

Unregistered employment in 2022 (based on the preliminary results of the LFS module survey)

31.10.2023

342
thousand
The number of employed persons in the hidden economy

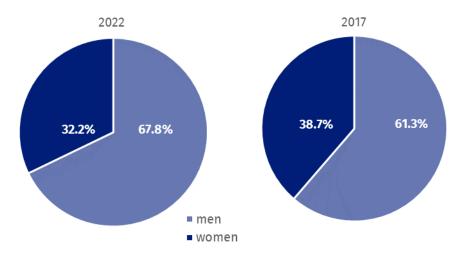
The number of persons aged 15-89 who performed unregistered employment (at least once) in the period from January to December 2022 was 342 thousand (compared to the same period of 2017, which was observed in the previous edition of the module survey, it is a decrease by 538 thousand, i.e. by 61.1%). The population of employed persons in the hidden economy in 2022 constituted 2.0% of the total number of employed persons in Poland in 2022 according to the LFS criteria (16742 thousand persons¹).

2.0% of all employed persons in 2022 performed at least once unregistered employment

Employed persons in the hidden economy

In 2022, 342 thousand persons performed unregistered employment i.e. 2.0% of the total number of employed persons. In the same period of 2017, 880 thousand persons worked in the hidden economy, which represented 5.4% of the total number of employed persons². Compared to 2017, the population performed unregistered employment as well as the share in the total number of employed persons decreased significantly. In 2022, the most of employed persons in the hidden economy, as in 2017, were men (respectively: 67.8%, i.e. 232 thousand and 61.3%, i.e. 539 thousand).

Chart 1. Structure of the employed persons in the hidden economy by sex



67.8% of employed persons in the hidden economy in 2022 are men

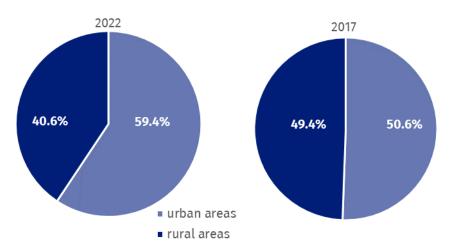
The share in the structure of those performing unregistered work in 2022 by place of residence was different in 2022 and 2017. In 2022, among those performing unregistered work there were 59.4% of urban residents (203 thousand) and 40.6% of rural residents (193 thousand) - in 2017 it was respectively: in urban areas - 50.6%, and in rural areas - 49.4%. It is worth emphasizing that in 2022, the share of urban and rural residents in the

¹ Annual average data (arithmetic average for employed persons by LFS from four quarters of 2022 to ensure compliance with the reference period used in the module survey).

² Annual average data (arithmetic average for employed persons by LFS from four quarters of 2017 to ensure compliance with the reference period used in the module survey). In order to ensure comparability with the 2022 data, the share was calculated in total of employed persons in 2017 recalculated after taking into account the definition obligatory in LFS from 2021.

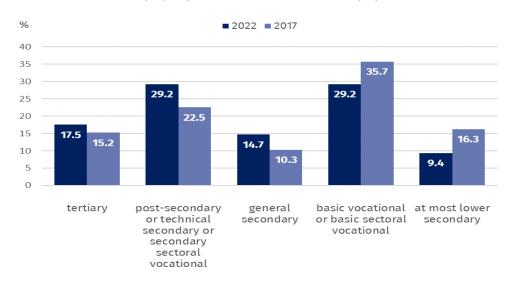
population performing unregistered work was similar to the share of urban and rural residents in the population of Poland.

Chart 2. Structure of the employed persons in the hidden economy by place of residence



Analysing the level of education of persons performing unregistered employment in 2022, the two largest groups (29.2% of each) were persons with post-secondary or technical secondary or secondary sectoral vocational and with basic vocational or basic sectoral vocational and the smallest group - persons with at most lower secondary education (9.4%). Compared to the situation in 2017, in the population of employed persons in the hidden economy in 2022, the share of persons with at most lower secondary education and basic vocational or basic sectoral vocational education decreased (by 6.9 pp. and by 6.5 pp., respectively), while there was an increase in the share of persons with post-secondary or vocational secondary education (by 6.7 pp.), general secondary education (by 4.4 pp.) and tertiary education (by 2.3 pp.).

Chart 3. Structure of the employed persons in the hidden economy by level of education³

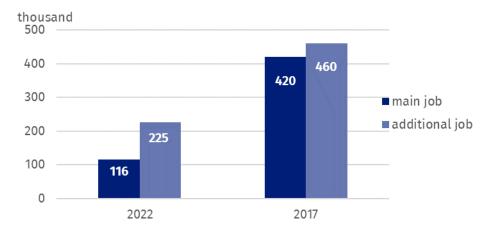


The results of the survey conducted in 2022 show that, similarly to 2017, unregistered employment for most of persons had a character of additional job, and in 2022 the share of this group in the entire population of employed persons in the hidden economy increased significantly (in 2022 it constituted 66.0%, i.e. 225 thousand, and in 2017 52.3%, i.e. 460thousand). However, for approximately 1/3 of this population (34.0% of all employed persons in the hidden economy, i.e. 116 thousand persons), this work was their main job.

For 66.0% of employed persons in the hidden economy in 2022, this work was of a casual nature

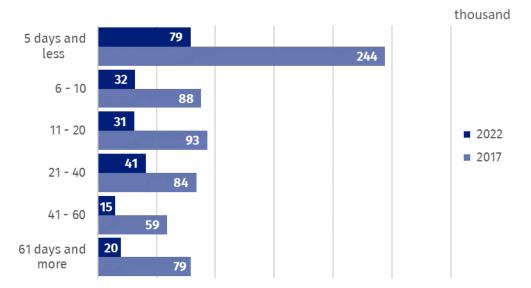
³ For the year 2022, basic vocational education was presented together with basic sectoral vocational education, and post-secondary or technical secondary education including secondary sectoral vocational education.

Chart 4. Employed persons in the hidden economy by the character of performed work



The time spent on unregistered employment was differential. The largest group, both in 2022 and 2017 were persons who worked in the hidden economy for up to 5 days during the year (respectively: 79 thousand persons, i.e. 23.1% and 244 thousand persons, i.e. 27.7%). The smallest group, 15 thousand, i.e. 4.4%, constituted in 2022 persons who worked between 41 and 60 days during the period considered (in 2017 it was 59 thousand, i.e. 6.7%). At least 61 days in 2022 worked 20 thousand persons, i.e. 5.8% of this population (in 2017 it was 79 thousand, i.e. 9.0%). The average number of days worked by persons performing unregistered employment decreased by 2 days in 2022 compared to 2017 and amounted to 28 days.

Chart 5. Employed persons by the number of days worked⁴



Types of work performed by employed persons in the hidden economy

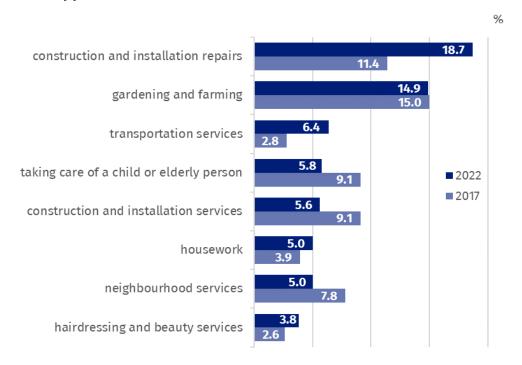
The survey results indicate that in 2022, work relating to construction and installation repairs was the most frequently carried out in the hidden economy, and it was performed by every fifth person engaged in unregistered employment (18.7%). A large group of employed persons in the hidden economy were those involved in gardening and farming (14.9%), as well as transportation services (6.4%) and taking care of a child or elderly person (5.8%). However, in 2017, work on gardening and farming was carried out most often (15.0%), while the second group of employed persons in the hidden economy were those involved in construction and installation repairs (11.4%).

On average, in 2022, persons worked in the hidden economy for 28 days

The most common type of work performed in the hidden economy was construction and installation repairs

⁴ Outcomes don't sum on the total employed in the hidden economy due to "no answer" cases on the number of days worked.

Chart 6. Structure of the employed persons in the hidden economy by selected types of recently performed work



Methodological notes

The presented news release was prepared on the basis of the generalised results of the module survey "Unregistered employment", carried out in the first quarter of 2023 together with a probability sample Labour Force Survey (LFS). The survey was carried out in accordance with the Programme of statistical surveys of official statistics for 2023 on half of the sample of households selected for the LFS.

Unregistered employment should be understood as:

- paid work performed without initiating labour relationship, i.e. without employment contract, order-agreement contract, contract for performing particular work/task or any other written contract between an employer and an employee, regardless of the ownership sector (including also natural persons and private agricultural holdings); work cannot be also performed on the basis of call, appointment or election; unregistered work does not entitles a worker to participation in social security, i.e.; the rights to benefit from social allowances; the period of performing this work is not also taken into account by the Social Insurance Institution, whereas the employer does not transmit adequate contributions due to paid remuneration to the accounts of the Social Insurance Institution and Labour Fund; personal income taxes are not deducted from the income generated through unregistered employment;
- own account work (self-employment) if there are not fulfilled obligations to the state (e.g. taxes) due to the conducted activity.

In case of quoting Statistics Poland data, please provide information: "Source of data: Statistics Poland", and in case of publishing calculations made on data published by Statistics Poland, please include the following disclaimer: "Own study based on figures from Statistics Poland".

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