

The aim of the project is to find out which factors determine different wages levels in Poland, both among different professional groups and within each group.

We will utilize a harmonised database on wages in the Polish economy which was created in the previous project financed by National Science Centre (No. DEC-2013/09/B/HS4/01304). It has been constructed by merging the statistical information from two databases: the Labour Force Survey data (LFS) and the Structure of Wages and Salaries by Occupations (SWS) as both of them have some limitations.

The data on wages from the LFS are survey data and due to the reluctance of the respondents, particularly those with higher incomes, to answer the question about wages, they are downward biased. In addition, a very low percentage of responses to the question on wages among people with higher income make these data not representative for the whole population of employees. Data from the SWS are fully reliable, because the reports come from business entities submitted to the Central Statistical Office. However, due to the fact that the dataset includes entities employing at least 10 people, the SWS data are not representative for the whole economy.

The combination of both datasets enabled us to obtain a unique database on salaries of employees, representative for the whole economy. The database contains information on monthly net wages and detailed information about the individual characteristics of workers (age, gender, education, work experience, occupation) and workplace (economic sector, ownership sector, company size and region).

In this project we will describe the actual relationship of wages for men and women in different occupational groups in Poland and how they have evolved over time. We will name the factors that determine wage differences both between occupational groups and within them.

The first task, which is also considered to be the key to the success of this research project, is the expansion of the unified individual database. The database will be complemented by consecutive years (2012 and 2014).

The second task is to analyse the effect of the educational reform on the situation of young people on the labour market. The purpose of the introduction of lower-secondary schools was to equalize educational opportunities, especially for young people from rural areas. We plan to check whether this change has brought the desired effect.

The third task contains an analysis of the impact of increased minimum wages on income distribution of women and men in Poland and the level of a gender wage gap across professional groups. International studies show that because more women than men earn low wages, one of possible effects of an increase in the minimum wage may be a reduction in the gender wage gap.

The fourth task is the analysis of the gender wage gap that takes into account the occupational risk premium. Such studies are very rare and to our best knowledge they have not been carried out for Polish data yet.

During the fifth task we will try to answer the question, to what extent the changes in age structure of the employers in particular groups changed the average level of wages. There is ambiguous impact of age structure on the level of wages reported in the existing literature.

The review of hitherto literature showed that these important from the point of view of labour market policies research areas require in-depth analysis. This project intends to at least partially fill these research gaps. Using a unique collection of harmonised data on the structure of employment and wage levels in Poland the impact of selected actions undertaken on the Polish labour market on its functioning will be analysed. From the research point of view, therefore, the project will be very beneficial. Moreover, its results will also allow formulating recommendations for labour market policy in Poland.