



POVERTY WATCH 2021 POLAND

monitoring poverty and social
policy against poverty in Poland in
2020

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Summary

1. SUCCESS IN EXCEEDING AN UNAMBITIOUS TARGET AND NEW TARGETS FOR 2030

- 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.
- By 2019, the target of 1.5 million had been tripled to 4.8 million, which was a quarter of the EU target (20 million), including 1.4 million children.
- We propose targets for the National Programme for Combating Poverty and Social Exclusion for 2030 (thematic conditionality for EFS+) based on the approach of the Sustainable Development Goals (target 1), i.e. to reduce poverty in all its forms by at least half: at least 3 million fewer people at risk of poverty or social exclusion, including at least 500,000 children. We propose also subsidiary target: to reduce the incidence of extreme child poverty to less than 1% and child homelessness to zero.

2. IN 2020 EXTREME POVERTY INCREASES AND RELATIVE POVERTY DECREASES

- In 2020, according to Polish methodology the extent of extreme poverty increased from 4.2 to 5.2 per cent and relative poverty decreased from 13 to 11.8 per cent. The latter fact is not clearly positive, as it is due to the decrease in average expenditure in the population during the pandemic.
- The number of Poles living in extreme poverty increased by around 378,000 - from 1.6 million in 2019 to 2.0 million in 2020.
- The number of children in extreme poverty increased by around 98,000 - from 313,000 in 2019 to 410,000 in 2020. If it were to be less than 1 per cent, which should be the government's target, this number should not be higher than 62,000. To achieve this, the extent of extreme child poverty would have to decrease by 85 per cent.
- The number of extremely poor senior citizens increased by about 49,000 - from 264,000 in 2019 to 312,000 in 2020.

3. SOCIAL BENEFITS NEW AND OLD, BUT STILL NOT INDEXED, AND UNEXPECTEDLY FEWER FAMILIES BENEFITED FROM SOCIAL ASSISTANCE IN 2020

- 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 350,50 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 444). Payment of this benefit to all children did 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 85 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.

- The number of people who received the main social assistance benefits in the pandemic year fell by 8 per cent compared to 2019. The exception was special purpose benefits granted on condition of signing a social contract (an increase of more than 1,000 per cent from 100 to over 1000).
- Cash benefits system needs further reforms. Basic unemployment benefit should be linked to the minimum wage, so that it cannot be less than 50% of it. Child allowance (500+) and family benefits should be annually indexed by at least consumer price index. 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. Nursing benefit and housing allowance should not be included in the eligibility income for determination of social assistance benefits.

4. WE NEED A STRATEGY TO DEVELOP SOCIAL SERVICES AGAINST POVERTY AND SOCIAL EXCLUSION

- 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.
 - Quality 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 low level of labour force participation of people with disabilities is striking in comparison with other countries, in particular the Nordic countries. This means that vocational rehabilitation and activation services are ineffective and the whole system needs a thorough reform.
 - Social employment (professional, social reintegration and supported employment) covers only a small percentage of the long-term unemployed and recipients of social assistance benefits. Another area in need of the policy reform.
 - People in crisis of homelessness who can still work should participate in programmes combining housing support and social employment. The transition from shelter to housing support should be a priority in this area.
 - The supply of good quality home care services in Poland is too low in relation to needs. Many local authorities do not provide them at all. Poland does not have an integrated strategy to promote community-based services to reduce the inflow of children, disabled, elderly and people in crisis to 24-hour institutions for long-term stay. We need ambitious deinstitutionalisation strategy.
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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.

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

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/>

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 2020.

The Polish methodology for measuring poverty is subject to criticism both in the part for which the Statistics Poland (GUS) is responsible and in the part for which the Institute of Labour and Social Affairs (IPISS) is responsible. In the case of reporting on the extent of relative poverty, the GUS should also adopt an approach anchored in time, similar to that of Eurostat (the extent of relative poverty calculated according to the relative poverty line from a few years back, taking inflation into account). On the other hand, the Institute of Labour and Social Affairs should respond to the criticism of the structure of the subsistence and social minimum baskets and the way in which the minimums are adjusted to price changes. Methodological differences may lead to opposite conclusions, e.g. the results reported by the CSO suggested an increase in extreme poverty in 2018, when the results of the expert analysis showed that it decreased. Analyses based on administrative data on families receiving social assistance should also be subject to assessment by stakeholders.

The report provides an overview of data on poverty in general and poverty among families with children, children, seniors, families with disabled people and employees. A large part of the report deals with poverty policy from the perspective of income instruments and social services (European Pillar of Social Rights). We have also tried to give a voice to people experiencing poverty in the section on multidimensional poverty.

Due to the lack of Eurostat data for Poland in 2020, they have not been updated in this version of the report.

Situation on the labour market and in household budgets

Studies of the impact of pandemics in the past show that they increased income inequality, reduced the employability of those with low levels of education and had little impact on those with higher education. Those more at risk of poverty due to their weak position in the labour market became poorer, others retained their position. Economic crises related to pandemics and their negative impact on the situation of those who are "last to be hired and first to be fired" were responsible for such an impact. Similar mechanisms were also found in the case of the current pandemic.

Recent years have seen record low unemployment on the Polish labour market, which was 4-5 per cent in 2017 according to GUS surveys, already below 4 per cent in three quarters in 2018. (3.7-3.8 per cent), and in 2019 it was again slightly lower (3.6-3.0 per cent). In 2020, unemployment measured by this method was still low, not exceeding 3.3 per cent in any quarter.

Registered unemployment, on the other hand, increased from 5.2 per cent in January 2020 to 6.4 per cent in June and July, before declining slightly to 6.2 per cent in December. The number of unemployed registered at labour offices in the final months of 2020 increased by 21 per cent. (by 179.4 thousand in December) to over 1 million.

The dynamics of unemployment turned out to be much lower than predicted at the beginning of the pandemic (e.g. an increase of almost three times), nevertheless registered unemployment increased. Some of those who lost their jobs stopped looking for them during the anti-epidemic restrictions, hence they were not visible in the unemployment statistics.

In surveys of the occupational situation of Poles in May/June and October 2020, a question was asked about changes in work due to the coronavirus outbreak. Accordingly, 5 and 7 percent said they had to close their company, 9 and 11 percent had to reduce employment and company operations, 3 and 4 per cent lost their jobs, 20 and 14 per cent worked reduced hours and 4 per cent changed jobs (October 2020). In addition, when asked if a household member had lost their job or stopped earning because of the coronavirus outbreak, 11 per cent confirmed it in the first survey and 9 per cent in the second.

In 2020, real (adjusted for inflation) average wages grew by 1.7 per cent, compared with 4.8 per cent in 2019 and 5.4 per cent in 2018. The growth rate was thus much lower, but we still saw a real improvement in this respect. From the increase in unemployment and inactivity and the lower dynamics of average real wages, we anticipate that the material situation of households has worsened in 2020.

The March and September 2020 surveys found that the self-assessment of financial situation had deteriorated slightly compared to March 2019. The proportion declaring feeling calm and certainty about it fell from 41 to 37 per cent in March, and then to 33 per cent in September 2020. The proportion saying they were fearful of poverty, although hopeful that they could cope, increased, from 15 per cent in March 2019 to 17 and 19 per cent in March and September 2020.

The GUS' 2020 Household Budget Survey shows that average real family income per person increased by 1.8 per cent in 2020, much less than in the entire period 2014-2020, but monthly expenditure per person collapsed - it decreased by as much as 6.7 per cent in real terms. Such a change can be explained by the pandemic situation. The increasing uncertainty of the situation in 2020 prompted families to increase their savings levels, but there were also fewer opportunities to spend due to anti-epidemic measures in the form of closing down parts of the economy. Some families also lost some or all income from work, which also limited spending.

Real income and expenditure dynamics among the poorest 20 per cent of households developed very differently from the rest. Real income decreased by 9.3 per cent and real expenditure increased, albeit marginally by 2 per cent (in other income groups, the situation was the opposite). While in previous years expenditure in this group grew faster than income, in 2020 expenditure continued to rise even though income fell.

Overall, in 2020, real income growth declined markedly compared to previous years, while spending declined in real terms. The situation among the poorest 20 per cent in 2020 was the opposite - a fall in income with an increase in expenditure in inflation-adjusted terms. One explanation for this situation may be the fairly good social protection of the situation of poorer households (2019 reforms and new benefits in 2020 see further below), the use of savings and loans, but it must be remembered that poor families have very little room to reduce spending.

The situation in terms of real income growth has been improving since 2014, with stabilisation in 2017, a visible deterioration in 2018, an improvement in 2019 and another deterioration in 2020. The real income and expenditure dynamics of the 20 per cent poorest families were highest in 2016. In turn, the one in 2020 was the worst in terms of income, but expenditure dynamics were higher than in 2018. The year 2020 as a whole saw a deterioration in the labour market and wages, which had a negative impact on the budgets of many Polish families.

Extreme poverty increased and relative poverty decreased in 2020

The Central Statistical Office presents information on poverty only on an annual basis and in terms of expenditure on the basis of household budget surveys. When a household's expenditure per person is lower than the subsistence minimum – only survival needs (PLN 640 per person living alone in 2020) – it is considered as living in extreme poverty, and when it is lower than 50 per cent of the average expenditure (PLN 799, which is less than PLN 858 per person living alone in 2019, an exceptional situation) 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 (*sfera niedostatku* in Polish). 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. the risk of social exclusion. We have no data for 2020, but 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 or relative poverty.

Extreme and relative poverty coverage (the percentage of people in poor households) decreased until 2017 - but more so in 2016 than in 2017. In 2018, extreme and relative poverty increased, only to decrease again in 2019. **In 2020, there was an exceptional situation where the extent of relative poverty decreased and extreme poverty increased.**

In 2020, extreme poverty increased to 5.2 per cent, which was similar in level to that in 2018, when it increased after several years of declines (5.4 per cent). The number of Poles living in extreme poverty increased by around 378,000 - from 1.6 million in 2019 to 2.0 million in 2020. Thus, the situation had been improving since 2015, although to a lesser extent in 2017, with a break in 2018, 2019 brought an improvement again and 2020 another deterioration. Due to the large financial effort of the budget in case of child benefit payments, further falls in poverty for families with children were expected, so the increase in 2018 was a surprise. In contrast, the increase in extreme poverty in 2020 was not a surprise due to the negative economic impact of pandemic and anti-epidemic policies of social distancing in the form of increased unemployment and reduced labour income growth.

While in previous years the changes in extreme poverty and relative poverty were in similar directions, in 2020 relative poverty decreased from 13 to 11.8 per cent. In absolute numbers this is a decrease of about 474,000 people - from 5.0 to 4.5 million. This happened because the average household expenditure decreased, and thus the relative poverty line set as 50 per cent of the average also decreased (from PLN 858 in 2019 to PLN 799 for a one-person household).

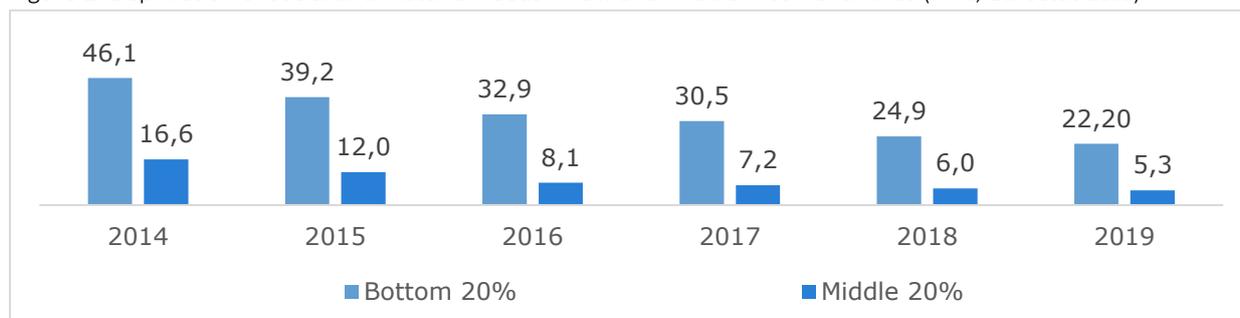
Comparing cross-sectional data over several years may raise doubts about the changes observed, especially in the case of relative poverty. There are fewer doubts about taking the poverty line in a given year as a reference point and adjusting it to changes in the cost of living in subsequent years. Such data for relative poverty in the income dimension are presented by Eurostat. According to them, **the situation in Poland has been improving since 2014 and time-anchored relative poverty has halved from 10.2 per cent in 2014 to 4.7 per cent in 2018. In this view, there is no deterioration in the situation in 2018.**

To verify these trends, we also used data on material and social deprivation (no data for 2020 in this version of the report). 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 1: 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.

The extent of extreme child poverty decreased more slowly in 2017 than in 2016, increased in 2018, decreased by 1.5 percentage points in 2019 to 4.5 per cent, and increased again in 2020 to 5.9 per cent. As EAPN Poland, we made demands that the government should adopt a target to reduce extreme child poverty to below 1 per cent by 2020. If such a target were adopted, it remains unrealised. The number of children in extreme poverty has increased by around 98,000 - from 313,000 in 2019 to 410,000 in 2020. If there were to be less than 1 per cent, this number should not be higher than 62,000. To achieve this, the extent of extreme child poverty would have to decrease by 85 per cent.

The child relative poverty incidence was higher than the extreme poverty incidence for the entire 2014-2020 period between 13.4 and 7.5 percentage points. **In contrast to extreme child poverty, relative poverty in this group decreased from 14.3 per cent to 13.4 per cent. In 2020, the number of relatively poor children decreased by about 62,000 and was below one million for the second time (decreased from 993,500 to 932,000).**

Data on the sphere of social exclusion for 2020 are not yet available. In 2019, there were three times more children in the sphere of social exclusion than in relative poverty. The extent of the sphere of social exclusion of children in 2015-2019 varied between 46 and 43 per cent. In 2019 43.4 per cent of children were in this situation, representing just over 3 million. This number decreased by about 162,000 (from 3.2 million) compared to 2018.

Child poverty is mainly the poverty of families with children. The childcare benefit (500+), introduced since 2016, had the reduction of poverty of families with children among its objectives. This benefit is for children up to the age of 18. In 2019, the income criterion for the only or first child was removed. From the perspective of most poor families, however, this did not matter, as they already met the criterion of 800 PLN per person in the family and collected the benefit for all children. The new law was effective from 1 July 2019, so 2020 was the first year in which the benefit was paid throughout the year without excluding any children.

The situation in families with many children and single parents has improved considerably when comparing 2014 and 2020. The extent of extreme poverty in single parent families has come much closer to that in families of two parents with one child. **Extreme poverty in families with many children is still more than twice as high as in other families, but the gap was much wider in 2014 (it narrowed from 11.4 percentage points to 3.1 points). In all three family types, extreme poverty increased slightly in 2020.**

Extreme poverty across all types of families with children increased in 2018, decreased in 2019 to increase again in 2020. When comparing 2015 to 2020, the largest decrease in the extent of extreme poverty was for families with at least three children aged 0-17 (by 8 percentage points). The difference between the poverty level of

families with at least one child of this age and families without children varied between 1.3 (2017) and 3.1 (2020) percentage points between 2016 and 2020.

In the case of the extent of extreme poverty of seniors, no clear trend can be seen between 2014 and 2020. In 2020, there was a slight increase in this indicator from 3.8 to 4.4 per cent. The number of extremely poor seniors in 2020 increased by about 49,000.

The extent of relative poverty among seniors has hardly changed in recent years, with small increases in 2017 and 2018, but in 2020 there is a more pronounced decrease from 11.8 to 10.0 per cent. In absolute numbers, the number of relatively poor seniors decreased by 108 thousand in 2020. (from 820 thousand to 712 thousand).

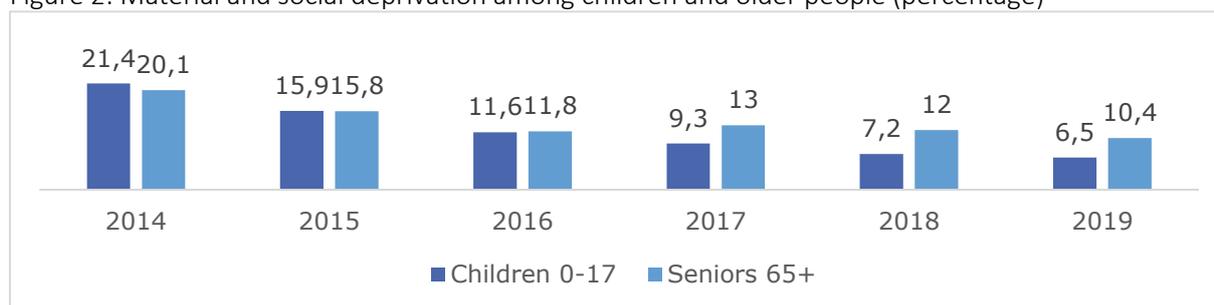
The relative poverty extent of households with at least one person with a disability stopped decreasing in 2017, extreme poverty in such families increased in 2018, decreased the following year and increased again in 2020. (from 6.5 to 7.5 per cent), so this was a similar increase to that in 2018.

The gap between the extent of extreme poverty in households with and without persons with disabilities has been decreasing since 2014. This trend continued in 2020, as extreme poverty in families without persons with disabilities also increased (the gap narrowed from 4.3 percentage points to 2.8 since 2014).

At the time of writing the first version of this report, there was no data yet on the extent of unmet material and social needs (material and social deprivation) in 2020. We therefore repeat the information from the previous report.

The proportion of children and seniors in this situation decreased unevenly throughout the 2014-2019 period. In the case of children, we saw a further but slightly smaller improvement in the situation in 2019.

Figure 2: Material and social deprivation among children and older people (percentage)

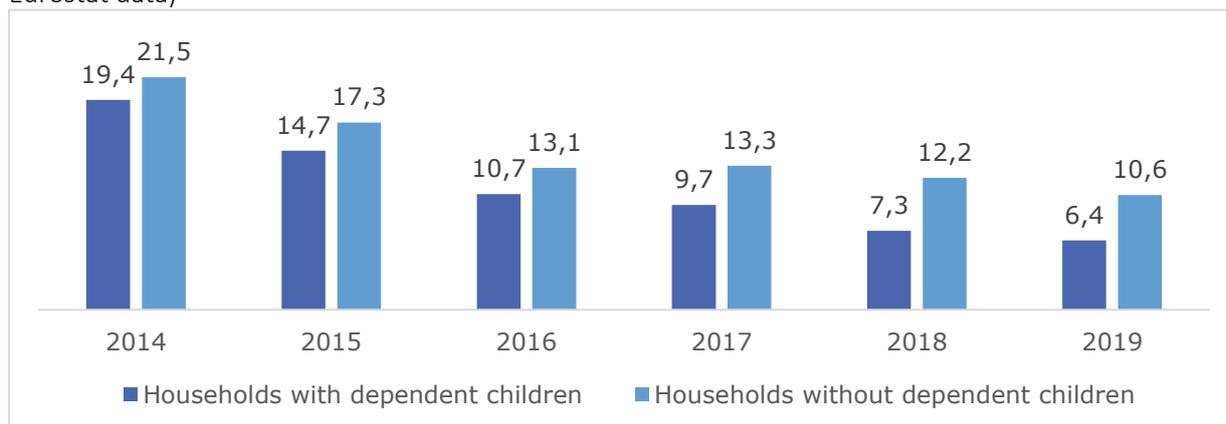


Source: EAPN Poland

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 3: 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).

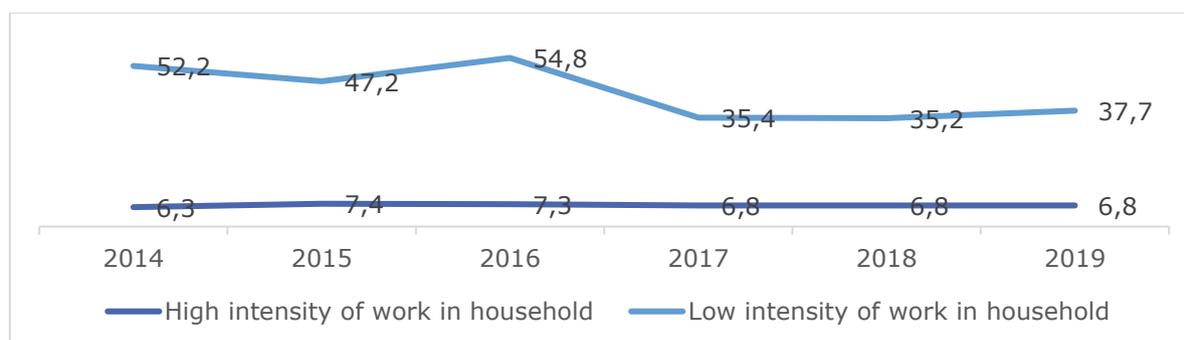
In-Work Poverty

Due to the lack of Eurostat data for 2020 at the time of writing this version of the report, we repeat the previous year's analysis here.

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

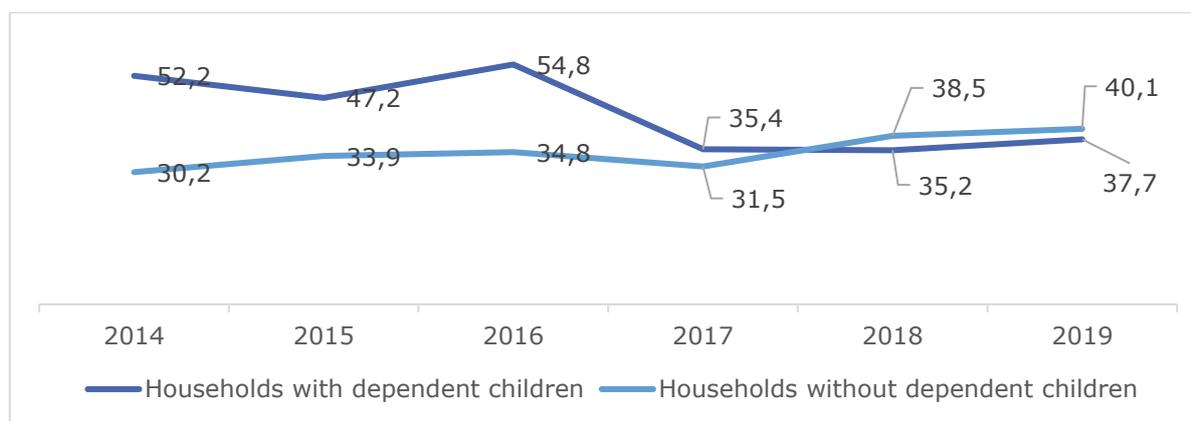


Source: EAPN Poland

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 5: 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.**

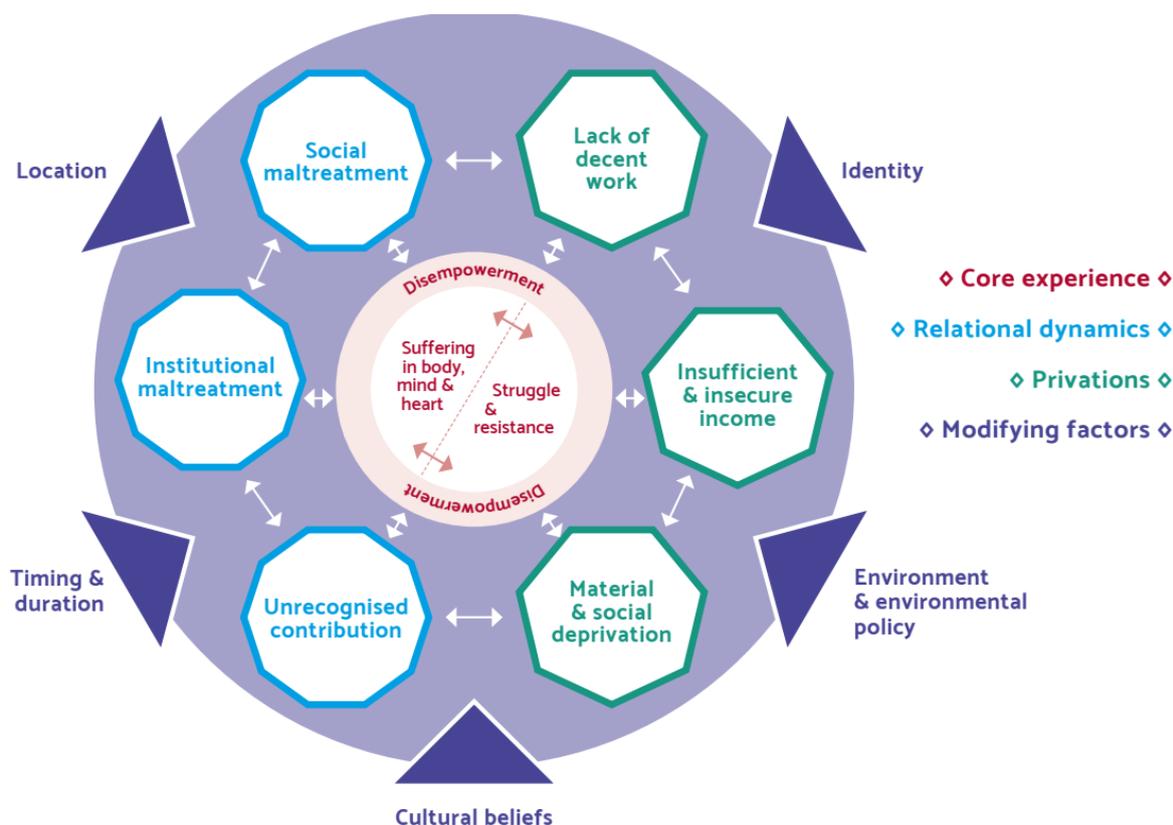
Experiencing multidimensional poverty

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.²

² 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

Figure 6: The concept of multi dimensions of poverty



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 1: People experiencing poverty about their lives

Dimension	Quotation
Job and income	<ul style="list-style-type: none"> ▪ "I lost my job because of downsizing. And I've been looking for a new job for a month and a half and I can't get one. I can't even get a course. Maybe I could find one, but I can't lift or walk much due to my illness. I have group I [disability] - so it is hard with my illness. All my disability pension is spent on rent. I'm worried that the rent is going up all the time." ▪ "(...) 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	<ul style="list-style-type: none"> ▪ "... the social assistance benefit has changed to 645 PLN (permanent benefit), but once it is [permanent benefit], social assistance is very reluctant to give a targeted benefit. They give a referral to a warehouse and there are no clothes."

- "I have 645 PLN because I have permanent benefit, I have to pay 400 PLN for a room, I'm sick and I have to live on my own. This is not life, this is vegetation. You can't live, you can't die."
- "The permanent benefit at the moment is PLN 645. But who can live on 645 PLN? To pay for housing, utilities, even food would not be enough."
- "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 submitted an application for consumer bankruptcy in January. It takes a long time, in the meantime they took my child away from me. They didn't like the fact that I was bringing it up myself, because after all, he could be a pervert, an incestuous person. It prolonged the bankruptcy case, but from what I talked, a lot of people get a positive decision. There is one thing: I go to the provincial office and they don't let me in, they ask me to send a letter by email. I come back, I write on a tablet. In another office the same thing happens. And at the district court: "no", please bring a paper one."
- "From the last period I had a rather positive or very positive impression of my contacts with the OPS [social assistance office]. My case was handled by two social workers, and they both handled the case very sensibly and helped me a lot."
- "I cannot get to any specialist doctor. I have referrals to an endocrinologist, to an ophthalmologist, to a neurologist, but only for June for next year. Can I get treatment?"
- "I am fighting my son's case in court. I write letters everywhere, and to be honest, I'm sick of it. My whole life consists of nothing but letters. All the time I'm fighting... The judge said to me, because I wrote to the Ombudsman, 'maybe you should stop fighting with the courts'. Already the courts want these cases to end. Already the courts are trying not to fight, so that they are on top."
- "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

- "In my opinion, no one is interested in a disadvantaged person. Indifference. They don't want to help."
- "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 am happy with myself because I don't have to use social assistance. I work for myself and it's hard, but I manage, I pay all my bills and I have money for shopping and pleasures in return for my hard work."

-
- "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
- "A sense of hopelessness came over me. Firstly, contrary to what the official propaganda puts into our heads, my housing costs have risen, and this applies to everyone. From September [2021] I'm paying 150 zloty more rent. Besides, I have noticed that when I go shopping, I spend much more. About 30-40 per cent more shopping than I used to spend. The price increase is incredible."
 - "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.

People experiencing poverty about COVID-19 epidemic

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.

Table 2: 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

Despite the pandemic, St. Brother Albert's Aid Society on behalf of EAPN Poland coordinated workshops for people experiencing poverty and social exclusion preparing Polish delegation for European meetings in Brussels. The report from this workshop presents opinions of invited experts and participants on such topics as access to culture, addictions, solving housing problems of the elderly, housing, homelessness of Polish emigrants, psychiatric treatment, social and professional activation, epidemics and legal and social help during these times, the Charter of Rights of People in Crisis of Homelessness and environmental justice. Below there are quotes from participants regarding the situation of people experiencing poverty in the COVID-19 pandemic.

- "The second point I would like to make is that **access to medical services is difficult. There are particular difficulties for excluded people, in crisis of homelessness**, who do not have, or do not know, their GP. Sometimes they also can't get through to a doctor, not just because there is a long waiting queue, but because they simply don't have the funds in their account, or they don't have a phone."
- "Unfortunately, on the legal side, it seems to me that nothing is happening that would protect excluded people now, during the coronavirus threat. **There is no specific Coronavirus Shield for the poor, the underemployed**. It seems to me that the Shield protects those who were already quite well off, who were in full-time employment or had their own forms of work. So it remains for these people to use social assistance as they have done so far".
- "I believe that in the era of the COVID-19 threat, the so-called excluded people are not left alone. They can count on both social welfare centres and NGOs. This help is very diverse, because it concerns both specialist services and material aid. People who approach the appropriate places can benefit from legal, psychological or family counselling, as well as professional counselling, because during a pandemic there are great problems with work. **In-kind help is also provided during the pandemic, perhaps even more extensively than before**. For example, in Warsaw, before the outbreak of the epidemic, the Mobile Counselling Centre bus took homeless people along the route of aid stations and one could at most drink tea; now one can get a parcel with dry provisions”.
- “Not everyone who lives at home and, for example, has not had to use help before and now finds themselves in a difficult situation, will know where to look for that help. Maybe we should think about a wider information campaign? Streetworkers on the street, billboards, Internet and TV ads should inform people where to look for help. **I think that it is more of a problem to get information about help in the era of COVID-19 than not getting that help at all**".

In the next series of workshops for people experiencing poverty in 2021, the topic of access to medical services, including vaccination for COVID-19, was also covered. Several conclusions were reached at the meeting.

- **People experiencing poverty should be regularly invited to meetings at which they are informed in an open and inclusive way about the benefits of vaccination, the places (e.g. for persons with disabilities) where vaccinations are carried out, the current risk of coronavirus, emerging virus mutations and the dynamics of disease outbreaks.** It is recommended that such meetings be conducted by open-minded people, able to provide factual information, but also ready to accept the arguments of vaccination sceptics or even opponents. Such meetings, financed by the Ministry of Health, should be conducted by social welfare centres, local governments or NGOs.
- **Buffer facilities where people in crisis of homelessness can undergo quarantine before being admitted to temporary accommodation should be set up in every poviát.** County authorities should also secure several places (e.g. sheltered flats, separated parts of hotels) for poor, lonely people, who are mildly ill with covid, but are unable to organise their own care during the isolation. In such places they would be provided with food, contact with a medical caretaker, security of basic needs and conditions for full health rehabilitation.
- **It is advocated that excluded people should be able to access treatment abroad in justified cases.** There is no ombudsman at the NFZ or the Ministry of Health who would specifically look after the interests of this group. The awareness of excluded people about the possibility of treatment abroad reimbursed by the NFZ is very low. An ombudsman for poor patients could also act effectively in other cases, e.g. obtaining compensation for errors in treatment, or other difficult situations for excluded persons related to treatment or access to medical services.
- It is advisable to equip streetworkers working in the environment of the homeless with leaflets informing about telephone numbers and addresses of places providing medical services, especially such as Doctors of Hope clinics, outpatient clinics, hospitals, etc.

The particular situation of elderly people living in nursing homes must be added to this picture. In order to protect health and life from COVID-19 disease, which is extremely dangerous for the elderly, a decision was taken to prohibit leaving the nursing homes and visits, which also affected the residents' immediate family. This situation continued for many months until the vaccination campaign in 2021. The whole period was summed up by a resident of the social care home in this way.

- "Most of the time we sat locked up [in the social care home]. Then they let us out a bit. So we sat around the rooms. Everyone was exhausted by the pandemic... Now they have locked us back in. To leave, you have to ask permission from the ward or social worker. There is a small shop here [at the care home], but everything there is so expensive, they charge double the prices, and here we have some money left over, so if I have some pennies left, I want to buy medicine, or go to the shop for sweets, coffee or tea, I have to ask the social worker. If you want to go out on Saturday or Sunday, you have to report to the ward beforehand, so that they let you go at the gatehouse... **We're sitting there like in a prison without a sentence.**"

Another resident of the nursing home, a spokesperson for EAPN Poland reported on the prolonged isolation and its effects.

- "More than 10 days have passed since the second vaccination of residents of care homes, and what do we know? **There are still almost 100 000 elderly and sick people who remain in confinement, without visits from family and friends and without the possibility of even going to a shop or a pharmacy. Depression, longing, feelings of hopelessness, exclusion and lack of**

meaning in life are getting worse. ... it [the truth] cannot be found out anywhere, what the conditions are and when the homes will open".

In March 2021, non-governmental organisations sent a letter on this issue starting with the sentence: "we turn to the Prime Minister on the issue of allowing residents of social care homes to go outside the premises and to receive guests" .

The situation in social care homes during the pandemic was analysed in the Ombudsman's report on the activities of the National Torture Prevention Mechanism. It found, among other things, shortages of staff, unpreparedness of nursing homes for the treatment of infectious diseases and many other problems that the pandemic highlighted in these facilities. Ines Bulic of the European Network for Independent Living (ENIL) commented on the situation as follows: "Apart from the denial of independent living and social exclusion, an institution is never a 'safer place' to live. Unusual situations like this pandemic highlight how vulnerable people are in closed environments and how difficult it is to find solutions. It is now too late for the thousands of people locked up in various institutions". In this context, it is appropriate to build up a support network in one's own home or in sheltered and supported housing, as foreseen in the deinstitutionalisation strategy developed with the participation of NGOs.

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 detected³, 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 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 spaces⁴. 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

³ Only one case of Covid-19 was detected in shelters for homeless people in Poland.

⁴ Project description <https://www.bratalbert.org/covid-19.html>

combating poverty for projects financed by the ESF⁵. The Association for Social Cooperatives and OZRSS prepared several editions of a guide to anti-crisis solutions to which social economy entities are also entitled⁶.

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 unemployed⁷.

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 carers⁸.

Action Plan for the European Pillar of Social Rights - discussion on targets to be achieved for 2030.

In 2021 The European Union adopted an Action Plan for the European Pillar of Social Rights , which Member States should implement, inter alia, through projects funded by EU funds in the period 2021-2027, as well as through the European Semester process. The Plan establishes three main indicator targets (headline target) for the areas of employment, lifelong learning and the fight against poverty and social exclusion. By 2030, at least

1. 78% of 20-64 year-olds should be in employment;
2. 60% of all adults should participate in vocational training each year;
3. the number of people at risk of poverty or social exclusion should be reduced by at least 15 million (of which at least 5 million will be children).

Reducing the number of people at risk of poverty or social exclusion by 15 million in the EU relative to 2019 (91.4 million for EU27) does not meet the EU's commitment under the UN Sustainable Development Goals, as it represents an overall reduction of only 16 per cent (from 91.4 to 76.4 million). The same is true for children (0-17 years, 17.9 million for EU27), where the target implies a reduction of 28 per cent (from 17.9 to 12.4 million). It should be added that the target has been reduced by 5

⁵ A letter to the Minister of Funds and Regional Policy: <http://ozrss.pl/wp-content/uploads/2020/03/PISMO-DOMINISTER-FUNDUSZY-20-MARCA-2020-ROKU-2.pdf>

⁶ *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>

⁷ 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

⁸ 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>

million compared to the 2010 target of 20 million. **It must therefore be concluded that the European Union is disappointing in its lack of ambition and consistency in this area.**

The Polish government has put forward a proposal to set targets to contribute to the EU target, which, as stated above, is not ambitious and is not in line with the first UN Sustainable Development Goal either for the general population or for children. It is proposed that for Poland **by 2030**

- **the number of people at risk of poverty or social exclusion should decrease by at least 1.5 million.**

This target is the same as in 2011, which seems to be better move compared to its reduction for the EU as a whole, but its level of ambition has increased due to the fact that the value of the indicator for the base year has decreased significantly (from 11.5 million in 2008 to 6.7 million in 2019). So **while in 2011 it was set that poverty or social exclusion should only decrease by 13 per cent by 2020. (it actually decreased by 42 percent), in 2021, the same figure (1.5 million) with a reduced base means a reduction already by 22 percent.** This is thus 6 percentage points more than the EU's unambitious target and more than the Polish share in the EU population, but clearly not the halving to which Poland has committed itself under the first of the UN Sustainable Development Goals.

It is surprising that the government, which has adopted the fight against child poverty as one of its priorities, has not established that of this 1.5 million, at least 500,000 fewer children should experience the risk of poverty or social exclusion as set out in the Action Plan for EPSR. If this were adopted, at least in relation to children, the target would approach the UN target with ambition, as the number of children in such a situation would be reduced by 47% by 2030 (from 1.1 million to 572,000).

The government, in the explanations provided for its proposal, also included a projection of a reduction of 2.7 million overall and 243,000 children in 2030. This means that, according to these projections, the 1.5 million target is 1.2 million (45 per cent) lower than the 2030 projection. If we further assume that the forecast was made for the current status quo in terms of social policy and social spending, then even a target in line with the forecast seems inadequate, i.e. it does not take into account future actions that the government should implement in order for the indicators to reach the set value. The target should motivate this and future governments to do more.

We therefore propose that the content of the third objective should read as follows: **by 2030 in Poland**

- **the number of people at risk of poverty or social exclusion should decrease by at least 3 million compared to 2019, including at least 500,000 children.**

We believe that such a goal is both ambitious and realistic, provided that this and future governments are willing to take additional measures to achieve the European Pillar of Social Rights. The argument that Poland has set an ambitious target because it exceeds by a few percentage points the unambitious target set by the EU is not convincing. The risk that the target will not be met is less than the risk that it will again be exceeded by 100%. **As poverty and social exclusion are multidimensionally harmful for families and children, the risk of not reaching the more ambitious target is worth taking.**

In addition, we call for additional targets to be set on the indicators of the extent of extreme poverty at the minimum subsistence level and the extent of deprivation at the minimum subsistence level. The EU has not yet developed a common methodology to calculate the absolute poverty indicators, although work is already advanced in this regard (ABSPO project). Poland should show to other countries that it is a leader in this respect, as the GUS publishes the scope of poverty according to this approach in two

versions (extreme poverty, sphere of exclusion). At the same time, it should be noted that the goal of reducing extreme child poverty to below 1 percent has not been achieved, and this was a key commitment of governments after 2015 accompanying the Family 500 Plus Programme.

Therefore, we also propose subsidiary targets to the main target. **By 2030.**

- **overall extreme poverty should be reduced from 4.2 to at least 2.1 per cent, of which**
 - extreme child poverty: reduction from 4.5 to less than 1 per cent
 - child homelessness: reduction from 0.7 to 0 per cent
- **the sphere of exclusion should decrease from 39.4 to 19.7 per cent, of which**
 - sphere of child exclusion: reduction from 43.4 to at least 21.7 per cent.

In addition, we also propose to add a target value for the fuel poverty indicator. **By 2030.**

- **energy poverty should decrease from 9.6 (2017) to at least 4.8 per cent.**

Fuel poverty combines the problem of poor housing and low income, and points to important targets for energy access services.

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

Minimum wage and cash benefits in combating income poverty

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 3: 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	4. Indirect support for increasing income by influencing its source or recipients, e.g. labour inspection, vocational training and retraining,

	unjustified dismissal, campaigns to make workers aware of their rights	day-care services for children or dependent persons, social rights awareness campaigns
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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 for direct protection and support of labour income is the minimum wage for employment contracts and the minimum hourly rate for civil law contracts. **The former was increased in 2020 by PLN 350, more than twice as much as in 2019. The former was increased in 2020 by PLN 350, i.e., by more than twice as much as in 2019 (by PLN 150) and amounted to PLN 2600 gross (50% of the average wage), i.e., PLN 1920.62 net. In turn, the minimum hourly rate increased from PLN 14.7 to PLN 17 gross.** Thus, during the pandemic, much higher rates were already in force. In 2021, the minimum wage was increased to PLN 2800 and PLN 18.30 respectively. The dynamics of the minimum wage and the minimum hourly rate have thus been very high in recent years.

Cash benefits serve to directly protect and support income from public sources. In 2019, several reforms were carried out, such as the removal of the income criterion from the child benefit, the implementation of the second stage of the increase in the already still very low nursing allowance, the introduction of a new supplementary benefit for dependents, as well as an annual one-off supplement to pensions. These solutions were fully in force in 2020, but in addition there were further solutions related to counteracting the effects of the pandemic.

In the second quarter of 2020, policies preventing poverty became crucial due to the negative effects of the COVID-19 epidemic on the income of working families. **Subsequent legislative packages (anti-crisis shields) were mainly aimed at sustaining employment through partial subsidies to employers on condition of reduced turnover and lower wages, and care allowances were extended several times due to remote learning.** Already the first shield contained direct instruments compensating for the drop in income from work for those working on civil law contracts and on sole proprietorships (a parking benefit amounting to 80 percent of the minimum wage in net terms, i.e. PLN 2080). Access to these benefits for some people working on civil law contracts was difficult, as the application required the activity of the principal.

The shields did not provide for benefits for persons losing employment based on an employment contract. **However, they were introduced on the initiative of the President in the form of a solidarity supplement, which was lower than the parking benefit by 680 PLN and amounted to 1400 PLN.** However, this allowance was only paid from June 2020, for a maximum of three months for people who lost their jobs after 15 March. In this case, there were also several restrictions hindering access, as 60 days of paying social security contributions in 2020 were required, termination of the employment contract by mutual agreement was not eligible, and the benefit could not be combined with unemployment benefit.

Together with the introduction of the temporary solidarity supplement, **the basic unemployment benefit was also increased from 881.30 PLN to 1200 PLN gross, i.e. by more than 36 per cent. However, this is still 100 PLN less than at least 50 per cent of the minimum wage, as required by international standards.** In 2021, the minimum wage was raised to PLN 2,800, so the difference from the standard increased to PLN 200. At present, an unemployed person, after fulfilling numerous requirements, can count on 1025 PLN net for the first three months (if he or she has work experience from 5 to 20 years), 814.49 PLN for the next three, and then again he or she has to meet numerous criteria and requirements of social assistance, which guarantees only 350.50 PLN to a single person without income, and a maximum of 418 PLN. Poland does not meet international standards in both cases.

Of the benefit changes that were not temporary, it should also be mentioned that under Shield 3.0 the criterion for the alimony benefit (in case of absent parent fail to pay alimony) was increased to 900 PLN and a mechanism for gradual withdrawal of the benefit after exceeding the income criterion (1 for 1 PLN) was introduced.

Some groups received additional support benefits. This was the case of persons with disabilities or their carers - PFRON launched the benefit instrument already in April 2020, which was related to the closure of rehabilitation centres. The benefit was conceived as "co-financing of costs related to the provision of care in home conditions" when, in response to the epidemic, classes in rehabilitation or activation centres (e.g. occupational therapy workshops, community self-help homes, day care homes) were suspended.

Despite announcements about financial support for housing costs during the pandemic period, it was not until 2021 that a solution in this area came into force: a rent subsidy. It augmented the housing benefit (for tenants only) which could be 75% of the monthly rent paid by the tenant, but no more than 1,500 PLN. However, it was pointed out that not many people would be able to benefit from this solution, mainly due to the requirement to document a decrease in income of at least 25% compared to 2019. It is worth adding that, due to the epidemic, a **provision prohibiting ("shall not be executed") eviction from residential premises has been introduced (it does not apply, among others, in the case of judgments issued under the Act on Counteracting Domestic Violence).**

The year 2021 is the year of verification of income criteria and the level of family benefits with supplements and social assistance benefits. The government has decided that, as in 2018, it will freeze income criteria and the level of family benefits (family benefits, supplements to them). In the case of family benefits and their supplements, they have not changed since 2016, and including this decision **they will be frozen for 7 years.** These are benefits for poorer families, so they should be particularly protected against losing real value. New child benefit (500+) has also not been indexed since 2016, and the 2019 reform mainly benefited families with one or two children with high incomes who did not meet the income criterion for the only or first child previously.

However, due to the verification and changes in the Social Assistance Act, **the government decided to raise the social assistance income criteria and the maximum levels of periodical benefit (from PLN 418 to PLN 600, i.e. to the amount of the criterion per person in the family, the first change of this amount since 2004) and permanent benefit (PLN 719) by several dozen zlotys; they will be in force from 2022.** These changes were waited until 2021, the year in which the criteria verification deadline falls. An amendment to the Social Assistance Act introducing new rules for determining the maximum periodic benefit amount was also adopted in 2021. This means that typical cash social assistance has not been changed during first waves to the pandemic. **The neglect of the indexation of the income criterion**

resulted in it being lower for some families than the subsistence minimum, i.e. the extreme poverty line. The differences were not great in 2020, but they will increase in 2021, because the criteria will be raised from 2022 and the minimum subsistence level will increase due to inflation. This situation should not happen and has happened again after the PO-PSL government decided to freeze the income criteria in 2009.

Contrary to forecasts that the number of people using social assistance in the form of benefits would increase, in particular due to the rise in unemployment, nothing of the sort occurred. The number of people who were granted periodic benefits by decision fell by 5 per cent. (by 15.7 thousand) compared to 2019, and periodic benefits due to unemployment - decreased by 3 percent. (by 5.8 thousand). There could be several reasons for this situation. Firstly, social assistance centres closed, as did other institutions and became less accessible. Secondly, other income protection instruments introduced in 2019 and 2020 meant that the income of poorer families was so well protected that they did not have to use social assistance benefits. Third, the deterioration of the situation was in most cases short-lived, the family's own resources and assistance allowed it to survive. Fourthly, the income criteria and the benefits depending on them are very low, and require going through an administrative procedure with a visit of a social worker with an extensive interview at home (during the epidemic interviews were conducted by telephone), so families did not decide to apply for them, even though their financial situation deteriorated.

The use of only two main forms of municipal social assistance in the form of benefits increased in 2020 compared to 2019. Target benefit granted irrespective of income for the purposes of implementing the social contract and shelter - an increase of 1023 per cent and 12 per cent respectively.

It is worth noting that the number of persons who were granted special purpose-specific benefits, which are also granted regardless of income, decreased by 18 per cent in 2020. This shows that social assistance mainly used the purpose-specific benefit, which serves to implement the provisions of the social contract. **Additional conditions were therefore placed on people who applied for assistance during the pandemic. It is not known how many applications for assistance were rejected.**

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 at least 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.**

Social services in the fight against poverty and social exclusion in the European context

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.⁹ The implementation of this framework is to be monitored by the European Commission. A summary of the EFPS principles, broken down into income and poverty and public and social services, is presented in the table below.

Table 4: 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). ▪ 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). 	<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 backgrounds are entitled to specific funding to enhance equal opportunities (Principle 11). ▪ 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)

Source: EAPN Poland

An anti-poverty policy based on these principles cannot focus solely on cash benefits. The challenges for Poland according to the individual service principles (right column in the table above) are as follows.

⁹ For the period 2014-2020 it was *Krajowy Program Przeciwdziałania Ubóstwu i Wykluczeniu Społecznemu* adopted by government in 2014.

Implementation of the Convention on the Rights of the Child in Poland still faces numerous challenges¹⁰. 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.

There are a lot of problems with implementation of the Convention on the Rights of Persons with Disabilities in Poland¹¹. 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. A good example in this respect are the activities of the Aktywizacja Foundation. The model of the Foundation's work should be disseminated in Poland, e.g. through a special government programme¹².

Job activation and professional and social reintegration services for the long-term unemployed are not widely available. Social employment (vocational and social reintegration and supported employment) covers only a small percentage of the long-term unemployed and welfare recipients. These people are trapped between the labour office and the social assistance centre. The former, which specialises in vocational activation, has no incentive to help these people as it does not pay them any benefits, while the latter pays them very low benefits mostly financed by the central budget or financed from its own resources, but these can be of any level and are not guaranteed. Besides, social assistance centres are not institutions specialised in job placement and vocational counselling¹³.

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 area¹⁴.**

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,

¹⁰ Alternative report prepared by group of Polish ngos (EAPN Poland included) under the leadership of UNICEF.

¹¹ Concluding observations on the initial report of Poland, The Committee on the Rights of Persons with Disabilities, CRPD/C/POL/CO/1, 20018.

¹² Proposal of this programme see *Pathway to employment for people with disabilities (Ścieżka do zatrudnienia osób z niepełnosprawnościami)*, https://kongres.miasta.pl/wp-content/uploads/2021/06/M.05-3_ROZWI%C4%84ZANIE.pdf

¹³ See proposal: *Vocational activation of persons able to work and receiving social assistance (Aktywizacja zawodowa osób zdolnych do pracy i korzystających z pomocy społecznej)*, https://kongres.miasta.pl/wp-content/uploads/2021/06/M.05-2_ROZWI%C4%84ZANIE.pdf

¹⁴ 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>

the elderly and others in various crises, to institutions¹⁵. A government draft in this area was presented for "pre-consultation" (*Strategy for the Development of Social Services*), but it differs substantially from the project whose preparation was also initiated by the Government (*Social and Health Services for Independent and Safe Living. Strategy for deinstitutionalisation of services in Poland 2021-2035 and Roadmap for implementation until 2023*). We hope that the final version of the government strategy will be more ambitious in the development of community-based social service systems than the version presented for consultation.

The above problems are unlikely to be solved by the new Act on the Implementation of Social Services in Social Service Centres of 2019. Its aim is to increase access to social services that local governments are responsible for providing, as well as to reduce the fragmentation of these services and introduce instruments for their coordination. **However, this reform is voluntary for local governments and no additional resources have been provided for it apart from the funding of implementation projects in dozens of municipalities from the European Social Fund.** It is therefore possible that, as in the case of social integration centres, these centres will also operate in a small percentage of municipalities, which will increase inter-municipal differences in the availability and coordination of social services, mainly in the field of social assistance and family support.

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 Poland¹⁶. 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.

¹⁵ See another proposal of amendments of governmental programme Care 75+ (*Opieka 75+*): https://kongres.miasta.pl/wp-content/uploads/2021/06/M.05-1_ROZWI%C4%84ZANIE.pdf

¹⁶ 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](#).

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