
Interventionism in the labor market - the impact of selected legislative changes on the development of the labor market in Poland in 2000-2018

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Abstract

The article presents the characteristics of the labor market in Poland in 2000-2018, paying special attention to the importance of state intervention in the discussed area. The thesis presents the theoretical assumptions of intervention and selected legislative changes made by the legislator in Poland in 2000-2018 had an impact on the labor market. Comparative and descriptive methods were used to indicate the appropriateness of changing the personal income tax rate in 2009 and the change in the length of maternity leave. The paper presents that in 2000-2012 the increase in the minimum wage did not affect the increase in the unemployment rate. The article proves that state interference in the labor market is necessary because it allows to overcome problems appearing on it periodically.

Key words: state intervention, labor market, minimum wage, income tax, employment, unemployment

Introduction

The human right to work is one of the basic human social rights, indicated in the Universal Declaration of Human Rights or the International Covenant on Economic, Social and Cultural Rights³. Also in the Constitution of the Republic of Poland an equal right to employment and equal remuneration for work of equal value were guaranteed⁴. Labor market

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³ International Covenant on Economic, Social and Cultural Rights (Międzynarodowy Pakt Praw Gospodarczych, Społecznych i Kulturalnych), Dz.U. 1977, nr 38, poz. 169.

⁴ The Constitution of the Republic of Poland (Konstytucja Rzeczypospolitej Polskiej), Dz.U. 1997 nr 78 poz. 483, art.33.

- defined as a place of exchange of work services between employees and employers, as well as the place where prices of these services (pay) are determined⁵ - it plays a significant role in the economy and society, which is why it is necessary to ensure the proper functioning of the legal and organizational institutions in which it operates⁶. In economic theory, it is noted that the labor market remains in balance when the demand for labor equals the supply of labor⁷. As John Mill said the level of wages depends on the relationship between demand of work and the number of available employees, what is more – the labor market is in equilibrium and unemployment is the result of too high wages. All those who do not find a job are unemployed voluntarily because the pay they demand is not accepted by employer. Neoclassical economists also pointed to other imperfections of the market mechanism in the labor market. A. C. Pigou recognized too high wages in relation to the marginal productivity of work as the significant cause of unemployment. While Keynes pointed to high instability of investments in the economy, which was related to the fact that effective demand global was often set at a level below the full demand employment. This resulted in the inability of the economy to reach full employment.

It is said that market mechanisms sometimes fail and it is impossible to achieve employment that ensures equilibrium in the labor market, which is why the need for state intervention is indicated⁸.

Purpose and methods of work

The aim of the work is to present the impact of selected legislative changes on the labor market in Poland in 2000-2018. The article uses data from the OECD regarding the employment rate, registered unemployment rate and public expenditure on the labor market in 2000-2018. The work uses a descriptive and comparative method, using a partial review of literature, as well as selected quantitative methods (eg correlation coefficient). The article presents selected legislative changes - regarding personal income tax rates (2009), average number of working hours per week (2001), minimum wage and maternity leave (2006). While discussing the changes in the amount of personal income tax in 2009, the amount of

⁵ Poczowski A., *Employment theories and unemployment (Teorie zatrudnienia a bezrobocie)*, Polityka Społeczna, 1990.

⁶ Kryńska E., Kwiatkowski E., *Knowledge bases about the labor market (Podstawy wiedzy o rynku pracy)*, Wyd. Uniwersytetu Łódzkiego, Łódź, 2013.

⁷ Kacprzak M., *Active labor market policy in Poland (Aktywna polityka na rynku pracy w Polsce)*, Warszawa, 2009.

⁸ Kozek W., *Labor in conditions market changes. Selected issues (Praca w warunkach zmian rynkowych. Wybrane zagadnienia)*, Warszawa: First Business College, 1994.

income from the said tax was indicated using data from the analysis of the implementation of the budget act. The paper also presents changes in the dimension of maternity leave in Poland and their impact on the employment rate of women, compared with the employment rate of men, which was made possible by data from the OECD.

Theoretical aspects of interventionism on the labor market

Due to the inefficiency of the market in economic theory, there appeared a postulate to indicate the entity that could compensate for errors resulting from the operation of the market mechanism⁹. The development of state institutions in the 20th century meant that the state was recognized as the competent institution to perform the functions regulating the operation of the market¹⁰. All these functions, understood as a conscious and purposeful influence of the state on the economy affecting the course and development of economic phenomena, are called state interventionism¹¹. In the labor market, it manifests itself mainly through tools affecting labor demand and supply as well as structural mismatches in the labor market, as well as through employment policy mechanisms and deregulation of the labor market¹².

In the opinion of neo-liberals, state interventionism is ineffective due to the limited budget of the state, which forces tax burdens to be increased in order to finance expenditure on the creation of new jobs¹³. Increasing tax burdens, in turn, contributes to the reduction of income available to business entities, and this reduces the level of investment and ultimately results in a decrease in innovation and efficiency¹⁴. Supporters of liberal state policy indicate that free market mechanisms work well, and unemployment is freely in them - jobs are not found by people who are unable to adjust to the remuneration proposed by the market¹⁵. Friedman and Phelps will turn their attention to the so-called natural unemployment

⁹ Blaug M., *Theory of economics. Retrospective approach (Teoria ekonomii. Ujęcie retrospektywne)*, 1994, Warszawa, Wydawnictwo Naukowe PWN.

¹⁰ Szubert-Zarzewny U., *Social aspects of the economic functions of the state in the european models of the welfare state. Implications for Poland (Społeczne aspekty ekonomicznych funkcji państwa w europejskich modelach państwa socjalnego. Implikacje dla Polski)*, Warszawa 2007.

¹¹ Jarmołowicz W., Woźniak B., *The state as a subject of economic policy on the labor market. Elements of the assessment (Państwo jako podmiot polityki gospodarczej na rynku pracy. Elementy oceny)* [w:] *Rynek pracy w warunkach zmian ustrojowych*, pod red. W. Jarmołowicza, Wydawnictwo AE w Poznaniu, Poznań 2003, s. 274–288.

¹² Kwiatkowski E., *Unemployment. Theoretical foundations (Bezrobocie. Podstawy teoretyczne)*, Wydawnictwo Naukowe PWN, Warszawa 2002.

¹³ Morawski W., *Economic sociology. Problems. Theory. Empiricism (Socjologia ekonomiczna. Problemy. Teoria. Empiria)*, Wydawnictwo Naukowe PWN, Warszawa 2001, s. 182-185.

¹⁴ *Ibidem*.

¹⁵ J. S. Mill, *The principles of political economy and some of its applications to social philosophy (Zasady ekonomii politycznej i niektóre jej zastosowania do filozofii społecznej)*, t. 1, PWN, Warszawa 1965.

determined by the mismatch between the structure of labor demand and labor supply or the occurrence of specific relations between employees and employers and the state¹⁶. Due to the natural unemployment rate, the role of the state in the labor market - according to Friedman and Phelps's opinions - should be influencing the supply side consisting in creating a better system of information flow about workplaces, adapting the education system to the needs of the labor market or increasing employee mobility¹⁷.

Market efficiency was questioned in the 1930s by J.M.Keynes, who indicated that the level of investment in the economy is unstable, and the actual demand in the markets often falls below the level ensuring full employment¹⁸. The unemployment at the time is called forced, because the employee has no influence on his situation either by changing mobility or accepting a lower wage, and the only effective way to counteract it is state interference¹⁹, which is why supporters of Keynes's doctrine will support state intervention²⁰.

What is more, Ludwig Erhad recognized that the state as part of labor market policy should create conditions for equal and free access to the labor market and prevent acts of exclusion from the labor market²¹. In this approach, an individual has the right to choose the acceptance of working conditions, while in the case of a sharp increase in unemployment, the state has an obligation to intervene²².

The labor market in Poland in 1995-2018

Considering the particular significance of the transformation process in the analysis of the labor market in the 21st century in Poland, the post-1989 period should be taken into consideration, as the political transformations from 1989 allowed the transition from a centrally planned economy system to a free market system, which had a significant impact on

¹⁶ Jarmołowicz W., Woźniak B., *The State's Policy in the Face of Unemployment (Polityka rynku państwa wobec bezrobocia)*, „Zeszyty Naukowe Polskiego Towarzystwa Ekonomicznego w Krakowie”, Kraków 2006.

¹⁷ Jarmołowicz W., Szarzec K., *Liberalism and interventionism in the labor market. The case of Poland as a transforming country (Liberalizm a interwencjonizm wobec rynku pracy. Przypadek Polski jako kraju transformującego się)*, 2010.

¹⁸ Yellen J.L., *Efficiency Wage Models of Unemployment*, „American Economic Review”, 1984.

¹⁹ Chlebisz A., Garncarz J., Mierzejewski M., Żak M., *Prohibition of trading on Sunday in the context of the Post-Millennial generation in Poland (Zakaz handlu w niedzielę w kontekście pokolenia post-Millennialów)*, Kraków 2018 .

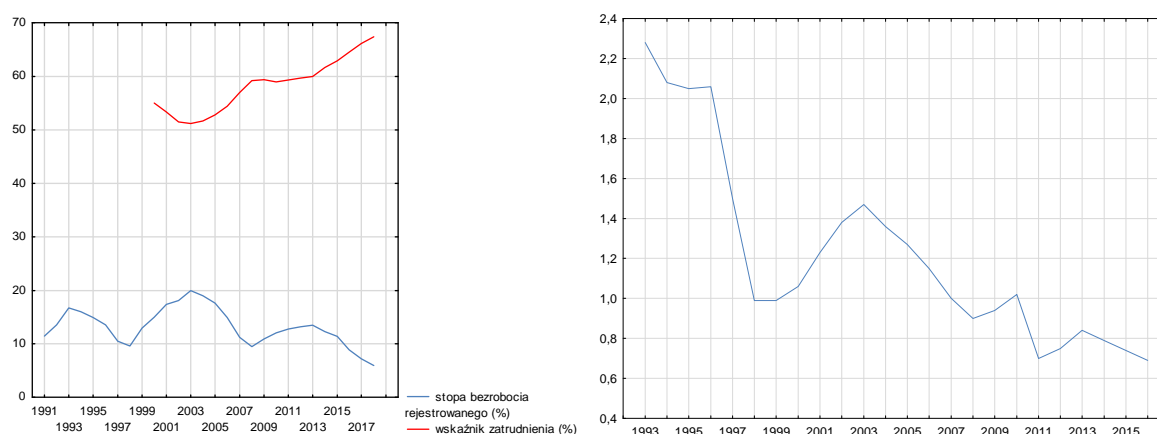
²⁰ Akerlof G.A., Yellen Y. L., w: G. A. Akerlof, J. L. Yellen, *A Near-Rational Model of the Business Cycle, with Wage and Price Inertia*, [w:] N. G. Mankiw, D. Romer (red.), *New Keynesian Economics*, vol. 1: Imperfect Competition and Sticky Prices, MIT Press, Cambridge 1991.

²¹ Erhard L., *Wohlstand für alle*, wyd. 8, Econ Verlag, Düsseldorf–Wien 1964, s. 9.

²² Czech A., Zagóra-Jonszta U., *German neoliberalism as the theoretical foundation of the social market economy (creation, references, reception) (Niemiecki neoliberalizm jako teoretyczny fundament społecznej gospodarki rynkowej (powstanie, odniesienia, recepcja))*, Fundacja Innowacja, Warszawa 2005.

the labor market in Poland²³. Transformation has transformed demand imbalance into supply imbalance characterized by a decrease in employment - as can be seen in Chart 1. From 1989, the registered unemployment rate gradually increased, reaching in 1994 the level of 16%.²⁴

Diagram 1. Registered unemployment rate, Diagram 2. Expenditures from the state employment rate in Poland in 1990-2018 budget to the labor market in Poland in 1990-2018



Source: Own study based on: OECD, <https://data.oecd.org/>, download date: 29/04/2019

On the Diagram 1, it can be seen that in 2001, the employment rate in Poland dropped from almost 56% in 2000 to just over 53% in 2001. In the following years, the employment level decreased until 2003.

The 2001 economic slowdown was characterized by low levels of economic growth and low inflation²⁵. There was a drop in employment, which contributed to the real increase in average wages, but on the other hand also resulted in an increase in the unemployment rate to 17.4%²⁶. It should be noted that there was then an improvement in the economic situation in the nominal sphere (economic phenomena related to the money market), while the

²³ Krzętowska A., Jagodziński A., *Job market in Poland in the transformation period– opportunities i threats (Rynek pracy w Polsce w okresie transformacji - szanse i zagrożenia)*, Płock 2016.

²⁴ Piątek D., J. Kornai'a *Models of imbalances in the labor market and their implications for the transformation process (Modele nierównowagi na rynku pracy i ich implikacje dla procesu transformacji)*, [w:] W. Jarmołowicz (red.), *Rynek pracy w warunkach zmian ustrojowych*, Wydawnictwo AE w Poznaniu, Poznań 2003, s. 13–25.

²⁵ Analysis of the state budget implementation and monetary policy assumptions in 2001 (*Analiza wykonania budżetu państwa i założeń polityki pieniężnej w 2001 roku*), s. 15, <https://www.nik.gov.pl/plik/id.1544.pdf> (access: 27.04.2019).

²⁶ OECD, <https://data.oecd.org/>, download date: 29.04.2019.

deterioration in the real sphere related to other markets, i.e. the labor market²⁷. What should be noted, the discussed slowdown falls on the period of the global crisis caused by the speculative bubble in the online market.

The data presented on the Diagram 1. shows that another important element in the analysis of the labor market in Poland was 2004. Since 2004, the employment rate has significantly increased and the registered unemployment rate has been falling. The observed economic recovery results from Poland's accession to the European Union²⁸. At that time, Poland became a member of the single market and customs union, which was connected with, among others, great simplification of foreign trade and free movement of goods, services, people and capital²⁹. The effect of lifting the barriers is to increase the prosperity of the whole single market, which shows the increase in investment observed on the Diagram 2. from 2004. Free movement of people influences the increase in emigration, which in turn leads to a decrease in unemployment and an increase in wages³⁰. At the same time, it also entails negative effects, such as the outflow of labor.

On the diagram 1. it can be observed that another increase in the unemployment rate falls on 2007, when the global financial crisis took place. The negative shock caused by the global crisis reached Poland with a delay. The most difficult situation occurred at the turn of 2008 and 2009³¹. However, the impact of the crisis on Poland turned out to be smaller than in most European countries³². In 2009, among the EU countries, only Poland managed to maintain a positive GDP growth rate. This was due to public investments, private consumption and exports (in Figure 2 it can be noticed that both household spending and investment rate in the discussed years increase). The reduction of personal income tax rates

²⁷ Analysis of the state budget implementation and monetary policy assumptions (Analiza wykonania budżetu państwa i założeń polityki pieniężnej w 2001 roku), s.17, <https://www.nik.gov.pl/plik/id,1544.pdf> (access: 27.04.2019).

²⁸ Firlej K., Mierzejewski M., *Analysis of new forms of the European integration process in the aspect of wages (Analiza nowych form procesu integracji europejskiej w aspekcie płac)*, Kraków, 2018.

²⁹ Grycuk A., Russel P., *Membership in the European Union and economic development of Poland. Selected issues (Członkostwo w Unii Europejskiej a rozwój gospodarczy Polski. Wybrane zagadnienia)* [w:] Infos, nr 12, Biuro Analiz Sejmowych, Warszawa 2017.

³⁰ Pasierbiak P., *Integration with the European Union and changes on the labour markets of Central and Eastern European Countries (Integracja z Unią Europejską a zmiany na rynkach pracy krajów Europy Środkowo-Wschodniej)*, Rocznik Instytutu Europy Środkowo-Wschodniej, Rok 14 (2016), Zeszyt 5, s. 146.

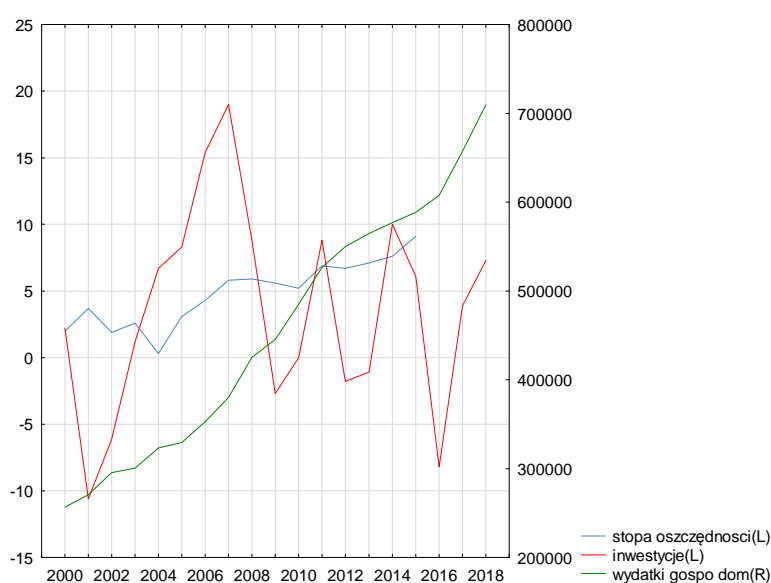
³¹ Nazarczuk J. M., *The impact of the global financial crisis on the economy of Poland and its regions (Wpływ światowego kryzysu finansowego na gospodarkę Polski i jej regionów)*, [w:] R. Kisiel, M. Wojarska (red.), *Wybrane aspekty rozwoju regionalnego*, Fundacja „Wspieranie i Promocja Przedsiębiorczości na Warmii i Mazurach”, Olsztyn 2013, s. 80.

³² Mierzejewski M., *Interventionism in the Liberal Markets : Changes in the Look on the Economy in Response to the Crisis of the First Decade of the XXI Century (Interwencjonizm na liberalnych rynkach. O zmianach w spojrzeniu na gospodarkę w reakcji na kryzys pierwszej dekady XXI wieku)*, 2015, Warszawa.

and liquidation of the second tax threshold had a positive effect on private consumption³³. However, all the recorded changes contributed to the deterioration of the labor market situation, which was manifested by the increase in the unemployment rate and the decrease in the level of remuneration in enterprises, as shown in Figure 1 and Figure 3.

Diagram 2 in turn also depicts the volume of public expenditure on professional activation in 1993-2015 in Poland. Their amount in the years 1993-1997 ranged from 2.3% to 1.5% of GDP, and then gradually decreased. In 2016 it reached the lowest value of 0.69% of GDP.

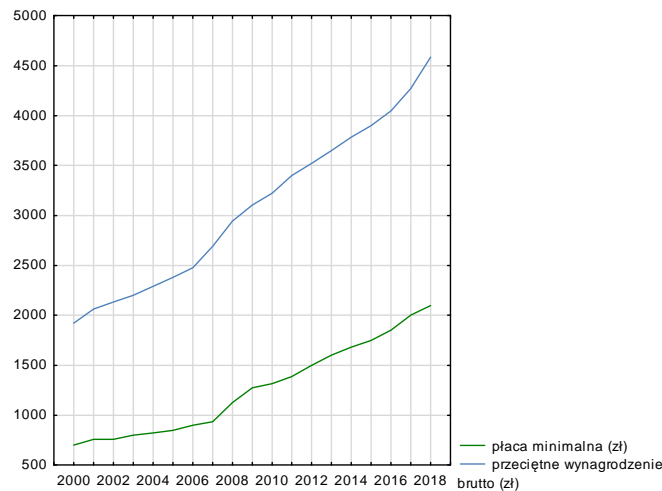
Diagram 3. Savings, investments, household spending in Poland in 2000-2018



Source: Own study based on: OECD, <https://data.oecd.org/>, download date: 29/04/2019

33 Opałka A., *Impact of the crisis on global financial markets on the macroeconomic situation of Poland - analysis of selected indicators (Wpływ kryzysu na światowych rynkach finansowych na sytuację makroekonomiczną Polski – analiza wybranych wskaźników)*, Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 729, Finanse. Rynki finansowe. Ubezpieczenia, nr 54, Szczecin 2012, s.104.

Diagram 4. Average monthly gross wage and minimum wage (in PLN) in Poland in 2000-2018



Source: Own study based on: OECD, <https://data.oecd.org/>, download date: 29/04/2019

As can be seen on the Diagram 4. average monthly wages in the period 2000-2018 are constantly growing. The slow pace of their growth in the years 2000-2004 and 2008-2009 confirm the earlier conclusions about the slowdown in the Polish economy as a result of global crises.

Selected legislative changes in the context of the labor market in Poland

In the analyzed period there were many changes in legal regulations that had an impact on the labor market. Among the most important are changes in: regulations regarding personal income tax rates (2009), average number of working hours per week (2001), minimum wage, and maternity leave (2006).

In the discussed period, the first significant legislative change was the amendment of the Labor Code from 2001, as a result of which the average working time was reduced to 40 hours in a five-day work week. The time of work is the time when the employee remains at the employer's disposal at the workplace or in another place designated for performing work³⁴. The working time is the result of state regulation, which is undertaken for social reasons or for wanting to influence the level of unemployment³⁵. Unfortunately, motivations related to exerting influence on unemployment are not accurate. Indeed, a reduction in the average number of working hours could affect the growth of jobs, and as a result, a drop in

³⁴ The Act of June 26, 1974. Labor Code, (Ustawa z dnia 26 czerwca 1974 r. Kodeks pracy), (Dz. U. 1974 nr 24 poz. 141), art.128.

³⁵ Boeri T, van Ours J., op.cit., s. 159-161.

unemployment, but only if employment was a constant resource and it would be possible to share it without additional costs³⁶. In fact, reducing working time can even trigger reverse effects, as a result of, for example, the costs of hiring new employees, not the productivity of more frequent start-up and ending work, hourly wage (in the situation of reducing the number of hours of work, employees strive to increase the hourly rate in order to keep wages at the same level - as shown in Diagram 4. the average monthly gross wage after the reduction of average working time in 2001 maintained the current growing trend). On the other hand, in the case of social motivation, it is worth noting that the regulation of working time serves to ensure occupational health and safety, but at the same time provides a guarantee of free time³⁷. Leisure is a key factor shaping the supply of labor. Reported labor supply aims to achieve an optimal combination of income and free time³⁸. The issues raised indicate that shortening of working time may affect employment, unemployment and wage levels, which is represented by data included on the Diagram 1. and on the Diagram 3.

In the period of 2000-2018, there were also changes in the minimum wage in Poland. According to the assumption of the classical economy about the excellence of the labor market, the amount of wages and employment sizes depend on the relation between the demand for labor and its supply³⁹. By using the minimum wage, the legislator can directly influence remuneration⁴⁰. The obligation to set a minimum wage by law is directly derived from the Constitution of the Republic of Poland⁴¹. The increase in the minimum wage causes that the demand for labor decreases (because it affects the increase in production costs), while the supply increases (because the number of persons requesting work is increasing). Due to the difference between demand and supply, unemployment appears⁴². However, this phenomenon affects only people with low qualifications, ie people who receive low wages, and people who are just entering the labor market. As we can see on the Diagram 4. in 2008-2009 there was a surge in the minimum wage. The growth rate of the minimum wage was much higher than the rate of average wage growth. It can be related to the increase in the

³⁶ *Ibidem*.

³⁷ Skąpski M., *Functions of Working Time Regulation Towards Ideas of Equality and Justice (Funkcje regulacji czasu pracy wobec idei równości i sprawiedliwości)*, *Annales Universitatis Mariae Curie-Skłodowska Lublin – Polonia* VOL. LXII, 2015, s. 211.

³⁸ Boeri T, van Ours J., *op.cit.*, s. 145.

³⁹ Krajewska A., *Minimum wage (Płaca minimalna)*, Polskie Wydawnictwo Ekonomiczne, Warszawa, 2018.

⁴⁰ Bednarski M., *Salaries in Poland. Premises and brakes of growth (Wynagrodzenia w Polsce. Przestanki i hamulce wzrostu)*, Instytut Pracy i Spraw Socjalnych, Warszawa 2016, s. 105.

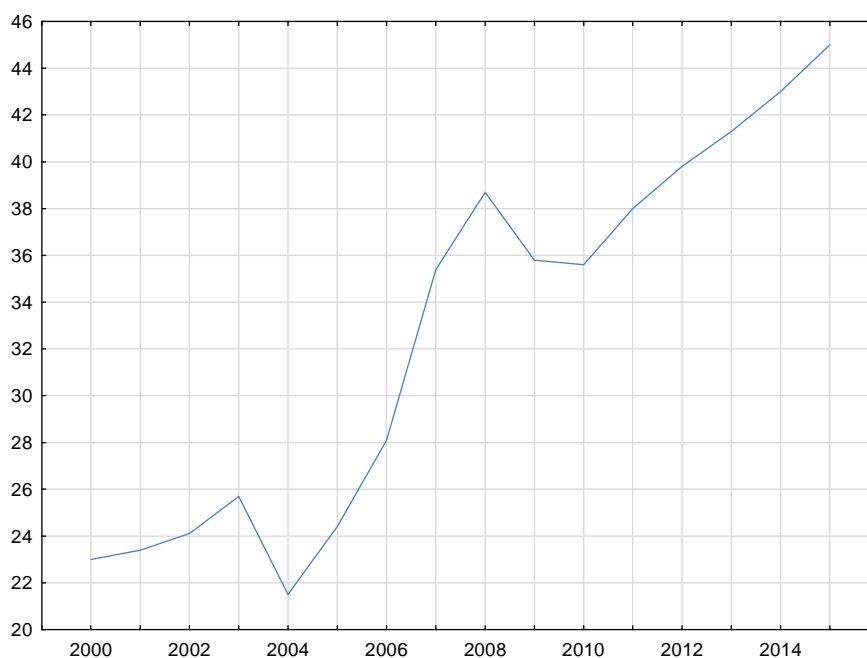
⁴¹ *The Constitution of the Republic of Poland (Konstytucja Rzeczypospolitej Polskiej z dnia 2 kwietnia 1997 r.)*, (Dz.U. nr 78, poz. 483), art. 65, ust.4.

⁴² Stolarczyk P., *The impact of the minimum wage on the functioning of the labor market (Wpływ płacy minimalnej na funkcjonowanie rynku pracy)*, *Myśl Ekon. Polit.* 2, 2014, s. 97-98.

unemployment rate in 2009, which is 1.4 percentage points higher than in the previous year, as illustrated on the Diagram 1. This would be confirmed by the connection between the increase in the minimum wage and the increase in the unemployment rate. However, the correlation coefficient between the minimum wage and the average wage and the unemployment rate in the years 2000-2012 is negative (-0.59), which means that the increase in the unemployment rate is not affected by the increase in the minimum wage (because the average increase in the minimum wage is faster than the increase average wage)⁴³.

Another important legal regulation affecting the labor market in the discussed period was the change in the income tax rate for natural persons. Income tax on natural persons is a tax paid by each working person to finance public expenditure. Labor tax affects the labor market because it creates a tax wedge, i.e. the difference between the labor costs that employers incur and the wages that employees receive⁴⁴. In 2009, amendments introduced by the amendment of the Personal Income Tax Act came into force, under which the number of tax rates was reduced to two, and their value was changed: the lowest from 19% to 18%, and the latter from 30% to 32%. [21]

Diagram 5. State budget revenues from personal income tax



Source: Own study based on analyzes of state budget implementation and monetary policy assumptions

⁴³ Krajewska A., *op.cit.*, s. 29.

⁴⁴ Boeri T, van Ours J., *op.cit.*, s. 119.

As can be seen on the Diagram 5. changes made have drastically influenced the state budget. The difference between income from personal income tax in 2008-2009 amounted to almost PLN 3 billion. However, despite such high costs, positive social and economic effects were expected, such as reducing poverty or increasing consumption as a result of the increase in disposable income. As a result of the reduction of burdens, an increase in the willingness to take up legal work was assumed⁴⁵.

However, the economic growth anticipated by the authors of the draft law reducing tax rates⁴⁶ did not occur, as can be seen in Diagram 2. The reduction of the rate of taxpayers from the lowest level of the scale did not cause a drastic increase in household expenditure. Equally important, the change in the labor taxation theoretically should affect the employment rate, as shown in Diagram 1. In 2009, there was an increase in employment compared to the previous year (from 16 765 thousand to 17 039 thousand people), however subsequent years were characterized by a stable level of employment, which is why the introduced legislative change did not have a significant impact on the labor market as envisaged in the bill.

State intervention in the labor market also influences the improvement of the position of women in the labor market. In the discussed period 2000-2018 in Poland, the legislator changed the length of maternity leave, which is a paid period of dismissal from the obligation to work, aimed at protecting the woman's health in the final stage of pregnancy and her recovery after childbirth⁴⁷, and enabling her to take care of her child in his first months of life. During the maternity leave, the employer can not submit a termination employee or an altering notice⁴⁸. Maternity leave gives the mother the opportunity to personally care for a child while maintaining a relationship with the labor market⁴⁹. In theory, it is noted that the length of maternity leave can not be too short, because it encourages women to give up work for a longer period of time. At the same time, the long duration of maternity leave also has a negative impact on the labor market, because it reduces the probability of a woman returning

⁴⁵Justification for the draft Act amending the act on personal income tax (Uzasadnienie projektu Ustawy o zmianie ustawy o podatku dochodowym od osób fizycznych), <file:///C:/Users/Piotrek/Desktop/artyku%C5%82%20siag/projekt%20mzinay%20stawek%20pit%202009.pdf>, (dostęp: 21.04.19).

⁴⁶*Ibidem*.

⁴⁷ Gersdorf M., Rączka K., *Labor law in questions and answers (Prawo pracy w pytaniach i odpowiedziach)*, wyd. 3, Lexis Nexis, Warszawa 2009, s. 410.

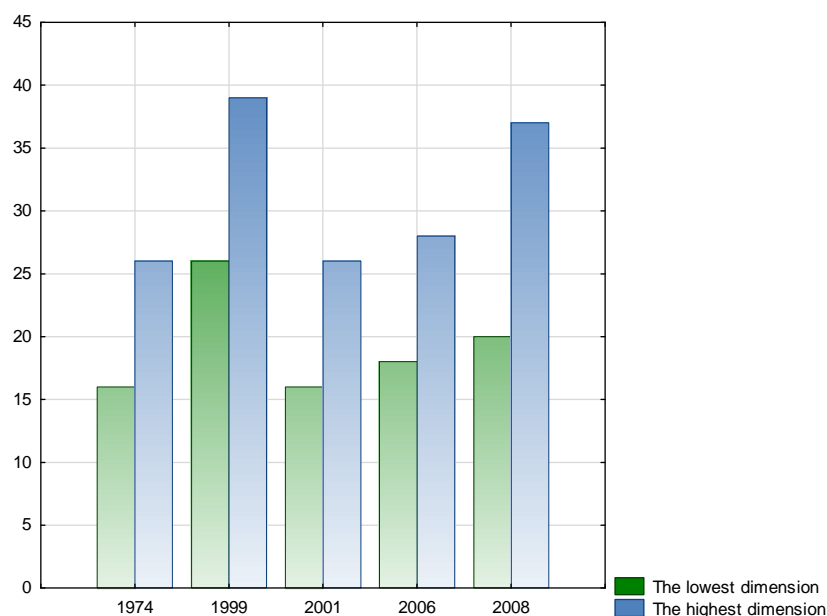
⁴⁸ The Act of June 26, 1974. Labor Code, (Ustawa z dnia 26 czerwca 1974 r. Kodeks pracy), (Dz. U. 1974 nr 24 poz. 141), art.177.

⁴⁹ Boeri T, van Ours J., *The economics of imperfect labor markets (Ekonomia niedoskonałych rynków pracy)*, Wolters Kluwer, Warszawa 2011, s. 191.

to work⁵⁰. The institution of maternity leave has a positive impact on the labor supply of women but at the same time has a negative impact on the labor demand of women, because it increases the cost of their work⁵¹.

Maternity leave is regulated in Article 180 of the Labor Code⁵². However, he entered the Polish legal order already in the interwar period (even before the Labor Code was created).

Diagram 6. The dimension of maternity leave (in weeks) in Poland



Source: own study based on statutory texts

As can be seen from Diagram 6. The dimension of maternity leave has been changed many times, among others in 1999, 2001, 2006 and 2008. In 1999 maternity leave was drastically extended from 16-26 weeks (depending, among others, on the order of delivery and the number of children who were born with one birth) to 26-39 weeks. However, the payment of maternity allowances in such a long time was too high for public finances and it was necessary to undertake austerity measures⁵³, which is why in 2001 the legal solutions from before the amendment were reinstated. In 2006, the period of leave was extended to 18-

⁵⁰ Del Boca D., Pasqua S., Pronzato C. (2009), *Motherhood and market work decisions in institutional context: a European perspective*, Oxford Economic Papers, nr. 61, s. 47-171.

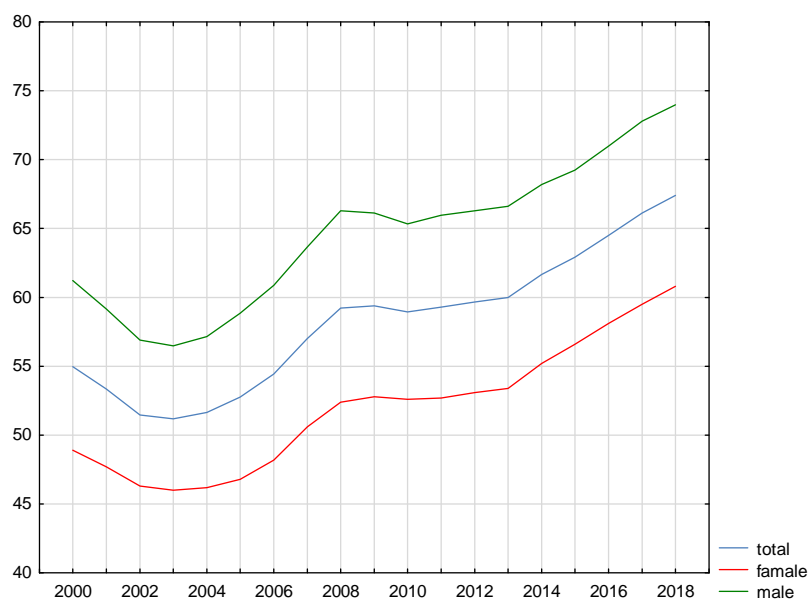
⁵¹ Boeri T., van Ours J., *op.cit.*, s. 191- 192.

⁵² The Act of June 26, 1974. Labor Code, (Ustawa z dnia 26 czerwca 1974 r. Kodeks pracy), (Dz. U. 1974 nr 24 poz. 141), art.180.

⁵³ Justification of the draft act on amending the act - Labor Code (Uzasadnienie projektu ustawy o zmianie ustawy- Kodeks Pracy), druk numer 65 z dnia 21.11.2001.

28 weeks, and in 2008 to 20-37 weeks. A tendency to extend the dimension of maternity leave is noticeable, which is the effect of the state's implementation of pro-family policy⁵⁴. Extending maternity leave raises the employment rate of women, but also affects the fall in hourly wages [9].

Diagram 7. Employment rate of women and men in Poland in 2000-2018



Source: Own study based on: OECD, <https://data.oecd.org/>, download date: 29/04/2019

As it is shown in Diagram 7, in 2006 the employment rate of women in Poland increased significantly, but the increase in this ratio has been observed since 2004. This proves the lack of linking the growth of 2006 with the extension of maternity leave. The Gender Pay Gap ratio, ie the gender pay gap, increased from less than 8% in 2006 to almost 15% in 2007⁵⁵. However, labor market indicators are influenced by many factors, which could have been influenced not only by the regulations regarding the amount of maternity leave.

Summary

1. In the years 2000-2018, employment rates and the registered unemployment rate changed cyclically. The largest decrease in employment, and thus the increase in the

⁵⁴ Serafin K., *The evolution of parental rights in the labor code in terms of maternity leave (Ewolucja uprawnień rodzicielskich w kodeksie pracy w zakresie urlopu macierzyńskiego)*, [w:] *40 lat kodeksu pracy*, Góral Z., Mielczarek M., Wolters Kulwer, Warszawa 2015, s. 302.

⁵⁵ Eurostat data: https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics (dostęp 19.04.2019).

unemployment rate, took place in 2000-2003 and 2007-2010, which was associated with the then crises of the economy.

2. Poland's accession to the European Union was associated with an increase in employment and an increase in the level of investment.
3. In Poland, the interference of the state on the labor market is marked by legislative changes made in the event of an increase in unemployment.
4. Amendments to the Labor Code from 2001, which reduced the average working time to 40 hours in a five-day work week, contributed to maintaining the growing trend of the average monthly gross wage.
5. In the period 2000-2012, the correlation coefficient between the minimum wage and the average wage and the unemployment rate is negative (-0.59), which means that the increase in the unemployment rate is not affected by the increase in the minimum wage.
6. The lowering of the personal income tax rate for the lowest-ranked taxpayers in 2009 did not result in a drastic increase in household expenditure, nor did it affect the level of investment.

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