. 48% of respondents had hiring plans for 2013. The stabilization of the reduction ratio at

a relatively low level of 16% and a forecast at the level of 17% are positive signs. SSC / BPO sector is growing very rapidly. New centres are growing, and the existing ones expand their activity. Outsourcing, an area which requires highly skilled specialists, is becoming the future direction of development. More and more companies are also moving their logistic support and supply processes to Poland. Candidates are encouraged with stable employment and social packages. We may speak of „candidate market” in the field of IT and e-commerce. An increased demand for business professionals and managers may be noticed both in the companies based on online sales channels, as well as those for which the network is an addition to traditional sales. Specialists and managers in the Małopolska Region cannot complain about the lack of jobs. The „Activity of professionals and managers in the labour market” research conducted by Antal International shows, that they receive an average of 6 job offers per year.<sup>30</sup>

At the end of 2013, the unemployment rate in Małopolska Region is expected to grow from 11.5% to 12.5%. The first months of the year usually exceed the values anticipated at the end of the year (see Annex No. 6 - February data). This is a consistent trend, resulting from the seasonality of employment and unemployment in the first quarter, a decrease in the second quarter, the stabilization in the third quarter and the annual increase in the last months of the year. The emergence of seasonal jobs is the first cause of this state, the second is running of the Labour Fund to mitigate the effects of unemployment. The projected increase in the level of unemployment at the end of 2013 compared to the beginning is based on the assumption, that the bad economic situation continued from the second half of 2012 will have a negative impact on the labour market and lead to a difficult situation by the end of 2013.

Current judgment of the analysts based on attitudes surveys among employers at the beginning of 2013 is more optimistic. The rate of decline in employment is

<sup>27</sup> Ibidem.

<sup>28</sup> Employer - Market - Employee 2013. Regional Employment Office in Kraków.

<sup>29</sup> Antal Global Snapshot, 13th edition, Antal International research.

<sup>30</sup> Activity of professionals and managers in the labor market, Antal International research, May 2012.

now smaller and more employers expect to increase employment in the current and following year. It can therefore be expected that the positive developments in the labour market will be felt in 2014. Changes in the labour market of Małopolska Region were presented in the form of trends and forecasts.

## Wages level

The increase in wages in 2012 was recorded at a lower level than in previous years.<sup>31</sup> In the corporate sector, the average monthly gross salary amounted to approximately PLN 3393,36 in the entire 2012, so by 2.4% more than in 2011. With regard to the NACE sections, the largest increase in wages occurred in administrative and support service activities (by 8.6%) and accommodation and food (4.5%). These sectors were the lowest paid ones. A smaller increase in

wages occurred in sections where wages are located at a higher level than the region average. These are: water supply, sewerage, waste management (4.4%), information and communication (by 4%). The decline in wages was recorded in construction (by 4.2% compared to 2011).

December 2012, the average monthly gross salary in the public sector amounted to PLN 4989.47 (about 13.2% more than a year before), and the private sector - PLN 3426.06. In February 2013, the average monthly gross salary in the enterprise sector amounted to PLN 3374.44. Compared with February last year, the increase in average wages was recorded in all sectors (except mining and quarrying), including the largest in the administration and support service activities (by 13.4%) and in the production and supply of electricity, gas, steam and hot water (8.6%).

Table 5. Average monthly gross wages in the business sector were as follows:

Specification	II 2013		I-II 2013	
	in PLN	II 2012 = 100	in PLN	I-XII 2012 = 100
In general	3374,44	103,7	3360,24	101,7
Including:				
Industry	3555,14	102,3	3565,15	101,0
Mining and quarrying	4408,38	97,5	4450,35	100,6
Industrial processing	3373,81	101,8	3372,19	100,6
Production and supply of electricity, gas, steam and hot water	4968,34	108,6	5048,15	104,4
Water supply, sewerage, waste management and remediation activities	3580,42	102,3	3635,31	103,3
Construction	3169,17	104,3	3160,44	102,6
Trade and repair of motor vehicles	2869,63	103,6	2843,86	102,0
Transportation and storage	2781,05	100,5	2801,44	100,0
Accommodation and catering	2234,20	101,7	2247,56	101,4
Information and Communication	6048,70	105,6	6009,18	92,4
Real estate market services	3238,36	101,3	3263,33	101,1
Professional scientific and technical activities	5452,51	103,6	5189,37	103,3
Administrative and support service activities	2528,44	133,4	2539,02	113,7

Annex No. 11. Source: Communication on socio-economic situation in the Małopolska Region in February 2013, the Statistical Office in Kraków.

<sup>31</sup> Assessment of the situation on the labor market in Małopolska Region in 2012.

Figure 9. Dynamics of average monthly gross salary in enterprise sector (monthly average 2010=100)



Annex No. 12. Source: Communication on socio-economic situation in the Małopolska Region in February 2013, Regional Employment Office in Kraków

In January-February this year, the average monthly gross salary in enterprise sector stood at PLN 3360.24, or 1.7% higher than the same period in 2012, the largest increase in average wages during the period was recorded in the sections of: administration and support (13, 7%), production and supply of electricity, gas, steam and hot water (by 4.4%), water supply, sewerage, waste management and remediation as well as professional scientific and technical activity (by 3.3% each). The decrease of the average wage has occurred only in the information and communication (7.6%).<sup>32</sup>

According to the report „Salaries of professionals and managers 2013”<sup>33</sup>, prepared by Antal International, the average salary offered to managers

and professionals in the Małopolska Region in 2012 amounted to PLN 7 720 per month. It is much lower than the national average, which is PLN 9 380 per month, which translates into an increase in the attractiveness of in Małopolska Region specialists for investors. Especially the SSC/BPO employs many young people without work experience, which translates into a moderate average of the salary offered, which is PLN 5 050 per month. Antal International consultants reported no significant changes in wages compared to the previous year. The more difficult economic situation with the simultaneous need to maintain the level of employment of specialized personnel and managers in organizations makes the rate remain at a stable level.

Table 6. Examples of monthly gross salary in selected professional and managerial positions:

Banking and insurance	Poland (in PLN)	Kraków (in PLN)	BPO/SSC	Poland (in PLN)	Kraków (in PLN)
A specialist at the Bank branch	3800	3000	HR Customers Service	4000	5000
Relationship Manager for the DSP	7500	7000	AP Senior Specialist	6000	5500
Director of bank assurance	17500	15000	Tax Specialist	7500	9000
IT and Telecommunications	Poland (in PLN)	Kraków (in PLN)	Moto industry	Poland (in PLN)	Kraków (in PLN)
Junior Developer	5000	4500	Automatic	6000	6500
C++ programmer	7500	5200	Head of Maintenance	10000	10000
IT expert	12500	10000	Production director	14000	16000
Industrial processing	Poland (in PLN)	Kraków (in PLN)	Transport, expedition, logistics	Poland (in PLN)	Kraków (in PLN)
Quality engineer	6500	6500	Logistics manager	9500	9500
Optimization manager	10000	11000			
Quality director	12000	13000			

<sup>32</sup> Tamże.

<sup>33</sup> Wynagrodzenia specjalistów i menedżerów 2013, Antal International.



The actual salary expected by the candidate is affected by a number of factors:

- years of experience of the candidate,
- experience profile of the candidate (in small or international companies),
- responsibilities (often the responsibility for identically named positions may vary considerably),
- knowledge of foreign languages,
- certificates obtained,
- achieved successes (outstanding achievements beyond the proper performance of duties - such as implementing a new idea to the company),
- soft interpersonal skills.

Salaries in Poland compared to other countries of Central and Eastern Europe

Salaries in Poland, applied against certain countries of Central and Eastern Europe (CEE) are below average. For comparison, the average gross salary in EURO according to the data of the European Statistical Office (Eurostat) for the year 2011 amounted to:

Slovenia – 825

Czech Republic – 659

Estonia – 555

Slovakia – 508

Hungary – 503

**Poland – 447**

Latvia – 425

Lithuania – 370

Romania – 297

Bulgaria – 190

Although the cost of hiring an employee in Poland, tend to be high for Polish entrepreneurs, for investors from Western Europe- they are negligible. According to Eurostat (in 2011) per hour per worker in Poland, entrepreneur pays an average of 7.1 euro (about PLN 28.00). Meanwhile, average labour costs per hour in enterprises in the European Union are estimated at 23.1 euro (about PLN 92.00). The work is valued the least - except Bulgaria - in Romania (4.2 euro), Lithuania (5.5 euro) and Latvia (5.9 euro). Poland is right behind these countries and - among others - Hungary, where an hour of employee's work, including taxes is paid a bit more than in Poland - 7.6 euro. Eurostat notes, that in the case of data from countries outside the euro area, the pays are still in euro, and thus calculated on the basis of variable exchange rates. According to Eurostat data from March 2013, the remuneration of a Pole is 7.4 euro (PLN 30.4) per hour. Meanwhile, the European average is 23.4 euro (PLN 96.2). Over the past year, wages have risen by only 0.1 euro - from 7.3 to 7.4. Non-wage labour costs amount to 16.7% and are among the lowest in the EU. In 2012, they amounted to an average of 7.4 euro per hour.



# Evaluation of human resources in the labour market of Małopolska Region

## Education

The intellectual capital of Małopolska Region is one of the most important assets of the region. People with higher education account for nearly 20% of the population aged 15-64 years and this is the third position in the country (after the regions of Mazowsze and Pomorskie). Małopolska Region has a reputation of outstanding academic centre, which attracts students from other provinces - they make up 45% of those entering full-time studies in the

region. Compared to other provinces, in Małopolska Region there is few people with lower secondary, primary and lower education. In the 15-64 age group - it is only 16%. In the school year 2010/2011 in Małopolska Region there were 479 990 students (of which 162 712 in secondary schools). There is about 2.6% less of them than in the previous school year. The downward trend is maintained for several years and is projected to continue over the next few years.

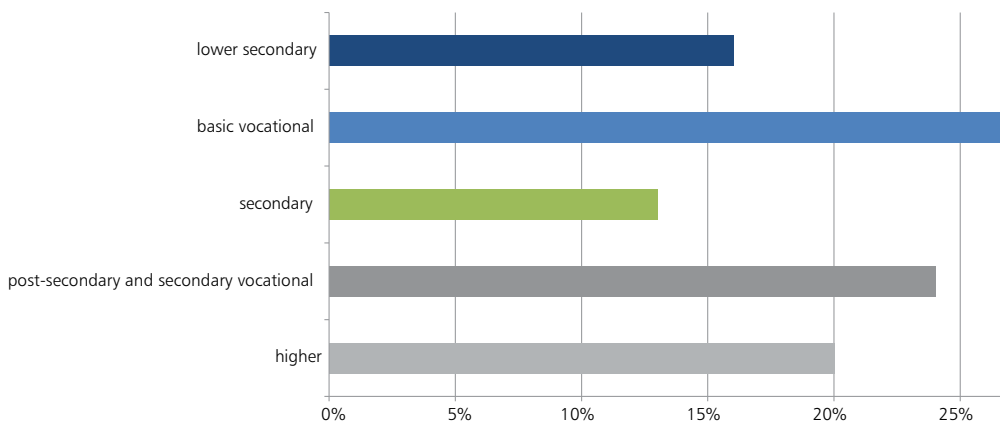


Figure 10.  
The level of education  
of the population  
aged 15-64

Annex No. 13. Source: *The labour market in Małopolska Region in 2011. Human capital for the development - Regional Employment Office in Kraków.*

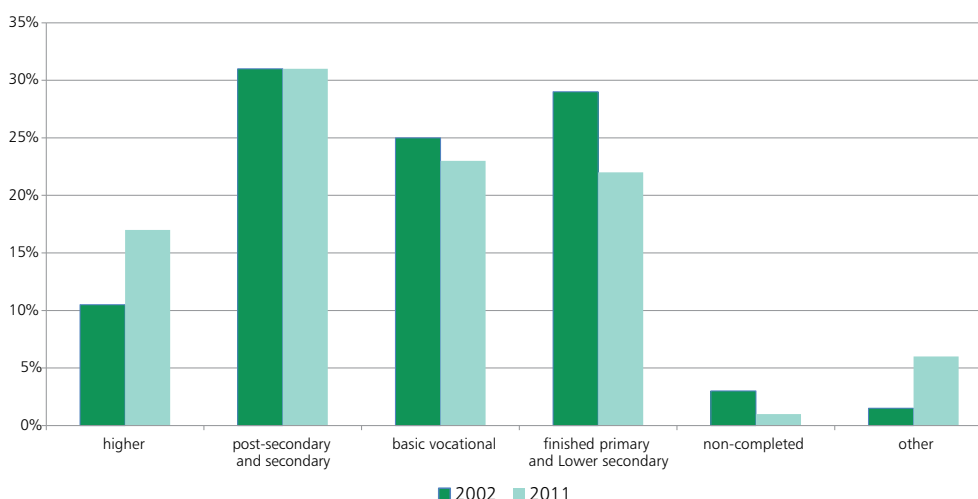


Figure 11.  
Changes in the level  
of education of the  
population in the years  
2002-2011 (%)

Annex No. 14. Source: *Małopolska Region in 2012. Marshal Office of the Małopolska Region. Kraków 2012.*

In addition to training in schools and colleges, Małopolska Region also benefits from training courses. In 2012, two-thirds of employers declared that in the year preceding the survey - they trained their employees in non-obligatory range (so excluding health and safety, fire., etc). The data came from the public sector (87%). Employers of the private sector organized voluntary training in the half of enterprises. The largest number of trainings was conducted in large companies. In enterprises employing more than 250 people, employee's training occurred in 88% of them. 50% of companies employing more than 10 persons declared improvement of the skills of their employees. Employee's training took place in 40% of the smallest of companies, employing up to 10 employees.

According to the report, "Employer - market -employee. Research on the demand of employers in Małopolska Region 2012 " the most popular training topics include:

- „law (30%) tax law, labour law, public procurement law;
- construction and manufacturing (25%): courses for machine operators and production equipment, courses for operators of loaders, excavators, cranes and other vehicles, electrical contractors and electricians, welders;
- bookkeeping and accounting (22%): overall in the field of accounting, human resources in the enterprise, Social Security accounts;
- training for teachers (19%): various aspects of education, pedagogy, student-teacher relations, working with children;
- medical (19%), psychology, psychotherapy, sociotherapy, other specialized courses for doctors and nurses;
- sales (18%): sales techniques and customer service.”<sup>34</sup>

Training subjects were adapted to positions held, and these skills were necessary for the performance of duties. Effects of training - as declared by the employers - were satisfactory.

## Knowledge of foreign languages

Discussing the knowledge of foreign languages, one should focus on a group of people already in the labour market, optionally students whose potential will be disposed by employers in the near future. The study "Human Capital 2011" conducted by the Polish Agency for Enterprise Development (PARP) shows, that the level of knowledge of foreign languages in the Małopolska Region looks favourably compared to the entire country. The sample was subjected to a group of 1,115 respondents from the general population.

Table 7. Knowledge of any foreign language by the age criterion

Knowledge of foreign language		
age	yes	no
do 20	85,9%	14,1%
21-30	84,9%	15,1%
31-40	66,7%	33,3%
41-50	51,0%	49,0%
51 and above	39,4%	60,6%
Total	63,0%	37,0%

Source: Human Capital Balance 2011

Table 8. Respondents who declared they know foreign language (or languages) pointed the language (or languages) - the first one and next ones (if they exists).

First language		Second language		Third language	
English	57%	German	38,7%	Russian	31,4%
Russian	19,8%	English	22,6%	English	19,6%
German	17,5%	Russian	22,6%	German	17,6%
French	2%	French	7,2%	French	9,8%
Other	1,6%	Spanish	3,4%	Spanish	7,8%
Italian	1,3%	Other	3,1%	Norwegian	7,8%
		Italian	2,4 %	Italian	5,9%
Total	100%		100%		100%

Source: Human Capital Balance 2011

<sup>34</sup> Tamże.

Less than half of respondents who know the language (s) alien (s) declared knowledge of two languages, knowledge of a third was happening sporadically. Most popular languages included English, German and Russian, and German as the most frequently declared second foreign language.

It is worth noting that outsourcing centres employees in Kraków work in 31 different languages.

The authors of „The labour market in Małopolska Region. Education of children and adolescents „study

Antal International observations are consistent with the results of the study. It's worth remembering that many specialists relocates to Małopolska Region from other Polish regions and abroad. The fluent knowledge of English is widespread among specialists and managers. Also candidates with a good knowledge of German, French, Spanish and Italian are often met. There are great possibilities of obtaining middle and senior managers with the knowledge of the Russian, Dutch and Hungarian language. Antal International also cooperates with specialists who know Czech, Slovak, Swedish, Greek and Turkish language.

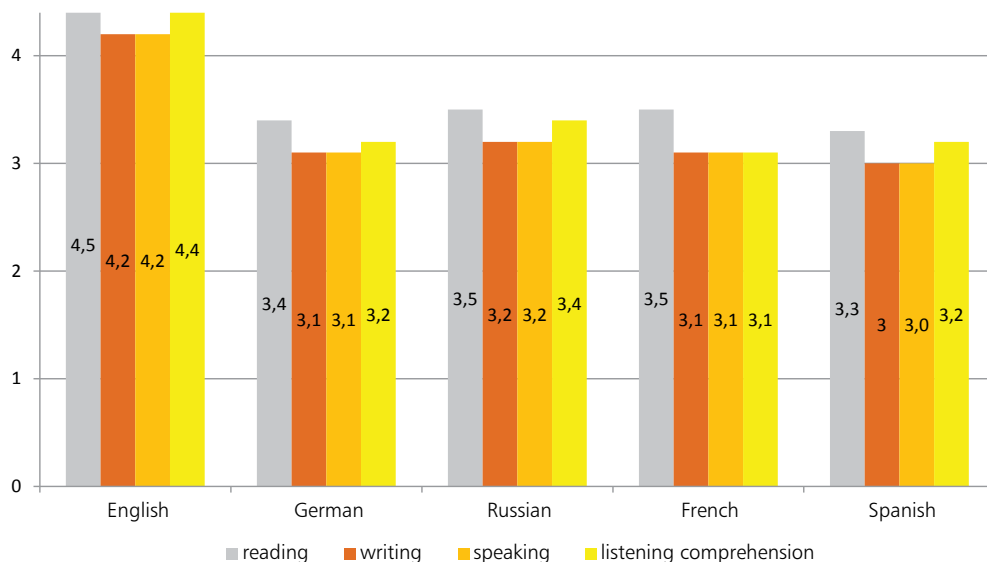


Figure 12.  
Assessment of students'  
language competence

Annex No. 15. Source: The labour market in Małopolska Region in 2011. Education of children and adolescents. Regional Employment Office in Kraków.

have shown that in a group of students, 96% declares knowledge of a foreign language. More than one foreign language is spoken by 64% of students from the region. By far the most students speak English 97%. 43% reported knowledge of German, and 11% of Russian and French, 7% of Spanish. Less than 5% knows any other foreign languages. According to their own assessment - students have mastered English at a good level. Other languages (among the most popular ones) at a sufficient level. In every language students have best skills in reading.

1	English
2	German
3	French
4	Italian
5	Spanish
6	Russian
7	Dutch
8	Hungarian
9	Czech
10	Slovakian
11	Swedish
12	Greek
13	Turkish

Table 9.  
Popularity of foreign  
languages among  
professionals and managers  
in Małopolska Region



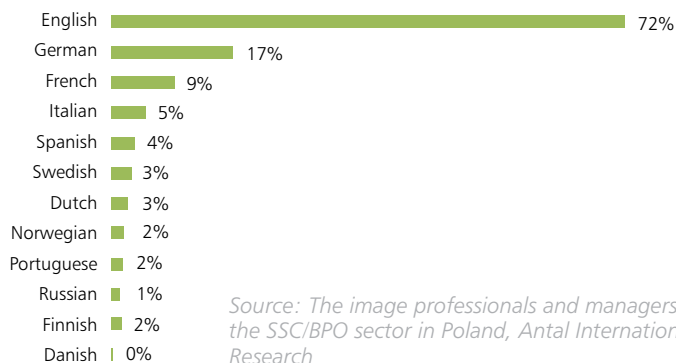
Proficiency in foreign languages, especially the niche ones, is the most common among SSC/BPO sector workers. The study „The image professionals and managers of the SSC/BPO sector in Poland”<sup>35</sup> conducted by Antal International shows that most of professionals and managers of the SSC/BPO sector proficient knows English (77%). Every fourth respondent knows the German language. At least 13% of the respondents know French at least at the B2 level, and Spanish and Italian - 7%. Knowledge of other languages is not common - less than 5% of respondents stated their knowledge. Other languages that were mentioned by a few percent of the respondents include: Bulgarian, Czech, Greek, Lithuanian, Romanian, Slovak, Turkish, and Hungarian.

Figure 13. Languages knowledge at at least B2 level



Knowledge of foreign languages is reflected in their use in their daily work. However, although it can be seen in case of few percent of the respondents - not every known language is used in their work - it shows that there is still some potential to be developed by the new investors.

Figure 14. Languages used in everyday work



## Age structure

Residents of Małopolska Region represent 8.7% of the Polish population, and their share is steadily increasing. According to the CSO demographic forecasts for the period 2008-2035, in 2035 Małopolska Region will be the third youngest region in the country (after Pomorskie and Wielkopolska). The demographic dependency ratio in Małopolska Region is 59 and is higher than the average for Poland (57). This is the result of a relatively high percentage of young people (in the pre-production age - 19.8% versus 19% for the Poland in general). Percentage of the population in retirement age is lower than the average for Poland in general (17.5%). Małopolska Region is also characterized by a lowest in the country percentage of people of working age immobile at all.<sup>36</sup> The age structure of Małopolska Region - according to the „The labour market in Małopolska Region. Human capital for the development - Regional Labour Office in Krakow” study is presented in the following percentages and figures.

<sup>35</sup> Antal International Research, „The image professionals and managers of the SSC/BPO sector in Poland”, December 2012

<sup>36</sup> The labor market in Małopolska Region in 2011. Human capital for the development-Regional Employment Office in Kraków.



### **Pre-production age 19,8%:**

- 63773 (64%) children aged 3-5 covered by the pre-school education;
- 203230 elementary school students;
- 114048 middle school students.

### **Production age 63,1%:**

- 23291 students of vocational schools;
- 54103 technician students;
- 23398 secondary school students;
- 59462 general high school students;
- 2458 students of specialized secondary schools;
- 211408 students, 5342 graduate students;
- 50,1% economically active working, 5,5% economically active unemployed, 44,4% economically inactive;
- 27% participated in non-formal or informal education within the last 12 months.

### **Post production age 17,1%:**

- 421408 retirees.

## **Professional mobility**

Mobility of people in the region, especially those of working age is an important factor in the context of the labour market. Mobility can be defined as the willingness to improve and change the skills necessary for active participation in the labour market. Also the spatial mobility is very important to the labour market, so the willingness for commuting or relocating to take up employment. The types of mobility are dependent on the social environment, infrastructure and administration of the area. Given the existing infrastructure constraints, Małopolska Region is characterized by relatively high spatial mobility. The housing situation, mainly through due to the housing prices and low availability of mortgage loans, causing the practice of commuting to work, instead of a change of residence.

With regard to the labour market it is also worth to consider migrations, which are a kind of spatial mobility. The quantitative research (CATI) made under the „Małopolska Region direction” project show, that about 10.5% of all households in Małopolska Region are households, in which at least one person was abroad for more than three months in the period between 2004 and May 2009.<sup>37</sup> View map of persons departing from Małopolska Region is highly diversified geographically. Relatively less people left the capital of region, and the emigrant households represent 8% of all households in Krakow. The proportion of international migrants is higher than in other cities of Małopolska Region and is 10.6%. Insufficient availability of institutional care for children constitutes a limitation of mobility for Małopolska Region. The best access to preschool education characterizes the north-western Małopolska Region, surroundings of Kraków and larger cities. The situation in the south-eastern part significantly improved. There are still municipalities in the region of Małopolska Region, where less than 15% of children are covered with pre-school care. According to the information of Antal International, employees highly value benefits associated with flexible working hours (variable hours), the ability to work in the home office, as well as help in the care of children (for example kindergarten in the workplace).

<sup>37</sup> „Returns from migration to Małopolska Region - scale of the phenomenon, characteristics and potential of the returnees „- Center for strategic consulting sc



# Cooperation with higher education institutions

## Career offices

In Małopolska Region, almost all HEIs have or plan to create academic careers office.<sup>38</sup> This section discusses the offices associated in the National Network of Careers Offices. The rapid development of career centres is due to - among others - requirement to conduct the research of graduates' careers by universities. National Network of Careers Offices was founded in 1998, its main purpose is the exchange experience and information and to help to organize new offices. All offices have a common purpose and function according to a specific set of standards, but each centre also develops individual working methods.

Offices within the network meet certain program standards:

- „conduct career counselling for individuals and groups;
- provide information about the labour market and skills development opportunities;
- collect, classify and provide job offers, internships and apprenticeships;
- keep a database of students who reach them in order to look for a job;
- establish and maintain contacts with employers”<sup>39</sup>.

Affiliated entities undertake to promote the idea of career centres in the academic and business environment, participate at least once a year in a network meeting and to exchange information and cooperate with other partners. The network in Małopolska Region includes career offices at 15 HEIs. Almost twice as many schools within the province

declare the possession of ACOs. A complete and updated list of academic career offices functioning within the Małopolska Region can be found on the website of the Regional Labour Office in Krakow ([www.wup.krakow.pl](http://www.wup.krakow.pl)).

Higher education institutions from Małopolska Region, the career offices of which are members of the National Network of Careers Offices include

1. Academy of Physical Education
2. Tischner European University
3. Cracow University of Economics
4. University of Economics and Computer Science in Kraków
5. Krakow Academy of A Frycz Modrzewski
6. University of Insurance
7. Jagiellonian University
8. University of Management and Banking
9. State University of Agriculture in Krakow
10. Higher Vocational School in Nowy Sącz.
11. State Technical University of Kraków
12. Higher Vocational School in Tarnów
13. Pedagogical University in Kraków Małopolska Region
14. Higher School of Economics in Tarnów
15. AGH

In most cases, offer of the career offices is aimed at students and graduates of the home university. The practice shows that also persons related to other HEIs attends those. According to information from the Local Data Bank, in Małopolska Region in

<sup>38</sup> Educational and vocational counseling in Małopolska Region. Diagnosis of the condition and prospects for 2012.Regional Employment Office in Kraków.

<sup>39</sup> Ibidem.



2011, there were over 208 thousand students. When added with the number of graduates that left the HEI in 2011 only (55 thousand), it gives a large number of about 263 thousand, who could potentially use the advice of academic career offices in Małopolska Region.

### **Lack of procedures, individual approach**

Career offices are characterized by a lack of procedures, informal practices, resulting from experience. They emphasize an individual approach to each person. This does not include offices benefiting from EU subsidies, where a formalized service system is used. All offices, after determining customer expectations, inform on the scope of services provided, try to transmit the necessary information. Sometimes they employ professional counsellors, who direct the clients to the right place. Trying to meet the expectations of customer, they practice innovative solutions using the Internet (Office of the Department of Chemistry of Jagiellonian University offers a meeting with an advisor in the form of chat).

### **Offices on the Internet, meetings "in real life"**

The clients may familiarise with the academic career offices' offer in person or using a dedicated website - each office has one. The website is provided with a bank of offers, apprenticeships and traineeships and resume database of job seekers. Information on trainings, workshops and meetings are published on the website. Also the basic data on the labour market are published there, in the form of guides and factsheets about effective job search, preparation of application documents, interviews, negotiating wages, information on the types of contracts, and running an own business.<sup>40</sup>

## **Incubators**

A two digit number of business incubators act in the area of Małopolska Region, 7 of which are academic.

This section of the report focuses on cooperation with higher education institutions, therefore, primarily academic incubators will be characterized. Nevertheless, it is worth to pay attention to the other ones. A technology incubator works in the Kraków Technology Park (KTP) since 2008. It provides services free of charge, partially free of charge and at preferential pricing for example, with 50% discount.<sup>41</sup> Incubator offer is addressed to future entrepreneurs who operate (max 2 years) or intend to operate in the IT, telecommunications or engineering sector and are looking for a suitable environment for their ideas. Part of the incubator services is the same as in the case of academic business incubators, but its location in the KTP is giving potential of networking, business relationships.

Free services of the incubator:

- virtual office of the incubator - receiving mail, electronic registration of the conference room;
- conference room fully equipped with multimedia;
- secretarial services;
- access to the KTP Seed Fund and the external investor base;
- wired and / or wireless internet;
- promotion of the company (trade fairs, conferences and exhibitions);
- foreign partners.

Services at preferential pricing (50% of the market price):

- fully furnished offices ranging in size from 6 m<sup>2</sup> to 23 m<sup>2</sup> of high standard;
- „open space” common space positions.

Partially chargeable services (EU-projects funded):

- business consulting and strategy coaching;
- general and specific training (IT);
- study visits and trade missions.

<sup>40</sup> Ibidem.

<sup>41</sup> <http://www.sse.krakow.pl/>

Business Incubator in Kraków has a longer operation history. It was founded in 1992 by the Foundation for Economic Promotion of the Kraków Region. The aim of its activities includes support for unemployed people who want to start their own business. The beneficiaries of the incubator include 40% of unemployed and 60% with SMEs (small and medium enterprises). The criteria for accession include presentation of the constituent documents of the company and also the business plan. The users of the Incubator are dominated by the service companies - 38% of trade and service companies - 21%. There are less of trade companies - 17%. The service-trade-production and trade-production companies constitute 12% each. By far most of the companies as a whole have been created on the basis of its own resources. The scope of services provided to beneficiaries by the incubator includes:

- preferential space lease terms,
- access to the full range of office services,
- opportunity to take advantage of the offer carried out by other departments of the Foundation such as loans from the Enterprise Development Fund.

The academic business incubators include:

#### **Academic Business Incubator of the State Technical University of Kraków**

Appointed by resolution of the Academic Senate of the State Technical University of Kraków on 27 November 2009. The mission of the ABI is to spread the "entrepreneurial spirit", to create favourable conditions for the creation, development and implementation of innovative projects and to help young people with an idea for their own business by supporting innovative businesses in the start-up of their activity on the market.

ABI at the State Technical University of Kraków offers office facilities and equipment necessary to start a business for start-up companies. ABI at the State Technical University of Kraków is an option for students, graduates and doctoral students interested in starting their own business. ABI at the State Technical University of Kraków enables

the implementation of projects representing a comprehensive offer and giving the students, graduates and doctoral students interested in starting their own business an opportunity to use a variety of tools - training, coaching, workshops, financial support and preferential base for future business. ABI at the State Technical University of Kraków provides the following types of support:

- full incubation,
- address box rental,
- company address rental,
- advice and training for start-up companies.

#### **Jagiellonian University Academic Business Incubator - Jagiellonian Centre of Innovation Sp. z o.o.**

Objectives of the activity:<sup>42</sup>

- Promoting and supporting entrepreneurship among staff, students and graduates of the universities in Kraków.
- Creation of special organizational - technical conditions facilitating the creation of new and development of existing small and medium-sized businesses.
- Promoting competitiveness and innovation in the in Małopolska Region through the transfer of knowledge and innovation with Kraków academic environment.

Business Incubator objectives are realized through the provision of services and the rental of office space and other support services depending on the needs. The services provided by the incubator are directed to start-up businesses and individuals interested in starting a business, recruited among the staff, students and graduates of the universities in Kraków.

#### **Academic Business Incubator – AGH in Kraków**

The mission of the AGH Academic Business Incubator is enabling starting an own business with minimum cost in order to enable the business' independent functioning in the market after the period of incubation.<sup>43</sup>

<sup>42</sup> <http://www.inkubator.krakow.pl/>

<sup>43</sup> <http://www.aip.agh.edu.pl/>





Scope of services:

- Incubation
- Company address
- Address box rental
- Additional services

The Foundation for Academic Business Incubators operates four business incubators. They belong to the nationwide network of ABI - the largest and most innovative network of incubators in Poland - a leading pre-incubation program that allows the beneficiaries to run own businesses without business registration and insurance premiums payment. The incubator carries the beneficiary's accounting, and provides legal services and business address. With the help of ABIs, many young people decide to start an own business, mainly encouraged by the possibility of risks minimization. The Foundation activity includes:

Other incubators in Małopolska Region:

Academic Business Incubator - Krakow Academy of A. Frycz Modrzewski.

Academic Business Incubator – Economic University.

Academic Business Incubator - Agricultural University of Hugon Kołłątaj.

Academic Business Incubator - Tischner European University.

## Institutional cooperation

Higher education institutions in Małopolska Region cooperate with the business community, which offers internships, student scholarship programs, and even research grants. Almost every school provides information on such projects at its website. This section presents some of the most interesting models of institutional cooperation.

Employees of private companies often give lectures at universities, are mentors of dissertations. At the other extreme are the mature forms of cooperation, as exemplified by the agreement of the Jagiellonian University and Motorola.<sup>44</sup> Institute of Computer Science of Jagiellonian University cooperates with Motorola for several years. In recent years, it was a block of „Software Engineering”, currently - „Programming of mobile devices”.

Classes are conducted by both the staff of the Institute of Computer Science, as well as Motorola's experts. Program block is directed not only to the students of the Institute, but to the most talented computer science students from all the universities in Małopolska Region. The best graduates may be employed in the Kraków branch of Motorola Solutions.

An interesting form of support for the career of the brightest students is provided at Tischner European University. The Council of Patrons appointed by the TEU brings together prominent representatives of business, culture and politics. Members of the Council of Patrons are people who - by funding scholarships - give the most talented students a possibility of education at the highest level and contribute to the building of a new quality of Polish education. Members of the Council of Patrons contribute financially to the Józef Tischner's Scholarship Fund. Another popular model of cooperation programs are the „Ambassadorial” programs. They are based on the company's cooperation with universities through the group selected „ambassadors” - students of the third or fourth year of the universities under the program, looking for a chance to get unique experience. The primary responsibility of the ambassador is to represent the company at the university.

<sup>44</sup> The cooperation between academic institutions with IT companies - Dorota Konowrocka. <http://www.computerworld.pl>

# Vocational education (higher and secondary)

## Higher education

Małopolska Region is the largest, after Mazowsze region location of academic institutions.<sup>45</sup> In the academic year 2010/2011 in Małopolska Region 211.9 thousand of students educated - 11.7% of all students in Poland. Kraków is the largest, after Warsaw, academic centre in Poland. For comparison: in Warsaw in the academic year 2010/11 in 78 universities and three non-resident units more than 270.1 thousand students were educated; students in Warsaw constituted 14.9% of all students of Polish universities - in Kraków in the academic year 2010/11 in 22 schools and one non-resident unit - 185.4 thousand students were educated, students in Kraków constituted 10.2% of all students in Poland. In the academic year 2010/2011 54,978 people graduated at universities in the Małopolska Region, of which 77.4% were graduates of public universities.<sup>46</sup> Over the last 5 years, the number of graduates in the Małopolska Region increased by 17,494 persons (46.7%). In the academic year 2011/2012 - 208 113 students studied in Małopolska Region, so about 3 825 people less than in the previous year. Decrease in the number of students was due to demographic changes. It is estimated that in 2020 the number of students in Poland will decrease by at least 25-30%, and no doubt it will also be felt in Małopolska Region. Since three years, the Małopolska Region is characterized by the highest rate of the number of students per 10 thousand population in the country (in 2011 amounted to 627). The reduction of the total number of students in Małopolska Region took place primarily in the non-public schools, in evening and weekend courses (a decrease of 11%), and in the full-time studies (a decrease of 10.6%).

<sup>45</sup> Trends and changes in the market for higher education and their impact on the local labor market in the Małopolska Region. Statistical Office in Kraków,



The downward trend in the number of students also occurs in public institutions of higher education in the last three years. The decrease by 7% in part time studies is compensated by the lasting increase of full time studies (increase of 4,6%). Authors of the publication of: "Higher education in Małopolska Region in the academic year 2011/2012" emphasize that: „Małopolska Region public universities are among the best in the country in terms of the number of applications of candidates for full-time first-cycle and long cycle degree programs - among universities - Jagiellonian University (second place), among business schools - Cracow University of Economics (first place), among the pedagogical universities - Pedagogical University of KEN (first place) among agricultural universities - University of Agriculture of Hugon Kołłątaj (second place) and among state higher vocational schools - State Higher Vocational School in Tarnów (second place). In the category of non-public schools: Krakow Academy of A. Frycz Modrzewski is in the third place. Among 7 most popular the universities in Poland, by candidates per seat (four or more applications) for full-time first-cycle and long cycle degree programs - the University of Agriculture was on the 6th place where per one seat, there were 5.1 candidates”<sup>47</sup>.

While discussing higher education, the numerical values of students and graduates of the universities in Małopolska Region should be presented, broken down by fields of study. HEIs in Małopolska Region offer students more than 200 courses of study! Data presented below will apply to groups of fields of study in accordance to the CSO nomenclature, so the fields of study they incorporate were presented in slogans (according to CSO - subgroups).

<sup>46</sup> Higher education in the Małopolska Region in the academic year 2011/2012. Central Statistical Office in Kraków.

<sup>47</sup> Higher education in the Małopolska Region in the academic year 2011/2012. Central Statistical Office in Kraków.

- Education (pedagogy) - pedagogical.
- Humanities and arts - arts, humanities.
- Social sciences, economics and law - journalism and information, economics and administration, legal, social.
- Science (mathematics sciences and information sciences) - biological, physical, information technology, mathematics and statistics.
- Technical sciences (engineering, industry, construction) - architecture and construction, engineering, technical, manufacturing and processing.
- Agriculture - agricultural, forestry and fishery, veterinary.
- Medical science - medical, welfare.
- Services - security and safety of the environment, personal services, transport services.

**Table 10. Number of university graduates in the Małopolska Region, broken by groups of fields**

	2010/2011	2011/2012	2012/2013 (estimate)
<b>Total</b>	<b>40195</b>	<b>33959</b>	<b>31693</b>
Education (pedagogy)	3757	3313	2731
Humanities and arts	4285	3100	3297
Social sciences, economics and law	13186	11445	9250
Science	3716	3030	2976
Technical sciences	9055	6251	6528
Agriculture	698	711	690
Medical science	2575	2758	3395
Services	2928	2988	2826

**Table 11. The structure of university graduates in the Małopolska Region broken down by groups of fields**

	2010/2011	2011/2012	2012/2013 (estimate)
Education (pedagogy)	9,3%	9,9%	8,6%
Humanities and arts	10,7%	9,2%	10,4%
Social sciences, economics and law	32,8%	34,1%	29,2%
Science	9,2%	9,0%	9,4%
Technical sciences	22,5%	18,6%	20,6%
Agriculture	1,7%	2,1%	2,2%
Medical science	6,4%	8,2%	10,7%
Services	7,3%	8,9%	8,9%

*Annex No. 16. Source: Trends and changes in the market for higher education and their impact on the local labour market in the Małopolska Region. Statistical Office in Kraków.*

The number of doctoral students is growing gradually (not only in Małopolska Region) - in 2011 there were 5 821 people studying - which is an increase of almost 10% in relation to the previous year. The vast majority of graduate students were educated at the universities (50%) and technical universities (17.6%). In the case of doctoral studies there is a significant - about 92 % domination of public schools. 12 732 academic teachers are employed in HEIs in Małopolska Region representing a slight increase over the previous year. Public HEIs employed 88.5% of teaching staff.<sup>48</sup>

In the area of Małopolska Region, in the academic year 2011/2012, there were 33 HEIs located, which is 7,3% of all HEIs in Poland.

<sup>48</sup> Małopolska Region in 2012. Marshal Office of the Małopolska Region.

### Kraków subregion

Higher education institutions total: 1

Distance units: 2

Students: 1532

Graduates: 272

### Town of Kraków

Higher education institutions total: 22

Distance units: 1

Students: 184493

Graduates: 47271

### Tarnów subregion

Higher education institutions total: 3

Distance units: 5

Students: 8126

Graduates: 3079

### Oświęcim subregion

Higher education institutions total: 3

Distance units: 5

Students: 2894

Graduates: 821

### Nowy Sącz subregion

Higher education institutions total: 4

Students: 11068

Graduates: 3535

## Secondary education

In the school year 2011/2012, in the Małopolska Region there were 187 secondary schools and 26 of specialized secondary schools. Compared to school year 2010/2011, the number of secondary schools decreased by 2%. As in the case of primary and middle schools, a significant part of bodies maintaining secondary schools are public authorities, representing more than 80% of all maintaining bodies. Comparing the school year 2010/2011 with school year 2011/2012 the number of private secondary schools increased from 36 to 37 schools.

Figure 15. The structure of higher education institutions in the academic year 2010/2011

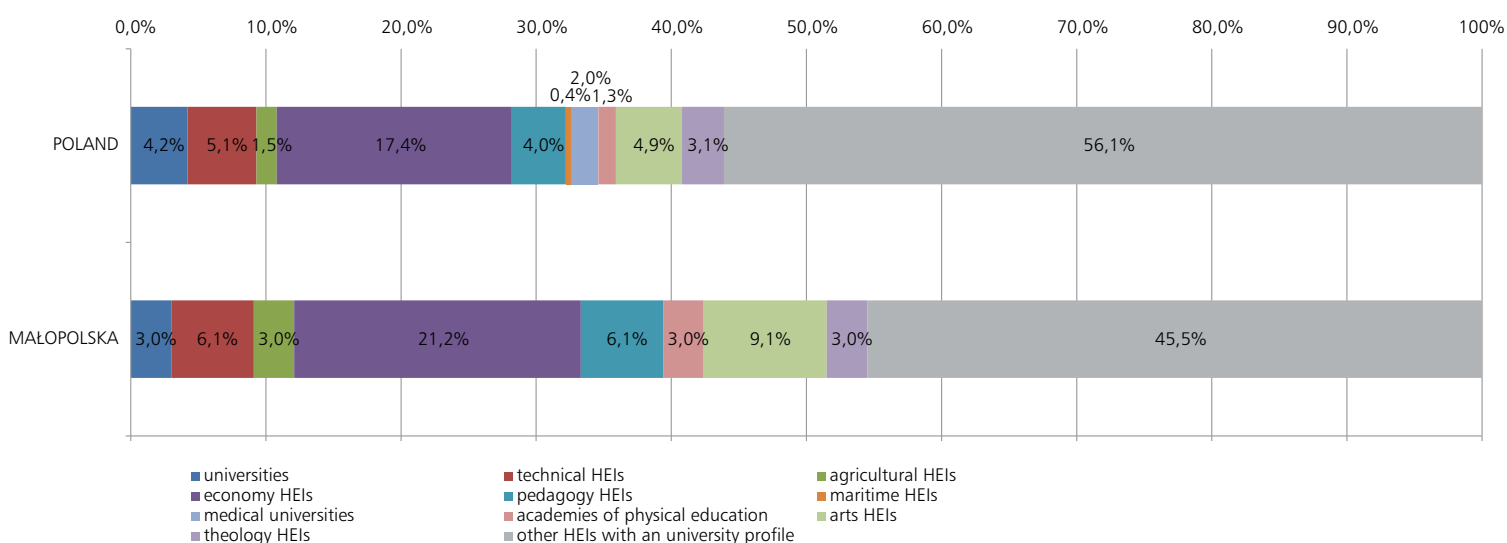


Table 12. Secondary schools, basic vocational schools, specialized secondary schools, technical and supplementary technical schools, post-secondary schools for youth

School year	Secondary schools		Basic vocational schools		Specialized secondary schools, technical and supplementary technical schools		Post-secondary schools for youth	
	Number of institutions	Number of students	Number of institutions	Number of students	Number of institutions	Number of students	Number of institutions	Number of students
2001/2002	183	59139	166	29711	475	64752	80	6201
2003/2004	207	64333	152	16854	481	69638	78	7294
2005/2006	200	65111	138	20809	324	64692	64	5426
2007/2008	195	64395	135	21728	273	60541	31	1823
2008/2009	192	62938	132	22498	247	58035	36	2228
2009/2010	192	61442	133	22166	216	55538	32	2029
2010/2011	189	59173	134	21448	207	53717	35	2872
2011/2012	187	56374	133	20400	199	51428	36	3194

Annex No. 18. Source: own development based on the data of the Statistical Office in Kraków.

In secondary schools there has been a decline in the number of students. In relation to the school year 2010/2011, the number of students decreased by 2 799. 1 772 people attended specialized secondary schools in the school year 2011/2012, which represents a decrease of about 650 persons in relation to the previous year, so 26.8%. In the school year 2011/2012, in Małopolska Region, there were 171 technical schools, attended by 49 580 students, of which 60% were male. Compared with the previous school year, there has been a decline in the number of students in the technical schools of 1

621 persons, so 3.2%. The bodies maintaining 90% of the technical schools are public authorities. In vocational schools, in comparison with the previous school year, there was a decrease noted of 1 048, so 4.9%. In the school year 2011/2012 the vast majority of students were male - 72.8%. In post-secondary schools - when comparing the school year 2011/2012 with the school year 2010/2011 - an increase in the number of students was noted of 322, so 11%. In such schools, women account for 78% of the total number of students.

Table 13. Vocational education in the school year 2011/2012 includes 306 schools of different types.

School year	Basic vocational schools		Technical schools		Supplementary technical schools	
	Number of schools	Number of students	Number of schools	Number of students	Number of schools	Number of students
2005/2006	138	20809	174	50506	9	344
2007/2008	135	21728	187	53684	3	150
2009/2010	133	22166	175	52324	3	170
2010/2011	134	21448	175	51201	2	94
2011/2012	133	20400	171	49580	2	76

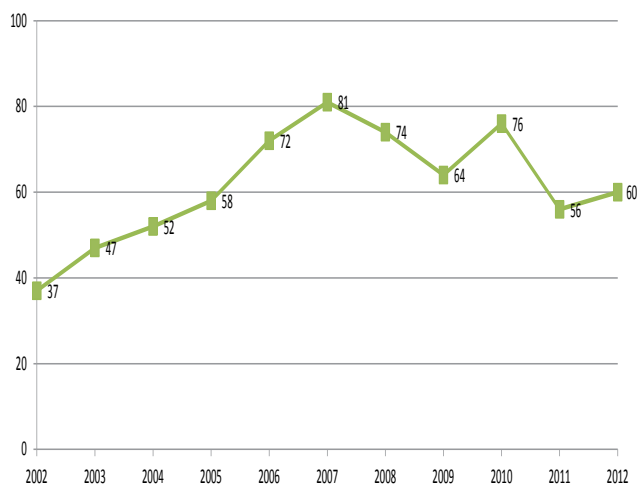
Annex No. 19. Source: own development based on the data of CSO. Local Data Bank.



# Cooperation with Labour Offices – recruitment through the LOs

In 2012, the district labour offices were reported with 60 404 job offers, so 8% more than in 2011.<sup>49</sup> Most offers concerned non-subsidized jobs - 64%. The number of offers is dependent on the economic situation of the region and operators. The number of non-subsidized job offers slightly decreased - by 5% and generally remains on a stable level since 2009-35 thousand - 40 thousand. Subsidized offers - are dependent on the envelope of the Labour Fund for the use of DLOs. In recent years the number of such offers varied: from the maximum level of PLN 33

Figure 16. Job offers reported to DLOs in Małopolska Region in the years 2002-2012 (in thousands)



Annex No. 19. Source: own development based on the data of CSO. Local Data Bank.

thousand in 2010 it fell to less than PLN 14 thousand in 2011, and then, in turn, increased in 2012 by more than 50% to PLN 21.3 thousand. It is worth noting that among the subsidized offers, more than half of them are internships. Out of people working under subsidized offers (internships, intervention works,

public works, adult vocational training, social - useful work), about 60% receives permanent employment after their completion.

In conclusion, the increase in the total number of job offers in 2012 was a result of the number of subsidized work offers increase in relation to 2011 (by 7,5 thousand) and a slight decrease in the number of offers of the free market (2 thousand).

We already know that in 2013, the district labour offices will have available more funds for the mitigation of the consequences and preventing an increase in unemployment than in the previous year. Funds from the Labour Fund have already been increased by 61%. Labour market experts forecast allocation of another 10% over the year. "Małopolska Region will then have approximately PLN 225 million, which allows the activation of about 37 thousand of unemployed persons. In addition, under the Human Capital Operational Programme in 2013 - 11 contracts for approximately 1.4 thousand people will be implemented, amounting to PLN 22 million. In addition to supporting the unemployed, also the early support of persons redundant due to the reasons attributable to the workplace will be possible. Such persons (about 340) may take part in a 5 outplacement projects which are being implemented under the Operational Programme Human Capital in Małopolska Region. The total amount is nearly PLN 23 million, and another - in an amount of PLN 15 million - is expected to begin in late 2013". Support for workers in a difficult situation come up with Guaranteed Employee Benefits Fund. The measures from this fund are planned in an amount of PLN 0 million in 2013, which will allow to help approximately 1 200 employees, the employer of which was unable to provide their salaries.

<sup>49</sup> Assessment of the situation on the labor market in Małopolska Region in 2012. Regional Labour Office in Krakow. Annex to

Resolution No. XXXIV/585/13 of the Małopolska Provincial Assembly of 03.25.2013.



# Regional and local institutions (VLO, DLO, Małopolska Region Labour Market Observatory, etc., web pages) collecting information on the labour market.

**Region Labour Office in Kraków (VLO)** the institution implementing tasks of the Małopolska Region Government in the development of labour market policy. It operates for the benefit of Małopolska Region and its inhabitants. The VLO mission is: "competent, qualified and working resident of Małopolska Region". In Małopolska Region, the VLO performs the duties of the Implementing Authority (the Intermediate Body level II) of the Human Capital Operational Programme 2007-2013. It distributes funds for activities related to the development of human resources. Both individual beneficiaries as well as the operators use this program. VLO is undoubtedly an expert institution, preparing professional reports, analyzes and reports on the labour market. Each year, it develops the Regional Action Plan for Employment, and an assessment of the situation on the labour market of the Małopolska Region, which was used in the previous chapters of this report. Materials published by the VLO may be used by Małopolska Region inhabitants to improve their skills and qualifications. The VLO can use the services of professional counsellors in vocational guidance. The VLO provides help in finding a safe work abroad. European Employment Services offers are published on the VLO website (EURES). Anyone interested can benefit from the advice of EURES advisers. The VLO is open to proposals of unemployed to issue relevant certificates or decisions in order to determine unemployment benefits after working abroad (E301 certificate) and transfer allowance

(E303 certificate) - in the European Union / European Economic Area and Switzerland. In addition to the statutory duties, VLO is actively involved in the preparation and implementation of projects co-financed by the European Union. These projects relate to the strategic objectives of the office and complete the joint implementation of the regional labour market policy.

The projects are aimed on:

- support for the employers,
- development of social economy,
- creation of research and statistics regarding the labour market,
- promotion of lifelong learning.

The public employment services also include District Labour Offices (DLOs), the number of which in the Małopolska Region amounts to 21. The websites of DLOs publish job offers, forms, the path of cooperation with businesses, information about training.

1. District Labour Office in Bochnia  
[www.pup-bochnia.pl](http://www.pup-bochnia.pl)
2. District Labour Office in Brzesko  
[www.pup-brzesko.pl](http://www.pup-brzesko.pl)
3. District Labour Office in Chrzanów  
[www.pup-chrzanow.pl](http://www.pup-chrzanow.pl)

4. District Labour Office in Dąbrowa Tarnowska  
[www.pupdt.pl](http://www.pupdt.pl)
5. District Labour Office in Gorlice  
[www.pup.gorlice.pl](http://www.pup.gorlice.pl)
6. Town Labour Office in Kraków  
[www.gupkrakow.pl](http://www.gupkrakow.pl)
7. District Labour Office in Kraków [www.uppk.pl](http://www.uppk.pl)
8. District Labour Office in Limanowa [www.pup.limanowa.pl](http://www.pup.limanowa.pl)
9. District Labour Office in Miechów  
[www.pup.miechow.pl](http://www.pup.miechow.pl)
10. District Labour Office in Myślenice  
[www.powiat-myslenice.pl/pup/](http://www.powiat-myslenice.pl/pup/)
11. District Labour Office in Nowy Targ  
[www.pup.nowytarg.pl](http://www.pup.nowytarg.pl)
12. District Labour Office in Nowy Sącz  
[www.pup.nowysacz.pl](http://www.pup.nowysacz.pl)
13. District Labour Office for the Nowy Sącz District  
[www.pup.powiat-ns.pl](http://www.pup.powiat-ns.pl)
14. District Labour Office in Olkusz  
[www.pup-olkusz.pl](http://www.pup-olkusz.pl)
15. District Labour Office in Oświęcim  
[www.pup.oswiecim.pl](http://www.pup.oswiecim.pl)
16. District Labour Office in Proszowice  
[www.pup.proszowice.pl](http://www.pup.proszowice.pl)
17. District Labour Office in Sucha Beskidzka  
[www.pup.sucha-beskidzka.pl](http://www.pup.sucha-beskidzka.pl)
18. District Labour Office in Tarnów  
[www.up.tarnow.pl](http://www.up.tarnow.pl)
19. District Labour Office in Wadowice  
[www.up.wadowice.pl](http://www.up.wadowice.pl)
20. District Labour Office in Wieliczka  
[www.pupwieliczka.pl](http://www.pupwieliczka.pl)
21. District Labour Office in Zakopane  
[www.pupzakopane.pl](http://www.pupzakopane.pl)

### **Małopolska Region Labour Market**

**Observatory** / [www.obserwatorium.malopolska.pl](http://www.obserwatorium.malopolska.pl)

is a project run by the Regional Labour Office in Krakow since 2006. The mission of the Małopolska Region Education and Labour Market Observatory is to provide reliable information on the labour market, facilitating decision-making on the directions of Małopolska Regional Development.

The specific objectives include:

- *“support for the decision making processes by monitoring the socio-economic changes taking place in the Małopolska Region labour market and providing the information obtained to the bodies involved in creating employment and education,*
- *development of solutions that allow for the performance of cyclic testing and analysis - through the development of optimal methods and techniques,*
- *improvement of the functioning of solutions for the exchange and sharing of information on the labour market and its surroundings”.*<sup>50</sup>

### **Małopolska Region Provincial Voluntary Labour Corps Command**

<http://www.malopolska.ohp.pl>

Youth Labour Offices are engaged in job placement, counselling and short-term employment of high school students and university students. They seek and collect offers of permanent and short-term employment, keep a register of the unemployed, create a bank of information on occupations for which there is demand in the local market, provide advice on how to perform the professional training or professional reorientation, direct to professional courses or retraining. Youth Labour Offices mediate for legal work abroad. Services provided by YLOs are free both for job seekers as well as for employers offering employment.

<sup>50</sup> [www.obserwatorium.malopolska.pl](http://www.obserwatorium.malopolska.pl) website



# Summary

According to experts, the Association of Employment Agencies, Małopolska Region, despite the global crisis wave is one of the most attractive investment regions in Poland. Access to skilled labour at relatively low wages, scientific and technical facilities, the rapid development of innovation - constitute the advantage of Małopolska Region over other regions, which attracts investors. There's a reason why foreign companies locate their BPO's in Małopolska Region. Great potential lies undoubtedly in the development of tourism, which in recent years has had a chance to receive a large cash injection from the EU funds. Also good transport links - the A4 motorway, good rail connections, Balice Airport - constitute an advantage of the region.

According to the data of Antal International it is also clear that the cultural capital, which makes the Małopolska Region become an attractive place to relocate for professionals and managers constitutes a great advantage. In addition, a large number of prestigious academic centres provide a steady stream of new competencies in the region.

The huge differences in economic development in the various districts allow discussing the situation as it has been done in the report, sometimes separately analyzing each district of the sub-region. These results from the fact, that industrial and agricultural areas of the mountains cannot be reduced to a common denominator.

We hope this paper familiarize You with the situation in the region and help you make smarter business decisions!

