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The labour market as a determinant of economic and social situation of the rural population

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The labour market as a determinant of economic and social situation of the rural population.

Abstract: Most rural, mainly farming, families, apart from agricultural holding income also gain income from paid employment, pensions and annuities and self-employment. The budget of the rural population is more and more dependent on the situation in the non-agricultural labour market and thus on the level of salaries in the national economy. Agriculture loses its dominant position in the rural labour market as a source of income. The amount of non-agricultural income, of both urban and rural residents, is reflected in the shaping of their demand for goods and services produced and offered by farmers' holdings. In the post-accession period, the economic and social situation of the rural population improved. The overall level of income rose and the size and structure of meeting the needs improved. This took place thanks to positive changes in the labour market, such as, *inter alia*, growth of salaries in the national economy, higher employment rate, lower unemployment rate. An unfavourable trend, especially in social terms, is the persistence of the advantage of salaries offered to men when compared to women employed in the same positions.

Keywords: countryside, labour market, income, expenses,

1. Introduction

Conditions in the labour market are important for the shaping of the income situation and social status of the rural population, as more and more rural residents live on non-agricultural sources of income. Also, many farming families have more than one source of livelihood. Both employment opportunities and the amount of salary for non-agricultural work are important in the process of the shaping and distribution of the general budget of each family. In addition to agricultural income, they gain income from paid employment, pensions and annuities and self-employment. This trend is permanent. Income of rural and agricultural holdings is more and more dependent on a possibility of employing in the non- agricultural labour market and on the level of salaries in the national economy. The level of salaries is reflected in the shaping of the demand for goods and services, and thus in the possibility and degree of meeting the needs, and therefore it illustrates the social situation of the rural and urban residents.

In Poland, salaries are significantly diversified. This applies not only to the diversification among groups of occupations but also on the grounds of gender, to the detriment of women. As more and more rural women, including women farmers, take up non-agricultural employment, often due to the need to supplement the modest household budget, low salaries for women may constitute an obstacle to the improvement in the economic and social situation

of their families. A major determinant of opportunities of non-agricultural employment is the level of education. The low level of education of the rural population when compared to the urban population reduces its opportunities to be employed in high-paying positions.

Poland's accession to the EU has initially revived the labour market, which was associated with the implementation of many new programmes. However, many newly created jobs, especially in the IT sector, required high professional qualifications, therefore, persons with the low level of education (there are many such persons in the countryside) were not employed in high-paying positions and thus did not bring a high financial contribution to the common budget of the rural family.

2. Labour market – selected issues from the literature of the subject

The concept of the labour market was defined on the basis of classical economic theory during the period of the market economy formation in the 19th century, and then it was subject to transformations under neoclassical, Keynesian and modern theories of economics. The identification of the labour market is a consequence of perceiving human labour (labour resources) as a commodity. However, this is a specific type of commodity, as it is characterised by its own will and ability to make decisions.

The labour market is defined as the whole of institution-dependent forms and processes of hiring employees and negotiation conditions in relation to labour and salary conditions (Kryńska, Suchecka, Suchecki, 1998, pp. 15-17). The main functions of the labour market are the allocation and reallocation of human resources to ensure, in the long term, the balance between the supply and demand for labour. E. Kryńska stresses that the demand for labour determines the actual absorptive capacity of the economy as regards the potential of persons able to work (Kryńska, 1997, p. 73). In the analyses of the Central Statistical Office, the demand for labour includes both occupied – determined by the current number of the employed – and vacant positions. In the market economy, the demand for labour generates the demand for manufactured products and provided services. The higher is the demand for goods and services, the higher is the demand for labour to manufacture them. Therefore, the demand for labour is regarded as a derivative in relation to the demand in the commodity market (Dybała, 2010, pp. 15-33).

The labour market and related phenomena are the subject of many analyses and scientific studies. The deliberations over this subject modify or develop mainly the achievements of the neoclassical and Keynesian approaches. The factors responsible for the imbalance in the labour market are the structural and institutional factors, long duration of adaptation processes and salary rigidity (Kryńska, 2000, p. 18).

Although the labour market is commonly perceived as the uniform area, in fact, it represents a multitude of markets with different structures and characteristics. In the literature of the subject, two basic segments (sectors) are indicated: primary and secondary. The primary segment includes stable, high-paying jobs for educated people, creating opportunities for promotion. The secondary segment offers less prestigious, worse-paying jobs for people with lower education, young people, women, migrants. This division is often the subject of discussion on the issue of discrimination in the labour market on the grounds of nationality, gender or age (Jarmołowicz, Knapińska, 2011, pp. 124-144, Wronowska, 2015, pp. 115-127).

The labour market in Poland in the pre- and post-accession period is the market of employers who have a decisive voice on the issue of selecting employees in the dimension which is beneficial for their company. Such a system also determines the field of education or improving the qualifications of potential employees. Employees' mobility is a derivative of the salary structure in the given segment of the labour market, as well as the number of job offers submitted by employers.

In the market economy, salaries being income of employees are also an important component of costs for employers, affecting the level of competitiveness of their companies in the market. Yet, the income function of salaries should refer not only to the context of a given company but also to the external environment, including, in particular, the overall price level in the country (shaping of the real salary level) (Dybała, 2010, pp. 15-33).

3. Objective and methodology

The objective of the study was to indicate the importance of the situation in the labour market to the change in the economic and social situation of the rural population after Poland's accession to the European Union. The study is further deepened by comparing rural and urban areas. The empirical material were the CSO statistical data, including the results of the European Union Statistics on Income and Living Conditions (EU-SILC) and household budgets. What was followed in selecting the component indicators, were the thematic areas adopted by the CSO and the data availability. The main indicators describing the situation in the labour market were the level and structure of salaries in the national economy, professional activity of the population, unemployment rate and employment opportunities. The economic and social situation was assessed based on the objective indicators describing income and expenses of households.

4. Economic and social situation of the rural population

4.1. Income

Income is an economic guarantee to meet human needs. The average rural resident has income below average income *per capita* in the city. In the post-accession period, the ratio of rural income to urban income improved. In 2006[1], nominal available income of the rural population (average annual *per capita*) was PLN 659.3, which accounted for 69.8% of income of urban residents; in 2014, it was at the level of PLN 1,067.4, and the share was 70.4% (Household budgets in 2006, 2007, pp. 50 and 57; Household budgets in 2014, 2015, pp. 100 and 113).

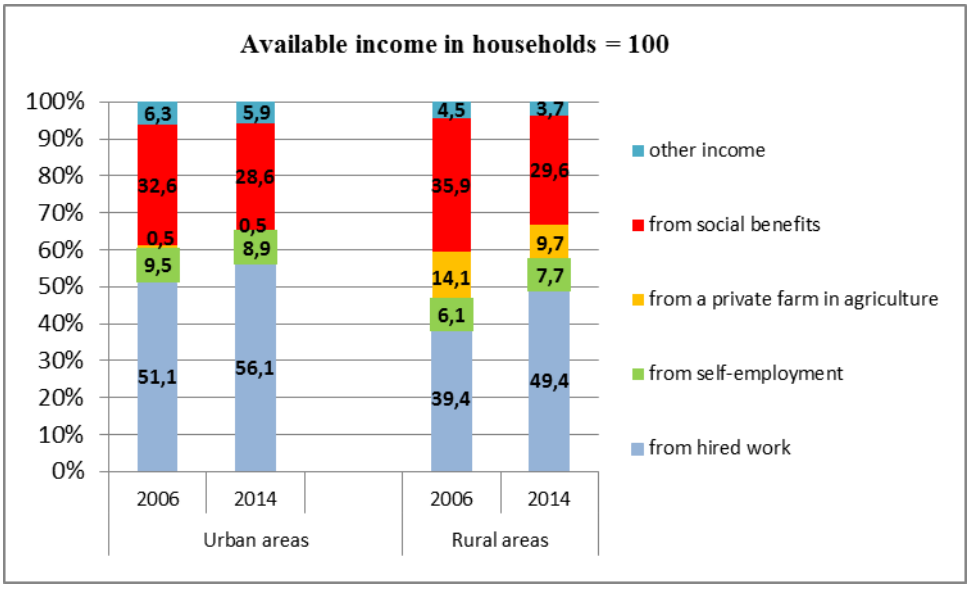
In the post-accession period, the improvement in rural income in relation to urban income was primarily a result of the higher growth rate of available income in the countryside by 61.9%, while in the city, on average, that growth rate was lower – by 60.6%. An increase in income of rural families resulted mainly from the more than double growth of income from paid employment (from PLN 259 to 527 monthly average *per capita*). Also, agricultural income rose but mostly in families using agricultural holdings, which resulted, *inter alia*, from financial support for agricultural holdings under the CAP.

The primary source of income in rural areas is paid employment. In the structure of available income of the average rural household, the share of income from paid employment is the highest and in the analysed population it amounted to 39.4% in 2006 and 49.4% in 2014. In the compared years, in the shaping of the rural family budget more important, as a source of income, was also self-employment (in the structure of income: 6.1 and 7.7%, respectively); of lower importance was work in agriculture and social benefits. The share of income from the individual holding in the structure of available income in 2006 was 14.1% and in 2014 – less, as only 9.7%; however, the share of income from social benefits was: 35.9 and 29.6%, respectively (Chart 1).

Also, in the average urban household the changes in gaining income were expressed by the greater importance of paid employment, whose share in the structure of income was lower in 2006 when compared with 2014 and amounted to 51.1 and 56.1%, respectively. The importance of income from other sources decreased. Similarly, in the structure of income the share of income from self-employment was: 9.5 and 8.9%, from social benefits: 32.6 and 28.6 and from the individual agricultural holding: 0.48 and 0.46%.

Chart 1. Structure of available income in households by sources of acquisition in 2006 and 2014, in percentage terms

[1] The year 2006 is the first year of full results of studies on income and living standards of the population developed according to the EU methodology.



Source: own study based on: (Household budgets in 2006, 2007, p. 50 and 57; Household budgets in 2014, 2015, pp. 100 and 113).

The changes in the structure of rural income confirm the trend that agriculture loses its dominant position as regards the absorption of labour inputs and a source of income in the increasing number of villages. "Currently, not only pensioners move to rural areas, but increasingly, persons practising liberal professions and executives". Rural areas become a place of residence for persons employed in the city, often with high income. It is mostly them who contribute to the growth, among the rural population, in the advantage of the share of non-agricultural income over the share of agricultural income (Zegar, 2015, p. 25-43).

4.2. Expenses

In the post-accession period, the average monthly *per capita* level of nominal expenses of the rural population increased by 45.2% (from PLN 602 in 2006 to PLN 874 in 2014) and, similarly, of the urban population – by 45.2% (from PLN 834 to PLN 1,211). The disparities in the level of expenses between the city and the countryside have not changed.

In order to assess the degree of meeting the needs by household members, we compared their average available income with total average monthly expenses and food expenses with total expenses. The share of food expenses in total expenses is an important indicator informing about the level of meeting the basic needs and quality of life. The greater part of available income was allocated for meeting the needs by rural residents while the smallest – by residents of the largest cities. In 2006, total expenses of the rural population amounted to 91.3% of available income; in 2014, this share was lower (81.9%). In case of the urban population, this share was as follows: 88.4

and 79.9%. On the other hand, food expenses accounted for the greater part of total expenses in rural families (32.0 and 27.9%) than in urban families (24.9 and 22.8%).

The high share of expenses in income and of food expenses in the total pool of money allocated for meeting the needs informs that households are left with a small part of the funds for savings and planning major investments. The higher share of total expenses in income and of food expenses in total expenses in the countryside than in the city points to the lower quality of life of rural residents in comparison with the city.

In the post-accession period, along with the improved income situation of rural residents, there was a decrease in the disparities between the countryside and the city as regards the amount of expenses for individual needs: clothing and footwear, housing (equipment and maintenance), transport and communications, recreation and culture as well as restaurants and hotels, which indicates that the rural consumption pattern gradually becomes similar to the urban one. Despite the improvement, rural residents still allocate the greater part of total expenses that urban residents, mainly for food (27.9 against 22.8%) and transport and communications (15.3 against 13.7%) while they allocate the similar part of expenses for clothing and footwear (5.3 against 5.4%) thus for meeting the basic needs. The smaller part is allocated for the higher-order needs, in particular education (0.7 against 1.3%), recreation and culture (5.6 against 6.9%) and restaurants and hotels (3.0 against 4.7%) (Household budgets in 2006, 2007, p. 67; Household budgets in 2014, 2015, p. 129; Zegar, Chmielewska, 2016, pp. 142-144).

As most rural, mainly farming, families have more than one source of income, the increasingly important role in the shaping of the rural family budget is played by the situation in the labour market, specifically, salary for non-agricultural work. Thus, the labour market and salaries in the national economy become significant determinants of the social situation of the rural population expressed by the degree of meeting its material and non-material needs.

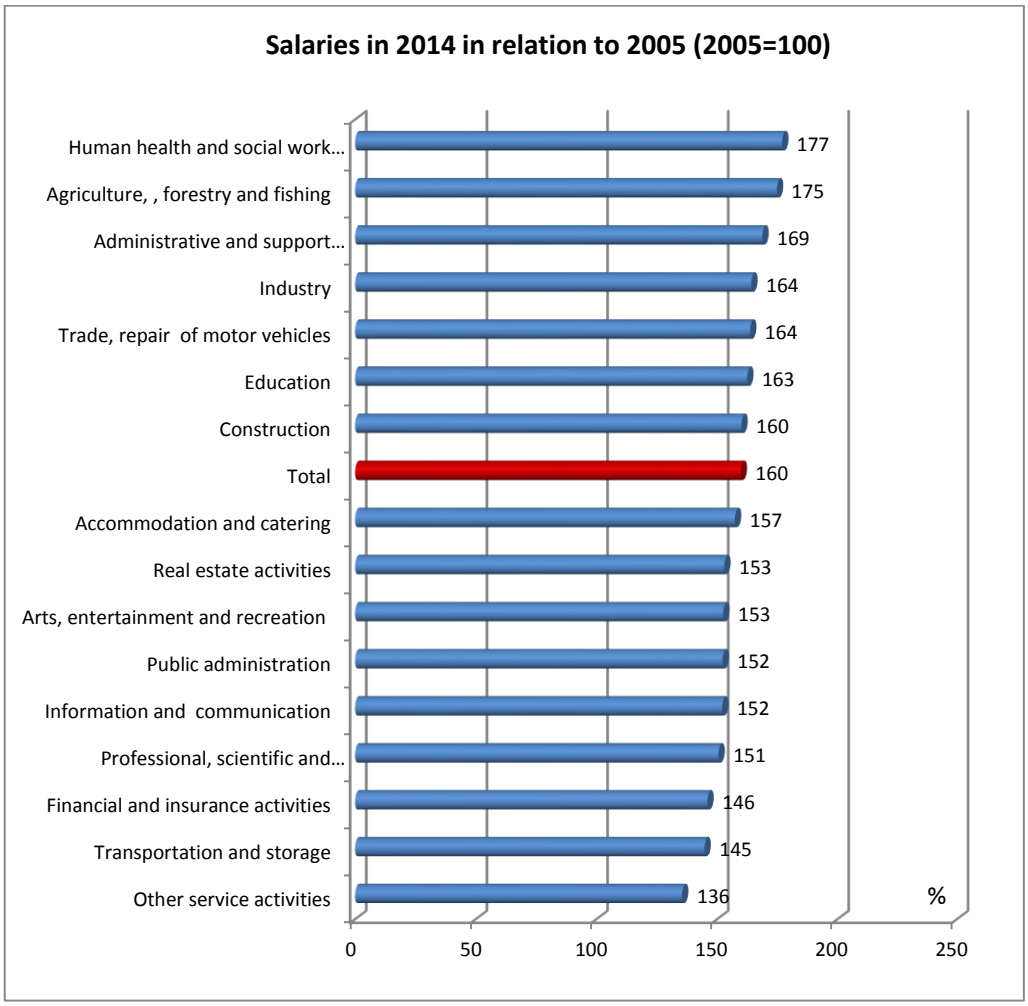
5. Basic labour market indicators

5.1. Salaries

The improvement in the economic and social situation of the rural population, expressed by the increase in the overall level of income and better meeting of the needs took place thanks to positive changes in the labour market after Poland's accession to the European Union. In the situation of the advantage of supply over demand, when the availability of physical goods and services (food and non-food) stopped being a problem while their economic availability started being a problem, in the light of the declining importance of income from agricultural work as a source of income the importance of the level of salaries to the general budget of the rural

families increased. Non-agricultural income, but, above all, the level of salary for paid employment became an economic guarantee of meeting the needs of rural families (Chart 2).

Chart 2. Growth rate of the average monthly gross salary in the national economy, by branches in the years 2005-2014 (2005 = 100)



Source: own study based on: (Statistical Yearbook 2015, p. 272).

In the post-accession period, the value of the average monthly gross salary in the national economy improved, on average, by almost 60% in the country (from PLN 2,366 in 2005 to PLN 3,777 in 2014). The highest growth rate (in nominal terms) was recorded in the branches, which in 2005 were characterised by the low growth, below the national average, while the lower – in the branches in which in 2005 the salary was one of the highest. In the post-accession period, there was a slow levelling of the excessive disparities between the level of salaries in the individual branches. The process of egalitarianism in regard to the level of salaries is indicated by, *inter alia*, the declined value of the Gini coefficient, from 35.6 in 2005 to 30.8 in 2014 (Income and living conditions of the Polish population, 2015, p. 184).

In addition to the amount of salaries, the demand opportunities of the society are also determined by the structure of the employed by branches and sectors. Unfortunately, despite the improvement in the value of the average monthly gross salary in the national economy, the branches and sectors where salaries remain low are characterised by the high percentage of the employed. In 2014, in the structure of the employed in the national economy, the share of persons receiving salaries below the national average amounted to 54.6%, those with salaries similar to the national average – 9.4% and those with salaries above the national average – 36.0% (Statistical yearbook 2015, p. 272, 275).

The financial situation of a significant part of the population considered in terms of the ratio of its salaries to the average value in the country deteriorated in the accession period as the share of the employed who receive salaries below the national average increased. The situation in which almost 2/3 of the employed have low salaries may result in weakening the demand for agricultural (food) products and services in rural areas (e.g. hairdressing, cosmetic or agri-tourism), and therefore those in which members of agricultural households could find non-agricultural employment. "The demand for agricultural products and services, particularly those which are characterised by the high income flexibility of demand is generated by the improved prosperity of families" (Woś, 2000, p. 24).

T. Kowalik draws attention to the fact that: "We are proud of the fact that during the transformation GDP grew by about 80%. The growth in the labour productivity was similar. However, real salaries were blatantly behind. (…) Not before 2000, did salaries recover their level from before the transformation. And low salaries as a convenient basis for competitiveness did not encourage entrepreneurs to make technical progress. Low salaries mean the limited demand, and thus poor prospects for the profitability of investments. Therefore, they are anti-growth and anti-employment" (Kowalik, 2010).

Low salaries, especially in professions where employment is found by most rural families, semi-agricultural, managing in a small area of agricultural land also do not encourage to "quit" agriculture for the benefit of low-salary non-agricultural employment, particularly in the unstable situation in the non-agricultural labour market. A. Kowalski indicates that one of five equivalent factors determining the size and speed of migration is "the disparity of income and related differences in the level of life of the rural and urban population (...) and that they increasingly depend on the sociological and psychological factors" (Analysis of the production and economic situation of agriculture and food economy in 2009, 2010, p. 19; Analysis of the production and economic situation of agriculture and food economy in 2010, 2011, p. 19). Leaving agriculture for the benefit of non-agricultural activities may therefore not be sufficient

compensation for the “loss” of a stable status of farmer, even against the perspective for lower income from agriculture.

5.2. More and more women take up paid employment

In the developed countries, the fact that women work is a relatively common and important part of life. A frequent reason for taking up paid employment by women is the need to supplement the modest household budget. This issue applies to both urban and rural residents. Therefore, the problem which is still valid and unsolved is the diversification of the level of salaries only on the grounds of gender. Salaries for women employed in the same branches and in equivalent positions are lower than those for men (Table 1) (Zwiech, 2011, pp. 47-74; Sawicka, 2013, pp. 53-54; Chmielewska, 2013, pp. 111-112; More equality – more benefits in the economy, 2013, p. 17).

In 2002, the average monthly gross salary for men was by 20.3% higher than that for women; in 2004, this advantage decreased to 19.6%, in 2010 to 17.7%, but in 2014 increased to 20.5%, exceeding the level from before the transformation. The higher salary for men than for women employed in the same professions results mainly from the fact that women are less likely to occupy managerial positions. This is indicated by the smaller advantage of salaries for men when compared to salaries for women in two occupational groups: *office work* and *education*. These are highly-feminised occupational groups, where a significant proportion of women perform managerial functions. The highest advantage of salaries for men when compared to salaries for women occurred in the most representative and prestigious occupational groups, such as *Health care* or *Representatives of public authorities*. Men earned more than women also in professions requiring technical education.

Table 1. Diversification of the average monthly salary in the national economy for women and men

Group competition *	Salaries men / Salaries women			
	2002	2004	2010	2014
	In %			
Total	120,3	119,6	117,7	120,5
Managers	139,2	141,0	138,5	136,8
Science and engineering professionals	130,5	129,9	132,9	137,8
Health professionals	116,0	129,7	156,4	151,9
Teaching professionals	117,3	127,6	103,7	110,4
Technicians and associate professionals	137,0	134,9	127,7	130,5
Clerical support workers	98,7	96,1	102,2	101,7
of which: numerical and material recording clerks	120,6	115,5	98,8	98,6
Service and sales workers	107,9	109,0	114,1	115,4
Skilled agricultural, forestry and fishery workers	109,3	117,8	128,7	105,3

* Group competition as the Statistical Yearbook 2015.

Source: Calculations based on: (Statistical Yearbook 2003, pp. 182; Statistical Yearbook 2005, pp. 267; Statistical Yearbook 2011, p. 255; Statistical Yearbook 2015, p. 275.

In the structure of employment by the amount of salary, the higher percentage of women is employed with lower salary rates; along with the increase in the amount of salary, the percentage of men's employment is also increasing. In 2014, in the group of low salaries (from PLN 1,643 to PLN 3,286), women accounted for the higher proportion. With the increase in the level of salary, the advantage of the men's employment rate was growing and in the salary grades where salaries were the highest (from PLN 7,394 to PLN 11,501 and more), the men's employment rate was twice higher than the women's employment rate (Statistical Yearbook 2015, p. 276-277).

Accession of our country to the European Union has not changed the salary relationships. The disparities in the amount of the average monthly gross salary for men and women persisted, even in case of employment in the same occupational groups and in the same positions (in other EU countries, the EU recommendations as regards the non-diversification of salaries on the grounds of gender are also not observed). After a period of a slight decrease, we observed even an increase in the advantage of the average monthly gross salary for men when compared to salary for women. This can be particularly acute for single women or single mothers of children as it weakens the motivation of their professional activity and social prestige. However, the low rate of changes in the salary relationships in many cases lies in the historical and mental conditions of our society (Sawicka, 1998, p. 25; Chmielewska, 2004, p. 63; Chmielewska 2015, pp. 111-126).

Low salaries for women may discourage women, especially those living in the countryside, from taking up paid employment and may constitute an obstacle to leaving unemployment[2] (Statistical Yearbook 2015, p. 238). The amount of salary may be inadequate to the costs incurred, e.g. for commuting to work and time spent on this. A study of salary expectations depending on the time of commuting to work, conducted by the Polish National Bank, showed that the time of commuting from the place of residence to work for more than 1 hour may result in the lack of interest in the job. Unemployed persons are ready to take up employment in case of commuting taking about 1 hour in each direction for the gross salary

[2] In 2014, the women's employment rate in the countryside was 42.2%, and the men's employment rate was 59.8%. The unemployment rate for women in the countryside was 10.6%, in the city 9.0%; for men, it was, respectively: 8.6 and 8.4%.

which is by 2.5 times higher than the minimum salary and, in case of taking up employment outside the place of residence – by 3.7 times higher. Unfortunately, in general, entrepreneurs do not include in their job offers either the time or costs of commuting to work. Therefore, it is very important to develop the local, rural labour market, because most establishments are located in large cities (Gomuła, Socha, Wojciechowski, 2007, pp. 10-11). For example, 70% of all companies in the Mazowieckie Voivodeship are situated in Warsaw (46.2%) and in the Warsaw subregion (23.4%) (Chmielewska, 2009, pp. 9-10). Long-distance commuting to work becomes an inglorious "showcase" of poor regions. In terms of commuting to the place of paid employment, residents of suburban villages are in the best situation.

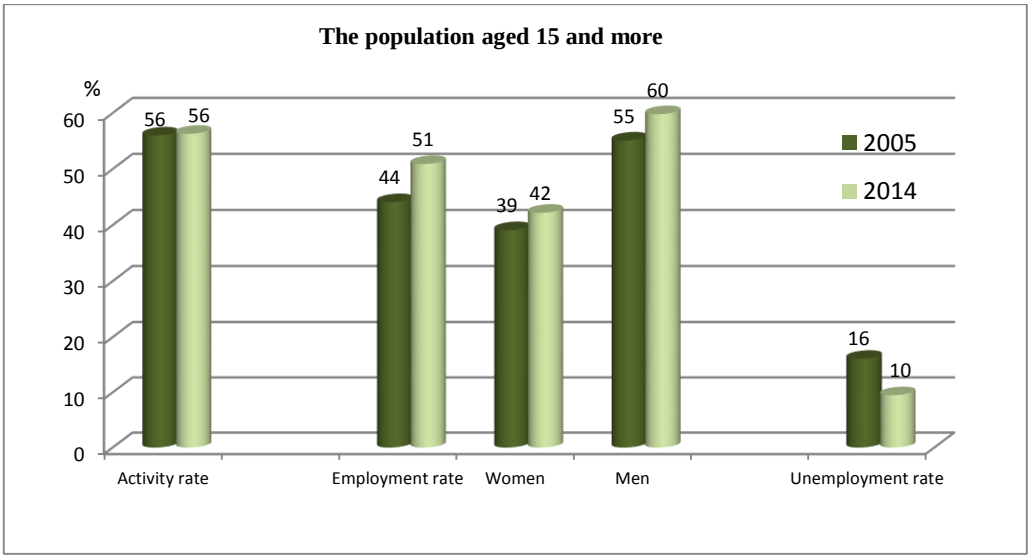
The problem of the salary inequality on the grounds of gender may have adverse economic consequences for rural families, as it applies to a significant proportion of rural women. In 2014, among the general number of the employed in individual agricultural holdings exceeding 1 ha, women accounted for 27.9% of the employed mainly in their own agricultural holding and additionally outside the holding and for 36.8% of the employed mainly outside their agricultural holding and additionally in the holding (Characteristics of agricultural holdings in 2013, 2014, p. 286). So, this is a large group of women whose lower salaries from non-agricultural sources are a reason for which the overall family budget is lower – it would be higher if the salary for their work was the same as that for men employed in the same positions. What should also be taken into account, is the modified occupational structure of the rural population. In 2011, the percentage of farming families amounted to 39.3% and was lower than that of non-farming families (60.7%) (Karwat-Woźniak, 2014, p. 41). "Currently, the agricultural holding is a primary source of livelihood for the increasingly smaller number of rural residents. (…) It turns out that already nearly half income of rural households is income from paid employment. The role of non-agricultural self-employment is slowly increasing (...). In contrast, the share of agricultural income is decreasing, which is a permanent phenomenon" (Zegar, Chmielewska, 2016, pp. 133 and 135).

5.3.Situation in the labour market after Poland's accession to the European Union

Poland, joining the European Union in 2004, was the country where 16 years before the constitutional and economic changes had been initiated which, *inter alia*, resulted in the emergence of open and concealed unemployment in Poland. The buffer of unemployment have become mainly agriculture and rural areas. The period of Poland's integration with the European Union is a period of the continuation of the trend which occurred in the transformation period, i.e., the further decline in the share of the employed in the public sector in the years 2005-2014 by 8%, with the increase in the private sector by 21% (Statistical

Yearbook, 2015, p. 241). The basic indicators of the situation in the labour market is the professional activity of the population and employment opportunities. They are characterised by, *inter alia*, the following indicators: professional activity rate, employment rate and unemployment rate (Chart 3).

Figure 3. Economic activity of the rural population in the years 2005-2014



Source: own study based on: (Statistical Yearbook 2015, p. 238).

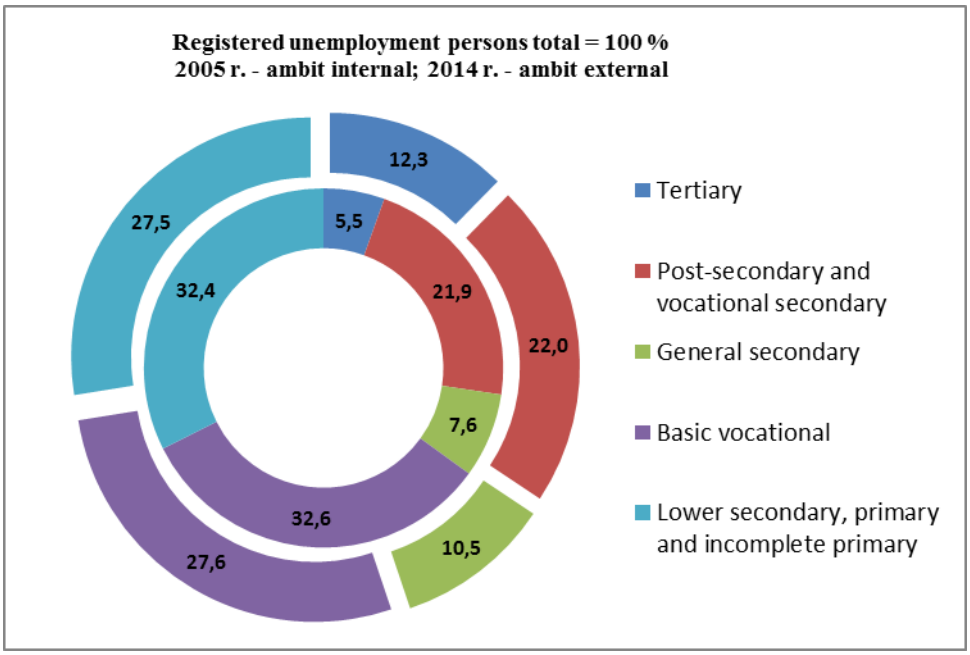
During the accession period, the professional activity in the countryside remained at the similar level; the percentage of the employed aged 15 years or more increased (employment rate); the unemployment rate decreased. Rural women were characterised by the lower employment rate than men, which may arise both from the fact that women primarily manage household and are less involved in non-agricultural paid employment due to, *inter alia*, salary conditions worse than in case of men (Rural areas, 2013, pp. 106-109, 145).

The certainty of permanent employment, depending on the situation in the labour market, is an important factor determining the economic situation of not only an individual but the whole family. Despite the improvement in the labour market in the post-accession period, the countryside is still affected by high unemployment. The unemployment rate in the countryside decreased in the years 2005-2014 from 18 to 11%. Despite this decrease, the rural population is still affected by large unemployment; they account for about 43-45% of the total unemployed. At the end of January 2015, 855.1 thousand unemployed persons living in the countryside were registered with labour offices (Registered unemployment in Poland, 2015). The less flexible rural labour market is a reason for which unemployment in the countryside is more permanent than in the city.

5.4.Level of education determines employment opportunities

A major determinant of non-agricultural employment opportunities is the level of education. In the early years of accession, in the total number of the unemployed registered with labour offices the lowest percentage accounted for persons with higher education and the highest for those with the lowest level of education, i.e. basic vocational and primary or those without education, which confirms the idea that "education is the strongest determinant of employment", as confirmed by the results of the CSO studies which showed that groups of the unemployed with higher or secondary education accounted for the lowest percentage in the total number of the registered unemployed (Czapiński, 2010, p. 53). It is also stressed that apart from the level of education, "success" in the labour market is also dependent on the acquired skills and professional experience (Situation of young people in the labour market, 2016, pp. 3 and 9).

Chart 4. Changes in the structure of the registered unemployedб by level of education



Source: own study based on: (Statistical Yearbook 2015, p. 256).

Unfortunately, in the post-accession period, the situation in the labour market deteriorated for persons with higher education and with general secondary education. This is indicated by the percentage of the unemployed registered with labour offices which in 2014 was higher when compared with 2005 (Chart 4). M. Kabaj explains this situation by the very high number of students in Poland and the fact that the labour market is saturated with them. He also indicates that there is the insufficient number of technicians and craftsmen (Working student is still a rarity, 2011).

Persons with higher education having no employment opportunities consistent with their qualifications in their place of residence, if it is the countryside, look for employment elsewhere and then depending on the possibilities of commuting to work and the level of development of infrastructure they either stay in the countryside, which they perceive as their "bedroom" or migrate "to work". In contrast, much lower unemployment of persons with vocational education may indicate self-employment as the location of a small company in the countryside is cheaper than in the city. People without vocational education (lower secondary and below) probably do not register and find seasonal employment in agriculture or work in the informal sector or migrate, *inter alia*, abroad.

The situation in the labour market affects not only the economic but also social situation of rural families. The increasing competitiveness forces, on one hand, improving the level of education and the more careful selection of the field of education, however, on the other hand, bearing in mind the increasing costs of education it leaves, due to the lack of appropriate education, some persons outside the labour market. The relatively smallest number of jobs is waiting for such persons. They are being pushed to the margins of the society. Thus, human labour does not have only an economic dimension any longer, but has become a permanent component of social life (Encyclical *Laborem Exercens*, 1996, pp. 105-106).

Accession of our country to the EU revived the labour market, which was associated with the implementation of the many new investment programmes and contributed to the emergence of new employment opportunities. The demand for labour increased in the branches such as construction, trade, hospitality, transport, communications, warehouse management, financial intermediation and service of companies. Their development filled the gap from the previous period and matched the implementation of new needs resulting from, *inter alia*, the increased intensity of the movement of persons (delegations, tourism, commercial trips) requiring the development of accommodation and restaurant facilities, as well as means of transport and communications. In 2009, the top ten list of the most sought after professions in Poland, the first three places were as follows: skilled manual workers, project managers and sales representatives (Chmielewska, 2013, pp. 121-122).

After the first decade since accession, the list of 10 most popular positions for which in 2015 the demand on the part of employers was the greatest was dominated by IT departments, accounting and employees related to customer service and trade while the demand for computer programmers was the highest. The demand for manual workers also increased but to the much

lower extent[3]. On the other hand, employees most often sought jobs associated with sales and administration as well as jobs as drivers and warehouse managers (These are the most sought after professions in Poland, 2016).

Bearing in mind the still low level of education of the rural population (despite improving, it is considerably lower than in case of the urban population), we may suggest that it found non-agricultural employment more often in low-paying occupations, such as construction or catering; thus, these persons did not bring a high financial contribution to the joint budget of the farming or rural family.

5.5 Employed in agriculture

In Polish agriculture, the share of the employed in the total number of the employed in the country is relatively high; in 2014, it was 11.5% on a national scale, including 10.5% in individual agriculture. In the population of the employed in agriculture, there is the ongoing process of deagrarisation of the structure of employment. The primary source of this phenomenon is the growth in the number of the employed outside agriculture, especially among the rural population, where the share of the employed exclusively or mainly in individual agriculture in the percentage of the employed in total decreased in the years 2010-2014 from 29.2 to 25.0%. In the countryside, the number of the employed in agriculture decreased in the years 2010-2014, by 9.8%, while the number of the employed outside agriculture increased by 9.6% (Frenkel, 2016, pp. 34 and 55). In individual agriculture, the use of labour improved. While in 2005, the number of full-time paid employees (AWU[4]) in individual holdings accounted for 44% of the total number of the employed in the holding, in 2013, this percentage increased to 54%[5] (Characteristics of agricultural holdings in 2005, 2006, pp. 252-255, Characteristics of agricultural holdings in 2013, 2014, p. 286). Despite the improved ratio of resources of actual labour force involved in agriculture per work units (AWU), agriculture still demonstrated significant agrarian overpopulation. If only the full-time employed remained in individual holdings, almost the same number of persons from these holdings should look for work outside agriculture, because employing them in the holding means concealed unemployment (Chmielewska, 2011, pp. 24-25). However, the changes in labour resources in

[3] Applies to offers placed on the Praca.pl portal in the first quarter of 2015,

[4] AWU – Annual Work Unit. The AWU annual work unit is an equivalent to time worked per year in the agricultural holding by 1 person employed full-time in agriculture. In Poland, as an equivalent to FTE (annual work unit), the number of 2,120 hours worked per year has been adopted. After: www.stat.gov.pl

[5] The calculated indicators have the indicative value, illustrating the scale of the phenomenon, as in agriculture we are dealing with a combination of the production holding with the household and the resultant difficulty in a clear distinction between housework and production work which allows only to indicate the approximate scale of redundancy of labour force in agriculture.

agriculture and the process of deagrarisation of employment take place slowly due to which the adverse structural relationships still exist in Polish agriculture. A. Kowalski points out that in the current situation the structural problems of Polish agriculture should be treated as the other side of the coin, which the labour market and unemployment are. A prerequisite of agrarian transformations is an outflow of the agricultural population to non-agricultural activities. The speed of restructuring of agriculture will depend, on one hand, on the effectiveness of the fight against unemployment, and, on the other hand, the growth rate of this restructuring will largely determine the speed of the reduction in unemployment (Analysis of the production and economic situation of agriculture and food economy in 2009, 2010, p. 19; Analysis of the production and economic situation of agriculture and food economy in 2010, 2011, p. 19).

The improvement in the agrarian structure of Polish agriculture may take place mainly as shifting the excess of labour force from agriculture to non-agricultural branches. Unfortunately, in Poland the absorption capacity of the non-agricultural labour market is very limited. So, this is a completely different situation than that which took place in the first group of the European Union Member States where the restructuring of the agricultural sector took place in the conditions conducive to this type of transformations. Trade, industry and services, developing dynamically in those countries, absorbed labour force redundant in the agricultural holding. In Poland, the shrinking non-agricultural labour market in the city and the underdeveloped labour market in the countryside is not able to involve labour force redundant in the agricultural holding. These persons will continue to use small holdings. In addition, there will always be persons who do not give up their ownership of land for sentimental reasons (Galbraith, 1973, pp. 67-69; Kołodko, 2008, pp. 141-142).

What is needed is State intervention in the form of grants or loans to establish companies focused on the reactivation of agricultural services in the countryside (mechanisation and provision of human labour). These may be companies functioning according to the similar conditions as, e.g.. construction and renovation services, setting up and maintenance of gardens. Users of smaller holdings would not have to purchase, e.g. machinery or perform all field work on their own as they would use available services. Then, land would not lie fallow; it would generate income supplementing income gained from non-agricultural sources.

6. Conclusions

Due to the increase in the importance of income from non-agricultural employment in the structure of the income of the rural population, of crucial importance in the development of its economic and social situation is the situation in the non-agricultural labour market, particularly the supply of and demand for labour, and the level of salaries. As the economic

development of the country is associated with the occurrence of modern professions, to which access is determined by graduating from a university or holding specialised professional qualifications, therefore, in order to get a well paid job it is advisable to improve the level of general or vocational education of the rural population. In the event of an upward trend in professional activation of women, it is advisable to strive for reducing the disparities in salaries on the grounds of gender, which will contribute to improving the income situation of many families, as a significant part of rural women shall take up work for economic reasons.

Based on the changes in the income/expenses ratio, it may be concluded that after Poland's accession to the European Union, in the years 2006-2014, the quality of life of the population living in the countryside improved. Also, there was an improvement when compared with the urban population. Despite this, inequalities in many aspects of life are still significant to the detriment of the rural population (it applies to education, recreation and culture, as well as eating in restaurants and staying in hotels).

In order to improve the economic and social situation of the rural population, it is necessary to improve technical infrastructure in rural areas, mainly road and communication infrastructure, apart from water, sesalary and gas infrastructure. It is, in fact, the basis for the development of the rural labour market or improving the possibilities of commuting to work located the place of residence.

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