

The aim of the proposed research project is to analyse the role of selected internal and external factors in the process of wage determination. We will concentrate on three selected factors, which seem to be - given the hitherto state of knowledge - still under-researched.

Most of the research will be performed on disaggregated data at level of separate occupations. While the first – preliminary - step is purely technical, it is crucial for the entire research project. In our previous project we have successfully unified the Classification of Occupations and Specialities codes for period 2006-2016 for the SWS database at three digit level. In this project we will expand it in three directions. Firstly, we will extend the data span, secondly we harmonize the SWS and the LFS databases and thirdly, we will create a base at the lowest level of single occupations.

After obtaining a full database, we will perform several research tasks. The aim of the first research task is to examine one of the internal factors: firms' ownership and verify whether there exists a wage premium for employment in foreign firms. Next two tasks focus on external factors. In the second research task, we will analyse educational and labour market mismatches across occupational groups over the years and their impact on the wage level. In the third research task we will focus on answering the question to what extent can ongoing changes in wages be explained by population ageing. We will analyse workforce ageing as a possible external factor in the process of wage determination and investigate whether age-wage profile depends not only on the educational attainment but also on the type of profession of the worker. The fourth research task is the analysis of the gender gap in expected earnings. It focuses on examination of the minimum earnings that individuals declare as acceptable to take the job, which are often referred to as reservation wages, and gender inequality that arises in that respect.

As far as data is concerned, this project concentrates on the biggest representative among the Central and Eastern European countries — Poland. To some extent, this project can be viewed as a continuation of analyses undertaken in prior research projects financed by National Science Centre (No. 2013/09/B/HS4/01304 and 2015/19/B/HS4/03231).

All of the research tasks in the project will be conducted basing on the same methodology (with appropriate modifications). Its aim is to estimate the difference in wages between two group of workers which can be the effect of changes in any of the internal of external factors. This methodology will be then used to estimate the impact of selected internal and external factors on wage difference between foreign and domestic-owned firms, the wage difference between matched and non-matched (by educational and occupational mismatches) workers, the wage difference between older and younger groups of workers as well as the gender gap in expected earnings.

The project aims to analyse wage differences in Poland across occupations and their changes over last years. The results will answer the question to what extent the differences in wages by occupations are explained by individual' characteristics and what is the role of both firms specific factors and external factors. To the best of the authors knowledge no research in this topic at such disaggregated level of data exists. The results of the project will be very important not only from the academic point of view, but also will serve as a recommendation for the labour market policy.