



EMIN Context Report POLAND

Developments in relation to Minimum Income Schemes

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May 2017

What is EMIN?

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at www.emin-eu.net

What is the Context Report?

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realisation of adequate Minimum Income Schemes in that country. These Country Reports can be found on www.emin-net.eu (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in Poland since the publication of the Country Report.

Acknowledgements:

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For the period 2017-2018 EMIN receives financial support from the European Union Programme for Employment and Social Innovation “EaSI” (2014-2020) to develop its work in the EU Member States and at EU level. For further information please consult: <http://ec.europa.eu/social/easi>

The information contained in this report does not necessarily reflect the official position of the European Commission.

Definitions used in the EMIN Project

Minimum Income Schemes are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

EMIN aims at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

Adequacy is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

Accessible is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries
- personal barriers such as lack of information, shame or loss of privacy.

Enabling is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

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Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

Changes in the legislation and regulations governing minimum income schemes in your country with regard to

- *Eligibility conditions (lack of sufficient resources, age requirements, residence...)*

No change

- *Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)*

No change

- *Levels of payment, uprating*

Regular three year process of uprating of family and social assistance benefits and income criteria was concluded by decisions to increase social assistance income test from 542 zł (127 Euro) to 634 zł (149 Euro) for one person household, and from 456 zł (107 Euro) to 514 zł (120 Euro) for multi-person family. The next year for taking uprating decision is 2018.

- *Links with other benefits*

After introduction of new child allowance (called 500+, in law świadczenie wychowawcze) the rule of not combining family benefits with social assistance was broken. Now in principle low-income families with children may have full child allowance for all children and full social assistance cash benefits. First child income test for child allowance is 800 zł (188 Euro) which is greater than multi-person household social assistance income test 634 zł (149 Euro). Some of social assistance benefits are at full discretion of local governments social assistance offices (necessities benefit which could be also in kind), and we have some signals from families that they are now reluctant to give it to families.

- *Governance of the schemes?*

New child allowance is fully funded by central government but it is implemented (eligibility, payments etc.) by local governments. In many local governments social assistance offices are responsible for family benefits and social assistance benefits. Only in major cities family benefits are

in competences of other offices. New administrative burdens on small social assistance offices could have some consequences for crowding out social services i.e. social work which is also responsibility of local government.

*Evolution with regard to **adequacy** of minimum income?*

If we assume that social minimum is adequacy standard then updated in 2015 social assistance income tests are well below that standard. For one person household social minimum was 1085 zł (254 Euro) in September 2016 which is a lot more than 634 zł (149 Euro). For multi-person households it was on average 916 zł (215 Euro) which is a lot more than 514 zł (120 Euro).

If we assume that subsistence minimum is adequacy standard then updated in 2015 social assistance income tests are slightly over that standard. For one person household subsistence minimum was 546 zł (128 Euro) in 2015 which is a bit less than 634 zł (149 Euro). For multi-person households it was on average 467 zł (109 Euro) which is a bit less than 514 zł (120 Euro).

Above is a consequence of application of the reference budgets methodology (social minimum, subsistence minimum) for family benefits and social assistance benefits income eligibility criteria. It was designed in early 2000.

*Evolution in terms of **coverage** or **take-up** of benefits?*

There are no changes in the regulation of coverage. New child allowance could have consequences for take-up of social assistance by families with children. Some local government reports that number of recipients of social assistance is decreasing. It could be a consequence of many factors e.g. unemployment in Poland is going down. Another is that new child allowance is relatively high in comparison to social assistance benefits and it does not require home visits of social workers. Those visits could be seen by families as a threat of close surveillance how they spend child allowance and how they care for children.

Coverage for new child allowance is not full because of income test for the first child. Almost half of children are excluded and they are mainly from families with more income per person than 800 zł (188 Euro) and 1200 (281 Euro) if there is a child with disability certificate.

*Evolution with regards to the **linkage** between minimum income schemes, (inclusive) **labour markets** and (quality) **services**?*

No change for social assistance. Introduction of a generous child allowance with income test for the first child raised up concerns about women's labour market participation and concerns about undersupplied child care for pre-schoolers. First concern is initially confirmed by microsimulation model mostly for second earners and is estimated for 5% of working women and 1% of total working population. Two earners families are at the lowest risk of poverty. Despite low supply of childcare for children 0-3 year old and older government did not introduced new measures for expanding it.

Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in Poland. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

Recent initiatives to develop reference budgets or to adapt existing reference budgets?

- *For what purposes are they developed or used? By whom?*
- *What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?*

In Poland the methodology is purely based on expert input. It is regularly calculated by experts employed in independent research institute (Instytut Pracy i Spraw Socjalnych) under the supervision of social ministry. There is no involvement of focus groups or other participatory research methods. Last changes in methodology were introduced in 2006.

- *How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness raising?*

Poland developed reference budget methodology in seventies and started to use it systematically from early eighties. It was used then as a base for independent trade union advocacy. From early 2000 it was implemented in the process of determining level of income test for family benefits and income test and the level of benefits in social assistance. It is also applied to determining poverty lines which are used in household budget surveys. It is very useful for campaigning for more adequate levels of income tests and level of social assistance benefits.

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum **Income**. Evidence can also be found in EAPN's assessment of **National Reform Programmes 2016**. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.

No

Has EU funds being used to support developments in relation to Minimum Income Schemes

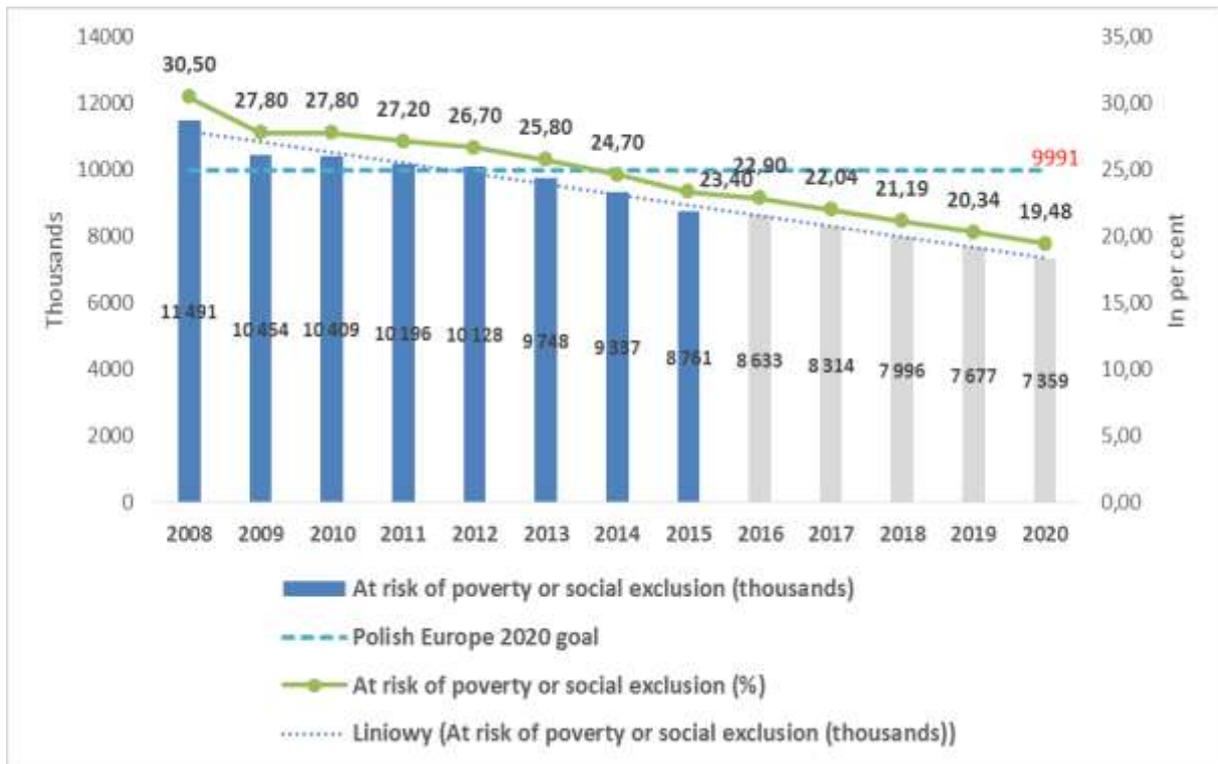
No

Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes

In this section there is a brief sketch of the 'mood', the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travellers, growing nationalist sentiments etc.

What kind of social and political environment exists within which the EMIN project will operate?

At risk of poverty or social exclusion indicator is systematically going down in Poland (see chart). Government goal for Europe 2020 was 1.5 million people less in comparison to 11,5 million in poverty or social exclusion in 2008. In 2013 that goal was accomplished. EAPN Poland pressured for updating the goal but our efforts failed. In a draft of National Reform Programme update 2017-2018 government predicts final reduction up to 4 million.



In 2015 there was a parliamentary elections and the main opposition party Law and Justice (Prawo i Sprawiedliwość) won. Victory allowed them to form government alone but they have no majority necessary to change the constitution.

Social reforms of the new government seems to be progressive. They introduced generous child allowance (called Program 500+) with income test for the first child and universal for subsequent children up to age of 18. Impact on income and/or expenditure poverty could be substantial. Previous government raised retirement age from 60 for women and 65 for men to universal 67 (for women to 2040, for men to 2020). New government cancelled that reform to previous ages from late 2017. That move is under heavy criticism from economic experts on the ground that the consequence will be the raise in poverty of the future retirees under defined contribution pension system introduced in 1999. Main conclusion is that under the old retirement age there will be much more female retirees entitled only to minimum pension or not entitled to it at all. Another change in pensions is increasing minimum pension to 1000 zł gross (235 euro). It is however still below social minimum for retirees' households.

Several reforms were aimed at labour market. New government raised minimum wage more than was agreed in the process of social dialogue. New minimum wage is now 2000 zł gross (470 euro). Another reform was introduction of minimum hourly wage at 13 zł (3 euro) per hour for one of the main type of civil law contracts (umowa zlecenie). Those contracts are called in public discourse in Poland as junk contracts.

The main criticism and popular movement against new government called Committee of the Defence of Democracy (Komitet Obrony Demokracji) was aimed at ruling party's attempts to change membership of the Constitutional Tribunal and its organization. Now it seems that Constitutional Tribunal is under the control of judges supported by ruling party. Another

very often criticised development is politicisation of the public TV and radio. It means that now it is strongly biased on the side of government and openly against the opposition.

New government’s attitude to European Union could be described as reluctant to deeper European integration. Some critics from opposition suggested that ruling party is for Polexit, but it was strongly rejected by government officials and in fact it is not the case. New government is strongly against accepting any asylum seekers as a result of quota or other European migration policy. Main argument is that Poland accepted millions of immigrants from Ukraine. They are called by some government officials’ asylum seekers but in fact they are economic immigrants with standard 6 months’ work permissions. Poland’s attitude to accept asylum seekers under previous governments was also not very open but now it is much worse.

Details on the quality of Polish democracy from Freedom House evaluation of Poland 2017 with a conclusion that the quality of Polish democracy declined in five dimensions.

Nations in Transit Ratings and Averaged Scores

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
National Democratic Governance	3.50	3.25	3.25	2.75	2.50	2.50	2.50	2.50	2.75	3.25
Electoral Process	2.00	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.50
Civil Society	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75
Independent Media	2.25	2.00	2.25	2.25	2.25	2.50	2.50	2.50	2.75	3.00
Local Democratic Governance	2.25	2.00	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.75
Judicial Framework and Independence	2.50	2.25	2.50	2.50	2.50	2.50	2.50	2.50	2.75	3.25
Corruption	3.00	2.75	3.25	3.25	3.25	3.25	3.50	3.50	3.50	3.50
Democracy Score	2.39	2.25	2.32	2.21	2.14	2.18	2.18	2.21	2.32	2.57

Score Changes:

- **National Democratic Governance rating declined from 2.75 to 3.25** due to Poland’s descent into total political polarization and lack of consensual decision-making, as well as passing laws without adequate consultation with civil society or the parliament and informal control over political processes.
- **Civil Society rating declined from 1.50 to 1.75** due to smear campaigns against nongovernmental organizations (NGOs) in the public media and the worrying trend of far-right groups gaining tacit or, in some cases, explicit support from the government.
- **Independent Media rating declined from 2.75 to 3.00** due to the transformation of public media into a government propaganda machine, with further concerns about manipulation of the advertising market influencing private media.
- **Local Democratic Governance rating declined from 1.50 to 1.75** due to increasing centralization of school oversight and the paralysis of the Joint Central and Local Government Commission.
- **Judicial Framework and Independence rating declined from 2.75 to 3.25** due to the far-reaching reform of the Constitutional Tribunal that curbed its ability to function as an effective oversight body, thereby threatening rule of law in Poland.

As a result, Poland’s Democracy Score declined from 2.32 to 2.57.

Full report: https://freedomhouse.org/sites/default/files/NIT2017_Poland_0.pdf

The preliminary conclusion is that there is clear progress in the area of labour and social rights and ambivalent or negative development in other areas. Positive social developments could be relevant for minimum income scheme (cash social assistance). First, it is clear that minimum income is far less important for new government than for the previous ones. The main reason is its reluctance to the idea of helping only the poor families and strong commitment to universal family benefits policy. Second, the cost of new social policy initiatives are high and it seems that the scope for new positive reforms in social assistance cash benefits is very limited.

Section 5: Developments in relation to the Polish EMIN Network

In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.

Is there a formal or informal steering group for your National EMIN Network (who is involved)?

No

Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?

No

Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?

No