

GOVERNMENT POPULATION COUNCIL

REPORT

ON

**REGIONAL POPULATION
MEETING**

Budapest (Hungary), 7-9 December 1998

POLAND

Warsaw, October 1998

INTRODUCTION

Population issues are essential in Poland in the context of the socio-economic development. The Polish Government takes into account the conditions resulting from actual and projected demographic processes of the country and their implications for the socio-economic policy. The projected short- and long-term changes in the population structure by age provide a basis for definition and selection of major activities regarding the policy towards economic and social development, as well as the population policy.

The government prepares short-, medium- and long-term general, sectoral and regional **economic and socio-economic programmes** which take into account **interrelationships between socio-economic and population development of the country**. As part of the work on the draft of the state budget, every year the "Guidelines of socio-economic policy" are developed. They contain an appraisal of the socio-economic processes, define the objectives of socio-economic development and means of their realisation. Population issues are also included in regional development programmes supported by the Government. Besides restructuring of the economy, the objective of these programmes is to reduce adverse effects of unemployment.

In recent years essential demographic changes have been taking place in Poland. They accompany the socio-economic transformation, which is reflected in progressive growth in GDP, inflation rate decrease, a permanent growth of the share of services in GDP accompanied by a simultaneous decrease in the share of industrial production and agriculture. There is also a decrease in the unemployment rate and a growing diversification of the standard of living.

At the beginning of the 90s no significant demographic changes were noted in Poland. However, they occurred clearly in the middle of the decade as *changes of fertility of women and a propensity for marriage*. At the same time, the observed change in the system of values, unemployment, impoverishment and growing stratification of the society as well as a deepening housing crisis are the results of transformation of the political and economic system, which have a substantial impact on the reproductive behaviour.

The socio-economic transformation has a large influence on the family pattern and reproductive and matrimonial models. Diversification of reproductive behaviour in the period of transformation is undoubtedly connected with an increasing level of education of the young generation, social stratification, diversification of the material and professional status of families and individuals. A drop in the number of marriages and infant births as a result of declining propensity for marriage and childbearing, time lag in entering the first marriage reflect the changes in matrimonial and reproductive behaviour of young Polish generation.

I. THE FAMILY, FERTILITY AND REPRODUCTIVE HEALTH

I.1. The family

Polish patterns of family formation differ significantly from those in highly developed countries. *Marriage* has remained the basis of family life. Cohabitations have not been widespread. However, the increasing number of illegitimate births may give premises for a hypothesis that informal partnership has become a more popular form of family formation, although lack of recent empirical data does not allow for any deeper analysis of cohabitation in Poland. According to data from *Microcensus 1995* the number of families amounted to 10.5 million, of which 60% are established by both parents with children under 24 years, 17% by one parent families and 23% by parents without children. Most families (80%) raise one or two children.

The number of marriages has been declining steadily since the early 1980s. In the years 1989-1997 crude marriage rate for the whole country decreased from 6.7 to 5.3 per 1000 population. A slump in the number of newly contracted marriages and a simultaneous increase of dissolved unions due to death of one of the consorts or a divorce, have led to a negative marital balance. The main reason for declining trends in marriage is a permanent decline in marriage intensity. An increase in the number of population at the age with the highest propensity to marriage is accompanied by a decline in the intensity of contracted unions. Poland is one of the countries where marriage most frequently takes place at an early age (20-24 years for females and 25-29 of males). Family is a fairly stable institution in Poland. The crude divorce rate has remained steady and relatively low fetching 1.1 per 1000 population.

I.2. Fertility

Since 1984 the number of *live births* in Poland has been systematically decreasing. In 1997, the crude birth rate stood at 11 per 1000 population. Since 1989 the *total fertility rate* has fallen below replacement ratio (in 1997 there were barely 1.5 live births per a single female at reproductive age). A significant decline in TFR indicates that childbearing activity of females has been declining in almost all groups of age, particularly for groups aged 20-24 and 25-29 years. The socio-economic factors determining fertility decline include amongst others growing educational needs, competition on the labour market and a significant unemployment rate among younger groups, and an insufficient increase in housing construction and high costs of housing.

I.3. Reproductive health

No substantial changes in reproductive health have occurred in Poland in recent years. However, one can see an earlier initiation into sexual life of the young generation. The average age of teenagers at sexual debut stands at 16.6 for males and 16.8 for females. The young generation accepts liberal attitudes towards sex. Its sexual habits are mainly formed by mass media. Healthcare institutions and schools carry out *family planning education*. The choice of family planning methods and the decision on the number of desired children are taken independently by the individuals concerned. The state budget subsidises eight hormonal contraceptive drugs.

Pursuant to the *Act on family planning, protection of human foetus and pregnancy termination conditions, dated 7.January 1993*, abortion may be performed exclusively by a physician in the cases specified by the Act. These are: the threat of life or health of the pregnant woman resulting from the course of pregnancy, identification during pre-natal examination of high probability of heavy or irreversible damage of the foetus or an incurable disease which endangers its life, or a justified supposition that the pregnancy was conceived as a result of a forbidden act. Sterilisation of both females and males is prohibited in Poland.

Recently, no substantial changes occurred in the incidence of morbidity and mortality of pregnant women. In line with data of the Central Statistical Office, 21 women died of pregnancy complications, at childbirth and puerperium in 1996. This figure is similar to that in developed European countries.

I.4. Family policy

Tendencies in demographic processes and the socio-economic transformation pose a major challenges for family policy. At present it is necessary to initiate specific actions in the area of the financial, housing and employment policies in order to: (1) create suitable conditions for childbearing (*mainly own flats for families*); (2) lessening the burdens related to child's maintenance and education; (3) creating conditions to reconcile parental obligations with professional work (*extended parental leave, paid child leave, part-time jobs*). In future it would be necessary to aim at achieving at least a simple replacement level of reproduction of the population by promotion of family-oriented attitudes.

Activities aimed at providing families with **material determinants of development** should further encourage individual activities of families, what will provide their economic independence. They should also cover provision (by social benefits) of assistance to families in poor material position, which are unable to cope with it by themselves. Focal issues to enhancement of **housing conditions** include in the first place actions aimed at creating prospects for families, particularly young ones, to obtain individual flats or improve the existing housing conditions.

Various forms of **communal family assistance** are being developed, too. They are mainly focused on mutual support (parents' clubs), organisation of care for the disabled, elderly and chronically ill. There is an urgent need for development and enhancement of specialist family counselling, mainly targeted at families affected by violence, having upbringing or other problems.

Family education constitutes another major challenge. Preparation for family life by suitable home and school education, promotion of adequate family life patterns, mainly in the mass media, focusing public attention on the needs of other people and on the family pathology should encourage development of an environment favourable to decent life and positive family image. Other focal activities which contribute to this goal include actions aimed at consolidation of family and inter-generation ties as well as promotion of partner family model.

II. HEALTH AND MORTALITY

The health of Polish society is perceived by the Government as unsatisfactory. This is confirmed by basic indicators, such as the morbidity and mortality rates (including infant mortality) and life expectancy. Mortality rate in Poland far exceeds figures for the majority of European countries. This is reflected by average life expectancy at birth in Poland, which in 1997 fetched 68.5 years for males and 77 years for females, what places Poland on a remote position in European ranking. Mortality rate varies in relation to particular age groups. In 1997 infant mortality rate went down to 10.2 promille.

For many years the main reason for infant mortality has been perinatal mortality, whereas the cause for mortality of children aged one year and over has been related to effects of traumas and accidents and malignant neoplasms. In case of adult population the highest level of morbidity and related mortality is a result of circulatory system diseases, malignant neoplasms, traumas and injuries, whereas in the active population group, especially males, an excess mortality rate occurs due to the aforementioned causes.

Numerous activities aimed at enhancing such negative tendencies in incidence of diseases and mortality have failed to bring about the expected results so far. This is mainly due to a consolidated improper lifestyle of the majority of Polish population and low efficiency of healthcare services. Therefore, guidelines for the state healthcare policy have been revised and actions aimed at development and implementation of the healthcare system reform in Poland have been launched.

Current assumptions of the **state healthcare policy** have been laid down in " *The National Health Programme for 1996-2005* ", adopted as a government document by the Council of Ministers on 3 September 1996. The document identifies a priority long-term strategic goal: "Improvement of health and related quality of life of the population". It has been assumed that the goal will be achieved mainly by health promotion, which will contribute to modification of lifestyle of the population, development of living and working environment favourable to health, as well as diminishing the differences in the access to healthcare services.

The objectives defined in the National Health Programme are focused on increasing physical activity of population, prevention of addictive smoking, abuse of alcohol and psychoactive substances, health education, promotion of mental health, decreasing exposure to harmful agents in the home and work environment, enhancement of sanitary standards in Poland, improvement of quality and efficiency of emergency assistance, wider access and improvement of basic healthcare services, perinatal care, early diagnostics, active cardiological and oncological care, as well as prevention of contagious diseases. The programme is targeted at local governments, local communities and non-governmental organisations. It also delegates specific tasks to the state administration which is to perform the role of the co-ordinator.

The programme is supplemented with a number of health programmes which are currently implemented in Poland from state budget funds. Additional programmes address major health problems of the society: circulatory system diseases, cancer, multi-organ injuries, perinatal care, mental disturbances etc.

Healthcare system reform will be implemented in Poland from 1 January 1999. It assumes modification of funding methods for the entire healthcare system, which will increase the efficiency of using the existing funds. The direction and the scope of reform is specified by the act on common healthcare insurance, dated 6 February 1997 (amended in 1997). The new system will establish a service market with health service purchasers, that is healthcare insurance institutions (National Healthcare Services) and service providers, i.e. institutions (public, private) with varied legal status providing medical services. A principle of separation service purchasers from service providers, adopted by the system, is to guarantee its efficiency, safety and high quality.

The new system will be mainly funded from a premium-based fund and resources from the state budget allocated to promotion and prevention schemes, charges due for customised services, donations, etc. Insurance will be common and obligatory. Premium amount will be proportional to income of the insurance holder, and will fetch 7.5 percent of the reference amount for its calculation. Insurance will entitle all citizens to medical services of the same quality. The insurance holder's premium guarantees services to all persons being his/her sole dependants. As provided by social solidarity, risk factors (related to age, health state, sex, place of residence, profession/vocation performed) will be split into all insurance holders. Services and benefits for the underprivileged will be covered by more affluent citizens through the state budget.

Modification of sources and direction of cash flow, the so-called "money after patient" approach will facilitate introduction of organisational solutions to healthcare services, which will encourage rational use of owned resources. Patients will be able to choose a physician providing basic healthcare services (it may be a family doctor) and a treatment institution. The system implies that the National Health Institution will be in charge of contracts of provision of healthcare services (with physicians, nurses, healthcare outlets and other providers of services), as well as settlement of charges for treatment provided to insurance holders.

III. PROJECTED CHANGES IN THE NUMBER AND STRUCTURE OF THE POPULATION BY AGE UNTIL 2020, ITS DETERMINANTS AND IMPLICATIONS FOR SOCIAL AND ECONOMIC POLICY

Demographic processes in Poland exhibit large fluctuations which are reflected in high variability in time of the size of the respective groups of population by age and an evolution of its reproduction. Further substantial changes in the population structure by age are envisaged in Poland till 2020, in consequence leading to:

- numerous changes in the number of the population at the *pre-working age*; a decrease in the number of children aged 7 - 14; increase in the number of young people aged 15 - 18, and especially aged 19 - 24, which will have a strong and varied influence on the tasks of the educational system on different levels;

- a considerable increase (till 2005) in the number of the population in the *working age* (18 - 59/64), especially of the older part of this age group (45-59/64), the number of which will rise by one-third till 2010 in consequence leading to a *progressing ageing of the work force*; as well as
- a considerable increase in the number of the population in the *post-working age* (60/65 and more), especially in the years 2011-2020.

Projected *changes in the population structure by age* are essential conditions for further socio-economic development of Poland and a basis for identification and selection of core directions of activities related to the policy of economic growth and social development and population policies. While assessing perspectives for demographic development of Poland and its implications for social and economic development of the country, two phenomena deserve particular attention:

The first - projected considerable **increase** (in the years 1996- 2010) in **the number of the population in the working age**, which will constitute one quarter of the total European increase of this group of population and will exceed its total growth in the European Union Member States. This gives a chance and poses a challenge for economic development of Poland. Such a vast workforce increase (2 million persons) teamed up with high unemployment rate (9.5 % in mid-1998), a further release of work force reserves as a result of restructuring and privatisation of the economy, as well as a growing hidden unemployment in agriculture (employment in agriculture accounts for 30% of total work force) constitute a serious problem, with has to be approached by the socio-economic policy in the nearest future.

Relevant mechanisms and activities are implemented to create new jobs mainly by maintaining high pace of economic growth. Moreover, in Poland there will be (until 2005) a considerable increase in the population at the age with the highest frequency of contracting marriages and establishing new households (20-29), which will strongly influence the labour market and the housing needs. It is thus very important to give way to creating new jobs and optimum utilisation of work force by relevant Government actions addressed to young people, their education and economic entities.

The second - **ageing of the Polish population and consequently a considerable increase in the number of population in the post-working age**, with will increase by half till 2020). The process of ageing of population will affect the outcome of economic growth. Old-age security reform with will be launched on 1 January 1999 aims at lessening the economic consequences of this process.

Current *socio-economic policy priorities* of the Government include:

- 1? *political system reform of the state* - 3-fold administrative division of Poland, to be implemented on 1 January 1999,
- 2? *pension system reform*, which addresses progressing ageing of the population and the need for improvement of this system,
- 3? *healthcare system reform*, its core goal is to enhance efficiency of the system and of utilisation of healthcare oriented funds,
- 4? *education system reform* related to the need for increasing the level of education of the young generation and its adjustment to labour market needs,

- 5? *decrease in unemployment* by maintaining stable economic growth,
- 6? *development and implementation of family policy programme* aimed at supporting the family in fulfilling its core functions.

Since the beginning of the transformation period in Poland essential **changes in social policy** have been introduced to improve efficiency of its solutions to address ongoing changes in the socio-demographic structure of population. These actions are mainly related to: social security, unemployment benefits, professional activation policy for the disabled as well as - due to labour market transformation, restructuring of specific branches of industry, unemployment curb - benefits and pre-pension allowances for persons who constitute a difficult category of job-seekers, due to their age.

Active *forms of unemployment prevention* are being launched. They include: public works, special programmes for groups threatened with long-term unemployment; reimbursement of costs produced by creating new jobs for the disabled; credits for creating new jobs in enterprises; credits for starting up business by the unemployed; legal and material protection of persons subject to group dismissals due to reasons dependent upon the employer.

Pension system reform, which is to be implemented on 1 January 1999, is based on a new *three pillar system* of financing these benefits. A substantial element of the reform is: improvement of the financing system for pay-as-you-go benefit (*first pillar*), implementation of common obligatory pension funds (*second pillar*) as well as implementation of voluntary insurance based on: employee pension schemes, and collective and individual insurance policies (*third pillar*). A complete three-pillar pension financing system will be applied to persons under 30 years old as of the day of reform implementation. Participation in the first two pillars is obligatory for this group. Participation in the second pillar will be voluntary for persons aged 30-50, whereas persons aged over 50 will be subject to the first pillar only.

Reform of education system is currently under way. A need for its implementation is due to amongs others to challenges resulting from Poland's integration with the European Union and the political reform of the state.