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## **SALARIES DIVERSIFICATION IN POLAND**

### **Introduction**

The objective of the following article is conducting general analysis and evaluation of wages and salaries diversification in Poland in 2002 and comparing it with 2005.

We accepted years 2002 and 2005 to analyse because of the following factors: year 2002 was the period when Polish economy went through economic stagnation, whereas year 2005 was a period when Poland was already a member of the European Union and one could observe economic growth.

The salaries play a role of an independent equivalent for work. They make for a separate branch of economy and occupy a special position in social life as they are closely connected with other social-economic aspects of the country. Wages and salaries at the company level include all country legal regulations as well as the system of work organization which functions in a firm<sup>1</sup>.

In Poland, there are quite significant wages and salaries disproportions, which very often evoke strong emotions. What adds to this is the fact that we deal with the considerable and growing scope of social poverty and high unemployment in the country scale. On one hand, in Poland there are unskilled workers who receive less than 10.000 zł annually, and on the other hand, firms' presidents of monthly income exceeding even thirty years income of such a worker. That reason of such diversification was uneven economic growth. Moreover, we live in the times when even one person is capable of earning more in a month than the other one during his lifetime. Such situation must evoke and evokes particular discussions and tensions<sup>2</sup>.

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<sup>1</sup> Z. Jacukowicz, *Systemy wynagrodzeń*, Poltext, Warszawa 1999, p. 11.

<sup>2</sup> Przegląd Makroekonomiczny, Ministerstwo Finansów, Warszawa, czerwiec 2006.

In Poland salaries diversification differs to a considerable degree in particular regions. There are many factors of such wages and salaries diversification, among others: employment region, type of firm ownership, type of business activity, age and sex of the employed person, his education and skills<sup>3</sup>.

## 1. Wages and salaries, qualifications, and work experience

### 1.1. Education

Table 1 presents wages and salaries of women and men by basic rungs of education in 2002 and in 2005. Payment has been included in zloty and in the percentage assuming income of employees with university education as a point of reference.

**Table 1. Wages and salaries by education and gender in 2002 and in 2005**

Education	T - Total M - Males F - Females	2002 in zloty	2005 in zloty
University	T	3277,65	3605,35
	M	4048,60	4481,20
	F	2.179,65	2993,41
College secondary and vocational	T	2719,42	2396,05
	M	2508,38	2758,13
	F	1957,07	2153,61
Comprehensive secondary	T	2185,94	2401,34
	M	2501,66	2752,83
	F	2093,21	2302,53
Vocational school	T	1875,22	2062,74
	M	2054,20	2259,62
	F	1455,05	1600,52
Primary and not complete primary	T	1746,02	1920,61
	M	1955,39	2150,93
	F	1458,41	1604,25

Source: *Wages and salaries by occupations for October 2002 and 2005*, Statistical Yearbook, pub. Central Bureau of Statistics 2003, p. 15 and 2006, p. 38.

<sup>3</sup> W. Jarmolowicz, A. Strużyna, *Regionalne zróżnicowanie płac*, Wydawnictwo Akademii Ekonomicznej Poznań, Poznań 2003, p. 147.

Evaluating data from table 1 one must affirm, that in years 2002 and 2005, there is a significant role of education in obtaining higher wage or salary, especially in case of higher education. Employees who possess secondary school qualifications obtain 2/3 of payment of the people with higher education, whereas the employees with the primary education receive relatively no more than 50%.

Changes, which have taken place during the recent years, concerned mainly lower amount of income of employees with primary and vocational education, and therefore labourers. The fact connects with their attitude to work. In the former period of time labour work, and especially requiring physical effort, or conducted in onerous conditions, conducted mainly by men, it was highly appreciated with the dismissive attitude to office work, conducted mainly by the employees of secondary school education, especially women. On the other hand, employees of university education received relatively high income.

According to data from years 2002 and 2005, employees of university education have remained at high position, and a characteristic change is alignment of wages and salaries of employees of secondary vocational education and secondary comprehensive education. The income of people of vocational and occupational education got relatively lower.

Wages and salaries dependence from education has a different dimension in private sector public than in a public one. Wages and salaries by the education and ownership forms in the year 2002 were shaped as follows:

Education	Sector	
	public	private
University	2884,52	4577,47
College secondary and vocational	2196,16	2196,43
Comprehensive secondary	2209,01	2156,57
Vocational school	2068,46	1757,98
Primary and not complete primary	1793,64	1699,24

In the above juxtaposition, the noticeable fact is that private sector, even though generally underpaid, creates much better salaries conditions for people of university education, and that is for either men or women. Employees of university education earn twice as much in the

private sector, (whereas the difference in public sector amounts only to 26,5%) and almost 59% more than their counterparts in public sector.

Highly significant difference of average wages and salaries by employees' education in both public and private sector results from the education.

### **1.2. Work experience**

Work experience is one of most important criteria for wages and salaries diversification. Along with growing work experience gross the payment, however, this does not take place due to longer period of working but because of promotion.

Work experience is connected to the greater training perceived as gaining practice and skills through conducting activities on given post, and developing personal knowledge because of training workshops and self-education. Experience, which comes with the longer period of working is a valuable qualification required while promoting to higher position and is the basis of decreeing higher salary on the position.

Table 2 presents wages and salaries by work experience and their changes within 25 years of work.

**Table 2. Wages and salaries by work experience in 2002 and in 2005**

<b>Work experience</b>	<b>T - Total M - Males F - Females</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
up to 4 years	T	1771,41	1966,27
	M	1923,08	2134,62
	F	1587,85	1762,51
5-9 years	T	2079,58	2308,33
	M	2292,30	2544,45
	F	1827,84	2028,90
10-14 years	T	2083,15	2312,30
	M	2334,88	2591,72
	F	1827,84	2028,90
15-19 years	T	2219,20	2463,31
	M	2523,90	2801,53
	F	1953,71	2168,62
20 years and more	T	2445,44	2714,44
	M	2694,03	2990,37
	F	2190,97	2431,98

Source: *Wages and salaries by occupations for October 2002 and 2005*, Statistical Yearbook, pub. Central Bureau of Statistics, 2003, p. 15 and 2006, p. 19.

In table 2, the characteristic fact is that women just from the start receive income by 20% lower than the men's one, and this difference maintains with little variation in other work experience periods in year 2002 and 2005 as well.

Influence of the work experience on the amount of income was in 2002 higher in public sector than in the private one.

These data outline as follows:

Work experience	Sector	
	public	private
to 4 years	1686,38	1815,52
5-9 years	2026,76	2127,20
10-14 years	2097,73	2064,40
15-19 years	2256,58	2161,16
20 years and more	2504,13	2355,20

One should notice that employees' wages and salaries up to 4 years make for 74% of average income in public sector whereas they make for 84,5% in private sector. Therefore, income of employees in private firms is higher at the starting point than in public ones. Nevertheless, the growth of income due to work years up to 20 years looks as follows:

- public sector – 48,5%,
- private sector – 29,7%.

That confirms the opinion that private owners search for young employees and value them relatively more than senior employees, whereas public firms take under consideration of the experience and contributions possessed by the employee.

### ***1.3. Age of employees***

Table 3 presents the amount of wages and salaries by the age of employed in the years 2002 and 2005.

Employees of twenty years of work experience earned on average about 38% more than employees in their first years of working, whereas the age group 45-59, so the group indicating to a 20 years of work experience earned almost 60% more.

**Table 3. The amount of wages and salaries by the age of employed in 2002 and 2005**

<b>Age</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
Total	2219,08	2440,99
to 24 years old	1545,26	1699,79
25-34 years old	2084,61	2293,07
35-44 years old	2244,68	2469,15
45-59 years old	2462,64	2708,90
60-64 years old	3367,86	3704,65
65 years old and more	3338,91	3672,80

Source: *Wages and salaries by occupations for October 2002 and 2005*, Statistical Yearbook, pub. Central Bureau of Statistics 2003, p. 15 and 2006, p. 19.

This indicates that the employee's income increases during the whole period of their work and connects with his promotion and upgrading their qualifications. The jumping growth of employees' wages and salaries above the age of 60, results from the small number of people who work at this age in relation to total. At the same time, those people have high qualifications, and high positions. Other staff usually retires at the age of 60 and 65. In a way, the difference of income is influenced by the decreasing number of women in this group of employed. Because of the fact that women earn less than men, who applies also to the schedule of work by the age, their decreasing share in the group above 60 years old increased the span. The same data counted for men and women separately at total span of wages and salaries of 216,1% in the year 2002 and of 215% in the year 2005 amounted to:

2002 – in the group of 60-64 years old – men 213,5%, women 189,8%,  
 2005 – in the group of 60-64 years old – men 212 %,women 190,2%,  
 2002 – in the group of 65 years old and more – men 227,3%, women 166,4%.  
 2005 – in the group of 65 years old and more – men 224,6%, women 167,2%.

The wages and salaries dependences by the age of employees presented here causes that 86% of total of employees, in the age group up to 24, earned below average gross income in the year 2002; whereas in the age group 45-59 only 56% earned below average gross income.

Nevertheless, in the year 2005 as many as 82% of all employees in the age group up to 24 years old earned the gross salaries below aver-

age level; whereas in the age group of 45-59 years old only 50% received salaries below the average one.

Similar regularities show the analysis by the work experience. The 81% of total of employees earned below the average income in the work experience group up to 4 years as well as 56% in the work experience group 20 years and more.

Analysis of wages and salaries by the level of education indicates, on the other hand, the income above the average or within its limits obtained:

- 40% – of total of employees in the group of university education,
- 64,6% – in the group of college secondary and vocational school education,
- 63,6% – in the group of comprehensive secondary school education,
- 67,7% – in the group of vocational school education,
- 78,9% – in the group of full primary school education or partly elementary.

The presented data confirm the significant influence of qualification on the amount of payment. Young workers, of short work experience possessing only primary or vocational school obtain low income. Salaries increase with the qualifications and work experience.

## **2. Salaries diversification in Poland**

### ***2.1. Salaries in Poland according to spheres and divisions of national economy***

Table 4 presents an average gross income as well as relations in 2002 and 2005 by spheres and divisions of national economy. We can conclude from it that the lowest income and the highest relation were in the division of financial intermediation.<sup>4</sup> This division has developed dynamically in Poland for the few years, mainly financial, banking, and insurance activity. In those divisions there are highly qualified employees, who possess high experience in finance. Besides these people, also take very high responsibility. That all causes such high salaries stayed unchanged.

High earnings also did not change in mining and quarrying, and in the division of electrical energy, gas and water generating and supplying. That was a result of great reorganization in energy plants. Many of them have transformed into joint stock companies and have introduced

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<sup>4</sup> A. Sajkiewicz, *Zasoby ludzkie w firmie*, Poltext, Warszawa, 2001, s. 46.

big regions. The above activities contributed to such level of wages and salaries in this division.

We should notice here that the lowest wages and salaries have continued in the division of hotels and restaurants for several years. Poland is a country, which has not been frequently visited and chosen by tourists. As a result, this division has not developed well in Poland. It influenced disadvantageously wages and salaries levelling this division.

**Table 4. Average gross wages and salaries in 2002 and in 2005 by spheres and divisions in national economy in Poland**

Spheres and divisions of national economy	2002 in zloty	2005 in zloty
<b>Total</b>	<b>2097,83</b>	<b>2307,61</b>
of which in the budget sphere	2148,53	2363,38
Agriculture, hunting and forestry	1958,87	2154,76
Fishing	1452,46	1597,71
Industry	2141,84	2356,02
Mining and quarrying	3693,14	4068,31
Manufacturing	1911,52	2102,49
Electricity, gas and water generate and supply	2909,40	3200,42
Construction	1760,48	1932,82
Trade and repair	1726,66	1879,52
Hotels and restaurants	1370,84	1507,94
Transport, storage and communication	2458,58	2740,44
Financial intermediation	3818,14	4193,94
Real estate and business activities	2230,53	2452,18
Public administration and defence	2717,51	2981,13
Education	2072,85	2281,50
Health and social work	1717,22	1889,24
Other community, social and personal activities	1891,73	2080,90

Source: *Monthly gross wages and salaries by occupation*, Statistical Yearbook 2003 and 2006, pub. Central Bureau of Statistics 2003, p. 175 and 2006, p. 194.

## **2.2. Salaries diversification in Poland in industry survey**

Table 5 presents average monthly gross salaries in the year 2002 by industry survey.

Total earnings in industry formed at the level of 2141,84 zł. Dividing it to manual labour and non-manual labours, labourers' wages, people directly connected with industry were lower and amounted to 1859,80 zł. However, salaries at manual labourers were higher and

reached 3403,07 zł. We have to notice here that wages and salaries on non-manual labourers, so directly connected to industry, were lower than those of non-manual labour posts. Only few years ago those were the labour workers who earned more than those working on non-labour positions.

**Table 5. Average monthly gross wages and salaries in 2002 by industry branches cross in Poland**

Sections and divisions	Total in zloty	At positions	
		manual labour	non manual labour
<b>Industry</b>	<b>2141,84</b>	<b>1859,80</b>	<b>3403,07</b>
Mining and quarrying	3693,14	349,93	4578,33
of which:			
mining of coal, extraction of peat	3743,20	3556,83	4578,74
Industry manufacturing	1911,52	1605,98	3261,55
Manufacture of food products and beverages	1741,33	1448,61	3122,24
Manufacture of tobacco products	3906,90	2884,90	4904,67
Manufacture of textiles	1502,57	1337,77	2432,06
Manufacture of wearing apparel and furriery	1091,96	1005,37	1993,47
Processing of leather and manufacture of leather products	1234,54	1145,81	2097,74
Manufacture of wood and wood, straw products	1377,16	1317,32	2593,35
Manufacture of pulp and paper	2285,98	1886,21	3925,93
Publishing and printing and reproduction of information carriers	2702,98	1853,02	3815,23
Manufacture of coke and refined petroleum products	3859,01	3302,43	4782,94
Manufacture of chemical products	2987,03	3302,43	4782,94
Manufacture of rubber and plastic products	1932,40	2177,48	4369,77
Manufacture of non-metallic products	1954,15	1678,31	3097,54
Manufacture of basic metals	2348,98	2131,65	3136,45
Manufacture of metal products	1810,24	1621,06	2903,94
Manufacture of machinery and equip- ment	2088,67	1809,03	2946,48
Manufacture of office machinery			

and computers	3010,48	1798,90	4015,48
Manufacture of medical, precision, and optical instruments, watches and clocks	2248,85	1840,95	3299,59
Manufacturing of motor vehicles, trailers and semi-trailers	2218,09	1897,78	3492,64
Manufacture of furniture, other manufacturing	1432,81	1335,73	2393,35
Electricity, gas, and water generation and supply	2909,40	254,68	3635,94
Electricity, gas, and steam and hot water generation and supply	3074,75	2690,05	3818,72
Collection, purification and distribution of water	2392,22	2126,31	3000,76

Source: *Average monthly gross wages and salaries by selected industry sections and divisions*, Statistical Yearbook, Central Bureau of Statistics 2003, p. 177-178.

Taking into account the partition into spheres and divisions the highest earnings were in the tobacco production division. Very high profits of tobacco companies transfer directly into the level of wages.

In terms of wages and salaries, the division of manufacture of coke and refined petroleum occupied the second position. The main reason for such high payment was the fact that people employed in this division conducted hard and dangerous work. High price of petroleum, was also important at high demand it caused the increase of income and as a consequence the growth of wages and salaries.

We should notice that high wages and salaries stayed unchanged in the division of mining and quarrying despite it being reconstructed and its loss of economic significance. The relation of payment figures similarly to the time of its economic boom. The main reason for such high earnings in that division was functioning of trade unions, who organized strikes in order to increase payment. Big numbers of miners employed in mining as well as mining lobby activity caused that their postulates have been and are realized. Besides the former system favoured this division and the authorities made it privileged, which was mostly visible for the amount income they received. Not always, such situation was reflected in economy. Mining was highly unprofitable but its wages and salaries were high.

Income in manufacture of wearing apparel and furriery division was the lowest in 2002. A great influx of cheap clothes from eastern markets caused that that division is overcoming crises in Poland. Many

manufacture firms deteriorated or had to lower the costs though lowering wages and salaries. That was also influenced by the fact that people employed in that division conducted simple uncomplicated tasks and their education level was low.

### ***2.3. Diversification of salaries in health care in Poland***

Table 6 shows relations of wages and income in health care by occupations and specialties on the background of voivodeship survey in 2002. It appears that wages and salaries in health care, except for doctors, are lower than in all public sectors in voivodeship survey. However, there are quite significant differences between particular voivodeships.

**Table 6. Relations of wages and salaries in health care by occupations and specialties on the background of public sector in voivodeship survey in 2002 (occupations in public sector =100)**

<b>Voivodeship</b>	<b>Average income</b>	<b>Unit directors</b>	<b>Managers of small health centres</b>	<b>Doctors</b>	<b>Physiotherapists</b>	<b>Nurses</b>
Dolnośląskie	75	78	76	105	65	76
Kujawsko-Pomorskie	78	78	74	112	65	79
Lubelskie	75	77	95	116	63	73
Lubuskie	79	90	65	138	63	77
Łódzkie	80	90	93	121	68	80
Małopolskie	76	91	83	108	64	78
Mazowieckie	67	72	66	96	52	65
Opolskie	77	84	95	122	62	72
Podkarpackie	81	85	72	132	66	80
Podlaskie	79	94	90	97	77	84
Pomorskie	78	79	79	135	66	75
Śląskie	62	71	98	98	54	61
Świętokrzyskie	84	93	80	131	75	82
Warmińsko-Mazurskie	84	98	78	139	63	78
Wielkopolskie	81	84	81	130	70	83
Zachodniopomorskie	79	82	90	118	62	81
Total	74	82	88	111	62	73

Source: *Estimated on the basis of: Structure of wages and salaries by occupations for October 2002*, Central Bureau of Statistics and additional information of Central Bureau of Statistics.

The greatest differences between health care and public sector appear in voivodeships of highest average salaries. On the whole health care scale this concerns Mazowieckie voivodeship, where payment has reached 67% of public sector and Śląskie voivodeship (62%). Nevertheless, the least significant differences appear in voivodeships of low average wages and salaries (84% in Świętokrzyskie and Warmińsko-Mazurskie voivodeships). It is not regularity, as e.g. in Lubelskie voivodeship, which has the lowest income in health care, it makes for 75% similar as in Dolnośląski region, where income is higher by several percentages.

The example of health care does not confirm the common thesis of wages and salaries becoming even in the regions of higher than average gross income. The above factors mentioned which influence such course of the matter, isolate, in a sense, health care on the payment market.

The next conclusion, which results from table 6, concerns the diversification of wages and salaries in occupations. Among the mentioned ones, doctors are in the most profitable situations, whereas physiotherapists and nurses in the least one. Salaries of the first ones are higher (in some voivodeships to a significant level) than earnings of specialists in public sector. According to Professions and Specialities Classification this group includes among others physicists, chemists, geologists, mathematicians, computer specialists, engineer, architects, but also teachers, lawyers and management specialists.

Professional group, along with doctors, which is the most highly paid and which income's level varies from other doctors' are anaesthesiologists, and the second group in terms of amount of salaries are surgeons. High earnings of anaesthesiologists were caused by previous strikes of this group of doctors and due to contracts they made as result of it. High salaries can also be obtained by accepting medical duties, so working overtime.

There are significant differences of regional wages and salaries level in each professional group in relation to comparable occupation. Among doctors, these differences in income are by 4% lower than ones by specialists in Mazowieckie voivodeship up to 39% in Warmińsko-Mazurskie. Among nurses by 61% of average associate professionals' wages in Śląskie voivodeship they reach up to 84% in Podlaskie voivodeship.

Information included in table 6 confirms the common opinion of low income of nurses and midwives. Comparing with associate professional, so professionally similar qualifications, but of less onerous work, they are underpaid. Against the backgrounds of the above data one can distinguish relatively high income of health centres directors. In some voivodeships the variation is just several per cent lower (e.g. Warmińsko-Mazurskie voivodeship by 2%, and Podlaskie by 6%) from the average salary of the public firm directors in other branches. One can even set a question whether in the view of financial problems of Independent Public Health Care Centres and low incomes of their employees they were not too highly rewarded. In comparison to average wages and salaries' increase in years 1998-2002, it appears that directors' salaries grew slightly faster (81 %) than health care specialists (71%) and nurses and midwives (62%). Health care employees get an impression that their wages and salaries are lower than in other professions requiring similar qualifications. Central Bureau of Statistics confirms that fact in their survey data concerning the schedule of wages and salaries and the percentage of employees receiving it in various amounts.

### **3. Regional diversification of salaries**

The main factor influencing such region division was geographical location, but also economic and historic associations. Such bonds of voivodeships aim at highlighting the factors which influence the choice for investment in a given voivodeship or change of place of employment.

#### ***3.1. Salaries level in Mazowieckie and Świętokrzyskie voivodeships***

In Mazowiecki region salaries are the highest in the country. We can observe some diversification. In Warsaw itself salaries are much closer to the Western Europe level of income. Nevertheless, the amount of payment in other parts of Mazowieckie voivodeship it does not much differ from the rest of the country.

In Mazowieckie voivodeship we can perceive migration of people from other regions. A large number of individuals moves to the capital as it is easier to find occupation there and due to the number of national and international firms, and furthermore because of the payment higher than in other regions.

**Table 7. Gross wages and salaries of employees by occupational groups in 2002 and in 2005**

<b>Occupational groups</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
Legislators, senior officials and managers	7272,18	7999,40
Physical, mathematical and engineering science professionals	4938,26	5432,01
Physical and engineering science associate professionals	3342,52	3685,78
Office clerks	2452,86	2702,15
Craft and related trades workers	1966,62	2158,46
Extraction and building trades workers	1934,87	2137,36
Plant and machine operators and assemblers	2236,01	2463,08
Drivers and mobile plant operators	2220,94	2406,02
Elementary occupations	1464,62	1615,09

Source: *Average gross wages and salaries full-time paid employment by occupational groups conducted as of October 2002 and 2005*, Statistical Yearbook of Mazowieckie Voivodeship 2003, Bureau of Statistic in Warsaw 2003, p. 188-189 and 2006, p. 261-262.

In Mazowiecki region there is high potential of professionals and specialists. Due to the fact there are a great number of good, prestigious colleges in Warsaw, there are more and more individuals who come from smaller regions in order to study in the capital and very often stay there after graduation. An immense amount of departments and majors adds to the fact of Mazowiecki region possessing the most professionals. However, such people usually set up high income demands. Because of that for some time we have been able to observe the phenomenon of moving the seat of company outside Warsaw, which results in wages and salaries falling down. Employers count on finding good professionals for lower income comparing to the one they would have to pay in Warsaw. Besides high costs of firms maintenance also adds up to the investors choosing near Warsaw towns.

In Świętokrzyskie voivodeship in the year 2002 one could observe the adverse phenomenon for Polish firms, namely, their competition in trade with predominance of "foreign capital" paid fundamentally more. The diversification of salaries in that case reached even several dozen percentages and concerned mainly those posts which directly contributed to achieving success at the market. The ones who obtained the highest salaries in foreign companies are those who had close contact

with the client, and so they were: sales representatives, sales department directors, and marketing directors. In Polish firms, for comparison, those who distinguished themselves were: financial directors, accountants, and the lawyers.

In the year 2005, there where foreign capital in company was predominant what defined the level of wages, to a significant degree, were work effects. The highest element of income consisted of bonuses and rewards.

### ***3.2. Salaries relations in Wielkopolski region (Wielkopolskie and Lubuskie voivodeships)***

Taking into account the criterion of amount of salaries, Wielkopolski region, and especially Poznań, is at the second place in the country.

In Wielkopolski region, similarly as in Mazowieckie voivodeship, the phenomenon of wages migration is on the increase. People move from smaller towns to Poznań, as it is easier to find employment here and qualified professionals earn even up to 50% more than in other regions. Poznań, which is strong economically, has been a big hope for the personal and material development. In wWielkopolski region, banks, financial and insurance sectors are very strongly developed; therefore incomes there were the highest but only in Poznań. Individuals who are employed in the above mentioned sectors but outside Poznań receive lower wages and salaries.

In the year 2002 many firms went bankrupt and that caused unemployment increase as a result of mass redundancies. Many firms in order to avoid redundancies among employees limited the costs by reducing payment. However, despite such activities wages and salaries in many occupations and firms were almost the highest in the country.

Salaries in Wielkopolski region stayed unchanged at the high level in the year 2005. In that voivodeship many more foreign and domestic companies were created comparing to the year 2002. That was also the year when the practice of reducing salaries in order to reduce the costs of work.

In years 2002 and 2005 salaries in Lubuskie voivodeship were at the low level. Most of investors chose Wielkopolskie voivodeship in those years, which is located close to the western border, as it possesses more developed infrastructure including such as hotel, as well as it possessed greater personnel potential.

**Table 8. Average monthly gross wages and salaries by sectors, sections and forms of ownership in 2002 and 2005**

Specification	2002 in zloty	2005 in zloty
<b>Public sector</b>	<b>2278,80</b>	<b>2506,68</b>
State ownership	2531,33	2789,46
Mixed ownership	2897,09	3196,81
<b>Private sector</b>	<b>1903,81</b>	<b>2094,19</b>
Private domestic ownership	1625,78	1790,36
Foreign ownership	2411,17	2652,29
Mixed ownership	2805,94	3091,53

Source: *Average monthly gross wages and salaries by sectors, sections, and forms of ownership*, Statistical Yearbook of Wielkopolskie Voivodeship 2003, Bureau of Statistic in Poznań 2003, p. 184 and 2006, p. 195.

### **3.3. Salaries level and relations in Zachodniopomorskie voivodeship**

The job market in Zachodniopomorskie can be characterised by a high level of unemployment and low level of wages and salaries. Such a situation forces people to get employment “on a black market,” in places such as building sites or in housekeeping in Germany. Besides, a significant number of individuals in this region are sailors who after bankruptcy of most Polish shipping firms they found employment on the ships of foreign flags. Wages and salaries of those employed there were much higher than on Polish ships.

Profound development of sea ports especially in Świnoujście caused that wages and salaries of those working there were high. Many people travel by ships both for money and for tourist purposes, especially to Scandinavia, which causes the expansion of these ports and what follows the increase of income.

The tourist character of this region, especially the coast which is visited by tourists during the summer season, causes that wages and salaries grow during summer time only.

In years 2002 and 2005 the situation stayed the same in that voivodeship.

**Table 9. Average monthly gross wages and salaries by sections and divisions of national economy in Zachodniopomorskie voivodeship in 2002 and in 2005**

Specification	2002 in zloty	2005 in zloty
Fishing	1052,58	1168,36
Industry	1928,68	2140,83
Construction	1538,68	1707,93
Trade and repair	1414,75	1570,37
Hotels and restaurants	1170,51	1299,27
Financial intermediation	2948,51	3272,85
Education	2123,04	2356,57
Health and social work	1720,56	1909,82
Real estate, renting and business activities	1906,47	2113,10

Source: *Average monthly gross wages and salaries*, Statistical Yearbook of Zachodniopomorskie Voivodeship 2003 and 2006, Bureau of Statistic in Szczecin 2003, p 411-412 and 2006, p. 193.

### ***3.4. Salaries diversification by posts in Pomorskie and Kujawsko-Pomorskie voivodeships***

At the Pomorze region, the highest wages and salaries are offered by Three Cities. The best working places in the region are State Treasury joint stock companies. We can observe more and more frequent search for job and pay abroad in this region. Individuals mainly leave to Ireland and Great Britain. Many individuals, mainly from Kujawsko-Pomorskie voivodeship, move in search for higher pay and better job to other regions (most often these are Mazowiecki and Wielkopolski regions). Fact that many firms and financial institutions used to possess their headquarters in the region but moved them to Warsaw is not without significance in that matter. Moreover, most people moved to the capital city for that reason.

Whereas in the region itself cities such as Gdańsk, Gdynia, Toruń, and Bydgoszcz offer best employment and payment conditions. In Bydgoszcz there are many telecommunication and electronics firms which operate here e.g. Kable S.A. and Elnet S.A. These companies offer high wages and salaries. Besides the biggest paper producing company operates in this region in Świecie. However, despite these positive argu-

ments wages and salaries in this region are one of the lowest. Moreover, unemployment is quite high.

**Table 10. Gross wages and salaries of employees by occupational groups in 2002 and 2005**

Occupational groups	2002 in zloty	2005 in zloty
Legislators, senior officials and managers	4597,80	5060,59
Physical, mathematical and engineering science professionals	3227,91	3552,73
Physical and engineering science associate professionals	2366,15	2608,95
Office clerks	1869,94	2059,13
Craft and related trades workers	1710,65	1892,68
Extraction and building trades workers	1662,99	1821,17
Plant and machine operators and assemblers	1730,46	1905,19
Drivers and mobile plant operators	1743,04	1917,34
Elementary occupations	1223,74	1346,11

Source: *Average gross wages and salaries full-time paid employment by occupational groups conducted as of October 2002 and 2005*, Statistical Yearbook of Kujawsko-Pomorskie Voivodeship 2003 and 2006, Bureau of Statistic in Bydgoszcz 2003, p. 190-191 and 2006, p. 208.

### **3.5. Salaries level in Dolnośląskie and Opolskie voivodeships**

Salaries at dolnośląski job market are attractive. Such high management income levels were influenced by special economic zones.

The highest payment was noted down in foreign firms, which ran their business activities in special economic zones. Mainly directors obtained high salaries, not the workers who were directly connected with production.

Salaries of professionals and workers in other parts of Dolny Śląsk can be perceived as stagnation. Workers despite conducting the heaviest work earned the least, and even then their income was lowered by the change of bonus system or the payment basis.

In face of high unemployment as well as low education level and weak vocational preparation employees agreed on lowering the wages.

As we can see in the data presented in above table, at Dolny Śląsk the best paid employees were legislators, higher officials and managers,

whereas the worst paid were elementary occupations and crafts and related trades workers.

**Table 11. Gross wages and salaries of employees by occupational groups in 2002 in 2005**

Occupational groups	2002 in zloty	2005 in zloty
Legislators, senior officials and managers	4.739,12	5.218,03
Physical, mathematical and engineering science professionals	3.542,31	3.896,54
Physical and engineering science associate professionals	2.578,00	2.814,20
Office clerks	1.938,22	2.151,08
Craft and related trades workers	1.862,12	2.028,33
Extraction and building trades workers	1.967,41	2.137,15
Plant and machine operators and assemblers	2.011,95	2.218,23
Drivers and mobile plant operators	2.014,65	2.205,11
Elementary occupations	1.210,77	1.370,85

Source: *Average gross wages and salaries full-time paid employment by sex, sectors of ownership, and occupational groups conducted as of October 2002 and 2005*, Statistical Yearbook of Dolnośląskie Voivodeship 2003 and 2006, Bureau of Statistic in Wrocław 2003, p. 162-164 and 2006, p.184.

In Opolskie voivodeship, in 2002, there was much greater range of salaries in private firms than in public ones. In the state owned firms the salaries were not “equally good” as in private ones, however they were in overall not as low as in case of many private firms which ensured pay at the minimal level.

In 2005 the range of salaries in private firms was much bigger than in the state ones. The fact was the result of private firms increasing the salaries of specialists and professionals in order to keep them.

### **3.6. Salaries in Łódzki region**

In Łódzki region salaries increase more or less according to inflation, only workers payment grows slower.

In Łódź city itself wages and salaries are at relatively high level. The elements contributing to that a great number of domestic and foreign

firms start and also run their business activities in Łódź at the area left over by big industry factories. Many of these factories were renovated and developed for business activity, mainly for recreation-trade. Such firms employ many people and offer wages and salaries at relatively high level.

**Table 12. Gross wages and salaries of employees by occupational groups in 2002 and 2005**

<b>Occupational groups</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
Legislators, senior officials and managers	1.942,32	2.214,24
Physical, mathematical and engineering science professionals	2.937,41	3.358,29
Physical and engineering science associate professionals	2.279,01	2.496,07
Office clerks	1.822,67	2.051,83
Craft and related trades workers	1.542,68	1.758,66
Extraction and building trades workers	1.653,47	1.884,95
Plant and machine operators and assemblers	1.937,52	2.208,77
Drivers and mobile plant operators	1.969,84	2.232,62
Elementary occupations	1.259,77	1.436,13

Source: *Average gross wages and salaries full-time paid employment by sex, sectors of ownership, and occupational groups conducted as of October 2002 and 2005*, Statistical Yearbook of Łódzkie Voivodeship 2003 and 2006, Bureau of Statistic in Łódź 2003, p. 405-408 and 2006, p. 296.

What also matters is the fact of strong connection of Łódzki job market with Warsaw. Due to proximity of the place and higher salaries in the capital city many professionals and specialists found a job in Warsaw. In order to maintain professionals and specialists in Łódź, firms running their business in Łódź are forced to higher salaries.

### ***3.7. Salaries level and relations in Podkarpackie, Lubelskie, Podlaskie, and Warmińsko-Mazurskie voivodeships***

Salaries in voivodeships of eastern Poland are the lowest in comparison with other regions. Despite the fact of functioning special economic zones in this region the payment was the lowest. Newly created firms, which have foreign capital, offer the highest payment in Lubelski and

Rzeszowski regions. However, domestic firms offered much lower income.

However, comparing to Lublin, we can note down the lowest salaries in towns of the highest unemployment in the region.

Similar level of payment as in Lublin we can observe in Rzeszów.

Mazursko-Suwalski region has the highest unemployment in the region. A special suwalska economic zone in this region offers the most convenient conditions to encourage investors to invest in this region.

**Table 13. Gross wages and salaries of employees by occupational groups in 2002 and 2005**

<b>Occupational groups</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
Legislators, senior officials and managers	4.222,48	4.644,73
Physical, mathematical and engineering science professionals	3.325,18	3.652,86
Physical and engineering science associate professionals	2.540,13	2.796,14
Office clerks	1.836,28	2.020,01
Craft and related trades workers	1.713,72	1.885,09
Extraction and building trades workers	1.688,64	1.857,50
Plant and machine operators and assemblers	1.809,33	1.996,26
Drivers and mobile plant operators	1.797,15	1.976,87
Elementary occupations	1.266,95	1.393,65

Source: *Average gross wages and salaries full-time paid employment by sex, sectors of ownership, and occupational groups conducted as of October 2002 and 2005*, Statistical Yearbook of Warmińsko-Mazurskie Voivodeship 2003 and 2006, Bureau of Statistic in Olsztyn 2003, p. 341-343 and 2006, p. 330.

Comparing years 2003 and 2005 one can observe that in Podkarpackie and Lubelskie voivodeships employers in face of “surplus of manpower”, instead of increasing salaries, tend to dismiss an employee. It referred to regions which were weakly economically developed and firms in order to survive lowered their costs in such a way.

In 2005 in Podlaskie and Warmińsko-Mazurskie voivodeships one could notice the phenomenon of considering an employee’s education, as it seemed to a greater degree to determine his earnings.

### ***3.8. Salaries at Śląsk and Malopolska regions***

Salaries in mining and metallurgy still maintain at the high level despite its decline of economic significance. What influenced such situation were the activities of trade unions which contributed to such high wages.

In 2002 wages and salaries in mining and metallurgy shaped at the level of 2.918,36 zł and were one of the highest among all occupational groups.

Górny Śląsk (Upper Silesia) is not much attractive due to environment degradation. Many investors omit this region. However, specially created Katowicka special economic zone contributes to the fact more and more investors are encouraged to invest in that region. Many firms started to run their business activity at the area. Individuals who receive high income in such firms are directors and managers. Workers' wages were at the level of 2.407,88 zł. One should also observe that employees employed in big cities obtained the highest income.

In 2005 miners and steelworkers still earned the most. The employees who obtained the highest salaries were employed in big cities. Despite creating Katowicka Special Economic Zone in 2005, one could not observe such interest in this voivodeship by investors as it was in year 2002.

Investors preferred to invest in economically attractive voivodeships such as Malopolskie. Salaries in that voivodeship were high in both 2002 and 2005. What influenced such situation were intense economic development, good infrastructure, and hinterland. Historic aspect had its significance as well. Krakow was the capital city of Poland for many years, which influenced its positive evaluation at the choice of place to invest.

### **Conclusions**

In Poland there is a great diversification of salaries, which is influenced by many factors.

Taking into account the salaries diversification by education one should notice regularity- the higher education the higher payment. Work experience constitutes one of the most important criteria of salaries diversification. Along with growing work experience in Poland, the amount of income increased, which was mainly caused by promotion, and not only longer period of working. The age of employees influenced the

wages and salaries diversification in Poland. An employee' income increased during the whole time of his professional work.

**Table 14. Gross wages and salaries of employees by occupational groups in 2002**

<b>Occupational groups</b>	<b>2002 in zloty</b>	<b>2005 in zloty</b>
Legislators, senior officials and managers	5.047,68	5.552,45
Physical, mathematical and engineering science professionals	2.708,17	2.978,99
Physical and engineering science associate professionals	2.907,25	3.197,98
Office clerks	1.991,72	2.150,14
Craft and related trades workers	2.407,88	2.635,67
Extraction and building trades workers	2.918,36	3.218,20
Plant and machine operators and assemblers	2.084,00	2.281,30
Drivers and mobile plant operators	2.047,22	2.238,16
Elementary occupations	1.300,68	1.429,75

Source: Average gross wages and salaries full-time paid employment by sex, sectors of ownership, and occupational groups conducted as of October 2002 and 2005, Statistical Yearbook of Śląskie Voivodeship 2003 and 2006, Bureau of Statistic in Katowice 2003, p. 90-91 and 2006, p. 125.

Salaries diversification by spheres and divisions of national economy in Poland was mainly linked to development of a given sphere and division. The rule worked well for financial intermediation. Wages were also high in mining and quarrying. However, other factor influenced such situation. Privileged position of that division in the former system and frequent strikes had impact on such wages level.

Salaries diversification in the industry survey permanently linked to the level of development as well as due to conducting economic reforms, which aimed at improving economic condition.

In health care, there were significant differences in salaries level. Doctors obtained the highest salaries, as they fought for their income by strikes and doing overtime- by taking extra duties.

Salaries diversification by positions in regional perspective in Poland has showed that there are regions, which offer high income, but there also such which offer much more. The most attractive income is in Mazowieckie and Wielkopolskie voivodeships. Great flow of foreign and

domestic investment causes that those regions have developed the fastest in terms of economy. Strong trade and industry growth had a consequence in offered wages and it was on the higher level than anywhere else was in regions. Experts' potential was not without significance here, as it contributed to such fast development.

In Poland there are also the regions of very weak economic development. Low attractiveness as well as lack of qualified staff made those regions develop weakly and consequently influenced the level of wages and salaries.

In Poland, we can observe migration from weakly developed regions to strongly economically developed ones. As far as the migration appears, only within the country borders it is not so appalling. It is disadvantageous when experts and professionals leave the country in order to find better work conditions. Our country authorities, by all means, should aim at diminishing the wages and salaries diversification in our country but also cause the situation when the salaries are comparable to the ones in the European Union.

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