

The impact of the COVID-19 epidemic on selected elements of the labour market in Poland in the first quarter of 2020

10.06.2020

11.0%

The share of people who worked remotely on 31 March 2020 due to the epidemic situation in the total number of employed persons

In March 2020, a state of epidemic threat was announced in Poland, followed by a state of epidemic in connection with the spread of an infectious disease caused by the SARS-CoV-2 virus, called COVID-19. The solutions introduced by law, preventing and counteracting the spread of the said virus and combating the disease caused by it applied also to the labour market. Among them was for instance the introduction of the possibility of working from outside a permanent workplace, that is remote work. The data presented in this publication were obtained during 'the Survey on the demand for labour'¹.

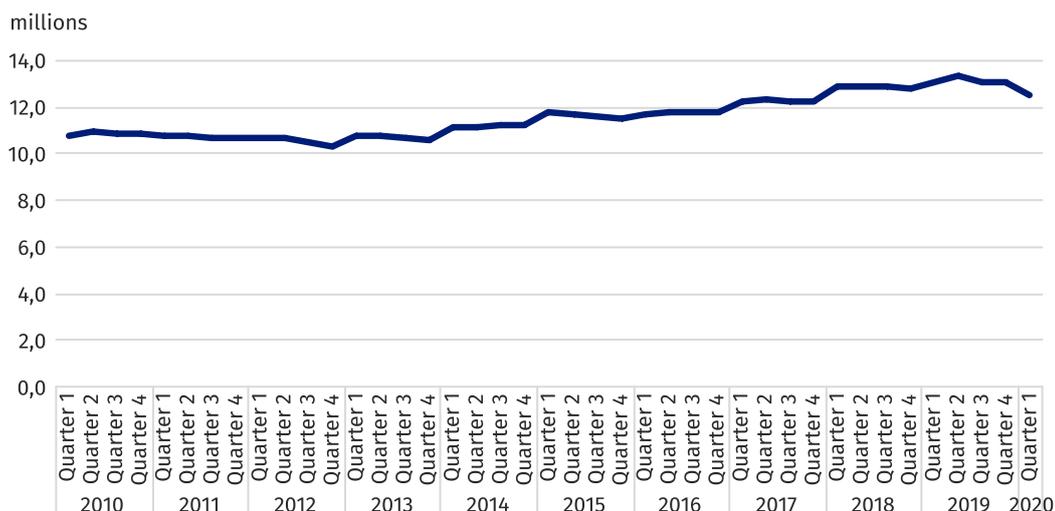
The Survey on the demand for labour is conducted by a representative method on a quarterly basis. It covers entities of the national economy and their local units² employing at least 1 person, in accordance with the subject scope of the survey. At the end of the first quarter of 2020, the number of employed persons was 3.6% lower than at the end of the first quarter of 2019. The analysis of the number of employed persons in the longer period of time indicates the occurrence of seasonal changes, however, the situation in the first quarter of 2020 indicates a disturbance of the observed trends. Since 2012, the number of employed persons was the highest in the first quarters. In 2017 and 2018, the increase in the number of employed persons in the first quarter compared to the end of the fourth quarter of the previous year reached the level of 4-5%. In subsequent quarters there was a decrease in the number of employed persons of no more than 2% of the level as at the end of the previous quarter. Hence, the situation observed in the current quarter is unusual in view of the trends observed in the second decade of the 21st century. Many causes could have contributed to this, including the spread of COVID-19.

¹ The collected data come from the voluntary responses of reporting units to four additional questions attached on the Reporting Portal to 'the Survey on the demand for labour'. Half of the units that completed the reports answered the questions about the impact of the pandemic situation on the way enterprises operate.

² In the survey, reporting units are entities of the national economy or their local units.

Chart 1. Employed persons^a

As at the last day of the quarter



a On the basis of data from 'the Survey on the demand for labour'.

Liquidated jobs

In the first quarter of 2020, 119.9 thousand jobs were liquidated. According to the information provided by the surveyed units, almost a quarter of jobs out of this number were liquidated due to the epidemic situation. The jobs liquidated due to the spread of COVID-19 were almost exclusively in the private sector. The liquidation of jobs took place in all unit size classes. The relationship between these liquidations and the epidemic situation was the smallest in the units with 50 or more employed persons – it was indicated in relation to every fifth liquidated job. Out of the total number of jobs liquidated due to the epidemic situation, the vast majority (around 80%) were indicated by units with up to 50 employed persons.

Taking into account the type of activity according to PKD (NACE Rev.2)³ it can be stated that the number of jobs liquidated due to the epidemic situation in individual sections was most often proportional to the number of jobs lost at all. For instance, jobs liquidated in the Manufacturing section constituted about 15% of jobs liquidated in the whole economy, while jobs liquidated in this section due to the epidemic situation accounted for around 12% of all jobs lost due to this reason. In the case of the Accommodation and food service activities section, the share of jobs liquidated due to the epidemic situation was greater than the share of jobs liquidated in this section in total. The Wholesale and retail trade; repair of motor vehicles and motorcycles section had the largest share in the total number of jobs lost in connection with Covid-19.

Out of all job losses in the first quarter of 2020, 24.4% were caused by the epidemic situation

Remote work during the period of epidemic threat

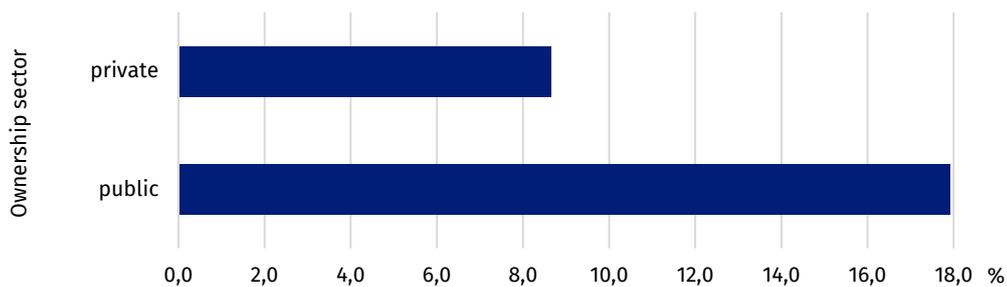
The epidemic situation that occurred in March 2020 caused a reduction in activity in its hitherto existing form. This was manifested on the one hand by the liquidation of jobs, but on the other hand by the fact that employers became open to forms of employment allowing staff to maintain social distance. One of these forms is remote work.

As at the end of March 2020, the share of people who worked remotely in connection with the epidemic situation in the total number of employed persons covered by 'the Survey on the demand for labour' was 11.0%. This form of work was used more widely in the public than private sector.

At the end of March 2020, 11.0% of employed persons worked remotely

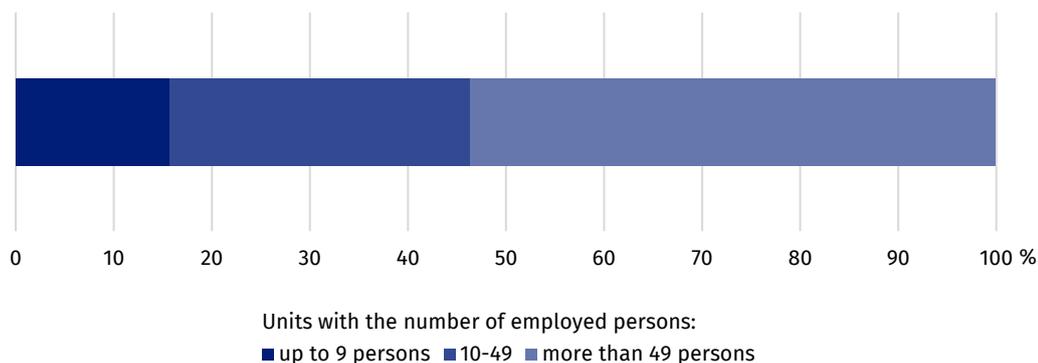
³ Polish Classification of Activities.

Chart 2. The share of employed persons performing telework in connection with the epidemic situation by ownership sectors as at the end of the first quarter of 2020



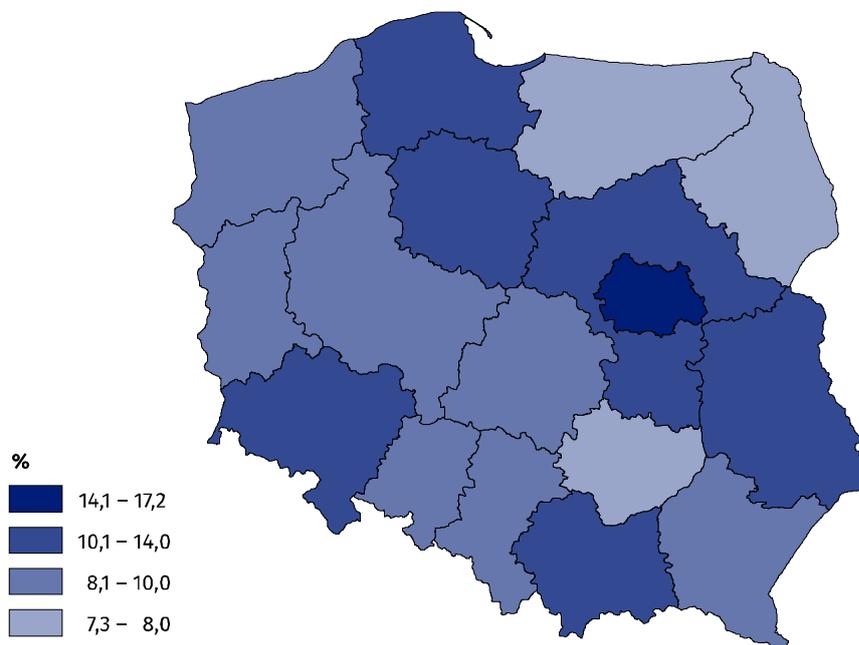
At the end of March 2020, due to the epidemic, almost every sixth person working in the public sector worked remotely, while in the private sector every twelfth person. In the scale of the entire economy, the form of remote work used to reduce the epidemic threat was most widely used in units employing from 10 to 49 persons. In this class of units, 13.6% of the employed provided remote work in connection with the epidemic situation, while in smaller and larger units about 10% of the employed. However, in the total (absolute) number of people doing telework because of the pandemic, the majority were people employed in the largest units.

Chart 3. The structure of employed persons performing telework in connection with the epidemic situation by size of units as at the end of the first quarter of 2020



Remote work caused by the epidemic was implemented by employers in individual regions at different scales.

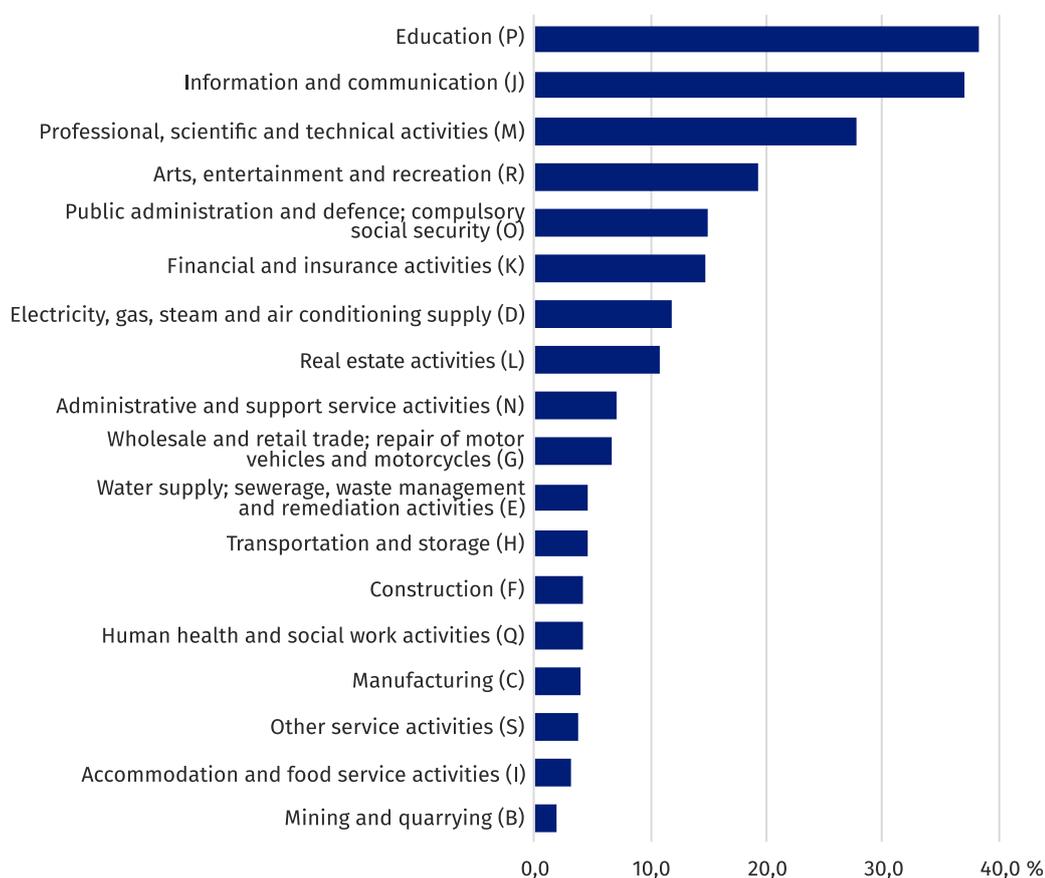
Map 1. The structure of employed persons performing telework in connection with the epidemic situation by regions (NUTS 2016) as at the end of the first quarter of 2020



The transition to remote work in the face of the new situation related to the spread of COVID-19, to a significantly higher degree than on average in Poland, took place in the Warszawski stołeczny region. Almost every sixth employed person there worked remotely as a result of the epidemic. In other regions, this was the case for every 9th-14th employed person. At the end of March 2020, the application of the discussed form of work in the realities of the epidemic threat occurred to the least extent in the regions: Warmińsko-Mazurskie, Świętokrzyskie and Podlaskie, where every fourteenth employee was delegated to work remotely due to the threat of COVID-19.

Switching to remote work in the first quarter of this year was diverse in terms of the type of activity. For instance, in PKD (NACE) sections covering industry and construction, remote work was performed by around 5% of employed persons. In services, the scale of the phenomenon was almost three times larger, while the use of the discussed form of work was conditioned by the specificity of services. While in such sections as Information and communication and Education this form of work due to the appearance of an infectious disease caused by the SARS-CoV-2 virus covered almost 40% of the employed, in the Wholesale and retail trade; repair of motor vehicles and motorcycles section, was used by around 7% of employed people.

Chart 4. The structure of employed persons performing telework in connection with the epidemic situation in selected PKD (NACE Rev.2) sections as at the end of the first quarter of 2020

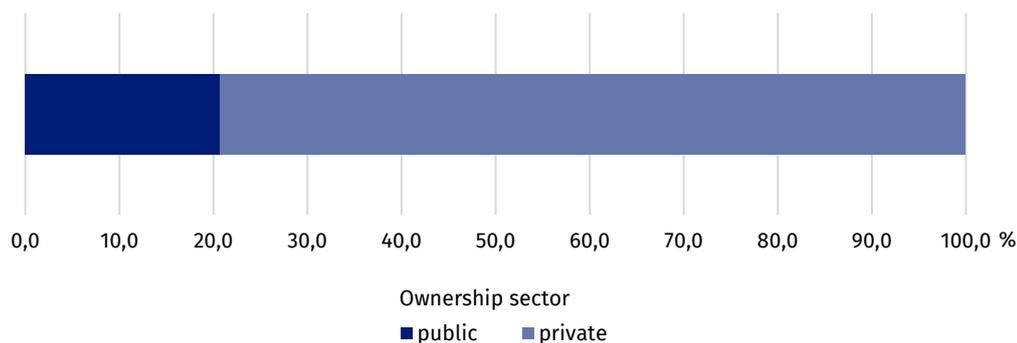


Employed persons who in connection with the epidemic situation received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age

By virtue of the Act of 2 March 2020 on specific solutions to prevent, counteract and combat COVID-19, other infectious diseases and crisis situations caused by them, working parents or legal guardians were provided with the possibility to receive a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children’s club or school. As at the end of the first quarter of 2020, 2.3% of employed persons exercised this right in Poland. The share of employed persons who under the aforementioned act remained at home was slightly larger in the private sector than public sector. It was 2.5% and 1.9%, respectively.

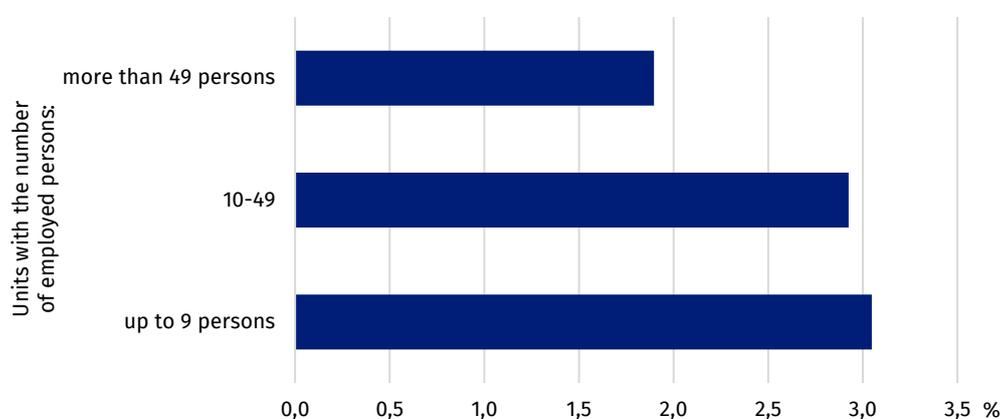
As at the end of the first quarter of this year, 2.3% of employed persons received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age

Chart 5. The structure of employed persons who in connection with the epidemic situation received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children’s club or school by ownership sectors as at the end of the first quarter of 2020



As a result, those working in the private sector who benefited from this solution, constituted the majority of the total number of the employed who, due to the epidemic situation, received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children’s club or school.

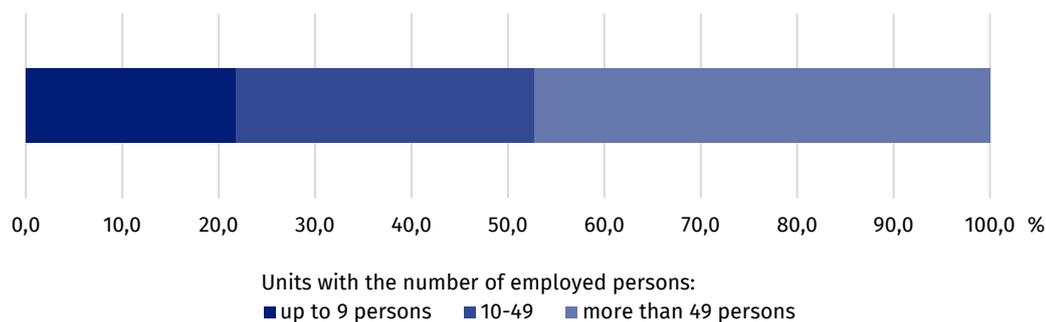
Chart 6. The share of employed persons who in connection with the epidemic situation received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children’s club or school by size of units as at the end of the first quarter of 2020



The discussed instrument for preventing the spread of COVID-19 was used to a somewhat greater degree by working parents and legal guardians in both the smallest units and units employing 10 to 49 people – about 3%. In units with 50 or more employed persons less than 2% of employed persons benefited from this special solution.

On the other hand, out of the total number of employed persons who, as at 31 March 2020, were recipients of a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children’s club or school almost half were parents and legal guardians working in units with 50 or more employed persons.

Chart 7. The structure of employed persons who in connection with the epidemic situation received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children's club or school by size of units as at the end of the first quarter of 2020

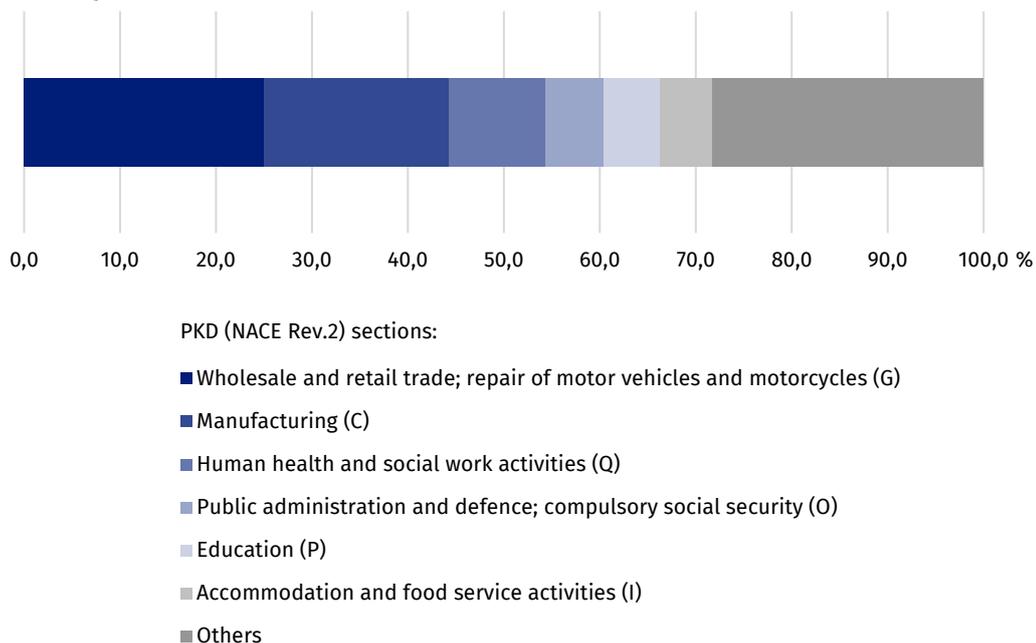


The scale of making use of the possibility of caring for a child for the said reason was quite convergent in the regions. The share of the number of working parents and legal guardians exercising the right to care for a child due to the epidemic situation fluctuated around 2-3%. The least, 1.9% of the employed were in this situation in the Warszawski stoleczny region. At the same time, the scale of use of remote work by the employed was the largest in this region. When looking at all regions, it can be seen that due to the epidemic situation at the end of March 2020, there was a moderate negative correlation between exercising the right to care for a child by employees and performing remote work. This means that in regions with the increase in the share of employed persons who due to the epidemic situation worked remotely, the share of employed persons using the possibility of caring for a child due to the COVID-19 threat decreased.

A similar relationship, but of a lower strength, between these two instruments preventing the spread of COVID-19 was noticeable in terms of PKD (NACE) sections. For example, the Education section belonged to those in which employed persons relatively rarely exercised their right to care for a child (1.3% of those working in this section), while the share of people working remotely was the highest.

According to the survey, the highest number of employed persons (6.0%) did not work because of childcare in the Other service activities section. A fairly significant share of the employed who used this particular solution was also noted in the sections: Accommodation and food service activities (4.8%), Public administration and defence; compulsory social security (3.4%), Human health and social work activities (3.4%) or Wholesale and retail trade; repair of motor vehicles and motorcycles (3.1%). Parents and legal guardians working in the last of the mentioned sections, exercising the right to care for children due to the spread of COVID-19 accounted numerically for the largest part of the employed who benefited from this form of pandemic prevention.

Chart 8. The structure of employed persons who in connection with the epidemic situation received a care allowance during a period of leave resulting from the necessity to take personal care of a child under 8 years of age in case of a closure of a crèche, nursery school, children's club or school by PKD (NACE Rev.2) sections as at the end of the first quarter of 2020

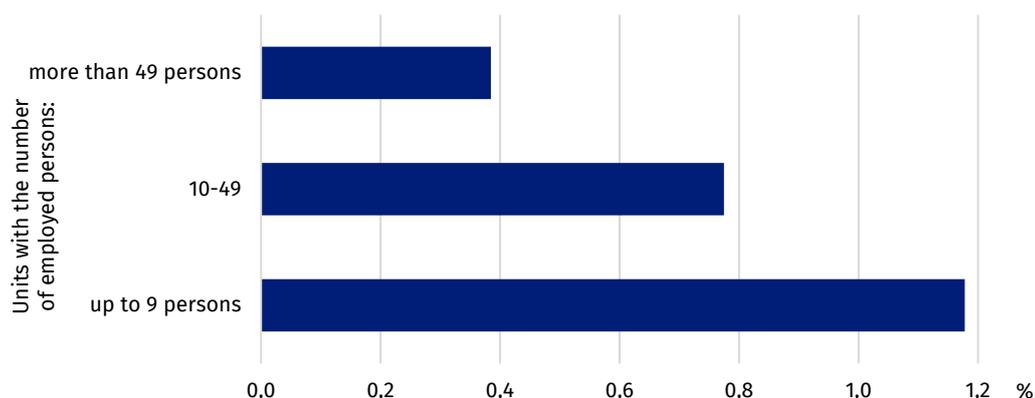


Employed persons who in connection with the epidemic situation received a sick pay or sickness allowance because of undergoing quarantine or isolation

In the first quarter of 2020, in order to limit the spread of the infectious disease, forms of temporary isolation due to a suspected infection were introduced, for instance quarantine and isolation. Employed persons who, as at 31 March 2020, were recipients of a sick pay or sickness allowance due to quarantine or isolation, constituted 0.6% of the total employed population. Such cases were reported at a similar scale in both the public and private sectors.

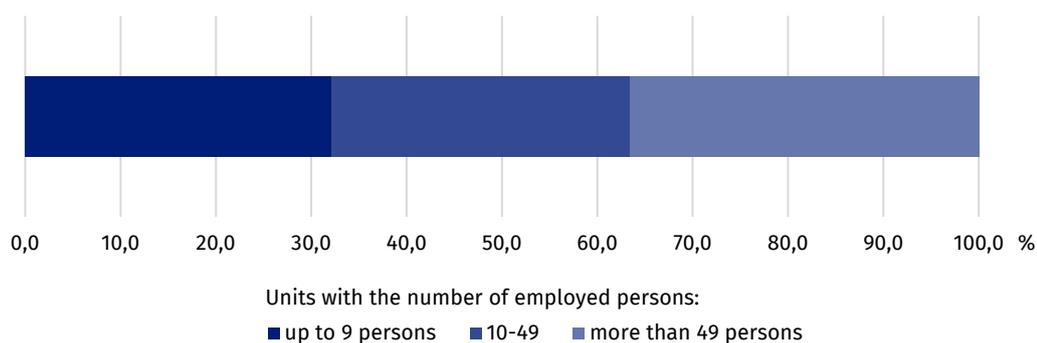
As at 31 March 2020, 0.6% of employed persons were recipients of a sick pay or sickness allowance because of undergoing quarantine or isolation

Chart 9. The share of employed persons who in connection with the epidemic situation received a sick pay or sickness allowance because of undergoing quarantine or isolation by size of units as at the end of the first quarter of 2020



Taking into account the size of units, it can be seen that a slightly larger proportion of the employed in quarantine or isolation was in the smallest units, and relatively the smallest proportion in the largest units. Among all employed people, who on 31 March 2020 were recipients of a sick pay or sickness allowance due to their quarantine or isolation, the share of employed persons from particular size groups of units was similar.

Chart 10. The structure of employed persons who in connection with the epidemic situation received a sick pay or sickness allowance because of undergoing quarantine or isolation by size of units as at the end of the first quarter of 2020

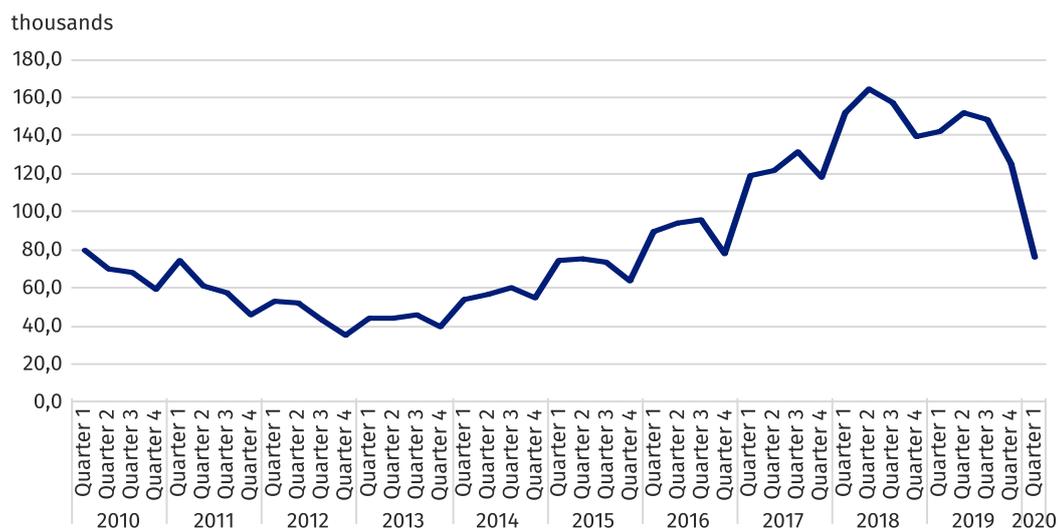


Quarantine or isolation of employed persons occurred in all regions. They concerned from 0.3% of the employed in the Podlaskie Voivodship to 1.2% of the employed in the Lubuskie Voivodship. When considering types of activities, at the end of March 2020, more employed persons than on average in Poland were covered by the obligation of quarantine or isolation in services. In the sections Information and communication as well as Financial and insurance activities, less than 0.2% of employed persons received income due to this obligation. More such situations, concerning over 1% of the employed, took place in sections: Accommodation and food service activities, Human health and social work activities or Other service activities.

Summary

In the first quarter of 2020, the SARS-CoV-2 virus began to spread in Poland. Despite the launch of specific solutions related to preventing, counteracting and combating COVID-19 disease caused by this virus, such as remote work or care allowance for the time of caring for a child up to 8 years of age, the number of employed persons was lower than at the end of 2019. The number of liquidated jobs increased as compared to the previous quarter. Every fourth job loss was due to the situation caused by the COVID-19 pandemic.

Chart 11. Job vacancies



In the discussed quarter, the number of job vacancies decreased significantly, by nearly 40%, compared to the previous quarter, while throughout the entire second decade of the 21st century in the first quarters of successive years the number of vacancies increased.

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