



POVERTY WATCH 2020 POLAND

monitoring poverty and social
policy against poverty in Poland in
2019 and the first half of 2020

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Summary

1. SUCCESS IN EXCEEDING AN UNAMBITIOUS TARGET

- In 2011, as part of the implementation of the EU 2020 Strategy, the Polish Government assumed that by 2020, the number of Poles living in poverty would be 1.5 million fewer. In the EU as a whole, this was to be 20 million fewer people. As EAPN Poland, we have repeatedly pointed out that the target adopted by Poland is inadequate and lower than the possibilities.
- By 2019, not 1.5 million Poles had come out of poverty, but a total of 4.8 million, which was already a quarter of the EU target. This is mainly due to the decrease in the indicator based on declarations by Polish families about affordability of nine needs (severe material deprivation). The scope of deprivation measured in this way has been systematically decreasing since 2013. - From 13.5% in 2012 to 3.6% in 2019.
- We expect that the new National Programme for Combating Poverty and Social Exclusion 2021-2027 will include such objectives and actions which will enable a further 4.8 million Poles to escape from poverty in the next decade.
- We propose targets for the National Programme for Combating Poverty and Social Exclusion based on the Sustainable Development Goals approach, i.e. reducing poverty and social exclusion by at least half.

2. EXTREME AND RELATIVE POVERTY IN 2019 IS FALLING AGAIN, BUT OVER 15 MILLION POLES ARE STILL SOCIALLY EXCLUDED

- In 2019, the positive trend in the reduction in the extent of extreme and relative poverty has returned, after the increases in 2018. The indicators for both types of poverty have fallen - extreme poverty from 5.4% to 4.2%, relative poverty from 10.9% to 9%.
- These decreases were accompanied by: an increase in the real average salary (by 4.8%), the real minimum wage (by 5%), lower unemployment (3.6-3.0%) than in 2018 and the extension of the child allowance to all children. The benefits for the poorest 20 per cent of the population from these positive trends were visible in the dynamics of real income and expenditure, which increased after the decline in 2018. (in the case of an increase in income, from 1.5% to 3.4%, and the increase in real expenditure was even greater than in 2017).
- The number of Poles living in extreme poverty decreased around 461 000 - from 2.1 million in 2018 to 1.6 million in 2019.
- The number of children in extreme poverty decreased by around 105 000 - from 417 000 in 2018 to 313 000 in 2019. The extent of relative poverty among children also decreased by 133 000. For the first time, the number of children in this situation was less than 1 million (994 000).
- The number of extremely poor elderly people decreased by around 12 000 (to 264 000 in 2019), but increased in relative poverty by 46 000 (to 820 000).
- Despite a decrease by 1.8 pp. the extent of social exclusion in Poland (called the sphere of 'non-abundance' by the Central Statistical Office), defined as expenditure below the social minimum, was still enormous in Poland - and affected as much as 39.4% of Poles, (which means that the expenditure of as many as 15.1 million people in Polish families was below the social minimum).
- In the period from 2014 onwards, a relative deterioration of the situation in the Małopolskie and Mazowieckie without Warsaw Voivodeships can be seen. A significant improvement in terms of the extent of both types of poverty occurred in the Warmińsko-Mazurskie, Opolskie, Kujawsko-Pomorskie and Pomorskie Voivodeships.

3. THE COVID-19 EPIDEMIC INCREASED POVERTY

- The reduction in wages, increased unemployment and economic inactivity in the second quarter of 2020 has increased income poverty during this period. However, it will be reduced in families with children by child benefits and, independently of dependent children, by a temporary crisis benefits for atypical workers with reduced incomes and standard workers who have been made redundant due to lockdown.
- Survey from July confirmed deterioration in material self-esteem through a fall in very good ratings, and not an increase in bad ratings (CBOS study of July 2020). If the labour market situation improves in Q3 and Q4, the increase in poverty throughout the year will be much less than we expected.

4. SOCIAL BENEFITS NEW AND OLD, BUT STILL NOT INDEXED

- The impact of the epidemic on the situation of Poles was mitigated by the previously introduced benefits for children (child allowance, '500+'), which were additionally extended to all the single and first children in 2019, as well as a temporary crisis benefits for people on civil law contracts and the self-employed (PLN 2080) and for people made redundant (PLN 1400).
- The increase in the unemployment benefit has only occurred since September 2020 (to 1200 PLN gross). After the increase, it is still less than 50% of the minimum wage, required by international standards. In September this year, only 10% of those registered in labour offices were entitled to unemployment benefits. Unfortunately, the increase in the temporary social assistance benefit, which is also for the unemployed, has been forgotten. For a single-person household with 0 income this is a minimum of 350 PLN and a maximum of 418 PLN per month.
- Since 2016, the new child allowance was not indexed, so in the following years it was possible to buy less for it due to inflation (since 2016, food prices have increased by about 6-7%, the real value of PLN 500 in 2020 is about PLN 474). Payment of this benefit to all children does not improve the situation of poorer families who already met the income criteria.
- Despite the increase planned for 2017, neither family benefits nor the income threshold which entitle to them have been raised. Nor was this done in 2018, the year of verification. Therefore, they, too, were losing value (for younger children, 95 PLN from 2015 is currently worth around 73 PLN), and some poor families were losing them partly or entirely due to exceeding the income threshold. EAPN Poland consider it as a silent cut of these benefits.

5. SUPPORT FOR PEOPLE WITH DISABILITIES - NEW BENEFIT WHICH EXCLUDES FROM IN-KIND ASSISTANCE

- In 2019, increases in the nursing allowance were already in force (as of 1 November 2019, PLN 215.84). However, for persons entitled to social assistance, this means a reduction in other benefits, as the nursing allowance is included in household income.
- A new benefit for persons unable to live independently was also introduced - a supplementary benefit (from October 2019). It is not included in income for social welfare benefits, which is an improvement, but it is included in income for determining the payment for in-kind benefits, e.g. care services, shelters for the homeless, food aid. This results in a higher charge for services or a cut-off from aid, which nullifies the effects of the aid provided in the form of a new benefit at all.

6. WE NEED A STRATEGY TO DEVELOP SOCIAL SERVICES AGAINST POVERTY

- Anti-poverty policy should take into account not only the minimum wage and financial benefits - sufficiently high, regularly indexed and coordinated. Financial support should be combined with accessible, good quality services for people of working age, such as support for the acquisition and improvement of professional qualifications, assistance in finding and maintaining employment, the provision of care for children and dependent adults, access to social housing and public transport. These services enable people from poor families to earn or increase their income from work.

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- Early care and education services also increase the chances of children from low-income families to do better at school and in adult life. We should therefore look at good quality crèches and kindergartens not only from the perspective of women's economic activation, but also from the perspective of freedom from future poverty. It is therefore essential to make these services more widespread and to cover poorer families in particular.
 - The National Programme for Combating Poverty and Social Exclusion 2021-2027 is a part of structural funds conditionality and should take into account the problems of coordination between different benefits and between them and social services, and its focus should be on investment in social and public services.
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Poverty is more than low income and economic hardship

Poverty should be understood beyond its economic manifestations in the form of insufficient income, unmet needs or poor living conditions¹. For full understanding, it is necessary to take into account its non-economic effects in terms of negative impacts on individuals, families and small communities, as well as on societies as a whole. At the level close to the individual and family, poverty has a negative impact on:

- physical and mental health,
- marriage formation,
- marital relationships,
- parenting behaviour,
- behaviour of children,
- children future educational and professional achievements and family life,
- social activity outside the family,
- perception and treatment by the local community, employers and local institutions (negative stereotypes, discriminatory behaviour).

At the level of entire societies, on the other hand, it can have negative economic and political consequences. Through its negative impact at micro level, poverty makes the economy underdeveloped - people with health, family and social problems caused by poverty and their children have interrupted careers, work less hours and can be less productive workers. For the same reasons, they may not go to elections or vote for parties promising false solutions to their problems, which negatively affects the condition of democracy and politics.

In order to fully understand poverty, it is also necessary to consider its causes. They are also diverse and occur at a level closer to the individual and the family and to whole societies. Facts such as old age, disability, illness, death in the family, childbirth, divorce, conflict with the law, upbringing in a family with little material or cultural resources, but also discrimination in education, employment, inability to find a job, threaten to reduce or lack of income from work. Some of these risks are related to the normal life cycle of an individual and a family, some are independent of them. There are causes such as natural disasters, epidemics, economic crises, riots and war at the level of entire communities and societies. In addition to causing disability, illness, death and inability to find work, they also directly destroy the material resources of individuals, families and entire communities.

¹ Duffy, K. (2020). *What is poverty and how to combat it? EAPN Explainer*. European Anti-Poverty Network, <https://www.eapn.eu/explainer-on-the-multidimensionality-of-poverty-eapn-explainer/>

The EAPN proposes an understanding of poverty in which the economic, social and environmental policies of the EU, Member States and local authorities can and should contribute directly and indirectly to the prevention of poverty and, when it occurs, to helping individuals, families and entire communities to escape from it.

In the report, we use EU statistical indicators - the risk of poverty or social exclusion - which consists of three subindicators:

1. relative poverty (income less than 60% of the median),
2. increased material deprivation (declarations of inability to meet at least four out of nine needs),
and
3. very low intensity of work in the household (less than 20% of fulltime job during the year).

The combined coverage of all three indicators makes it possible to analyse their combination in individual families, e.g. affected by only one problem, affected by two or three at once. In addition, we also consider material and social deprivation, a new version of the deprivation indicator.

The report also uses the Polish methodology, which distinguishes between extreme and relative poverty (spending less than the subsistence minimum and 50% of average expenditures) and the sphere of social exclusion, or so-called non-abundance (spending less than the level of social minimum). However, we will omit the analyses of multidimensional poverty of the Central Statistical Office (Social Cohesion Survey), because the results of these studies are presented every few years (2011, 2015 and 2018) and were not conducted in 2019.

We are focusing on what happened in 2019 against the background of the last few years. This is due to the availability of data on poverty. Due to the COVID-19 pandemic and its negative impact on life, employment and income, we will also discuss the situation in the first half of 2020 on the basis of several surveys.

A large part of the report concerns anti-poverty policy from the perspective of cash benefits and social rights (European Pillar of Social Rights).

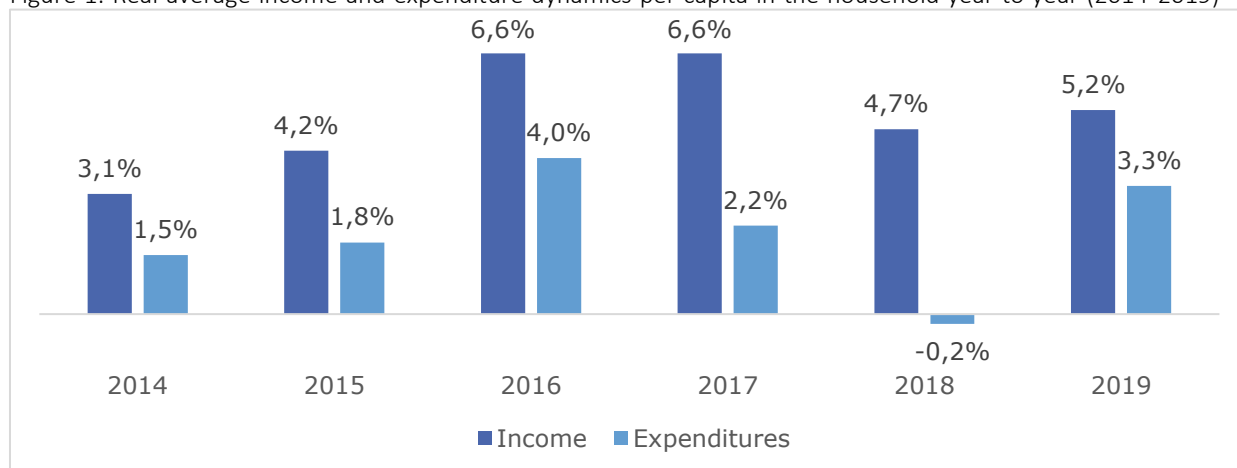
Situation on the labour market and in household budgets

Recent years have seen record low unemployment on the Polish labour market, which, according to the Central Statistical Office's research, amounted to 4-5 percent in 2017, in 2018 in three quarters it was already below 4 percent. (3.7-3.8%), and in 2019 it was again slightly lower (3.6-3.0%). In the first two quarters of 2020, unemployment measured by this method was still low (3.1 per cent), while unemployment registered in labour offices increased from 5.4-5.2 per cent in May, June and July 2019 to 6.0-6.1 per cent in the same months of 2020. In the second quarter of 2020, the number of unemployed registered in labour offices increased by 13 per cent. (by 117 thousand) to over 1 million. In the same period, the number of economically inactive people also increased by 1% (by 137 thousand).

In 2019, the average real salary (after taking into account inflation) increased by 4.8%, which is slightly less than in 2018 (5.4%). In the second quarter of 2020, the average wage decreased in nominal terms by 6%.

Average real family income per capita increased by more than 5 per cent in 2019, while average monthly per capita spending increased slightly less - by more than 3 per cent in real terms. The dynamics of income was slightly higher than in 2018 and much higher for spending.

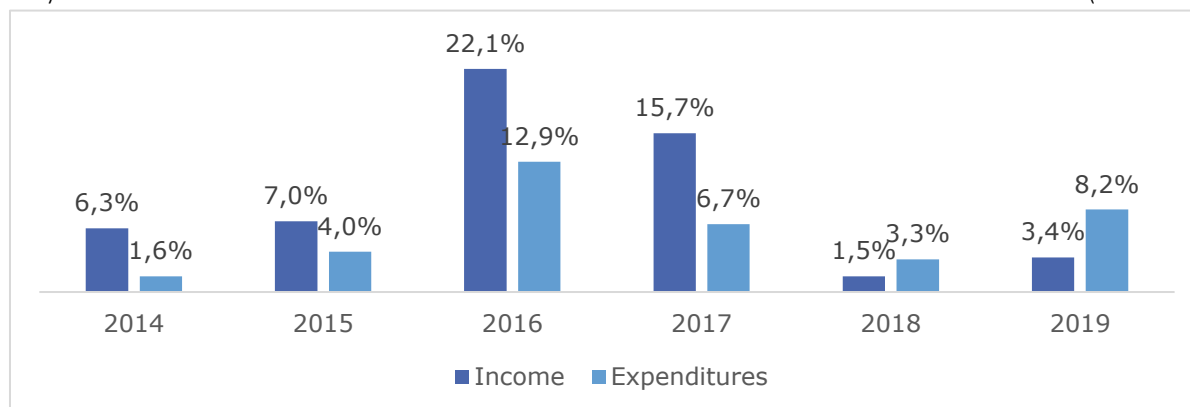
Figure 1: Real average income and expenditure dynamics per capita in the household year to year (2014-2019)



Source: EAPN Poland

The dynamics of real income and expenditure among the poorest 20% of households were slightly different. Real incomes grew less and expenditures more in comparison to all households. For the second consecutive year, expenditure grew faster than income, and the gap between expenditures and incomes has widened compared to 2018.

Figure 2: Real average income and expenditure per capita dynamics in the poorest households, 20 per cent year-on-year (2014-2019)



Source: EAPN Poland

Overall, in 2019, the gap between average household income and average spending increased again: average income was already 45% higher than average spending (compared to 24% in 2014). **However, the situation among the poorest 20% is still such that their income is lower than expenditure, although their real dynamics have improved in 2019.**

The situation in terms of real income has been improving since 2014, with stabilisation in 2017, a visible deterioration in 2018 and an improvement in 2019. The dynamics of real income and expenditure of 20% of the poorest families was at its highest in 2016. This was not equal in 2019, especially in terms of income, but the dynamics of spending was higher than in 2017. The second quarter of 2020 brought about a deterioration in the situation on the labour market and in wages, which also affected the budgets of many Polish families.

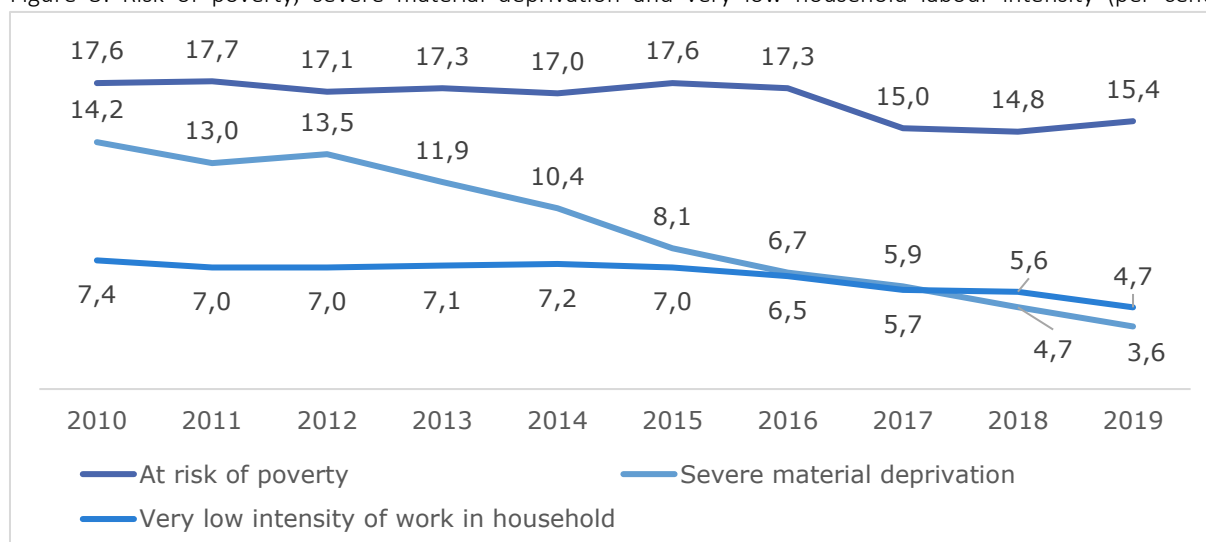
‘Europe 2020’ in Poland - a big overachievement of an unambitious target

Over the past decade, the EU Member States have been implementing the Europe 2020 Strategy, adopted for the period 2010-2020. It sets out several economic and social objectives, including the lifting of 20 million people out of poverty and social exclusion (from 116.6 million in the base year 2008). As part of this task, Poland was to achieve 1.5 million, which represented 8% and corresponded to the share of the Polish population in the total EU population.

It was not an ambitious task, because in the base year the number of people in poverty or social exclusion in Poland was 11.5 million (2008). The EAPN Poland demanded that the government revise the target in 2014, when it was already known that in 2013, the indicator showed a higher value than the reduction target for the whole ten-year period. The then government and others did not change the target to a more ambitious one, and it remained at the original level. In 2019, the rate of its achievement in Poland was 4.8 million - over three times more than planned and almost a quarter of what the whole EU was supposed to achieve. Despite this, 6.7 million Poles were still living in this situation in 2019 (18.2%).

The main EU index consists of three subindices: the coverage of the at-risk-of-poverty rate (percentage of people in households below 60 % of the median income), the coverage of severe material deprivation (percentage of people in households unable to meet at least 4 out of 9 needs), the coverage of very low household labour intensity (percentage of people in households where adults worked less than 20 % of the year). The EU total index includes all persons who meet any of the sub-index criteria. Figure 3 shows the coverage of all three phenomena over the period 2010-2019.

Figure 3: Risk of poverty, severe material deprivation and very low household labour intensity (per cent)

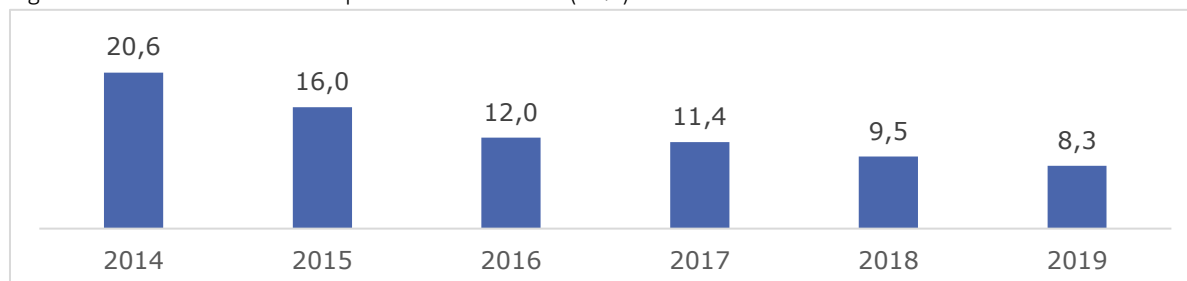


Source: EAPN Poland

The main reason for exceeding the unambitious target is the rapid reduction in the extent of severe material deprivation from 2013. The risk of poverty and very low work intensity have only decreased to a much lesser extent and more clearly since 2017. The rate of severe material deprivation has been

criticised mainly because of the choice of needs for the survey. For this reason, among other things, it was proposed to modify it and a new indicator of material and social deprivation (see the next section). Here we can only point out that this indicator has also been decreasing very dynamically since the year in which it began to be measured (2014).

Figure 4: Material and social deprivation 2014-2019 (in %)



Source: EAPN Poland

In 2014, as many as one fifth of Polish society experienced material and social deprivation. Five years later, it was already just over 8%. The rate of decline is therefore similar to that for severe material deprivation, but the baseline was higher. In 2019, there were still over 3.2 million Poles in this situation..

Not all people at risk of poverty experience severe deprivation or very low household work intensity. Meeting all three criteria simultaneously means a multidimensionally difficult situation. Only a small percentage of Poles have experienced these three problems at the same time: since 2010, we have seen a drop from 1.7% to 0.6% in 2019. In absolute terms, however, these are still hundreds of thousands of people - 224 000 in 2019.

We propose that the new National Programme for Combating Poverty and Social Exclusion as part of the implementation of the European Pillar of Social Rights in Poland should have a more ambitious approach than was the case with the Europe 2020 Strategy. **The Sustainable Development Goals signed by the Polish Government clearly indicate that poverty in all its forms should be reduced by at least half by 2030.** We therefore propose a list of indicators with a base value of 2019 and a target for 2030. It should be assumed that the indicators of the government's Responsible Development Strategy will be updated to the base value of 2019 and the principle of reducing poverty by half.

1. Europe 2020 target – at risk of poverty or social exclusion: from 6.7 million to 3.4 million
2. Extreme poverty: from 4.2 to 2.1%.
 - a. Child extreme poverty: from 4.5% to less than 1%.
 - b. Child homelessness: from 0.7 to 0%.
3. Relative income poverty: from 13.3 to 6.8%.
4. Sphere of social exclusion: from 39.4 to 19.7%.
5. Material and social deprivation: from 8.3 to 4.2%.
6. Energy poverty: from 9.6 (2017, needs updating) to 4.8%.

All these indicators should be monitored according to age, gender and disability. The implementation of the European Pillar of Social Rights also requires measuring progress through indicators of housing deprivation and in-work poverty. Homelessness indicators should also be added.

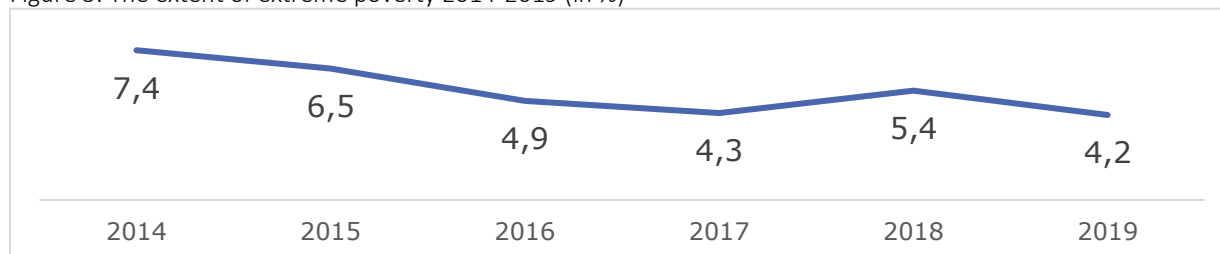
Poverty and material and social deprivation in general, a continuous improvement, but high risk of social exclusion

The Central Statistical Office provides information on poverty only on an annual basis and in terms of expenditure on the basis of household budget surveys. When expenditure per capita (after applying the equivalence scale 1, 0.7 and 0.5 for children) is lower than the subsistence minimum level (PLN 614 per person living alone in 2019), it is called extreme poverty, and when it is lower than 50% of average expenditure (PLN 858 per person living alone in 2019) it is relative poverty.

For several years now, the Central Statistical Office has once again published data on the scale of social exclusion in Poland, which it calls the sphere of non-abundance. The threshold for this measure is the social minimum. It covers the needs of biological survival, but also goods and services necessary for work, education, maintaining family and social ties, and modest participation in culture and recreation. As the EAPN Poland, we believe that these 'social needs' do not mean a prosperous but an ordinary life. Hence the name 'sphere of non-abundance' used by the Central Statistical Office does not reflect the real effect of living below the threshold of social minimum, i.e. social exclusion. In 2019, the threshold based on this minimum was PLN 1218 for a single-person household of a working person, and for farmers, pensioners, and disability benefit recipients it was PLN 1195. **The extent of social exclusion in Poland was 39.4% in 2019, several times more than the extent of extreme (4.2%) or relative (13%) poverty.**

The extent of extreme and relative poverty (percentage of people in poor households) was decreasing until 2017 - but more so in 2016 than in 2017. In 2018, extreme and relative poverty increased, but decreased again in 2019. Fewer Poles experienced such conditions than in years 2014-2015.

Figure 5: The extent of extreme poverty 2014-2019 (in %)

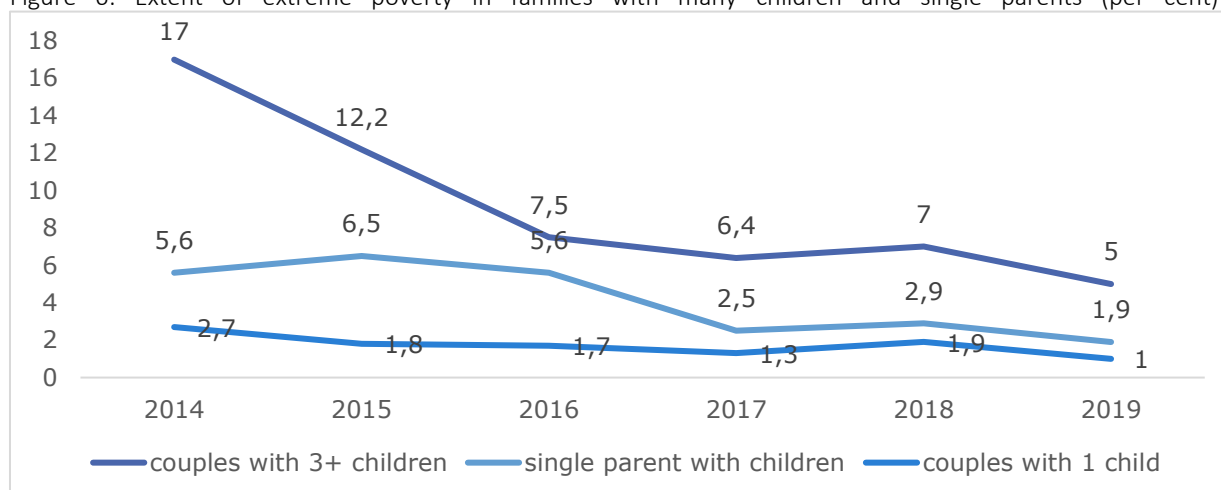


Source: EAPN Poland

The increase in the extent of extreme poverty in 2018 to 5.4% turned out to be temporary, and in 2019, extreme poverty decreased to a level similar to that in 2017. The number of Poles living in extreme poverty decreased by around 462 000 - from 2.1 million in 2018 to 1.6 million in 2019. Therefore the situation has been improving since 2015, although to a lesser extent in 2017, with a break in 2018, and 2019 brought about another improvement.

Due to the large financial effort involved in the payment of new child allowance ('500+'), further decreases in poverty in families with children were expected, so the increase in 2018 came as a surprise. **In 2019, there was also a fall in the extent of relative poverty - from 10.9% to 9%. In absolute terms, this is a fall of around 465 000 people - from 5.4 million to 5.0 million.**

Figure 6: Extent of extreme poverty in families with many children and single parents (per cent)



Source: EAPN Poland

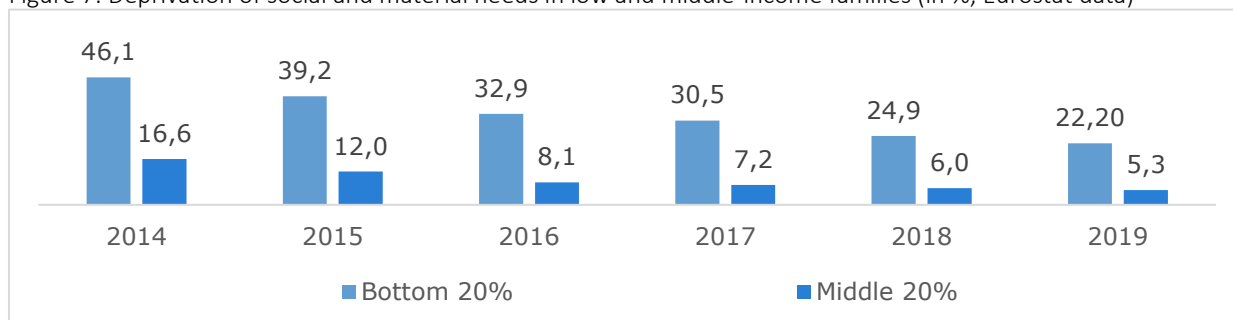
The situation in large families and single parents has improved significantly since 2014. In the case of single-parent families, this was particularly the case in 2017. The extent of poverty in these families has come very close to that in families with two parents and one child. The extreme poverty of large families is still more than twice as high as in other families, but in 2014 the gap was much higher (drop from 11.4 percentage points to 3.1 points).

To verify these trends, we also used data on material and social deprivation. If a family responds that it cannot afford at least five out of thirteen needs, it is considered to be living in a situation of unmet needs. The list of needs within the framework of the material and social deprivation indicator is as follows:

1. unexpected expenditure,
2. one week of holiday away from home,
3. avoiding delays in paying bills, loans and credits,
4. a meal with meat or vegetarian equivalent every other day,
5. maintaining the right temperature in the house,
6. car for own use,
7. replacement of used furniture,
8. replacement of old clothes with new ones,
9. two pairs of well-fitting shoes,
10. small own-account expenditure (pocket money),
11. regular leisure activities,
12. going out with friends/family for a drink, to a restaurant at least once a month,
13. access to the Internet.

The extent to which material and social needs have not been met has been decreasing throughout the whole of the 2014-2019 period, with the smallest decrease being recorded in 2017. On average, the coverage of needs was decreasing, despite an increase in objective measures of poverty in 2018. This was also the case for families (households) with an income below 80% of the population.

Figure 7: Deprivation of social and material needs in low and middle-income families (in %, Eurostat data)



Source: EAPN Poland

Comparing the dynamics of the extent of material and social deprivation of families in the bottom and the middle quintile of income, we can see that in both cases the situation was constantly improving, including in 2019. However, when comparing 2014 and 2019, the level of deprivation in families in middle quintile decreased slightly more (by almost 50%). The gap between these households measured by the difference in the extent of deprivation has been decreasing over the whole period (from almost 30 pp in 2014 to 17 in 2019).

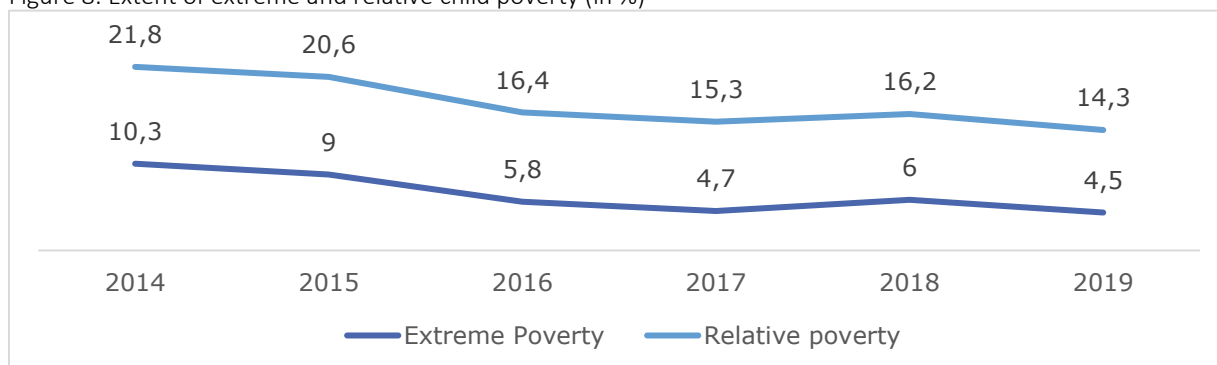
Poverty among children, seniors and people with disabilities

Children, senior citizens and people with disabilities should be better protected against poverty. One of the government's policy objectives for the new child allowance ('500+') was to reduce poverty in families with children, although no level was set to be achieved within a certain time frame.

[ubóstwo relatywne dzieci]

The extent of extreme child poverty decreased at a slower rate in 2017 than in 2016, increased in 2018 and decreased by 1.5 percentage points in 2019 - to 4.5%. As EAPN Poland, we asked the government to adopt a target for reducing extreme child poverty in Poland to below 1% by 2020. If such a target had been adopted, it would not have been achieved. The number of children in extreme poverty has fallen by around 105 000 - from 417 000 in 2017 to 313 000 in 2019. If there were to be less than 1%, the number should not be more than 62 000. To achieve this, the extent of extreme child poverty would have to decrease by 80%.

Figure 8: Extent of extreme and relative child poverty (in %)



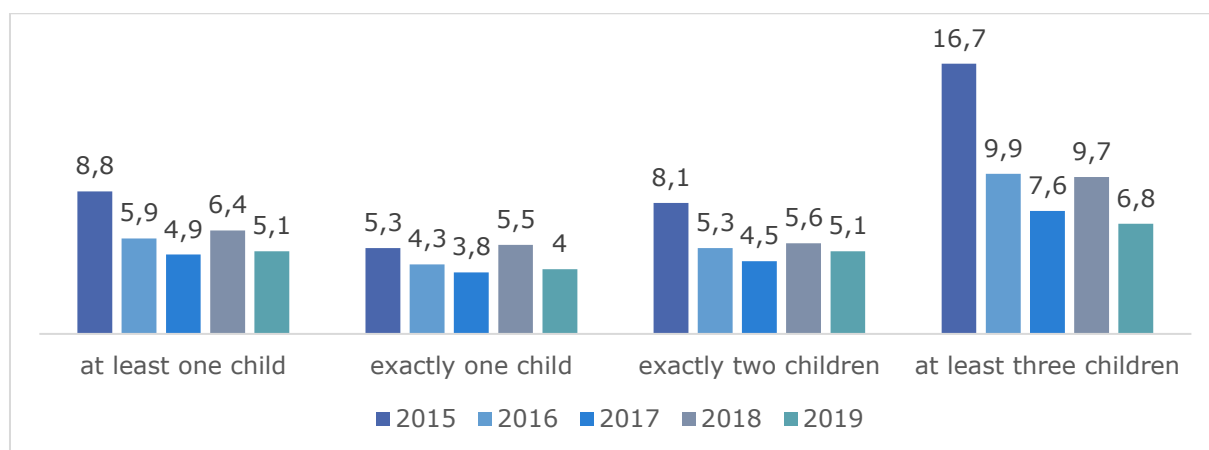
Source: EAPN Poland

The extent of relative child poverty was higher than the incidence of extreme poverty by between 13.4 and 9.8 percentage points in the period 2014-2019. **In 2019, the number of relatively poor children decreased by 132 000 and for the first time was less than one million (from 1.1 million to 993 500).**

There were three times more children in social exclusion than in relative poverty. The extent of children's social exclusion in the last four years ranged between 46 and 43%. In 2019 as much as 43.4% of children were in this situation, it was just over 3 million children. This number has decreased by around 162 000 (from 3.2 million) compared with the previous year.

Child poverty is mainly the poverty of families with children. The child allowance introduced from 2016 had the aim of reducing poverty among families with children. This benefit is granted for children under the age of 18. **In 2019, the income threshold for the only or first child was removed, which means that it is now paid for all children. From the perspective of most poor families, however, this changes nothing, because they already met the criterion of PLN 800 per person in the family and received a benefit for all children.**

Figure 9: Extreme poverty in families with children aged 0-17, depending on the number of children 2015-2019 (in %)

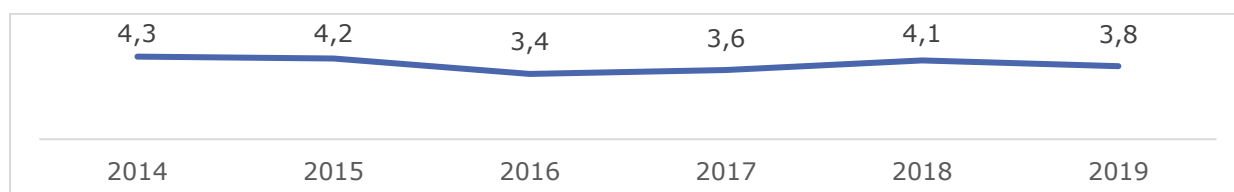


Source: EAPN Poland

Extreme poverty in all types of families with children increased in 2018, but decreased again in 2019, most markedly in large families. When comparing 2015 to 2019, the greatest reduction in the extent of extreme poverty was in these types of families (by almost 10 percentage points).

The extent of relative poverty among seniors has hardly changed in recent years. In 2019, it was 11.5% compared with 11% in the previous year. **In absolute terms, the number of relatively poor seniors increased by 46 000 in 2019. (from 774 to 820 000).** Similarly, in the case of extreme poverty, the differences are small. **The increase in the number of people aged 65 and over is offset by a slight decrease in the extent of poverty and the number of extremely poor elderly people in 2019 decreased by 12 000.**

Figure 10: Extent of extreme poverty among seniors aged 65 and over (in percentage)

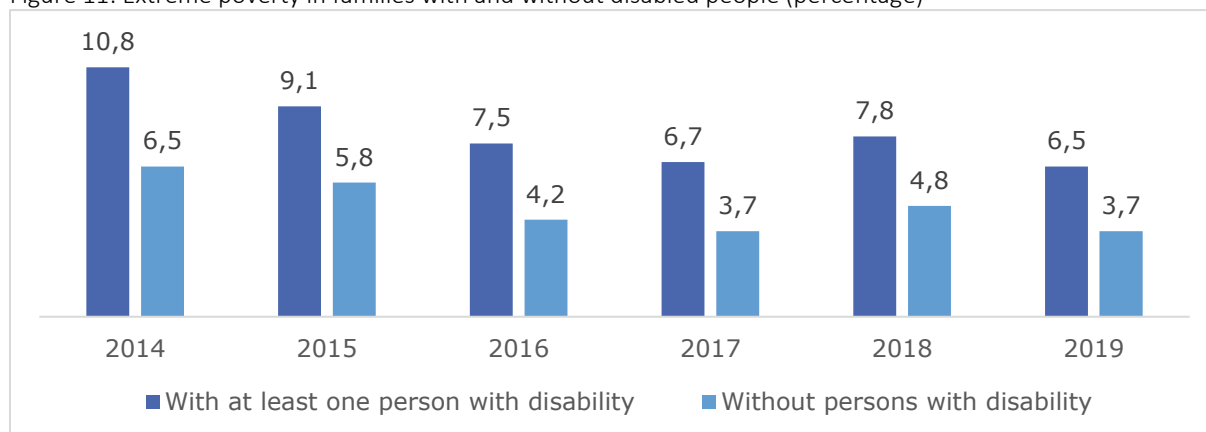


Source: EAPN Poland

The number of extremely poor senior citizens has increased by 11 000 since 2014. (in 2019 it was about 264 000 people). The slight improvement in 2016 did not last and the situation returned to a similar state in 2014-2015.

The extent of relative poverty of households with at least one disabled person stop decreasing in 2017, extreme poverty in such families increased in 2018 and decreased in the following year (from 7.8% to 6.5%).

Figure 11: Extreme poverty in families with and without disabled people (percentage)

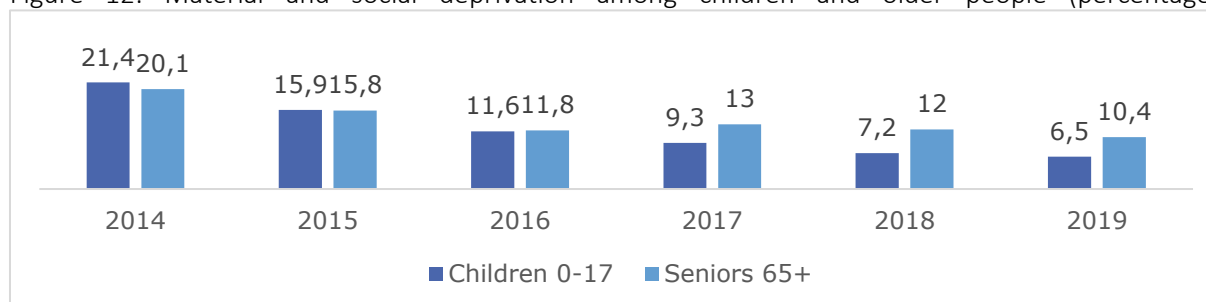


Source: EAPN Poland

The gap between the extent of extreme poverty in households with and without disabled people is narrowing from 2014. This trend continued in 2019. The gap has decreased from 4.3 percentage points to 2.8 since 2014.

The extent of material and social deprivation of children and seniors has been decreasing unevenly over the whole period 2014-2019. In the case of children, there was a further but slightly smaller improvement in 2019.

Figure 12: Material and social deprivation among children and older people (percentage)

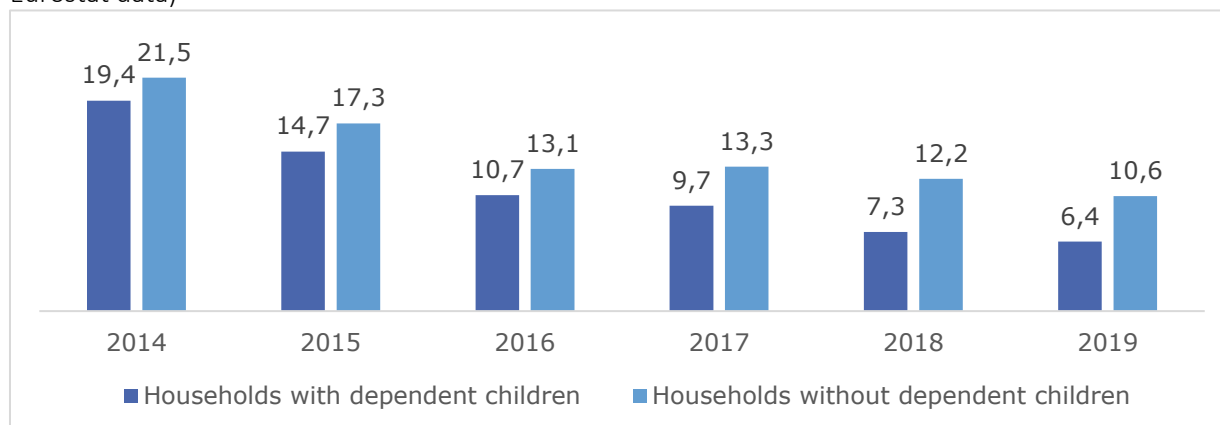


Source: EAPN Poland

The deprivation of children has decreased by two thirds (from 21 to 6.5%). Slightly less so, but still a very significant improvement has been made in the case of older people (from 20 to 10%). The downward trend stopped in this group between 2017-2018, but in 2019 there was also an improvement.

The extent of material and social deprivation of families with dependent children decreased by 67 per cent between 2014 and 2019. Slightly smaller decreases in this indicator took place in 2017 and 2018. The situation improved more slowly in families without dependent children, in 2017-2018 the improvement stopped or was small, but in 2019 it occurred again. As a result, the gap in the coverage of unmet needs between these two groups of households has increased significantly in favour of those with children (from 2.1 percentage points in 2014 to 4.9 in 2019).

Figure 13: Material and social deprivation in households with and without dependent children (in %, Eurostat data)



Source: EAPN Poland

An increase in extreme poverty in 2018 was worrying, but the situation has improved again in 2019. The trends in the material and social deprivation were clearer. Even in families without dependent children, there has been an improvement (the extent of deprivation has fallen by over 50% compared to 2014).

Poverty in voivodeships

Poverty indicators can also be systematically observed at the voivodeship level². This is no longer possible for smaller areas such as counties (poviats) or municipalities. Poverty estimates are sometimes estimated for poviats, but they require additional assumptions and analyses and are not updated every year. At the municipality level, there is only information about people who benefit from social assistance. However, this is only indirect information about poverty, as not all poor families according to the relative poverty threshold will be classified as poor by social assistance, and furthermore not all poor families use social assistance.

Below we present the rankings of voivodeships in 2014-2019 in terms of the extent of extreme poverty and relative poverty (the higher rank the higher poverty rate).

Table 1: Ranking of voivodeships according to the extent of extreme poverty (rank 1 means the highest poverty)

Voivodeships	2014	2015	2016	2017	2018	2019
warmińsko-mazurskie	1	1	1	1	1	4
świętokrzyskie	2	2	4	7	4	6
podlaskie	3	8	11	3	6	3
wielkopolskie	4	4	4	6	8	8
kujawsko-pomorskie	5	10	6	9	10	10
podkarpackie	6	3	2	5	3	7
lubelskie	7	5	3	4	5	4
opolskie	8	9	8	11	15	17
lubuskie	9	13	17	12	9	12

² Poland has a highly decentralised unitary political system and is divided into 16 regions, 380 counties (powiat) including 66 city counties, 2477 municipalities (302 city municipalities, 642 city-rural municipalities, 1533 rural municipalities).

mazowieckie bez Warszawy	10	11	9	8	7	2
zachodnio-pomorskie	11	16	12	15	17	13
małopolskie	12	7	7	2	2	1
pomorskie	13	5	10	13	16	16
dolnośląskie	14	15	15	10	13	13
łódzkie	15	12	16	16	12	11
mazowieckie	16	14	13	13	11	9
śląskie	17	17	14	17	14	15

Source: EAPN Poland

The ranking of voivodeships according to the extent of extreme poverty has changed significantly in several cases when we compare their position in 2014 with that in 2019. The Małopolskie Voivodeship has suffered the greatest deterioration in its relative position: from 12th in 2014 to the first in 2019. A similar conclusion applies to the Mazowieckie Voivodeship without the richest Polish capital city Warsaw (from 10th to 2nd rank). There were no such major changes on the part of the poorest voivodeships in 2014. Of the top three, only the Świętokrzyskie Voivodeship was slightly further away, but it was still in the top six.

Table 2: Ranking of voivodeships by the extent of relative poverty (rank 1 means the highest poverty rate)

Voivodeships	2014	2015	2016	2017	2018	2019
warmińsko-mazurskie	1	1	2	4	1	2
podlaskie	2	6	6	1	3	1
świętokrzyskie	3	2	3	6	6	4
wielkopolskie	4	4	4	8	8	8
podkarpackie	5	3	1	2	3	5
kujawsko-pomorskie	6	9	9	9	10	9
lubuskie	7	12	17	10	9	10
lubelskie	8	5	4	5	7	7
małopolskie	9	7	7	3	2	3
mazowieckie bez Warszawy	10	10	8	7	5	6
zachodnio-pomorskie	11	15	11	15	16	13
pomorskie	12	8	10	13	17	17
opolskie	13	11	12	14	15	16
łódzkie	14	13	16	17	13	12
dolnośląskie	15	14	13	11	12	15
śląskie	16	15	14	16	14	14
mazowieckie	17	17	15	12	11	11

Źródło: opracowanie własne

The comparison of rankings according to relative poverty in 2014 and 2019 confirms the deterioration of the relative position of the Małopolskie Voivodeship and Mazowieckie without Warsaw. The changes in the top three positions are small - Podlaskie has changed to Warmińsko-Mazurskie in the first two positions, and Świętokrzyskie has moved to fourth position.

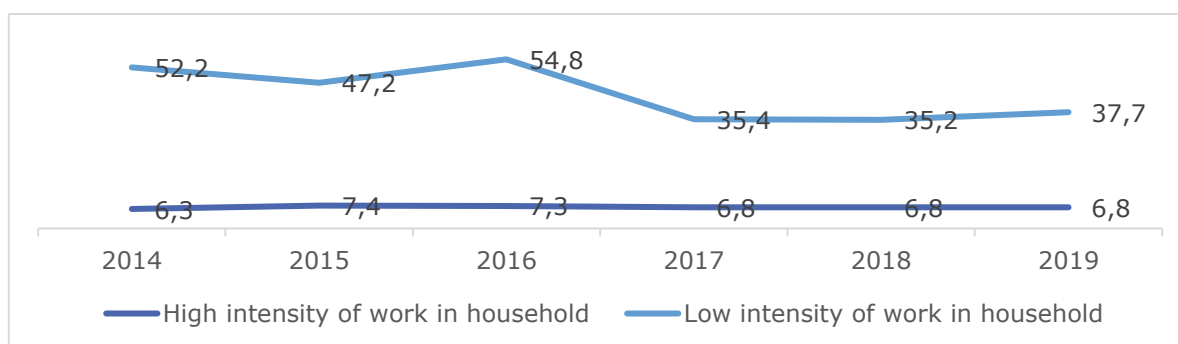
A fall in the range of extreme poverty by at least 5 percentage points during this period occurred in the Warmińsko-Mazurskie, Opolskie, Kujawsko-Pomorskie, Świętokrzyskie and Pomorskie Voivodeships. A similar decreases in relative poverty occurred in the following voivodeships: Kujawsko-Pomorskie, Pomorskie, Lubuskie, Wielkopolskie, Opolskie, Zachodniopomorskie and Warmińsko-Mazurskie.

In-Work Poverty

Work is crucial in protecting against poverty and getting out of it, but it does not guarantee freedom from poverty. This is because workers live in households where there may be children and adults who depend on them. A full-time minimum wage is sufficient to keep one person above the level of social exclusion in Poland, but the more people who make a living from it, the more insufficient it can be. That's why child allowance, family benefit, disability benefit are important for mitigating in-work poverty. The extent of it in 2017-2019 was close to 10%, while in previous years it was slightly more than 10% (Eurostat data).

The change in the extent of in-work poverty in recent years has mainly affected those households which had dependent children and were characterised by low work intensity (no more than 20% of working time in relation to full-time equivalents throughout the year).

Figure 14: Extent of in-work poverty in households with dependent children according to household work intensity (in %).

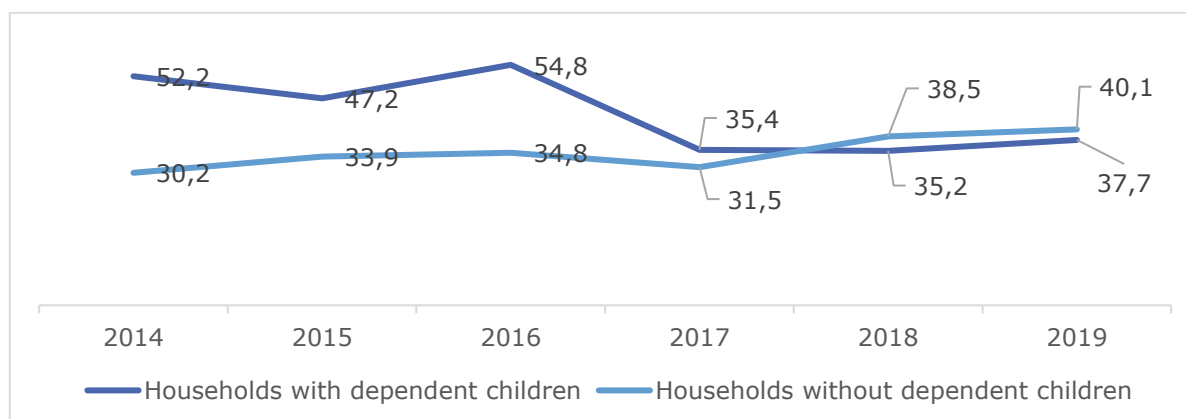


Source: EAPN Poland

The extent of in-work poverty in households with children and high work intensity remained fairly constant over the period 2014-2020 (6-7 %). **In families with children and with low work intensity, it was still several times higher, but it decreased significantly in 2017 (by almost 20 percentage points) and remained at this reduced level until 2019, when there was a relatively small increase.**

When we compare households with and without children and with low labour intensity, we see that since 2018, the extent of in-work poverty in households without children has become higher than in families with children.

Figure 15: Extent of in-work poverty in low-work intensity households with and without dependent children (percentage)



Source: EAPN Poland

In 2014-2016, the incidence of in-work poverty in households with children and low work intensity was 13-22 percentage points higher than for such households without children. **In 2016, this gap decreased dramatically by 81 per cent. - to several percentage points. From 2018 households with low work intensity and no dependent children were more at risk of in-work poverty compared to those with children.**

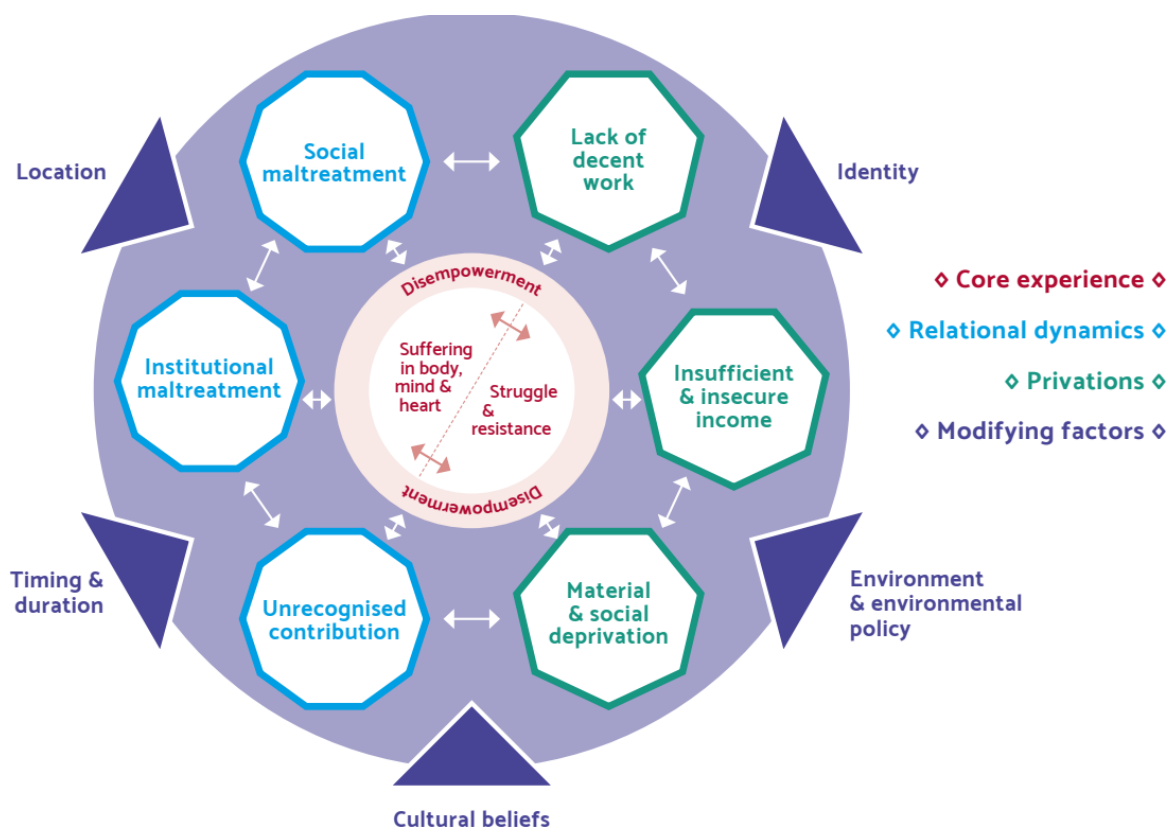
Experiencing multidimensional poverty

In the statistics shown in the first part of the report, poverty is defined by insufficient spending and problems in meeting basic needs. The statistics conceal the complexity of individual experience and the economic dimension cannot fully reflect the complexity of poverty itself.

ATD Fourth World, a member organisation of EAPN Poland, in cooperation with people who experience various problems related to poverty and social exclusion in several countries, together with scientists from Oxford University, has developed a multidimensional model of poverty. This model also takes into account the professional situation, treatment in institutions and by society, the sense of influence on one's own life and emotions.³

Figure 15: The concept of multi dimensions of poverty

³ According to this model, two reports were prepared in Poland: : A. i R. Szarfenberg, Wielowymiarowe ubóstwo senioralne, WRZOS, 2019, <http://wrzos.org.pl/download/Ubostwo%20osob%20starszych%20ekspertyza%202020.pdf>, R. Bakalarczyk, Wielowymiarowe ubóstwo osób z niepełnosprawnościami i ich bliskich, WRZOS, 2020, http://www.wrzos.org.pl/download/Wielowymiarowe_ubostwo_osob_z_niepelnosprawnosciami.pdf



Source: The hidden dimensions of poverty. International participatory research, ATD Fourth World, University of Oxford, 2019, p. 7.

Using this model, we asked for experience in most of these dimensions last year. Among our interlocutors were people of all ages - from very young to very old, living alone or in large families. Quotations from our respondents are presented in the table 3.

Table 3: People experiencing poverty about their lives

Dimension	Quotation
Job and income	▪ "(...) it was in May - and there wasn't a large selection of jobs at a good rate - it also resulted in the necessity of taking second job (...). The extra work makes me come home only about 23, sometimes later, my working day lasts 12 hours".
Meeting needs	▪ "There was a time when I could not afford to buy lunches on weekends because the canteen is not open in weekends. I have to take care of it myself. I couldn't afford it. During the pandemic, food aid was delivered only once. Three sets for three months or even longer. It was in March with the biggest restrictions, you had to stand for a long time. It is not clear whether this food will be delivered again. I saved a lot on electricity and water using very little of it. The water is in the backyard, I do not put the laundry in the washing machine"
Interactions with institutions	▪ "I have mainly contacted the Labour Office, the medical clinics, Social Assistance Office, the public library before the pandemic. Large restrictions during the epidemic. I could not get in, there was a lot of verbal aggression on the part of the officials, they said, 'why did you come?', 'you could call, there is a note that the cash register is on Friday, please keep your distance', they were aggressive. Mostly the employment office, the municipal office and social assistance. There was also an incident where I

	cycled during Easter, the police were aggressive, although I was wearing a mask and I was threatened with a fine”
Interaction with society	▪ “Older people were kind to me because there was an opportunity to shop for them, they were not afraid of it and they gave me some money for shopping”
Perception of agency	▪ “I have the impression that all this is not enough, I am afraid it is not permanent change - some things are not up to me (I am thinking of job, as well as further price increases)”
Emotions	▪ “Negative emotions are caused by the fact that we have too little income and need to apply for housing allowance. Although we have been writing a statement on the spot at the employee's office, I have been summoned to the warden, or sometimes I do not cheat that I have such a small income and how I can make a living from it”
	▪ “I feel lonely and it is sometimes difficult to make decisions”

Source: EAPN Poland

The short excerpts from the table above show that problems with low incomes and failure to meet basic needs are linked to many other difficulties in life. Everyone is exposed to them. It is not only the poor who feel helpless or ill-treated in public institutions. However, when we add material problems and the negative attitude of society to these difficult situations, we get a complete picture of what multidimensional poverty is in human experience.

Impact of the COVID-19 epidemic on income and poverty

Studies on the impact of the pandemic in the past show that it has increased income inequalities, reduced the employability of people with low levels of education and had little impact on people with higher education⁴. Those at greater risk of poverty because of their weak position on the labour market have become poorer, while others have retained their position. The economic crises associated with pandemics and their negative impact on those who are 'last to hire and first to fire' were responsible for this impact. Similar mechanisms have also been found for the current pandemic. Forecasts of a fall in economic activity in the case of Poland shows several percent decline, and this will be the first such recession in several decades.

There are few sources of information about the income and financial situation of families during the pandemic. The results of the 2020 survey of CSO household budgets will only be known in mid-2021. They cover the whole year without distinguishing between changes in the situation of families during the year. The only available data come from surveys conducted by research centres or independent researchers in the first months of the pandemic.

The CBOS survey on social perceptions in the area of self-assessment of one's own material situation did not indicate an increase in the percentage of bad assessments in recent months (4% from February to July 2020), the percentage of good assessments decreased slightly - from 64-70% in the first three months of the year to 63-65% for the next three measurements⁵. Expectations of a deterioration in household material conditions increased in the three measurements after March, but over time there has been a decrease from 15% to 11%, (in February and March it was 9% to 10%).

⁴ *COVID-19 will raise inequality if past pandemics are a guide*, <https://voxeu.org/article/covid-19-will-raise-inequality-if-past-pandemics-are-guide>.

⁵ *Nastroje społeczne w pierwszej dekadzie lipca*, Komunikat z badań, nr 93/2020, CBOS.

One CBOS survey focused on the effects of the epidemic on working life and household budgets⁶. A quarter of respondents declared that they had lost their opportunity to earn money or it had been lost by someone in their household. Most often the loss of these opportunities was declared by people from low-income families and those assessing their material conditions negatively (45% and 52% respectively). The most difficult situation was in those families which previously had unemployed people in the household and where someone lost their job (13%). A direct question was also asked about losing a job due to the epidemic and 7% of the respondents declared such a situation. 23% experienced a reduction in income, 12% experienced living on savings and family assistance, 4% received money from assistance packages implemented by government and 3% were forced to borrow.

In the research conducted by Piotr Michoń in April 2020, the greatest concerns of the respondents was worsening of the economic situation (93% of the respondents), increase in unemployment (90%), increase in family poverty (80%)⁷. The economic effects of the pandemic were feared more than its health effects. The loss of employment was reported by 8% of respondents, and 54% experienced a decrease in family income. Those losing their jobs were mainly employed on civil law contracts, the self-employed, small entrepreneurs, as well as people on employment contracts, but for a fixed period.

In a study by Sławomir Kalinowski and Weronika Wyduba, 87% of respondents expected poverty to increase in Poland, although a much smaller percentage expected their own financial situation to deteriorate⁸. The same was true of the predictions of the increase in unemployment in the country and expectations of losing a job by the respondent. People with at most basic vocational education, temporary employment, civil law contracts or business activities feared this more often. In this study, a question was also asked about the possibility of making ends meet (perception of poverty) - 7% indicated that there is no such possibility, and 38% indicated that they can make it, but with difficulty. A large proportion of respondents feel or have felt poverty in their lives, only 25% said they have never experienced it. One of the responses to poverty is to reduce spending. Most respondents declared that they would reduce spending on leisure, clothing and footwear, culture, leisure activities, alcohol and tobacco.

The Diagnosis+ study provided information on changes in the situation between April and June 2020⁹. The lack of remuneration in comparison to the situation if there was no pandemic, was declared by slightly more than 5 percent of respondents in both months, while the percentage of respondents declaring that they were paid less clearly decreased (from 35.7 percent to 26.2 percent). Thus, negative changes in salaries still affected one third of the respondents. The growing wage inequalities at that time may be indicated by the fact that in both months 10-15 percent of respondents declared wage increases, including more than 100 percent.

For the purposes of the report, we asked the Working Community of Associations of Social Organizations (WRZOS), Habitat for Humanity Poland and ATD Fourth World to conduct a small survey among people experiencing poverty about the impact of the epidemic on their lives. Below are selected excerpts from their responses.

⁶ *Skutki epidemii koronawirusa w życiu zawodowym i budżetach domowych*, Komunikat z badań nr 56/2020.

⁷ P. Michoń (2020), *Koronawirus a pomoc państwa – raport z badań*. Instytut Ekonomiczno-Społeczny, UEP: Poznań

⁸ S. Kalinowski, W. Wyduba, *Moja sytuacja w okresie koronawirusa. Raport z badań, część I*, IRWiR PAN, Warszawa.

⁹ *Diagnoza rynku pracy. Wyniki badania z 22 do 28 czerwca* <https://diagnoza.plus/bezrobocie-w-czerwcu-2020/>

Table 4: People experiencing poverty about their lives during the epidemic

- "Family income decreased during the pandemic, but no debts."

- "There has been a change of job, due to the coronavirus pandemic and the temporary closure of the economy. For the worse rate, which is the lowest national rate and the need to work more hours, and the income is still lower overall."

- "Many of the family's needs have not been met, for example, by a visit to the dentist, due to the cost of treatment and the difficulties in accessing medical facilities caused, of course, by the pandemic and the associated restrictions. The increased cost of living on a daily basis and the increase in the prices of basic foodstuffs such as bread, dairy products and, in particular, seasonal fruit and vegetables have resulted in significant limitation on shopping. In the first days following the announcement of the pandemic, there was a problem with the purchase of, for example, bread, hand sanitizers and protective masks."

- "It has made it very difficult for me to look for a job in my profession because there are too few successful companies in my city."

- **"My conditions have been made worse by the pandemic, because we are making a living from casual work."**

- "It has certainly reduced our family's income, but we have enough for basic things like hygiene and food, but we cannot afford to buy (...) fuel for the winter."

- "Rent, water, waste, gas and electricity charges increased during the pandemic. The income remained the same. Social assistance benefits and housing allowance. Housing allowance is deducted from social welfare benefits, what left is PLN 11-12, that's what I get from the housing allowance. I was in arrears for gas and electricity charges. There was no adequate help, the benefit was delayed, so I was in arrears, but I have it settled, because I earned it from casual work."

- "I have encountered many difficulties in my occupational life. I have not received any job offers from employment office, including jobs for social assistance recipients, or other proposals. I am still unemployed without the right to unemployment benefits. I was doing casual work, there were few jobs, and during the pandemic, casual work ended. The situation is still the same despite the lifting of epidemic restrictions."

- **'There is long unemployment in my family because I raise children, I have been looking after a disabled child. My husband has difficulty finding a job during a pandemic, and he is old and with criminal record, which makes it difficult. Sometimes I have to think about what to give up in order to pay all the bills and not be in arrears. I have lost 500+ per child for the past year.'**

Source: EAPN Poland

EAPN Poland responds to the COVID-19 epidemic - examples

The EAPN Poland includes the largest organisations providing assistance to the homeless in Poland: St. Brother Albert Society (TPBA) and MONAR. These and other organisations working in the area of homelessness immediately faced great challenges related to the epidemic and its consequences. Shelters for the homeless had to continue to operate, so they had to admit new residents and also allow people who were working to leave institutions. This required the provision of basic antiepidemic measures (e.g. personal protective equipment for staff and residents), the development of rules for admitting new residents, the isolation of residents in shelters if a case of infection was detected¹⁰, and also rules for residents who had to leave the facilities. Our organisations immediately contacted the local authorities and the Ministry of Family, Labour and Social Policy for guidance and assistance. Due

¹⁰ Only one case of Covid-19 was detected in shelters for homeless people in Poland.

to their practical knowledge and participation in ministerial and municipal projects, they became a partner for the authorities in developing policies for the time of the epidemic crisis.

One example is the Streetworking Academy project funded by the European Social Fund (ESF) and run by TPBA. It has been used to create buffer centres and isolation facilities for people who were to be admitted to shelters, as well as to reach homeless people in non-residential places and public spaces¹¹. In the latter case, it is worth mentioning the Mobile Counselling Centre in Warsaw, the SOS Bus in Gdańsk and the Streetbus in Wrocław, i.e. buses with emergency assistance for people in a homelessness crisis. While strict social distancing measures were in place, many places used by people in a homelessness crisis were not available. Mobile forms of aid became one of the few which continued to provide assistance at that time.

Another example was the advocacy of crisis solutions for social economy entities, in which the Polish National Association of Social Cooperative Auditing (OZRSS) was involved. The Association initiated a letter signed by 31 organisations to the Minister of Funds and Regional Policy. The proposals consisted the adjustment of the guidelines for the implementation of projects in the area of social inclusion and combating poverty for projects financed by the ESF¹². The Association for Social Cooperatives and OZRSS prepared several editions of a guide to anti-crisis solutions to which social economy entities are also entitled¹³.

EAPN Poland at an early stage of social distancing measures sent a letter to the Ministry of Family, Labour and Social Policy with concrete proposals how to facilitate access to social assistance benefits and registration of the unemployed. The entitlement determination for social assistance benefits is based on conducting interviews at homes of persons applying for benefits. We proposed to change the rules of this procedure to a remote one in order to facilitate access to benefits. We had similar proposals for the registration of unemployed people, which is necessary in order to receive unemployment benefits, but also social assistance benefits for the unemployed¹⁴.

Our expert took part in the preparation of a report which focused on the epidemic challenges and demands concerning the unemployed and people living in poverty, people with disabilities, women and the elderly and their carers¹⁵.

¹¹ Project description <https://www.bratalbert.org/covid-19.html>

¹² A letter to the Minister of Funds and Regional Policy: <http://ozrss.pl/wp-content/uploads/2020/03/PISMO-DO-MINISTER-FUNDUSZY-20-MARCA-2020-ROKU-2.pdf>

¹³ *Tarcza antykryzysowa 3.0 a przedsiębiorstwa społeczne. Poradnik*, Stowarzyszenie na rzecz Spółdzielni Socjalnych, OZRSS, 18 maja 2020, <http://ozrss.pl/wp-content/uploads/2020/05/Tarcza-3.0-Poradnik-dla-PES-i-PS-20.05.2020.pdf>

¹⁴ The letter of EAPN Poland to the Minister of Family, Work and Social Policy: http://www.eapn.org.pl/eapn/uploads/2020/03/eapn-pl_mrpips_26032020.pdf

¹⁵ R. Szarfenberg, M. Kocejko, R. Bakalarczyk, Społeczne uzupełnienie tarczy antykryzysowej, Komitet Dialogu Społecznego KIG, Laboratorium Więzi, Kolegium Gospodarki i Administracji Publicznej Uniwersytetu Ekonomicznego w Krakowie, Open Eyes Economy Summit, 30 kwietnia 2020, <https://oees.pl/wp-content/uploads/2020/05/EKSPERTYZA-Spoleczne-uzupelnienie-tarczy-antykryzysowej-1.pdf>

Policy against income poverty and its problems in 2019 and the first half of 2020

Poverty reduction policies cover economic, social and also environmental issues (e.g. the negative impact of living in a polluted environment on health and quality of life in poor families and communities).

Focusing the discussion on income issues, two dimensions of this policy can be distinguished according to the distinction between protection against impoverishment and support for exiting income poverty and the direct and indirect impact on income. By putting these two dimensions together, we have four types of income policy instruments against poverty: direct-protective (1), direct-supportive (2), indirect-protective (3), indirect-supportive (table).

Table 5: Four types of social policy instruments against income poverty

Direct or indirect impact on income?	Protection against loss or reduction of income or support for increasing income?	
	Protection against loss of/reduction of income	Supporting income growth
Direct impact on income	1. Direct protection of income against reduction or loss, e.g. social insurance to compensate for lost wages, minimum wage, minimum cash benefits, valorisation of benefits	2. Direct support for income growth, e.g. lower taxes on low wages, real increases in the minimum wage, real increases in social benefits
Indirect impact on income by affecting its source or the person who receives it	3. Indirect income protection against reduction or loss, e.g. wage subsidies, protection against unjustified dismissal, campaigns to make workers aware of their rights	4. Indirect support for increasing income by influencing its source or recipients, e.g. labour inspection, vocational training and retraining, day-care services for children or dependent persons, social rights awareness campaigns

Źródło: R. Szarfenberg, *Family, Poverty and Social Policy Interventions*, 2020.

In practice, all four types of instruments are used in social policy. If the government introduces increases in the minimum wage (beyond what results from protection against a fall in real value), new cash benefits (without cuts in existing ones) and increases the benefits already existing (beyond what results from indexation with the price index), it prefers direct-supportive instruments. It should be emphasised, however, that all the instruments are important and neglecting some of them may result in a lack of progress in the fight against poverty or progress that is less than expected and unsustainable. For example, the neglect of indirect-supportive instruments will result in lower income from work, which is key to emerging from income poverty.

The main tool to directly protect and support income from work is the minimum wage. It was increased by PLN 150 in 2019 to PLN 2250 gross, and the minimum hourly wage rose to PLN 14.7 gross. This was an increase of 7% in nominal terms, and in real terms by around 5%.

Cash benefits are used to directly protect and support income from public sources. In 2019, the biggest reform concerned the child allowance by removing the income threshold for the first or only child. As a result, it has become fully universal is provided to all children. **The reform directly increased the income of those families with children who exceeded the income threshold (PLN 800 or PLN 1200 for children with disabilities per person in the family).** It has not changed much the situation of poorer families with children who were already receiving this allowance. Due to the lack of indexation, the child allowance

has lost its value since 2016 (currently its real value is about PLN 474, decrease by 5% in real terms). In connection with this, not only did these families not gain anything from the reform, but the real value of the aid was also decreasing due to rising prices. **The same was true of family benefits, which can be combined with child allowance.** In 2017, the previously planned increase of the threshold and level of these benefits was abandoned, and in 2018, it was decided to leave them at the level set in 2015. Family benefit for a child under 5 is PLN 95 from 2015 which is worth around 73 PLN, decrease by 23% in real terms.

In 2019, the second phase of the increase in the still very low nursing benefit was completed and a new **supplementary allowance for dependent persons was introduced.** The latter are of great importance to the disabled poor who are unable to live independently and who are recipients of temporary and permanent social assistance benefits. Supplementary allowance is not included in their income so it is neutral to the amount of these benefits. However, it is included in their income when calculating fees for various support services and food aid (in-kind benefits). An example can be shelters for the homeless, when after exceeding the income threshold as a result of receiving a new allowance, some municipalities demand reimbursement of the full costs of stay in a shelter¹⁶. **The issue of including a supplementary allowance in the household income when determining the to entitlement and co-payment for in-kind benefits requires analysis, as it can nullifying the effects of social assistance.** If the effect of obtaining a new allowance is an increase in the burden of costs for other in-kind benefits, and the benefit itself is consumed by local government social assistance office, then the purpose of the supplementary allowance is not achieved.

Previous government's plan to amendment monetary social assistance (legislative proposal UD501) were not adopted before the parliamentary elections in 2019. This means that the maximum temporary social assistance benefit for a single-person household is still 418 PLN (the same amount since 2004, the current value is about 303 PLN, which means decrease by as much as 28%). It should be remembered that in the case of the temporary benefit, only 50% of the official income standard is guaranteed (for a single person it is currently 350 PLN). The other half can, but does not have to, be paid by the municipality, but not more than up to PLN 418. In addition, the eligibility income includes nursing benefits and housing allowances, so they reduce permanent and temporary social assistance benefits. Such a construction of the Temporary benefit and, as a result, its amount raises serious doubts as to its compliance with the constitutional right to social security, interpreted as the provision of a material minimum to enable people to function in the society¹⁷.

The situation in income policy for combating poverty was marked by direct support for income from work by raising the minimum wage and income from public sources by reforming existing benefits and introducing new ones. Policies in the latter area were inconsistent due to deficiencies in direct-protective instruments, as a fall in the real value of child allowance and family benefits continues.

In 2020, another impressive increase in the minimum wage came into force, this time more than twice as high as in 2019. - from 2250 PLN to 2600 PLN gross (in real terms by about 11%). The hourly minimum wage increased to PLN 17.

¹⁶ Polish Ombudsperson sent an official statement to the Minister of Family, Work and Social Policy <https://www.rpo.gov.pl/pl/content/rpo-gminy-nieprawidlowo-ustalaja-oplaty-schroniska-dla-osob-bezdomnych>

¹⁷ Constitutional Tribunal judgement 4 April 2001 r. sygn. akt K. 11/2000, <http://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20010320386/T/D20010386TK.pdf>

In the second quarter of 2020, the policy of combating poverty became crucial due to the negative effects of the COVID-19 epidemic on households' income from work. Subsequent legislative packages (anti-crisis shields) were mainly aimed at sustaining employment through partial subsidies to employers, provided that turnover and wages were reduced. Care allowances were extended several times due to lockdown of preschool care. The first Shield contained direct instruments to compensate for the decrease in income from work for people working on civil law contracts and self-employed (parking benefit of 80% of the minimum wage in net terms, i.e. PLN 2080). Access to these benefits for some people working under civil law contracts was difficult, as the application required the activity of the principal. The shields did not provide for benefits for persons losing jobs under standard employment contract. However, they were introduced at the initiative of the President in the form of a temporary solidarity allowance, which was lower than the parking benefit by PLN 680 and amounted to PLN 1400. However, this allowance was paid only from June 2020, for a maximum of three months for people who lost their jobs after 15 March. In this case, too, there were a number of restrictions which made access difficult, because 60 days of paying social security contributions in 2020 were required, the termination of an employment contract by mutual agreement did not qualify for it, and it was not possible to combine this benefit with unemployment benefit.

With the introduction of the temporary solidarity allowance, basic unemployment benefit has also been increased from PLN 881.30 to PLN 1 200 gross, i.e. by more than 36%. However, this is still less than PLN 100 than at least 50% of the minimum wage, as required by international standards¹⁸. If in 2021 the minimum wage is raised to PLN 2 800, the difference to the standard will rise by 100% to PLN 200. Currently, an unemployed person, after meeting numerous requirements, can count on 1025 PLN net for the first three months (when he or she has been working for 5 to 20 years), 814.49 PLN for the next three months, and then he or she has to meet additionally numerous criteria and requirements of social assistance, which guarantees only 350 PLN and a maximum of 418 PLN to a single person household. Poland does not meet international standards in both cases¹⁹.

Among the benefit changes, which were not temporary, it should also be mentioned that under the Shield 3.0 the threshold for child maintenance benefit (in a case when absent parent does not pay child maintenance) was increased by 100 PLN to 900 PLN and a mechanism of gradual withdrawal of the benefit after exceeding the income threshold was introduced.

Some groups received additional benefits. This was the case of people with disabilities or their carers – rehabilitation fund (PFRON) launched the benefit instrument as early as in April. It was related to the closure of rehabilitation facilities²⁰. The temporary benefit was conceived as "co-financing of costs related to the provision of care at home" when, activities in rehabilitation or activation centres were suspended (e.g. occupational therapy workshops, community self-help homes, day care centres).

The second quarter of 2020 was a major challenge in anti-poverty policy, particularly as regards direct protection of income from work. The large increase in the minimum wage has probably improved the

¹⁸ Employment Promotion and Protection against Unemployment ILO Convention no. 168 <http://www.mop.pl/doc/html/konwencje/k168.html>

¹⁹ In the case of social assistance it is violation of the article 13 of the European Social Charter and principle 14 of the European Pillar of Social Rights.

²⁰ Programme *Pomoc osobom niepełnosprawnym poszkodowanym w wyniku żywiołu lub sytuacji kryzysowych wywołanych chorobami zakaźnymi* - Moduł III <http://www.pfron.org.pl/o-funduszu/programy-i-zadania-pfron/programy-i-zadania-real/pomoc-osobom-niepelnosprawnym-poszkodowanym-w-wyniku-zywiolu-lub-sytuacji-kryzysowych-wywolanych-chorobami-zakaznymi/>

income situation of many families in the first quarter of 2020. In the second quarter, on the other hand, there was an emergency situation related to the epidemic, with some workers losing their jobs and wages, and around 25% still declaring a reduction of their wages in June. The appropriate response to this situation is temporary benefits to compensate for the loss or drop in income. They were quickly introduced for non-standard workers and much later for employees on standard contracts. In addition, unemployment benefit has been increased, so that families with unemployed people, who are most at risk of poverty, will be slightly better protected for at least six months of payment of this benefit. It should be stressed, however, that an important part of social support for the unemployed is temporary social assistance benefits, which are still scandalously low. After the transition from unemployment benefit from the Labour Fund to temporary social assistance benefits (if it will be granted), the loss of net income is very acute.

Taking into account problems described above there are several urgent demands.

1. **Basic unemployment benefit should be linked to the minimum wage, so that it cannot be less than 50% of it.**
2. **Child allowance and family benefits should be annually indexed** by consumer price index.
3. **The maximum cap on temporary benefit from social assistance should be removed and it this benefit should be paid in the full amount of 100% of the difference between eligibility income and the income threshold.**
4. **Nursing benefit and housing allowance should not be included in the eligibility income for determination of social assistance benefits.**

Policies against poverty and social exclusion for the period 2021-2027

By the end of 2020 the EU will adopt regulations governing the spending of the ESF+ and other structural funds in the Member States in the period 2021-2027. The ESF+ is to implement the European Pillar of Social Rights (EPSR), which is a declaration adopted by all EU institutions and Member States. In Polish National Reform Programme 2019/2020, the government confirmed its support for the principles of the EPSR: "Poland fully recognises the principles of the European Pillar of Social Rights and plans to implement it also with the support of EU funds". The condition for launching the ESF+ in the period 2021-2027 is that the government adopts a strategic framework for policies to combat poverty and social exclusion.²¹

The implementation of this framework is to be monitored by the European Commission. A summary of the EPSR principles, broken down into income and poverty and public and social services, is presented in the table below.

Table 6: EPSR principles on income, poverty and social and public services

EPSR related to income and poverty	EPSR related to social and public services
<ul style="list-style-type: none"> ▪ Children have the right to protection from poverty (principle 11). ▪ Every elderly person has the right to have funds to live with dignity (rule 15). 	<ul style="list-style-type: none"> ▪ Children have the right to access high quality and affordable early childhood education and care services. (...) Children from disadvantaged

²¹ For the period 2014-2020 it was *Krajowy Program Przeciwdziałania Ubóstwu i Wykluczeniu Społecznemu* adopted by government in 2014.

<ul style="list-style-type: none"> ▪ People with disabilities have the right to income support that will ensure a decent living (principle 17). ▪ Every poor person has the right to an adequate minimum income to ensure a dignified life at all stages (principle 14). ▪ Unemployed persons have the right to appropriate benefits received within a reasonable time (principle 13). ▪ Workers have the right to wages to ensure a decent standard of living (...) in-work poverty must be prevented (principle 6). 	<p>backgrounds are entitled to specific funding to enhance equal opportunities (Principle 11).</p> <ul style="list-style-type: none"> ▪ Persons with disabilities have the right to services that enable them to participate in the labour market and in society and to a working environment appropriate to their needs (principle 17). ▪ Everyone experiencing poverty has the right to (...) effective access to supporting goods and services. For persons capable of working, minimum income benefits should be linked to incentives for (re-)integration into the labour market (principle 14). ▪ Unemployed persons have the right to appropriate activation support from public employment services for (re-)integration into the labour market (principle 13). (...) to continuous and consistent support tailored to their individual needs. The long-term unemployed have the right to an in-depth individual assessment (principle 4). ▪ The homeless receive adequate shelter and services to promote their social integration (principle 19). ▪ Everyone has the right to affordable and good quality long-term care services, in particular home care and community services (principle 18). ▪ Everyone has the right to have access to quality basic services, including water, sanitation, energy, transport, financial services and digital communication services. Persons in need shall be supported in access to these services (principle 20)
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Source: EAPN Poland

An anti-poverty policy based on these principles cannot focus solely on monetary benefits. The challenges for Poland according to the individual service principles (right column in the table above) will be presented below.

Implementation of the Convention on the Rights of the Child in Poland still faces numerous challenges²². Amongst them, the low level of universalisation of early childhood care and education services for children under three years of age remains a major problem. Since 2011, the availability of such care has been increasing, but needs, especially of poorer families in less urbanised areas, are far from being met. There are no special education and care programmes at this stage of life to equalise opportunities for children from such families. The division into crèches and kindergartens under different ministries is problematic, because crèches also have educational tasks. Mothers who stay at home with younger children have minimal non-financial support (e.g. poorly implemented one-time visits by community nurses). Intensive programmes of this type in other countries help mothers from poorer families very effectively.

²² Alternative report prepared by group of Polish ngos (EAPN Poland included) under the leadership of UNICEF.

There are a lot of problems with implementation of the Convention on the Rights of Persons with Disabilities in Poland²³. The low level of economic activity in this group is striking in comparison with other countries, especially the Nordic countries. This means that rehabilitation and occupational activation services are ineffective and the whole system needs thorough reform.

Economic activation and reintegration services for the long-term unemployed are not widely available. Social employment (vocational and social reintegration training and supported employment) covers only a small percentage of people who are long-term unemployed and recipients of monetary social assistance.

People in a homelessness crisis who can work should participate in programmes combining housing support and social employment. In Poland, however, support in shelters is predominant, and the percentage of homeless people using social employment is minimal. **The transition from shelter assistance to comprehensive housing assistance should be a priority in this area²⁴.**

The supply of good quality home care services in Poland is far too small in relation to needs. Many local governments do not provide them at all. Poland does not have an integrated deinstitutionalisation strategy to promote community-based services to reduce the inflow of children, people with disabilities, the elderly and others in various crises, to institutions.

Access to good quality water, sanitation, energy, transport, financial and digital communication services, especially for people from poorer families and communities is still a problem in Poland.²⁵

Transport exclusion (particularly acute when it comes to access to health and education services), financial exclusion, digital exclusion (particularly acute when it comes to the spread of remote learning) or energy poverty are challenges that should be taken into account in anti-poverty policies.

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²³ Concluding observations on the initial report of Poland, The Committee on the Rights of Persons with Disabilities, CRPD/C/POL/CO/1, 20018.

²⁴ Examples of this approach in Poland see J. Wilczek (red.), *Programy mieszkaniowe w przeciwdziałaniu bezdomności – dobre praktyki i refleksja systemowa*. Rzecznik Praw Obywatelskich, Warszawa 2017. Two Housing First projects are currently implemented in Poland: *Najpierw mieszkanie - innowacyjne metody trwałego rozwiązania problemu chronicznej bezdomności*, the leader is Fundacja Fundusz Współpracy, <https://cofund.org.pl/projekty/najpierw-mieszkanie> oraz *Housing first - najpierw mieszkanie*, the leader is Towarzystwo im św. Brata Alberta, <https://www.bratalbert.org/projekt-housing-first-najpierw-mieszkanie.html>

²⁵ R. Szarfenberg, A. Chłoń-Domińczak, A. Sowa-Kofta, I. Topińska, *Access to essential services for low-income people. Poland*, European Social Policy Network, European Commission 2020.

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About EAPN Poland

The European Anti-Poverty Network (EAPN) is the largest European organisation of national networks and European and international organisations that work to combat poverty. The Polish Committee of the European Anti-Poverty Network (EAPN Poland) was established in 2007, currently associating 32 national and local organisations. EAPN Polska operates at the Working Community of Associations of Social Organizations WRZOS.

The aim of the EAPN is, among other things, to monitor and review the state's activity in the field of combating poverty and social exclusion and to co-create social policy in this area, at national and European level. For more information see [EAPN](#) and [EAPN Polska](#).

POLSKI KOMITET EUROPEJSKIEJ SIECI PRZECIWDZIAŁANIA UBÓSTWU (EAPN POLSKA)
ul. Oleandrów 6, 00-629 Warszawa www.eapn.org.pl tel. (022) 826 52 46, Fax (022) 551 54 55
e-mail: eapn@wrzos.org, kontakt dla mediów: media.eapn@wrzos.org.pl
TT @EAPNPoland FB @EAPNPoland