

Labour Market and Labour Relations in Poland. Part I

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Abstract

The evolution of modern labour relations is taking place in the environment of a changing labour market and high unemployment, accompanied by globalisation of the economy and a discussion about new forms of employment, including flexibility. New phenomena such as the end of domination of large production establishments and the development of small enterprises that operate mainly in the services sector as well as the application of new ICT solutions form the context for the discourse about the future of the labour law and the new features of labour relations. Various elements of a labour relationship are changing and these changes include the nature of the legal ties, the location and time for performing work, the way work is organised, with new elements such as flexibility of labour relations emerging. These changes stem out from the revision of important principles labour law, namely the certainty and stability of employment. The social dialogue is a key mechanism for supporting reforms on the labour market.

Keywords: labour relations, social dialogue, changing of labour market, unemployment, globalisation, new forms of employment, flexibility of labour relations, labour law.

JEL Classification: J18.

Introduction

The systemic transformation and then Poland's integration with the European Union have substantially altered both the labour market and labour relations in Poland. In the beginning of the 1990s, Poland commenced the process of building new order in employment policy and labour system. For the foundation of the new labour system,

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the social variant of market economy, combining acceptance of market principles of economic liberalism with the need for realising such values as a democratic state ruled by law, economic freedom, principle of subsidiarity and solidarity, and social dialogue, was adopted (Szyłko-Skoczny 2004: 19, Szyłko-Skoczny, 1992: 25–32; *Soziale Marktwirtschaft...* 1998). In the new labour system we see a limited direct interference of the state into the labour market. Labour relations were altered to become to a lesser degree subject to interference of the state as the primary employer, while the role of social partners in shaping them was simultaneously increasing. Not only did individual's personal responsibility in the scope of employment and social security increase, but the negotiative model of solving social problems began to develop; next to democratisation and decentralisation of the law-making processes, new social dialogue mechanisms were being elaborated, and new human resources management instruments were being developed (Szyłko-Skoczny 2004: 20; Golinowska 2002: 87–96; *Spółeczeństwo polskie w latach 1989–1994...* 1996; Ziółkowski 2001: 67–89).

Adaptive processes were extremely difficult, whereas between the years 1989–2014 the labour market and model of labour relations underwent an enormous revolution. Changes on the labour market impacted changes in employment: the employee's position on the labour market weakened, while substantial swathes of society were affected by unemployment. Security of employment was decreasing – the hitherto widespread practice of concluding employment contracts for indefinite period of time increasingly more often was being replaced with fixed term contracts, and the use of new forms of flexible employment, such as seasonal work, temporary work, replacement employment, or telework, was also on the rise. Last but not least, work without an employment contract on the basis of civil law agreements and self-employment was gaining in popularity next to the phenomenon of non-registered employment (Cf. *Przyczyny pracy nierejestrowanej w Polsce...* 2008). The labour market saw an increase in the significance of the role of private employers, the number of large economic entities was on the decrease, the economy saw the rise of micro- and small-and-medium-sized enterprises. The form of employee representation also underwent a change, next to the decreasing – especially in small companies and in the private sector – presence of trade union representations, worker councils and other forms of representation emerged, nevertheless, the share of trade union members among employees reduced considerably. A significant part of workers was deprived of any form of representation of interests. Some companies saw a development of different ways of communicating between the employer and employees, most often related to the modern forms of HR management.

In the analysed period, a number of negative labour market and labour relations phenomena can be pointed out, ranging from high unemployment, deteriorating quality of labour to a loss of social security by a large part of employees. Attempts to solve these problems were made by subsequent governments, and social dialogue attempted to react to the above mentioned negative phenomena. It was not always possible, however, to reach agreement and to undertake desirable actions. Considerable attention was focused on improving employment conditions as well as occupational safety and health. Among other reasons, it was also a consequence of ratification by Poland of a number of important ILO Conventions, in particular of the ILO Convention No 151 of 1978 concerning Protection of the Right to Organise and Procedures for Determining Conditions of Employment in the Public Service and ILO Convention No 160 of 1985 concerning Labour Statistics which were ratified in 1994¹; ILO Convention No 176 of 1995 concerning Safety and Health in Mines – ratified in 2000; ILO Convention No 178 of 1996 concerning the Inspection of Seafarers' Working and Living Conditions – ratified in 2001; and ILO Convention No 182 of 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour – ratified in 2001². Subsequently, in 2004 Poland ratified ILO Convention No 148 of 1977 concerning the Protection of Workers against Occupational Hazards in the Working Environment Due to Air Pollution, Noise and Vibration and ILO Convention No 159 concerning Vocational Rehabilitation and Employment of Disabled Persons. This was followed in 2005 by ratification of ILO Convention No 170 concerning Safety in the use of Chemicals at Work³. It should be underlined that Poland took many steps in order to intensify its cooperation within the ILO as it organised ILO's Regional Conference on active labour market policy in Warsaw in 1995. This led to ratification of numerous Conventions as well as to active cooperation of governments and social partners in the framework of ILO. Trade unions included ratification of further ILO conventions in the agenda of the Tripartite Committee and relevant topical bodies of the Committee reviewed labour legislation from the point of view of achieving progress in the ratification process.

A positive and important trend of changes was connected to the process of Poland's integration with the European Union. The EU exerts more than substantial influence on Polish labour market and labour relations in Poland – directly and indirectly – through the process of harmonisation of law and coordination system,

¹ Respectively: Journal of Laws 94.22.78 and 94.60.246.

² Respectively: Journal of Laws 00.60.699, 01.125.1365, 01.125.1364.

³ Respectively: Journal of Laws 04.29.255, 04.9.68, 05.9.62.

recommendations and programmes, as well as structural funds. The integration with the European Union has changed Polish labour law and strengthened the role of social dialogue and its mechanisms in the area of labour relations (Cf. *Rynek pracy ...* 2002: 323–333; Anioł 2006).

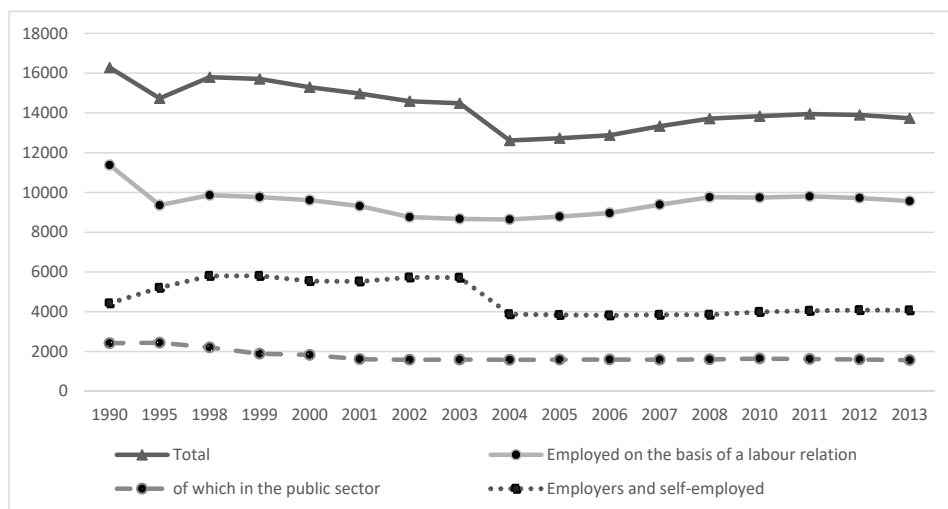
Structural Changes of Economy in Relation to Labour Relations

Processes of globalisation and digitalisation of economy and social life result in traditional industrial economy characteristic of the 20th century being supplanted by knowledge-based economy. For this reason in the 21st century investing in the human being and human capital has become extremely important. Development based on knowledge and innovation constitutes one of the three key priorities of the *Europe 2020 Strategy*. In post-industrial economy socio-economic development is dependent on structural changes which are propelled by the use of new IT and telecommunication technologies. Structural changes which transpire in economy are a multi-thread phenomenon, if only due to the fact that we are dealing with various economic macrostructures, i.e.: ownership structure, economy's production structure, education and qualifications structure, used technologies structure. Characterising structural changes in economy by recording and measuring a single indicator, e.g. ownership structure, participation in generating the GDP, participation in employment, etc., is impossible.

Privatisation of enterprises, as well as [establishment] of new private ones has significantly impacted Poland's economic structure. One of the significant problems of transformation was a maladjustment of a substantial part of the productive potential to new needs. In many branches of economy, which vibrantly developed in the central planning economy system, serious difficulties emerged. Numerous coal mines, steelworks, metallurgy, chemical, and arms industry enterprises faced bankruptcy which in turn impacted other sectors of economy, including transport – railways and maritime shipping. Individual sectors of economy underwent structural changes – industry in particular experienced strong modernising and restructuring processes. The structure of economy underwent a change, entailing changes in the employment structure. The number of employed in 2008 was still substantially lower than in 1990. Nevertheless, its systematic growth since 2004 was a positive phenomenon. The number of people employed under employment

relationship has also been on the increase since that year. Additional comment is required in the case of the drop in the number of employers and self-employed people recorded in the years 2003–2004. We can consider it a positive phenomenon since it was caused mainly by a decrease in the number of people working on individual farms in agriculture. It attests to the acceleration in the generational exchange of people conducting agricultural farms caused by introducing structural pensions in connection with Poland's accession to the EU.

Figure 1. Employment in the years 1990–2013 (in thousands)



Source: Own study based on the data from the Central Statistical Office (GUS).

A part of economic entities underwent restructuring which consisted in change of ownership, but also in change of forms of conducting economic activity. A certain number of enterprises was liquidated. At the same time new, mainly small and medium sized, enterprises formed with production structure better adjusted to actual demand. Changes in the ownership structure caused mass redeployment of labourers in keeping with the ownership structure. Undoubtedly, employee redeployment was most strongly impacted by ownership changes: out of 8,453 of state-owned enterprises existing on 31st December 1990, by 31st December 2008 they covered 5,909 enterprises⁴. Bankruptcy or restructuring of large state-owned enterprises released a substantial surplus of workforce. Admittedly, private entrepreneurship, still in its nascent phase, was incapable of absorbing it, nevertheless, proportions between people employed in

⁴ http://prywatyzacja.msp.gov.pl/portal/pr/21/Ocena_przebiegu_prywatyzacji.html

the public and private sectors were definitely reversed. Employment in private sector increased also due to foreign investments. Insofar as in 1990, employed in the public sector still constituted almost 55% of the total, then already in 1992 the number of people employed in the private sector equalled the number of those employed in the public sector, whereas in 2008 it was three times higher. In 1990, the share of the public sector in generating GDP was lower, in 1994 it exceeded 50%, whereas in 2004, the private sector participated in generating 75% of the GDP. The private sector began to play the biggest role in retail, in construction, and agriculture, but also, although not to the same extent, in industry and transport.

Table 1. Employed by ownership sectors in Poland in the years 1990–2015 (%)

Sector	1990	1995	1999	2000	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public	54.9	37.3	27.7	26.3	30.5	28.4	27.5	26.3	25.8	26.2	25.3	24.2	24.5	23.7	21,4	20,9
Private	45.1	62.8	72.3	73.7	69.5	71.6	72.5	73.7	74.2	73.8	74.7	75.8	75.5	76.3	78,5	79,1

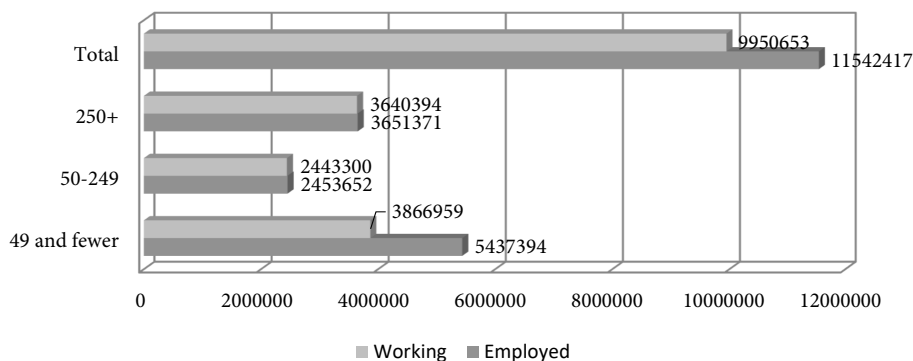
Source: The Statistical Yearbook of the Republic of Poland, Warszawa, 1998: 127; 2001: 135; 2007: 239; 2009: 235.

A significant increase in the number of employed in private enterprises, which in 2005 employed more than 9 million people (9,230.3 thousand, including 3,877.9 thousand women), whereas in 2013 more than 10 million people (10,869.3 thousand, including 4,708.0 thousand women), generated a certain imbalance of employment in terms of sexes: in 2013 women in the private sector constituted only 42%, while in the public sector 60%.

Attention is also due to changes in the structure of economy in terms of its sectors. In the 1990s and in 2000s, an increase in the significance of services and a decrease in employment in agriculture and industry could be observed, whereas significance of industrial production in the employment structure in Poland is still higher than in majority of EU-15 countries. In 2003, an improvement in the global situation, an economic revival, and a close perspective of Poland's accession to the EU reversed negative economic tendencies. Investments experienced a revival caused, among others, by an influx of direct foreign investment, particularly visible in tele-technical and automotive industries. Growing exports and increased consumption demand stimulated by population's increasing loans also contributed to development of economy. Despite growing employment in industry, Poland experienced changes which resulted in the decreasing number of people employed in large, mainly industrial enterprises. Among active enterprises, the majority were micro-enterprises, in 2013 they constituted 99% of all enterprises operating in Poland.

As provided in the Report on the Condition of Small and Medium-Sized Enterprise Sector in Poland in 2011–2012 (*Polish Agency for Enterprise...* 2013) the number of people working in enterprises in Poland reached the level of 9 million, of which 6.3 million of people (i.e. more than 70%) worked in the SME sector⁵. In subsequent years (2012–2015) the number of working persons grew to reach 14 million and the share of those working in the SME sector increased.

Figure 2. Working and employed in national economy by enterprise size

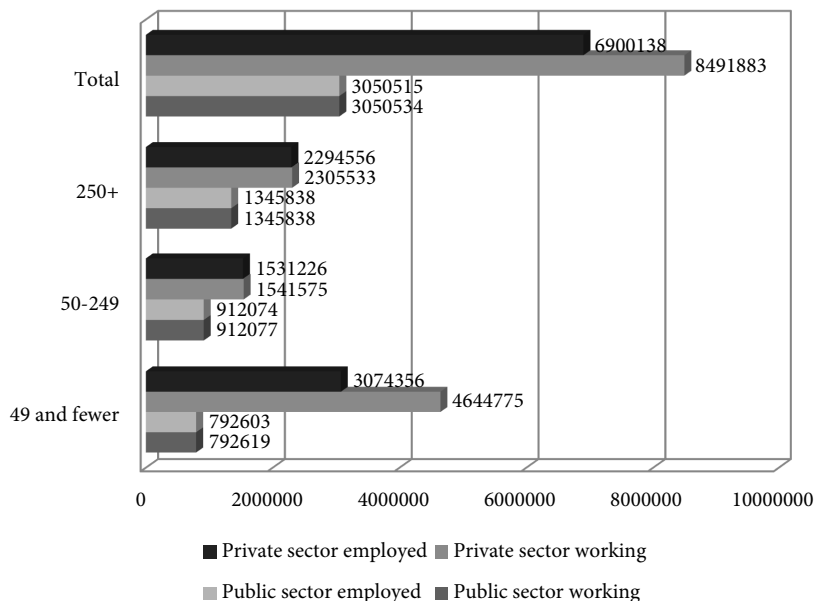


Source: *Employed in National Economy in 2013*, GUS, Warszawa 2014.

However, if we divide companies according to the ownership structure, then it turns out that people employed in micro and small companies dominate in the private sector, whereas those employed in public companies are mostly concentrated in the largest enterprises. Changes in the enterprise structure according to their size, but also an increase in the number of private enterprises had a substantial impact on labour relations, and thus also on social dialogue. Insofar as in large public enterprises traditionally at least one trade union was active, yet most often their number was much higher, then the newly established enterprises frequently lack any employee representation whatsoever. Small and micro enterprises were dominated by individual relations on the employer – employee line.

⁵ The difference between the number of people working and the number of people employed results from the distinction between those who are employed (based on an employment contract) and those working, as this term also includes people working based on non-standard forms of employment and self-employed.

Figure 3. Working and Employed in National Economy by Unit Size and Ownership Sectors



Source: *Working in National Economy in 2013*, GUS, Warszawa 2014

Results of research by J. Gardawski and his team demonstrate that scale of employment and presence of trade union organizations not only impacted labour relations but trade union presence actually improved the quality of labour relations. In those enterprises, where trade unions were present rights of employees were better respected (Gardawski 2009).

In this context it merits to underline that the implementation of ILO's concept of decent work turned out to be difficult even for Polish labour relations. The concept of decent work, promoted by the ILO in its many documents was presented in ILO Report in 1999. Decent work was described as the main objective for ILO member states and in order to achieve it it is necessary to promote values such as: equal opportunities irrespective of gender, productive work and conditions that guarantee equality, security and human dignity (ILO 1999). The concept of decent work was based on a number of international standards as well as on documents promoting universal rights, in particular: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), The Right to Organise and Collective Bargaining Convention, 1949 (No. 98), The Abolition of Forced Labour Convention, 1957 (No. 105), The Minimum Age Convention, 1973 (No. 138), Declaration of Fundamental

Principles and Rights, 1998. The Decent Work Agenda was based on four fundamental objectives set forth by the ILO:

- Achieving full employment – (at the time) documents indicated that at least one billion people remained unemployed or underemployed (Somavia 2004),
- Workers rights – ILO believes that workers rights cannot be limited under any circumstances, not even in order to create additional employment (Somavia 2004),
- Social security – protection for all employees, even those working in the informal sector,
- Social dialogue – ILO believes in dialogue being a better way to resolve conflicts compared to conflict.

In 2008 the Tripartite Meeting of Experts worked out five initial principles to be used to measure progress in achieving the objective of decent work for all in individual countries. The main value is the support given to countries in evaluating progress and not just setting a list of indicators to be used for different purposes. If possible, national statistics should be provided in a format and according to methodology that make it possible to compare work quality. Creation of an aggregated index used to put together a ranking list of countries is of little value for the purpose of policy analysis as often it does not provide additional context and requires a restrictive approach to comparing countries. Indicators expressed in numbers are not able to cover the broad qualitative nature of decent work. Some of the indicators (such as employment or wages) are easily measurable in statistical terms, whereas some other (such as the condition of social dialogue or representation of interests) are not that easy to measure. Once the concept of decent work is more widely present in international documents on development, the need for a more comprehensive description of the situation will become even more needed (ILO 2008b). After considering the above principles the Meeting of Experts put forward a certain form of an international model consisting of eleven quantitative and qualitative indicators to be used in order to measure the level of decent work in a given country (ILO 2008a).

Costs of Labour and Wages and Labour Relations

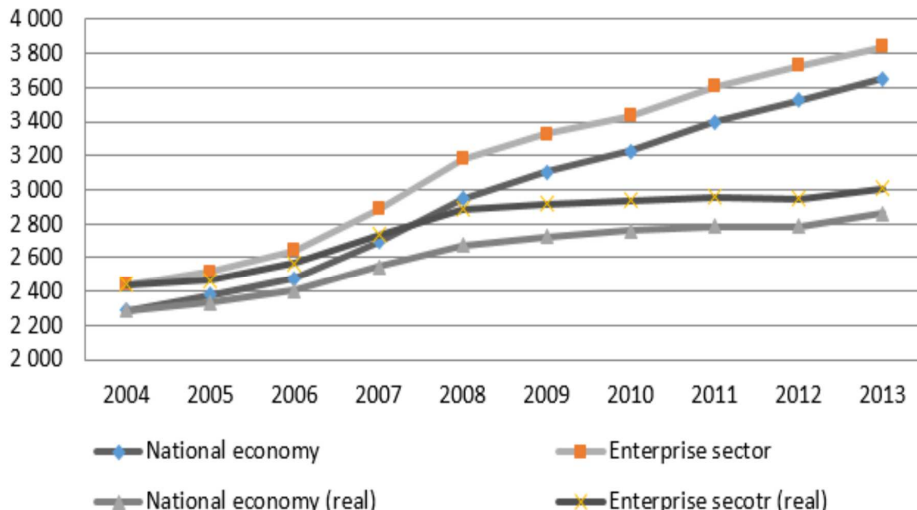
One of the most significant problems appearing in negotiations conducted in the frames of social dialogue is the issue of wages. The level of wages is decided not only by laws of the market, but also by numerous other factors, e.g. value of minimum wage, costs of labour, i.e. taxes, healthcare and social insurance contributions, contributions

for a labour fund and guaranteed social benefits fund, deductions for the National Fund for the Rehabilitation of Disabled [PFRON] or company social welfare fund. The minimum wage level is negotiated in the frames of the Tripartite Commission and it impacts the shaping of the level and relation of wages, but also their structure. The law in force in Poland assumes that the minimum wage is determined annually, while one of the evaluation criteria is the relation of a minimum wage to an average wage. The minimum wage is also connected with numerous benefits paid to employees and entitled beneficiaries. As analyses of international comparisons in the OECD countries and BAEL surveys (Central Statistical Office) have demonstrated 'a high minimum wage may be a barrier for employing on the official labour market of people with low qualifications, whose productivity is lower than minimum wage, while the supply of their work is higher than demand for it' (Ruzik 2007: 9). Many experts suggests that an adequate road aimed at increasing wages of people with low qualifications should be parallel activities intended at improving qualifications and level of labour resources human capital (Ruzik 2007).

During the recent decade, despite the crisis on financial markets, the perfect majority of EU states recorded a real increase in labour productivity per single employed person. The highest nominal increase between 2004 and 2013 was recorded in the countries characterised by low development level in 2004, i.e. Romania (139%), Latvia (139%), and Lithuania (109%). Poland belongs to these countries of the EU which are characterised by a relatively high tempo of increase in productivity, although lower than that of the growth leaders. In the post-accession period, a constant increase of the GDP and increase in wages and labour productivity can be observed in Poland. In the years 2004–2013, Poland recorded a substantial increase in gross average remuneration throughout entire economy. In nominal values, substantial increases in average wage of 59.4% (in national economy) and 57.4% (in the enterprises sector) were recorded. Thus, the relative difference between both categories of wages in the entire national economy and in the enterprise sector diminished minimally.

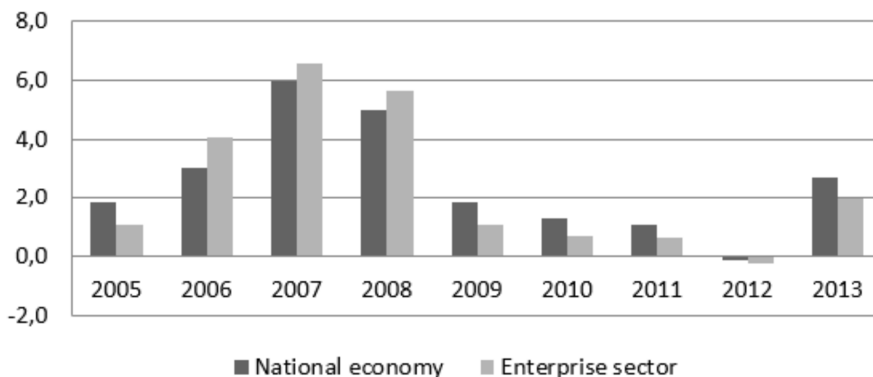
For the purpose of realigning the level of wages in Poland, normally the Consumer Price Index (CPI) is used, whereas in international comparisons within the European Union the Harmonised Index of Consumer Prices (HICP) is employed. Differences in results obtained in terms of CPI and HICP inflation are not high in Polish conditions, although it is fitting to emphasise that the accumulated HICP increase during the period covered by the analysis was by 0.8 percentage point higher than in the case of the CPI, therefore wages, with taking he HICP into account, increased in a minimally lower degree to PLN 2,842.93 (national economy) and PLN 2,988.69 (enterprise sector).

Figure 4. Average monthly remuneration in the years 2004–2013 (PLN)



Source: Own study based on the data from the Central Statistical Office (GUS).

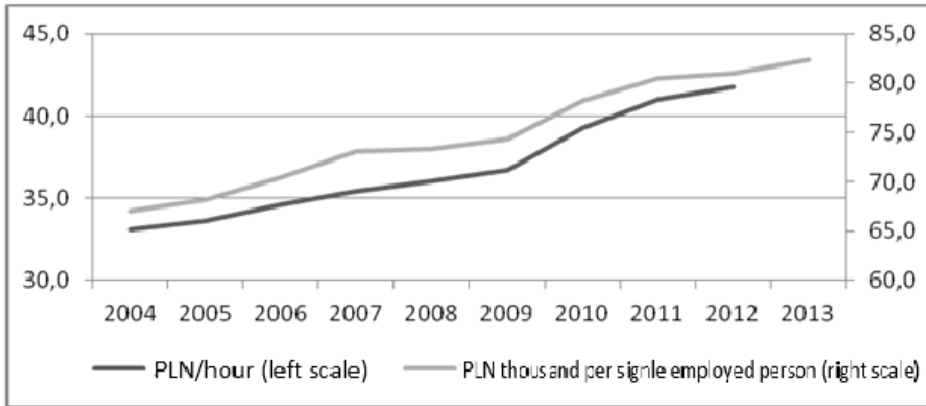
Figure 5. Real increase of gross average remuneration in national economy



Source: Own study based on the data from the Central Statistical Office (GUS)

The highest increase in wages can be seen in the years 2006–2008, since 2009 a decrease related to the international crisis can be observed, and the increase resumes in 2013. The year 2012 was exceptional in this respect – it was the only year when the wages really decreased, whereas the decrease was greater in the enterprise sector where it amounted to 0.26 percentage point.

Figure 6. Labour-productivity per employed and per working hour in constant prices in the years 2004–2013 (PLN)



Source: Own study based on the data from the Central Statistical Office (GUS) and Eurostat.

In the analysed period, the growth in the GDP was accompanied also by the growth in labour-productivity counted both per hour of work and per employee. The increase of both productivity parameters was recorded. Labour-productivity per single employee in real terms increased from PLN 67.0 thousand (in 2004) to PLN 80.9 thousand in 2012 and PLN 82.3 thousand in 2013, whereas labour-productivity per hour increased from PLN 33.1 (in 2004) to PLN 41.8 in 2012⁶. A slightly higher tempo of growth of labour-productivity per working hour (26.3 percentage point) from that recorded for an employee (20.8 percentage point) is related to the better use of material labour resources. Moreover, it is fitting to emphasise that in the analysed period a 13% increase in employment was recorded. Despite an approximate increase in labour-productivity in the years 2004–2012, it is possible to distinguish two periods substantially differentiating the tempo of increase in productivity. In all the years both productivity parameters improved, yet in the years 2005–2007 productivity per employee was increasing faster, whereas in the years it was labour-productivity per hour. The first period observed a significant annual increase in employment (2.3% – 4.4%) and the economic growth was to a large degree of an extensive nature. The years 2008–2012, along with the slowing down of the growth of employment and its drop in 2010 and 2013, resulted in an intensive increase, with a slower tempo of growth in labour-productivity per employee. In recapitulation, it is fitting to emphasise that in the analysed period no significant relationship between the growth of wages and

⁶ The latest statistical data cover the year 2012.

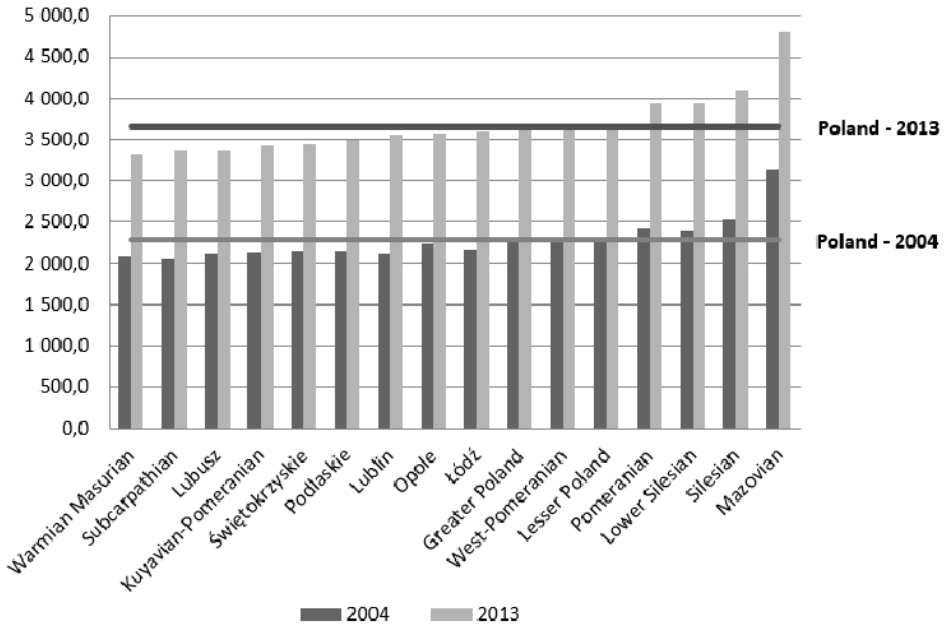
growth in the labour-productivity was observed. All the analysed categories had a similar tempo of growth (20.8%–26.3%). The tempo of growth of labour-productivity per hour was higher than that of the increase in wages. In turn, the tempo of growth of labour-productivity per single employee was lower than the tempo of growth of wages. Despite the fact that generally speaking in the analysed period a partial substantiation for the growth in wages resulting from increasing labour-productivity was jointly stated, then disaggregating the growths, no substantiation for the growth in wages in individual years was found. A more noticeable relationship was the ‘making-up-for’ increase in productivity in the years 2010–2012 following the earlier substantial growths of remuneration in the years 2007–2008. It is even possible to substantiate the statement that significant growths in wages were compensated only after several years, after the economic crisis, thus providing the grounds for a generally neutral assessment of the period subject to analysis in terms of the productivity – remuneration relationship.

Polish labour market, similarly as majority of European markets, is characterised by a substantial regional diversification. The average wage in a given area is a function of the unemployment level – the lower the unemployment, the weaker pressure on wage increase. The years 2004–2013 observed a substantial diversification of wages in individual voivodeships (provinces). Throughout the entire analysed period, the highest remuneration was obtained by those employed in the Mazovian voivodeship. In 2004 it was PLN 3,143 on average (137.3% of the national average), whereas in 2013 it was PLN 4,812 (131.8% of the national average). Clearly higher remuneration in comparison with the national average (second rank after the Mazovian voivodeship) was obtained by those employed in the Silesian voivodeship, PLN 2,525 (110.3 average) and PLN 4,096 (112.2% average) respectively. A somewhat lower, nevertheless high level of wages was recorded in Lower Silesian and Pomeranian voivodeships.

Wages in the remaining voivodeships significantly differed from wages in those mentioned above. The lowest level of average wages both in 2004 and in 2013 was recorded in Subcarpathian and Warmian-Masurian voivodeships. The aforementioned diversification of wages in specific voivodeships has been observed in Poland since the very beginning of systemic transformations. Recent years have not substantially altered the situation on local labour markets. It is still possible to distinguish voivodeships with a higher level of wages (clustered around metropolitan development centres) and those with a lower level of remuneration (less urbanised areas). This is because usually a greater demand for labour occurs in areas characterised by lower unemployment indicators (development centres, suburbs,

cities), whereas lower demand for labour concurs with higher unemployment indicators (agricultural and agricultural-industrial areas). Nevertheless, it is worth emphasising that significant differences existing hitherto between voivodeships have diminished. Therefore, it can be seen that regional diversification is flattening, although the tempo in which it is taking place is very slow.

Figure 7. Average monthly remuneration in national economy in years 2004 and 2013, by voivodeship (PLN)



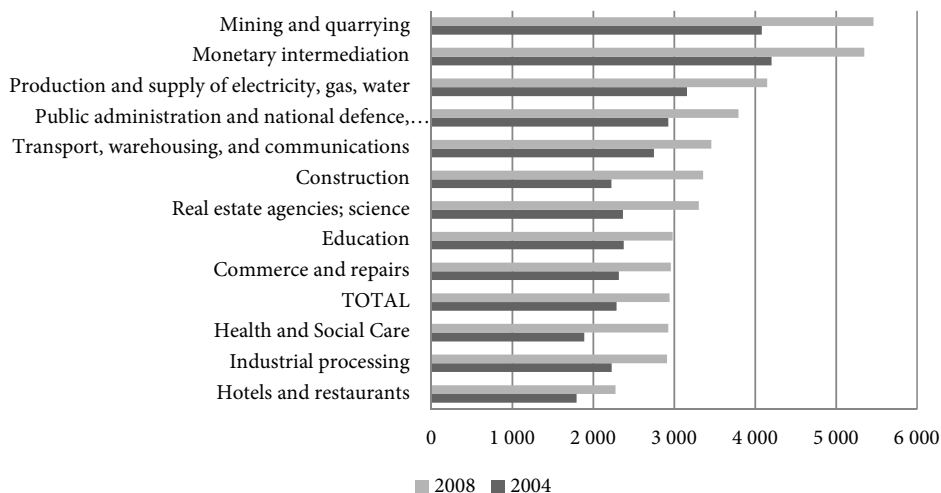
Source: Own study based on the data from the Central Statistical Office BDL.

The level and diversification of wages may be analysed with taking into account the basic variables, among which the most important include a section of economy according to the Classification of Business Activities in Poland⁷. In 2004, the highest

⁷ In performing an analysis of remuneration with taking the Classification of Business Activities into consideration, it is necessary to keep in mind non-continuity of data presented with the use of the Classification of Business Activities. Upon replacing Classification of Business Activities 2004 with the new Classification of Business Activities 2007 developed on the grounds of the Statistical Classification of Economic Activities in the European Community – NACE Rev. 2, detailed presentation of public statistics data in a manner homogenous with European statistical standards became possible. However, application of the changed classification resulted in impossibility of conducting simple analysis for all sections.

gross remuneration was disbursed in such sections as: Monetary intermediation and Mining and Quarrying. Whereas the lowest was recorded in sections: Hotels and Restaurants and Healthcare and Social Care. Significant changes occurred after four years.

Figure 8. Nominal monthly remuneration in sections according to PKD 2004 in the years 2004–2008 (in PLN)



Source: Own study based on the data from the Central Statistical Office.

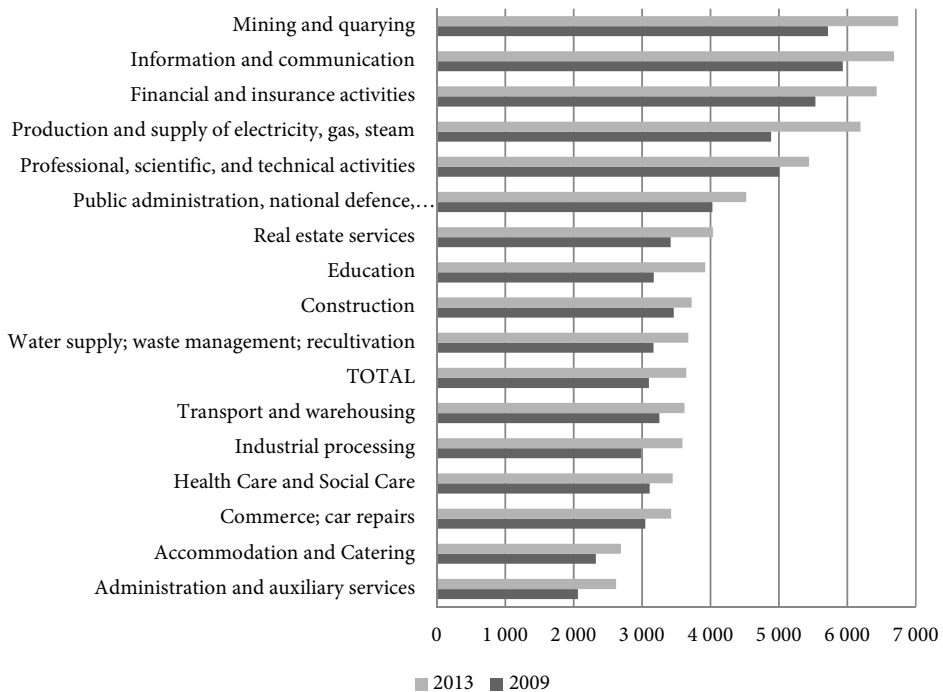
As earlier indicated, the first years of Poland's membership in the European Union were connected with a significant growth of wages. The highest growths were recorded in such sections as Healthcare and Social Care (55.1%, in real terms 40.2%) and Construction (50.9%, in real terms 36.4%). In both cases the growths were connected to economic and social changes related to the entry in the EU. The highest level of wages was recorded in the following sections⁸: Mining and Quarrying, Information and Communications, and Financial and Insurance Activities. The lowest level of remuneration was recorded in the case of service-related sections: Administration and Auxiliary Services, Accommodation and Catering, as well as Commerce and Car Repairs.

The highest growth in wages in the years 2009–2013 was recorded in the sections: Administration and Auxiliary Services (26.9% nominal, 13.9% real), production

⁸ Section headings in Classification of Business Activities 2007 are different than those in Classification of Business Activities 2004.

and supply of electricity, gas, steam, and hot water (26.7% nominal, 13.7% real) and Education (23.7% nominal, 11.0% real). A new phenomenon observable in four sections came as a lowering of real wages in the years 2009–2013. This situation pertains to such sections as: Construction (–3.4% real decrease, 7.6% nominal increase), Professional, Scientific and Technical Activity (–2.5% real decrease, 8.7% nominal increase), Healthcare and Social Care (–0.6% real decrease, 10.8% nominal increase) and Transport and Warehousing (–0.2% real decrease, 11.3% nominal increase). This process was adaptive in its nature, adapting to the decreased demand for services rendered especially in Construction, Transport, and Warehousing.

Figure 9. Nominal remuneration in sections according to PKD 2007 in the years 2009–2013 (in PLN)

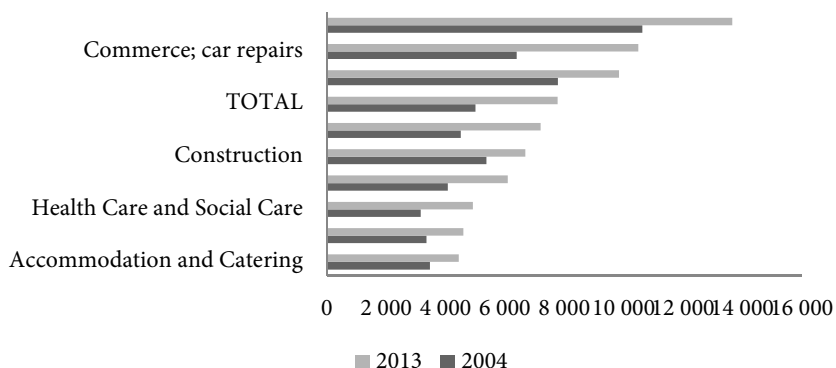


Source: Own study based on the data from the Central Statistical Office.

In the years 2004–2013 from among the sections, the highest monthly labour-productivity characterised employees of such sections as: Monetary and Insurance Activities (PLN 10,626 in 2004 and PLN 13,660 in 2013). A significant increase in

labour-productivity was recorded in one of the biggest sections – Commerce and Car repairs (64.2% nominal, 281% real) and thanks to that labour-productivity of workers employed in this section currently exceeds the labour-productivity of employees in the Mining and Quarrying section. Similarly as in 2004, the lowest labour productivity characterises employees of such sections as Education (PLN 3,348 in 2004 and PLN in 4,595 in 2013) and Accommodation and Catering (PLN 3,468 in 2004 and PLN 4,441 in 2013). Analysing changes in productivity among sections, it is necessary to emphasise that in the analysed period three sections: Construction, Mining and Quarrying, and Hotels and Restaurants recorded a real decrease in labour-productivity (from 3.0% to 0.1% respectively).

Figure 10. Average monthly labour-productivity per person employed in PKD sections in the years 2004–2013 (in PLN)

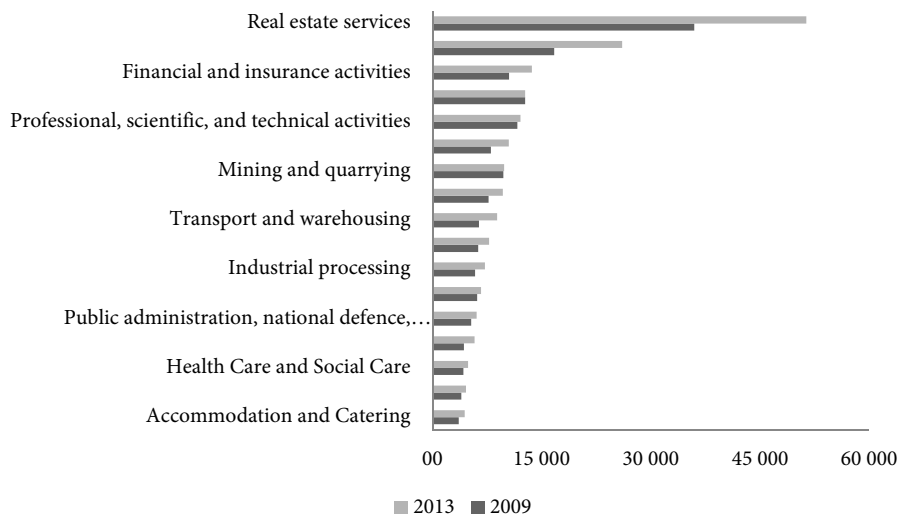


Source: Own study based on the data from the Central Statistical Office and Eurostat.

The decidedly highest level of productivity occurs in the section smallest in terms of the number of employed (138.7 thousand) – Real Estate Services (PLN 35,984 in 2009 and PLN 51,358 in 2013).

The lowest productivity characterises traditional sections of services and convenience activities such as: Accommodation and Catering, Education, Healthcare and Social Care, which confirms the research conducted on highly-developed markets where high labour-productivity is observed in the modern areas of economy (e.g. information and communication, professional and scientific activities), whereas lower than those mentioned earlier also in traditional sub-classes of industrial processing.

Figure 11. Average monthly labour-productivity per person employed in PKD sections in the years 2009–2013 (in PLN)



Source: Own study based on the data from the Central Statistical Office and Eurostat.

Polish economy continues to be highly diversified in terms of wages and labour-productivity across the Classification of Business Activities sections. It is possible to distinguish types of economic activity characterised by high labour-productivity and high wages which follow. From among those, it is worth distinguishing new areas of economy, first and foremost services quickly gaining in significance: Real Estate Market Services, Financial and Insurance Activities, and Information and Communications. Sections of traditional economy characterised by high productivity and adequate wages are, first and foremost: Production and Supply of Electricity, Gas, Steam, and Hot Water as well as Mining and Quarrying, although it is difficult not to notice the fact that high wages in the last of the sections are only in a small degree substantiated by labour-productivity.

Persisting significant diversification also results in the occurrence of sections characterised by low productivity, which frequently leads to maintaining a relatively low level of wages in certain service-related sections, such as: Accommodation and Catering, Education, Healthcare and Social Care. It is worth emphasising that in the frames of Classification of Business Activities sections one may observe a greater connection between productivity and wages than an analogical connection in the spatial distribution of voivodships.

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