Chapter 10: The Middle Class in Poland
Filip Pazderski

Since the notion of the middle class is alien to a communist system (at least, it doesn’t fit into this system ideologically), a Polish middle class only started to appear after the fall of the communist regime in 1989. Noticeable improvements in living standards started to be visible after the year 2000 – and in many parts of the country even later, after Poland’s accession to the European Union in May 2004. Hence, such a short period hardly allows us to say that the middle class is a well-grounded concept.

For the definition of the Polish middle class, Henryk Domański, a sociologist working on social stratification, observes that origin, attitude to education, family and social networks are important to describe a person as member of the middle class. In this sense, a doctor’s son, with a secondary education, who works as a bartender, can be included in the middle class; his chances in the labour market are much higher than another boy from the village, who also works as a bartender1. The middle class usually includes intelligentsia, senior executives, state officials, business owners and professionals/experts2. Researchers have emphasised that also family members of people from such economic groups possessing appropriate salary levels should be also taken into consideration3.

One of the important issues related to the middle class in Poland has to do with the extent to which its current composition represents a continuation of the social stratification of Polish society that existed during the communist regime. Even in the communist society, where capitalistic ownership of goods was absent (at least theoretically), there certainly was a social stratification that had to do with power relations and control over the means of production4. It is likely that the development of the middle class and social mobility both became more dynamic after 1989.

In a 2014 book, Andrzej Leder points out that wealth of Polish “bourgeoisie” (and the middle class, in this sense) is the beneficiary of two main tragedies of the 20th

3 See: Wyżnikiewicz, B., „Klasa średnia rośnie w Polsce w siłę”, Obserwator Finansowy. 15.05.2015, https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/klasa-srednia-rosnie-w-polsce-w-sile/.
century — the Holocaust of Polish Jews and the dissolution of the local gentry at the establishment of the People’s Republic of Poland\(^5\). The destruction of these two groups left an empty space in the social structure of the nation that has been filled by the current middle class (sometimes using the property of both groups). This process of societal revolution, as the same author argues, was largely finished by new members of the middle class in 1989.

The modern form of social classes in Poland needs to be seen within the perspective of broader socio-economical processes. On the one hand, macroeconomic developments provide the background to the development of social classes. On the other hand, socio-political and cultural factors influence people’s self-perception. The recession that followed the global financial crisis exposed the newly formed Polish middle classes to the new risks that come with a market-based economy. Further fears arose from the arrival of migrants that had an impact on the labour market and the welfare system\(^6\). An additional threat was projected by some politicians who painted the evil forces of foreign capital as those who sought to ‘colonise’ the Polish economy and were only interested in financial gain. The way that politicians played on such fears might be one of the explanations for the large support for populist rhetoric that is also visible nowadays among the middle class.

1. The income perspective

Concerning macroeconomic indices, Poland has been one of the best-performing countries in Europe since the collapse of Iron Curtain. Economic growth is high, and since 1989, Poland has not seen a single year of economic contraction — not even during the 2008 economic depression or the subsequent Eurozone crisis. Because of this outstanding performance, Poland has been labelled a “green island” of economic growth, compared with the rest of Europe\(^7\). Economic acceleration has been mirrored also in a significant change in the Human Development Index, which rose from 0.71 in 1990 to 0.84 in 2014\(^8\).

---


\(^7\) Reuters, Poland was a “green island”: GDP revision shows no recession occurred, 21 April, 2016, available at: http://www.reuters.com/article/poland-growth-revision-idUSL5N17O11C.

One of the effects of the transformation, however, was an increase in the Gini coefficient, reflecting an increase in income inequality. During the 1990s, the coefficient rose from 0.27 in 1990 to 0.33 in 2000. The figure stabilised around 2005 and has remained at a similar level of around 0.34-0.35 since then⁹. Figure 9 in the overview of Chapter 2 compares the situation in Poland with other countries. Another negative effect of the transformation was a massive increase in unemployment throughout the 1990s, reaching a peak of 20% in 2003 and 2004.

The turning point seems to be the accession to the European Union (2004), when the Gini coefficient stabilised and unemployment rates started to decline. The pre-crisis period from May 2004 to mid-2008 was very favourable to both society and the economy, due to the opening of the EU labour market to Polish employees, and an inflow of EU Structural Funds and foreign investment. This resulted in strong GDP growth, increases in wages and employment, and a decrease in poverty rates.

The economic crisis and the post-crisis period brought with them an economic slowdown (but not recession), a rise in unemployment (especially among young people), a rise in extreme poverty rates and a decrease in average yearly earnings. However, since 2013/2014, most major macroeconomic indices have been improving, and by the end of 2015 the economy — by most measures — was in better shape than it had been before the crisis¹⁰. Taking into account the whole period since accession to the EU (2004-2015), Poland has performed relatively well despite the crisis: minimum wages¹¹ and average earnings have nearly doubled¹², unemployment has decreased by 12 %-points¹³, relative poverty has dropped by 3 %-points and extreme poverty has dropped by 5 %-points.

---


¹² Central Statistical Office of Poland (GUS, 2016), Average gross wage and salary

¹³ GUS (2016), Unemployment rate 1990-2017
The trend of economic growth is most visible in the poverty indicators\(^{14}\), related to social transfers. The “500+ program”, which started in November 2015, provides financial support for each second and subsequent child in the family. For households with children, this led to a strong decline in the extent of extreme poverty and relative poverty (see Figure 1 below).

![Figure 1. Poverty indicators in Poland in the period 2006-2016](image)

Source: Central Statistical Office (GUS)\(^{15}\).

No direct data is available on poverty rates among middle-class households, but the decline in poverty rates has undoubtedly influenced their financial situation as well. If anything, the fear of poverty has been reduced for households who might consider this to be a relevant risk.

The positive economic trends for Poland are also confirmed by the data showing consumption expenditure of individual households. While taken as a proportion of GDP at current market prices, the share of expenses dedicated for consumption in Poland seems to have decreased constantly (from 61% in 2006 to 57% in 2016, closer to the EU-average of 54% in 2016)\(^{16}\). This means that Poles have more money for other purposes than consumption (i.e. for financial investments).

The average amount of annual consumption expenditure for each adult person has increased from € 5,817 in 2005 to € 8,801 in 2010 and € 11,400 in 2015\(^{17}\). With regard to

---

\(^{14}\) GUS, *Zasięg ubóstwa ekonomicznego w Polsce w 2015 roku*, Warsaw 2016. “Extreme poverty” is understood by Central Statistical Office as the subsistence level, which takes into account only those needs whose satisfaction cannot be delayed and consumption lower than what leads to biological extinction, whereas the relative poverty limit is set at 50% of the average total household’s expenditures.


the value of consumption expenditures, this locates Poland on the top of almost all countries that have joined EU in and after 2004.

Not all groups benefited equally from this economic growth. A significant rise in income inequality, coupled with notoriously high rates of unemployment in the 1990s and the highest levels of temporary employment in Europe, are the main sources of inequality. Inequality, high levels of emigration after 2004 and a changing social mobility within Polish society influenced the composition of the middle class.

2. Non-income-related perspectives

The affordability of housing

One of the most important factors representing recently the fragility of the emerging middle class in Poland is related to the affordability of housing. The ownership rate of 84% is one of the highest across the European Union. Having a property, preferably without a mortgage, gives the Poles a sense of security and stability. It is a sign of affluence to own a new house that is different from those built by the large housing cooperatives in communist times.

At the same time, the overcrowding rate (related to the availability of sufficient space in the dwelling) was in 2016 the fifth highest amongst all EU-28 countries, at the level of 40% (just below that of Romania (48%), Latvia (43%), Bulgaria (42%) and Croatia (41%)). Figure 2 shows the development of overcrowding in Poland since 2007, which is the highest for households below 60% of median income.

![Figure 2: Overcrowding rate by economic status—2017](source: Eurostat)

The decrease in overcrowding rates is in line with an increase in households that own their house with a mortgage. This increased almost fourfold in the last ten years; see Figure 3. At the same time, both owning a home without a mortgage and living in a rent-controlled apartment have decreased. Ownership rates are quite similar for households below and above 60% of median income; taken together, this provides a clear sign of improvement in the Polish housing situation and for the middle class as well.

![Figure 3: Population share by tenure status—2017](source: Eurostat)

While analysing these figures for the following years we can observe a break in the data around the years 2009 and 2010. Partially, this may reflect the results of the governmental programme called “Family on their own” (pl. Rodzina na swoim), adopted in 2006 (first contracts were concluded in 2007). Its goal was to help people (families and single parents raising children) without any property to get their own home. They could obtain access to preferential borrowing rates with subsidies from the State Treasury to pay the interest on the loan for the first eight years of its repayment. The subsidies could reach up to fifty percent of the amount of interest. Within the framework of the program in the years 2007–2012, the banks granted more than 181,000

---

19 See: [http://www.rodzinanaswoim.net.pl/](http://www.rodzinanaswoim.net.pl/)
loans for the amount of over 33 billion PLN. The results of this programme were not
the only factor, but they did add to the general improvement of the economic situation
in the country.

Financial liberalisation did come at a cost, when some households took out a
mortgage in a foreign currency, mostly in Swiss Francs. Banks were offering mortgages
in CHF at significantly lower rates, but few households considered the implied
exchange rate risks that they were taking. After the global financial crisis of 2008/2009,
the Swiss Franc appreciated steadily, raising the mortgage rates for those on a CHF
mortgage. Indebtedness and insolvency increased likewise, and many middle-class
households came into financial difficulties. The government could not, or would not,
offer a solution to this problem and it became a theme in the general election of 2015.

At the end of 2016, approximately 7% of mortgages were in Swiss Francs. Of these
mortgages, only 1% are in arrears, which means that most people manage to pay on
time. However, the interest costs for the other 99% are still a large burden, larger than
they were originally intended to be, taking up a substantial share of the household
budget. This influences perceptions about the future and has made the Swiss franc
loans a political issue.

**Family stress**

There is a sense of fragility of the Polish middle class, seen in the diminished sense of
affluence and feelings of stability in the longer run. It is also shown by the ease with
which the narrative on Swiss franc loans became popular and in the belief that political
promises on this issue will be kept.

In addition, the impression of stagnation is reinforced by the situation on the labour
market and the education system. Polish employees have a high number of working
hours, which potentially leads to stress in the work-life balance. Many employees are
on temporary contracts. The combination of these effects forms an impression that the
future for middle-class children might be not as bright as their parents want it to be.
This is despite high GDP growth and incremental improvements in the situation of their
households.

---

23 Cf Domański, H. (2012), Polska klasa średnia, Wydawnictwo Naukowe Uniwersytetu Mikołaja Kopernika;
    Interview with Henryk Domański; "Henryk Domański: Klasa średnia - najbardziej
    718340,henryk-domanski-klasa-srednia-najbardziej-rozwscieczona-grupa-spoleczna.html;
The labour market

Unemployment in Poland was decreasing rapidly before the financial crisis of 2008/2009, but increased again to a peak of 10.3% in 2013. As of Q1 2017, unemployment is around 5%.

The lack of stable employment is an important factor affecting the situation of the middle class in Poland. Wages are lower, compared to other EU countries, but Poland also has the highest share of temporary employment in the EU (this category also includes those employed under civil law contracts, which are not subject to protection under the Labour Code). In 2016, those on temporary contracts (civil law contracts) formed 21% of all employees, whereas the EU average was 11%; see Figure 6 in the overview of Chapter 2.

The downside for workers under temporary contracts is that they are not subject to protection under the Labour Code and thus build up limited social security benefits. In the case of a service contract, social security contributions are paid, but the contractor has limited rights (i.e. no holiday leave, allowances, sick leave, notice period of the contract termination), whereas in a contract for work there is no obligation to pay social security or health insurance and the contractor does not have the right to take any kind of leave (including maternity or parental). Furthermore, Polish employees are among the longest working employees in the EU, raising questions about the work-life balance of Poles. Some members of the group employed under temporary contracts could be recognised as employees working in precarious conditions. This group definitely also includes middle-class representatives. Not everyone sees this as a bad thing. Henryk Domański, a sociologist, regards even some precarious conditions as motivating for middle-class individuals, who remain employable by being flexible and developing new skills when necessary\(^\text{24}\).

Social mobility

The Polish middle class can be characterised by its novelty and rapid development during the times of socio-economic and political transformation that started in 1989 (or even some time before that). The development of the middle class is visible in the data related to the social mobility of Polish society; see Table 2.

A large change occurred around the end of the communist regime, when the inheritance of class position dropped sharply, from 39% in 1982 to 23% in 1992. The strength of the relationship between the professional categories of fathers and respondents also dropped from a strength of 1.0 to 0.8 after 2000. In table 2 this indicator has been set on the starting point in 1982, with value 1, in order to show changes that occurred afterward. Thus, values lower than 1 show that the strength of the relationship

between the class affiliation of the respondents and their fathers was weaker in subsequent years than in 1982, while the values higher than 1 would indicate that the relationship was stronger. The author of this analysis, Henryk Domański, sums it up this way: it shows that “we are a mobile society in which intergenerational mobility decisively dominates the continuation of barriers related to the social origin”25.

Table 2: Changes in social mobility, 1982-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of inheritance of class position</th>
<th>Strength of relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>39</td>
<td>1.00</td>
</tr>
<tr>
<td>1992</td>
<td>23</td>
<td>0.98</td>
</tr>
<tr>
<td>2002</td>
<td>29</td>
<td>0.79</td>
</tr>
<tr>
<td>2010</td>
<td>25</td>
<td>0.87</td>
</tr>
</tbody>
</table>

In terms of education, many more people achieve higher education than ever before; see Figure 4 below. This also points towards an increase in mobility.

Figure 4: Educational attainment—2014

Source: GUS.

To obtain a full picture of the process representing the mobility of Polish society, we need also to understand the massive emigration from Poland that started in 2004.

---

25 Domański H., Czy są w Polsce klasy społeczne?, p. 119.
Current estimates put the number of Poles temporarily living abroad at 2.3 million, which is about 6% of the total population. Post-accession migration can mostly be attributed to economic reasons and to some extent should therefore be assessed as a rational choice when account is taken of the level of wage divergence between EU countries. In 2014, average earnings in Poland were more than three times smaller than average earnings in the EU, and just over a fifth of the average wage in the UK—the preferred destination for Polish migrants.

The large migration flows have affected the middle class, of which some decided to leave their attachment to a high-status professional group to obtain higher wages abroad. Many of them consider this to be a temporary situation and plan to return to Poland after several years.

**Generational issues**

The ageing of the society is an important issue that should be mentioned in the discussion of Poland’s labour market situation. The demographic forecasts show that the number of Poles in post-working age will continue to increase. Persons who have reached retirement age (which are among others outside of the labour market, for that reason) will at the same time constitute an increasing part of the Polish population (see Figure 5). This puts additional pressure on the sustainability of the social security system, especially related to pensions.

![Projected working-age and post-working-age population](image)

**Figure 5: Projected working-age and post-working-age population (in mln)**


---

Thus, being faced with such a situation, the previous government decided in 2013 to gradually increase the retirement age to 67 for both men and women. This reform led to the protests of the trade unions and the displeasure of voters. Opposition parties campaigned against this reform and won the elections. The new government has reversed the increase of the retirement age in October 2017, back to the age of 60 for women and 65 for men27.

Regional differences
Relative to the EU average, Poland is a fast-growing economy with low unemployment. However, there are situations, mostly in the East of Poland, of extreme poverty and stagnation. As a result, the regional concentration of middle-class households has increased, with the centre moving from East to West.

In the regional development of Poland (after accession to the EU), the government put the priority on nationwide development of infrastructure, which could be financed with EU funds. Next, larger cities were stimulated to develop as metropolitan areas28. For example, the main beneficiaries of cultural expenditures coming from European cohesion funds in the years 2010-2014 were the cities with the district rights (42% of all non-national financial resources spent by local governments on culture).

In the second place (regarding the size of such support for culture) were rural communities, obtaining half the sum that went to larger cities29. This situation could have created an image that not all of the country has been developing at the same speed and that some groups within the society (namely inhabitants of larger cities) are benefiting more than others. This variety of development speed could also manifest itself within the middle-class group. The Law and Justice Party toyed with such ideas during the 2015 electoral campaign (see below), developing the narrative that actually only limited areas have encountered any progress at all, and that all other parts of the country with their inhabitants were left behind.

Household composition
There is no specific type of household that would distinguish the situation of middle-class members from the rest of the society. In general, the current trend is that the share of multigenerational families living under one roof is declining. In 2015, only 11.5% of Polish families have three or more children30.

30 See: GUS (2016), Działania prorodzinne w latach 2010 – 2015, Kraków
3. Household perceptions

Regarding the middle class, there seems to be a discrepancy between the subjective assessment of satisfaction with one’s personal life, on the one hand, and the assessment of politics and economic conditions, on the other. Since 1989, many Poles assess the political situation and economic conditions in the country as being bad year after year. In the case of political assessment there were only three points in time when this pattern was different: 1989-1990, just after the fall of the Soviet Union; in 1997, when the government gained stability for the first time since 1989 (equal positive and negative ratings); and between late 2007 and early 2008, when the Civic Platform government won parliamentary elections and the economic situation was improving. In the case of assessments of the economic situation there were only two exceptions: in the period 2007-2008, when economic indicators were exceptionally high, and in 2016, when the situation is historically the best according to the indices.

At the same time, positive assessments of one’s personal life, including living conditions of the respondents and their families, the economic situation of respondents’ households, and their general situation in the workplace, started to dominate the negative assessments of these dimensions in the period 2003-2006 — and this pattern persists until now. Currently, over 50% of respondents assess their living conditions positively (8% negatively), 46% rate their households’ economic situation positively (9% negatively) and 59% rate the general situation at their workplace positively (11% negatively).

The discrepancy between the positive assessment of one’s personal situation and the negative assessment of the political and economic shape of the country appears to be a constant of social perception. Populist groups in Poland have often relied on this subjective sense of deprivation rather than hard data. One of the factors influencing such discrepancy between perception of personal situation and the general situation in the country is related to the large migration flow that was described earlier in the chapter. Poles who have stayed in the country remain in contact with family members and friends that have moved abroad, and learn from them what Western Europe offers in terms of life conditions and the welfare system development. This input increases their expectations regarding the development of both areas in Poland and tends to fuel disappointment, as improvement in Poland does not happen as quickly as most people would like it to.

Additionally, we observe in Poland growing expectations when it comes to the progress people make in life as well as the possibilities they possess. This is influenced by the growing share of people with a higher education, which increased between 2002 and 2014 (as presented above) from 11% to 23% of the total population. This share is even higher within the youngest group entering the labour market, the 25-29 year-olds,
who attained a rate of 43% in 2015 (it was similar in the group 25-34)\textsuperscript{31}. Once we compile this observation with data on the majority of young people that work on temporary contracts, as was presented above, we can understand the difficult prospects for the younger generation. Young people are well-educated and have developed high expectations that are not completely met. Middle-class parents doubt whether their children will be able to maintain their social status. This situation may be one of the things undermining the remarkable macroeconomic developments of Poland.

4. Political representation

Despite high economic growth and incremental improvements in the situation of their households, the middle class lost faith in the ruling party, the Civic Platform, at the 2015 elections. The drastic increase in the retirement age, and the issue of mortgages in Swiss Francs were used by the opposition to attack the ruling party in the last presidential and parliamentary electoral campaigns in 2015. The Civic Platform stood for the principles of the market economy and was reluctant to support mortgage holders who had borrowed in Swiss Francs\textsuperscript{32}. In effect, attacking the Civic Platform became easy, by suggesting that the party was primarily looking after the interests of the banks as well as the post-communist elites that benefited from the transformation process after 1989.

The party that won the election, PiS (“Law and Justice”), very skilfully used the weaknesses of the Civic Platform against them. PiS managed to integrate the (often contradictory) discontents of different social groups into a counter-narrative, dubbed by its critics as “Poland in Ruin”, depicting Poland as a country where few benefit from growth and masses have become increasingly impoverished. The success of such a campaign is difficult to understand looking at various social and economic indicators, and it may read as yet another triumph of fear over reason and gut feeling over expert knowledge.

The rise of the PiS was abetted by the prominence of young and popular right-wing public intellectuals as well as by social media platforms. Nationalist, xenophobic messages stopped being associated exclusively with young, muscular, close-shaven youngsters and old ladies, but gained a new, elegant and even glamorous wrapping.\textsuperscript{33}

Research on electoral behaviour of different social groups demonstrates that PiS’ electoral victories can be attributed to the mobilisation of young, well-educated

\textsuperscript{31} See: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do.


supporters of the right-wing political forces and active users of the internet. Social networking sites and online media have fanned the flames of frustration with the current, anti-elitist sentiments, xenophobia, and a craving for “good change”.

Nominating Beata Szydło as PiS candidate for Prime Minister as the friendly face of Law and Justice was a key part of its strategy to rebrand itself by shifting the debate to more social issues. The new PM candidate presented a number of well-targeted proposals that addressed many of the aforementioned discontents people had with the otherwise successful Civic Platform track record in government. In addition to the proposal to roll back the recent retirement age reform, other proposals included a more generous child benefit and a minimum wage.

As a result, Law and Justice obtained an electoral victory in the elections of November 2015, giving it an absolute majority in the parliament (51%) with just 18.6% of the votes. This is partly due to a divided left-wing spectrum, where none of the parties passed the 5% electoral threshold. The PiS did obtain votes from practically all demographic groups. This also included representatives of middle class, who moved their support away from Civic Platform. In the government, PiS still has support from middle-class voters, due to favourable economic conditions and social policies like the so-called “500+” programme of child benefit for each second and following child born to the same couple. However, as is shown on the Figure 6, there are two groups, where the support for Civic Platform (staying in opposition, now) is higher: managers and specialists with higher education as well as administrative and office staff. Members of the former group are also the ones with higher support for the Modern Party (13% of voters from this group), which went to the elections with centrist, liberal programme.

35 Description of the PiS 2015 electoral campaigns strategy is based on: Kucharczyk J., Poland — When fear wins: causes and consequences of Poland’s populist turn, op. cit., p. 310-311.
36 The left-wing parties cumulatively received 11%, but no left-wing party entered the parliament, as neither the United Left Bloc passed the 8% threshold for the coalition of parties, and the New Together Party missed the 5% threshold for political entities campaigning independently. In addition, the radical right-wing KORWiN party (with 4.76% of votes) also failed to pass the threshold. The election results are available at the website of the National Electoral Commission (Poland); see http://parlament2015.pkw.gov.pl/351_wyniki_senat.
5. Globalisation, technology and migration

From the trend of further automation of the workplace, we may expect that some of the work of professionals and experts will be taken over by robots. In addition, managers will have to develop skills of controlling the work of artificial intelligence instead of human employees, a circumstance that may influence their situation related to control of power. Holding such control will also require possessing special computing and programming skills and adjusting the education system to such new expectations so that it is prepared to train students with appropriate skills. Otherwise, such graduates of the outdated educational system will lose their position on the social stratification, also falling below the position held by their parents.

The trend of ageing presents a threat to the social security system and greater insecurity about retirement. People will have to work longer, even after retirement, to maintain their living standards. Additionally, well before reaching the retirement age they would need to change their life habits and focus more on lifelong learning in order
to constantly gain new skills, enabling them to stay responsive to changing labour market conditions and helping them to remain active in this market after reaching retirement age. One effect of such processes is that control over the means of production would become increasingly related to skills and experience obtained during the lifetime rather than to the social position inherited from the family. On the other hand, the role of cultural capital — in terms of morals and attitudes that are predominantly transmitted in family life and upbringing — might become more important, which may give middle-class representatives an advantageous start.

A final trend is that of political developments in the European Union. If multispeed integration becomes a reality, some of the EU Member States will be left outside a core of the countries undergoing deeper integration. For such states, possibly including Poland, their economic development might be hindered; this would obviously have an impact on the middle-class economic and cultural position.

6. Conclusion

Poland has seen vast improvements in the economic situation and the living standards of the middle class. This was largely due to the migration of workers to other countries and the inflow of foreign firms and capital since accession to the EU in 2004.

However, inevitable comparison with living standards in Western European countries and the rise in materialistic values have led to a perception of stagnation and a loss of traditional security. This perception was coupled with the impression that the Polish socio-economic transformation has been implemented in a wrong (too liberal) direction, neglecting conservative values and not being inclusive enough. Conservative-populist politicians have used these perceptions to create an impression that the entire transformation process from the communistic state has been a failure, driven by the former elites of the Communist party.

The idea of a middle class in Poland is still relatively new. The middle class, brought into existence after 1989, was formed in the crucible of the economically challenging times of the 1990s. This chapter has described how the sense of uncertainty in the middle class has increased, with limited job security and declining housing affordability. To mitigate a further decline in the perceived well-being, policymakers should develop social policies aimed at mitigating unemployment risks and educational policies aimed at providing students with the skills necessary to thrive in a changing labour market.