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REMUNERATION OF WORK AS A SOURCE OF INCOME RECEIVED BY HOUSEHOLDS (CITING THE EXEMPLE OF POLAND)

Abstract

Final adaptation processes of households in the scope of standard of living depend on the influence of macro environment and the way households perceive economic, social and political changes occurring in macro environment as well as lifestyle, money spending and value system cherished by a particular family. Income is undoubtedly the most important factor shaping consumer behaviour, and, together with savings and debt level, considerably shaping the total amount of financial means spent on consumption.

The article pays attention to salaries and wages that are the main source of income for a household. The paper is aimed at presenting current trends in pay levels as the main source of income and at the same time the main factor shaping economic behaviour of households.

In order to carry out the analysis, Polish households were taken into consideration and statistical data derived from Central Statistical Office (GUS) was used. Furthermore, the author referred to the literature on the subject as well as reports prepared by Public Opinion Research Center (CBOS) as well as Internet Research on Remuneration conducted in 2007.

Key words: income, households, labour market, society

Introduction

Changing economic environment (and hence society's standard of living) brings about adaptation processes that households go through both in the scope of generating the income as well as shaping the structure of expenditure. Getting used to living at a certain standard is the main factor determining at least maintaining this standard and also determining behaviour leading to improvement in one's situation in life and achieving higher material status. Adaptation processes are bilateral in nature. On the one hand, they involve the adjustment of consumer needs to new environment and on the other hand, they affect changes in the way financial resources are received (resources determining the fulfillment of desirable consumer goals).

Final adaptation processes of households in the scope of standard of living depend on the influence of macro environment and the way households perceive economic, social and political changes occurring in macro environment as well as lifestyle, money spending and value system cherished by a particular family. Final consumer decisions on expenditure depend on several different factors allowing for determining quantitative and qualitative changes in consumption structure. Consumption determinants are usually divided into macro and micro but also into economic and non-economic ones. Undoubtedly, income generated by a particular household is the most important factor shaping consumer behaviour. Together with savings and debt level, income greatly determines the total amount of financial means spent on consumption. Income is a revenue of a household including both cash benefits and benefits in kind. There are various sources of income such as salaries and wages, pensions,

retirement pensions, scholarships, rewards, benefits, winnings or inheritance.

The article pays attention to salaries and wages that are the main source of income for a household. The paper is aimed at presenting current trends in pay levels as the main source of income and at the same time the main factor shaping economic behaviour of households. Polish households were taken into consideration and the analysis was based on the literature on the subject as well as data derived from Central Statistical Office (GUS), Public Opinion Research Center (CBOS) and Internet Research on Remuneration conducted by the following Polish web portals: wynagrodzenia.pl, pracuj.pl, gazeta.pl, wp.pl, infopraca.pl, jobpilot.pl and bankier.pl.

Macro environment vs. adaptation processes of households

Any economic, political and social changes alter consumption structure both taken object, subject and spatial perspective into account. As it has already been mentioned, consumption structure is determined mainly by income level that is generated by a household. Changes occur to different extent (different from region to region) and vary in intensity, which in turn has a profound influence on regional community. At present, particular Polish voivodships differ both in economic and civilizational level, and inhabitants themselves differ in demographic structure, income and expenditure levels, and consumer behaviour. Such a situation is caused by uneven distribution of natural resources and value of fixed assets, which determines urbanization and settlement processes. The other group of causes involves historical, cultural, sociological and psychological determinants.

Macro environment is a set of forces, factors, objects, institutions and phenomena influencing the behaviour, standard of living and choices made by society. Taken economic perspective into account, the aforementioned elements involve general economic situation, market situation, market equilibrium or its lack, functioning of law and financial systems, economic policy as well as consumption policy (Rynkowe zachowania konsumentów, 1999, p.109). Furthermore, the following factors determine society's standard of living: economic growth and its rate, socio-demographic processes as well as influence of a state (Bywalec C., Rudnicki L., 1999, pp. 54-55). Behavioral patterns that have become widespread among society of a particular country are also determined by such factors as e.g. cultural bonds with other well-developed countries and innovation inflow from these countries. Influence of foreign culture also involves the adoption of standardized sets into rationally simplified consumption, increase in education level and qualifications, popularization of various civilization developments, adoption of active way of spending leisure time, balanced diet or ecology (Senda J., 2000, p.23) (Bywalec C., 2001, pp.375-392).

Policy pursued by the government plays a crucial role in shaping social awareness and behaviour. The state influences the course of economic processes via economic policy. It maintains or restores internal or external balance, pursues fiscal policy, monetary policy as well as exchange rate and income policy. It imposes taxes, places orders, has influence on money supply and exchange rate. By spending money and imposing taxes, a country plays a major role in allocation of resources in the economy, supports a high employment rate and production level as well as stable price level and economic growth rate. Economic policy on a micro scale involves changes in branch structure of economy and affects changes in income and behaviour of particular groups of economic entities. Government regulates private manufacture and provides health and safety in the workplace. By using tax reductions and exemptions, it affects the rational use of resources and hence, decisions made by government may make particular persons work, save or invest (Begg D., Fischer S., Dornbusch R., 1996, pp.18-19, 101-102) (Kamerschen D.R., McKenzie R.B., Nardinelli C, 1991, pp.81-82, 95) (Nowa Encyklopedia Powszechna PWN, 1996, p. 963). Social policy is activity of a state and

other organization in the scope of shaping the standard of living and working as well as social relations. Social policy is aimed among other things at providing social security and social order. In addition, social policy involves activities resulting from health protection policy, employment policy, educational policy, job security policy as well as family, housing, cultural or social security policy (Nowa Encyklopedia Powszechna PWN, 1996, p. 963).

Hence, macro environment of a household is shaped by (Rynkowe zachowania konsumentów, 1999, p.111):

- degree of economic development of a country,
- degree of civilization development,
- cultural development,
- social development of a country,
- system of economy functioning,
- national economy management,
- functioning of market mechanism,
- policy pursued in the scope of consumption,
- foreign policy in the scope of import and export,
- financial policy,
- investment policy,
- economic progress,
- level, rate and proportions in national product and income,
- inflation rate,
- unemployment rate,
- economic transformation,
- privatization,
- integration processes.

The aforementioned factors of macro environment and their effect have an indirect influence on shaping both income structure and expenditure structure of particular households. At the same time, one should bear in mind that the influence of these factors may differ from one household to another as it depends on the way in which particular persons perceive these determinants.

Apart of positive aspects such as marketization of economy, economic growth, general improvement in standard of living, entrepreneurship development, negative aspects have been observed in Poland recently, namely unemployment, impoverishment of some social classes, large share of expenditure on foodstuffs in the total of consumer's expenditures. At the same time, this is accompanied by the emergence of new household structures interested in civilization developments, which is reflected in the creation of new socio-professional groups, new lifestyles, various consumer's preferences and new forms of spending leisure time. Negative aspects have led to evident polarization of Polish society as not everyone copes with changing economic reality, which has resulted in clear division into social classes and the emergence of groups of people living in poverty who have to reduce the range of needs satisfied as well as groups of wealthy people shaping a brand new consumption style compared to the hitherto established one. The gap between white-collar and blue-collar workers has become significant (to the advantage of the former) and considerable disproportions between consumption and income generated by urban and rural population have appeared.

Income and remuneration earned by households

Income is undoubtedly the most important factor determining household behaviour. First of all, income level reflects economic activity of household members. Entrepreneurship

is a special form of human activity. It indicates that one is able to adjust to market conditions through work carried out, education received and qualifications gained. Secondly, income allows for satisfying consumer needs via purchasing commodities and services. Thirdly, it reflects the quality and standard of living of a household. The quality of life consists of the following: objective conditions determining economic conditions (income, supply, prices, housing conditions, labour conditions, social benefits), leisure time, social security, housing conditions, the natural environment of a human being, health, social environment and others; as well as subjective conditions that are perceived differently and are unique to every individual and reflected in his/her physical and mental state.

Income plays a particularly significant role in shaping the consumption. Income reduction makes one satisfy the needs in accordance with a hierarchy established. At the same time, income level reflects material situation of individuals. Income level and source result from adaptation behaviour of households and market conditions as every consumer has a usual basket of goods and services that he/she purchases, and income received should enable him/her to exercise his/her habits.

Engel (1821-1896) was a pioneer in the research on change in demand for particular goods depending on income change. The general rule formulated by Engel suggests that consumption and expenditure level increase with income level. The first law describes consumer behaviour in a situation when increase in income level is accompanied by increase in food and non-food products consumption however, percentage share of expenditure on foodstuffs is declining in the total consumer's expenditures as rate of these products consumption is lower compared to non-food products consumption. On the other hand in the second law, Engel makes an assumption that household has savings or covers luxury expenses when luxury income allows for satisfying basic needs and so-called free income (spent on luxury purchase or savings) constitutes 20% of this income (Rynkowe zachowania konsumentów, 1999, p.120-121) (Kraśniński Z., Piasny J., Szulce H., 1984, p. 156)¹.

Increase in income is usually accompanied by the fact that a person buys more whereas decrease in financial means possessed by an individual results in smaller interest in commodities. Nevertheless, sometimes the situation is the other way round (Mikroekonomia, 2005, p.72) (Niemczyk A., 1999, pp. 34-43)². On the other hand, intensity of consumer reaction to change in financial resources possessed may be reflected in indices showing income flexibility of demand (Mikroekonomia, 2005, p.69-73).

The strongest consumer reactions to income change are reported in the case of goods of higher order and durables. In many countries this regularity is confirmed by the fact that increase in income is accompanied by more active purchase of cars and household goods. Reactions are minor with respect to foodstuffs as income growth usually causes slight changes in their consumption.

Taken market economy into account, hypothesis formulated by Keynes is proven as well. He claimed that marginal tendency toward saving is increasing with growth in income while marginal tendency toward consumption is declining. Empirical research has shown that

¹ The first Engel's law has its complex form as well in which it is assumed that income growth is accompanied by declining share of total expenditure on foodstuffs in the total consumer's expenditures, the share of expenditure on footwear and clothes is not subject to considerable change, housing expenditures rise slightly, whereas share of expenditure on goods of higher order (durables, services, education, recreation, etc.) is increasing. The first Engel's law in the complex form is referred to in the literature on the subject as Engel-Schwabe law or Wright's law. Relationship between expenditure on foodstuffs and income is presented as mathematical functions described as Engel's curved. (Rynkowe zachowania konsumentów, 1999, p.120-121), (Kraśniński Z., Piasny J., Szulce H., 1984, p. 156)

² So-called substitution effect, i.e. the fact that increase in income is accompanied by declining purchase of goods of lower order that are at the same time replaced with goods of higher order. (Mikroekonomia, 2005, p.72) (Niemczyk A., 1999, pp. 34-43)

this regularity holds only from a certain income level (Rynkowe zachowania konsumentów, 1999, p. 16).

Changes occurring in consumption structure as a result of changes in income level are evenly distributed among all social classes. Differentiating between socio-occupational groups allows for observing differences in consumption structure resulting from macroeconomic changes. At the same time, it enables one to analyze certain consumer behavioral patterns of individuals that has become popularized. Income level that may be achieved in a particular economy as well as goods and services price level determine life activity and allocation of labour resources, and hence structure of income generated by particular households. The higher the average remuneration in economy is, the higher the activity of the poorest groups of consumers is supposed to be (in order to find a new and better paid job).

Income is of profound importance in the analysis of household behaviour for the following reasons (Kraśniński Z., Piasny J., Szulce H., 1984, p. 171-172):

- income affects consumer behaviour faster than price,
- income may be treated as the main, measurable and quantitative factor determining demand and consumption,
- income allows for analyzing the demand in many groups of consumers who have different characteristics,
- income allows for indirect explanation of change in other economic and non-economic factors shaping the consumption structure.

Consumer income is a sum of revenues from paid work or social benefits, savings or various sources of capital income as well as non-material resources such as real estate, works of art, durables reduced by financial burden³.

Taken other perspective into consideration, income is treated as household revenue and involves both cash benefits and benefits in kind. Furthermore, income may be classified according to various criteria, e.g. adopting the criterion of income regularity, the division is as follows:

- regular income, i.e. wages/salaries, pensions, retirement pensions, scholarships;
- periodic income, namely bonuses, rewards, benefits, dividends and
- occasional income, e.g. winnings and inheritance.

The main sources of income are capital, labour and social benefit fund. Income from capital involves profits, pensions and dividends. Income from social benefits fund includes pensions, retirement pensions, benefits, scholarships and benefits in kind. Income from work involves wages/salaries, income from working in one's own household and from freelance occupation.

Taken income from work into account, another division can be made, namely income from past work (pensions, retirement pensions, benefits), income from present work (salaries/wages and bonuses) and income from future work (scholarships) (Rynkowe zachowania konsumentów, 1999, pp.116-117).

Hence, it can be noticed that income from work, i.e. salaries and wages, is the main type

³ Based on data derived from Central Statistical Office: There are the following sources of income: income from hired work (full-time or temporary employment in public and private sectors), income from self-employment, income from individual farms, income from property (including interest, share in profit generated by enterprises, lease of land not connected with business activity), income from building rental not connected with business activity, social security (national pensions and invalidity retirement pensions, unemployment benefits, family pensions, maternity benefits, death grants, sickness benefits once employment relationship does not exist, rehabilitation benefits) and social security benefits (benefits and allowances from the budget, local self-governments as well as aid from non-commercial institutions) and other income (national insurance, grants, tax overpayment, foreign retirement pensions and pensions). (Households – selected elements of population standard of living in the 1st quarter of 1999, 1999, pp.12-13).

of income generated by households. Another section of the present paper will be the presentation of analysis of salaries/wages earned by Polish society.

Pay level in Poland

Pay levels in households depend mainly on the type of work carried out. According to latest reports prepared by the Ministry of Labour and Social Policy, unemployment rate in Poland will still fall, and hence it may be assumed that pay levels will increase. Fall in unemployment has also been caused by the fact that a large number of unemployed, who have found employment, have been at the same time excluded from unemployment register. The reason behind this state of affairs was the beginning of casual work in construction, agriculture, gardening, transport, tourism and forestry. It also resulted from the realization of unemployed activation programmes financed from Labour Fund as well as the European Union funds. Moreover, the number of persons who did not confirm their readiness to take up employment or voluntarily resigned from unemployed status increased⁴.

It turns out from the research conducted by Public Opinion Research Center (CBOS) that economic growth is accompanied by perceptible improvement in material situation of families. Polish people assess their standard of living better and better, and more and more persons notice positive changes in this scope. Assessing the standard of living after the year 2007, one third of households are satisfied with their material situation, yet one fifth (19%) is definitely unsatisfied whereas 47% believe that their standard of living is average. Nonetheless, the way of managing the finances by households during last fourteen years (i.e. from 1994 to 2007) has been assessed positively. In 2007, 14% of respondents stated they were satisfied with their lives and they could afford everything without saving (in 1994, this percentage amounted to 9%). In 2007, nearly half of respondents (i.e. 49%) declared the standard of living of their families was average, which indicated that they earned enough only to support themselves day by day. In 1994, the percentage of such households amounted to 52%. 32% of respondents lived modestly, i.e. were very economical with their funds (www.cbos.pl).

According to respondents, average per capita income in Polish households amounted to 810 Zlotys in 2007 and increased by 16% compared to the year 2006 and was the highest taken the period 1997-2007. into account. In 2007, the highest per capita income was generated by households managed by persons with higher education and amounted to 1378 Zlotys. Households run by people with secondary education earned lower average income (i.e. 871 Zlotys) whereas households managed by persons with primary and vocational education received the lowest income (714 Zlotys and 624 Zlotys respectively) (www.cbos.pl).

Detailed data on employment and remuneration received by Polish society has been presented in reports prepared by Central Statistical Office (GUS) that has been conducting the research in this scope quarterly. The results of these analyses are usually in compliance with research conducted by other institutions. Divergences may result from the sample chosen and time during which the research was carried out. Nevertheless, this does not deny any research as they complement one another really good. Statistics of Central Statistical Office and other

⁴ In April 2008, unemployment rate recorded in Poland stood at 10.5%. It is expected that in the mid-year it is going to decline to less than 10.0% It is also forecasted that it will amount to 9.9% at the end of 2008. The number of unemployed declined as well. In April 2008, this number amounted to 1.607,1 thousand persons and dropped by 139.5 thousand persons (i.e. by 8%) compared to the beginning of the year. Furthermore, decline in unemployment rate (from 1.0 to 0.4 percentage point) was reported in all the voivodships. The number of job offers that employers came forward with in Labour Offices in April 2008 amounted to 122.5 thousand and rose by 16.2 thousand (15.4%) compared to March 2008. For comparison, in April 2007 employers made 125.7 job offers (recorded in Labour Offices), which indicated that this number increased by 1.8 thousand compared to March 2007. (www.all-biz.info/news)

expert opinions are complementary sources of knowledge about respondents' standard of living.

According to estimates made by Central Statistical Office, unemployment rate was 11.4 % at the end of 2007 and declined by 3.4 percentage point compared to the year 2006. Average monthly gross income amounted to 2691.03 Zlotys and rose by 8.7% compared to the previous year. The greatest income growth was recorded in the following sections:

- health and social work – by 18%,
- construction – by 15.4%,
- agriculture, hunting and forestry – by 12.6%,
- trade and repairs – by 10.4%,
- manufacturing – by 9.7%,
- financial intermediary – by 9.3%.

On the contrary, the slightest changes in remuneration in the year 2007 (compared to the year 2006) were reported in the following sections:

- public administration and defence; compulsory social security – 4.8 %,
- education – 5.7%,
- transport, stock management and communications – 7.1%,
- mining and quarrying – 7.7% (Employment and remuneration in national economy 2007, 2008, p. 18).

Average monthly gross remuneration in national economy (calculated as the mean of average monthly remuneration of the quarter) rose by 14% in 2007 compared to the year 2005 and, as it had already been mentioned, by 8.7% in comparison with the year 2006 (Table 1).

Table 1. Average monthly gross remuneration (in Zlotys) in national economy in the period 2005-2007

Year	2005	2006	2007
Remuneration	2402.46	2521.15	2739.18
Dynamics of changes (2005=100)	100	104.9	114.0
Dynamics of changes (2006=100)	-	100	108.7

Source: own compilation based on: Employment and remuneration in national economy in 2007, Central Statistical Office, Warsaw 2008, pp. 26,27.

In 2007, average remuneration in enterprise sector amounted to 2888.20 Zlotys and increased by 9.2% compared to the year 2006. Detailed data on average monthly remuneration in enterprise sector in 2006 and 2007 has been shown in Table 2.

Table 2. Average monthly gross remuneration (in Zlotys) in enterprise sector

Remuneration in particular months	Year	
	2006	2007
I	2471.09	2663.55
II	2526.22	2663.55
III	2613.67	2687.48
IV	2570.05	2786.29
V	2549.70	2776.92

VI	2624.93	2869.69
VII	2647.80	2893.71
VIII	2611.93	2885.97
IX	2611.16	2858.83
X	2657.99	2951.67
XI	2759.65	3092.01
XII	3027.51	3246.00
Average gross remuneration	2643.92	2888.20
Dynamice of changes	100	109,2

Source: Employment and remuneration in national economy in 2007, Central Statistical Office, Warsaw 2008, pp. 28,29.

Average monthly gross remuneration rose considerably in the year 2007. However, analyzing the dynamics of changes in remuneration, it can be noticed that in the period 2000-2007 both decline in remuneration (e.g. in 2001 compared to 2000 or in 2002 compared to 2001) and tendency toward steady growth (on average, by 4.8% in the period 2003-2006) were reported. Detailed data on dynamics of average monthly gross remuneration is shown in Table 3.

Table 3. Dynamics of average monthly gross remuneration in the period 2000-2007

Year	2000	2001	2002	2003	2004	2005	2006	2007
Dynamics of changes in remuneration (the previous year =100)	112.9	108.9	104.3	104.9	104.8	104.7	104.9	108.7

Source: Employment and remuneration in national economy in 2007, Central Statistical Office, Warsaw 2008, p. 30.

In 2007, the highest average monthly gross remuneration (compared to the average) was received in the following sections of national economy:

- financial intermediary,
- mining and quarrying,
- electric energy, gas and water supply.

By contrast, the lowest remuneration was received in:

- hotels and restaurants,
- fishing,
- health and social work.

Table 4 shows average monthly gross remuneration in 2007 by national economy section and relation of remuneration in particular sections to average total remuneration.

Table 4. Average monthly gross remuneration (in Zlotys) by national economy section in 2007

NATIONAL ECONOMY SECTION	AVERAGE REMUNERATION (relation of remuneration in a particular section to the total remuneration)
Total	2739.10 (100)
of which: enterprise sector	2886.62 (105.4)
Agriculture, hunting and forestry	2889.60 (105.5)
Fishing	2328.60 (85.0)
Industry	2906.82 (106.1)
mining and quarrying	4944.86 (180.5)
manufacturing	2661.00 (97.1)
electricity, gas and water supply	3742.35 (136.6)
Construction	2967.40 (108.3)
Trade and repairs	2708.62 (98.9)
Hotels and restaurants	2094.79 (76.5)
Transport, stock management, communications	3119.35 (113.9)
Financial intermediary	5124.62 (187.1)
Real estate, renting and business activities	2964.13 (108.2)
Public administration and defence, compulsory social security	3372.96 (123.1)
Education	2722.93 (99.4)
Health and social work	2505.57 (91.5)

Source: own compilation based on: Employment and remuneration in national economy in w 2007, Central Statistical Office, Warsaw 2008, p. 34.

It is worth stressing here that although health and social work was one of sections characterized by the greatest increase in remuneration in 2007, this remuneration was still at a low level. In the year 2007, the highest pay level was reported in financial intermediary in the case of which salaries were nearly two times higher than the average. This section was also characterized by almost 10% growth in remuneration in comparison with the year 2006. Extremely high remuneration is also received in mining and quarrying (80% higher than the av-

erage) although it was there that one of the lowest increase in 2007 (compared to 2006) was recorded.

On the other hand, Internet Research on Remuneration (IBW) conducted in 2007 by such Polish web portals as wynagrodzenia.pl, pracuj.pl, gazeta.pl, wp.pl, infopraca.pl, jobpi-lot.pl and bankier.pl showed pay levels mainly among young people, i.e. aged 30-35 as they constituted nearly 75% of respondents and persons with higher education (60% of respondents) (Sedlak K., 2008)⁵. It is difficult to compare the aforementioned research with the research carried out by Central Statistical Office (GUS) as they differ in the structures of respondents and the way in which respondents were "recruited". Nevertheless, it is also important that many scientific-research institutions attempt to define and analyze this issue, which is favourable to multidimensional observation of pay levels in Polish society.

According to Internet Research on Remuneration, gross remuneration growth rate amounted to 20% in 2007 compared to the previous year and this rate was considerably higher than in the case of research conducted by Central Statistical Office. In 2007, the highest increase in remuneration (28%) was reported in the case of private entrepreneurs whereas the lowest one (14%) in budgetary sector (Sedlak K., 2008).

Gross remuneration in 2007 was at the following levels (Sedlak K., 2008):

- 2.4 % of respondents earned less than 1000 Zlotys,
- 24.8% of respondents received a pay in the bracket 1001-2000 Zlotys,
- 24.0% of those polled declared that their remuneration amounted to 2001-3000 Zlotys,
- 15% declared they earned from 3001 to 4000 Zlotys,
- 9.6% received from 4001 to 5000 Zlotys,
- 6.2% earned from 5001 to 6000 Zlotys,
- 4.0% received from 6001 to 7000 Zlotys,
- 3.0% earned from 7001 to 8000 Zlotys,
- 2.1% declared that their remuneration amounted to 8001-9000 Zlotys,
- 1.9% earned from 9001 to 10000 Zlotys,
- 3.7% of respondents received from 10001 to 15000 Zlotys,
- 1.5% of those polled declared they earned 15001-20000 Zlotys,
- 0.7% received from 20001 to 25000 Zlotys,
- 0.9% of respondents earned from 25001 to 50000 Zlotys,
- 0.2 % earned over 50001 Zlotys.

The best pay was received by people employed in IT industry and telecommunications whereas the lowest ones – by people working in public health service, education as well as culture and art (Sedlak K., 2008).

Taken pay levels into consideration, large enterprises employing over 100 persons turned out to be the best employers. The lowest pays were received by people working in micro enterprises (employing up to 9 persons) (Sedlak K., 2008). Furthermore, age and education level were among major determinants influencing pay levels in 2007. According to Internet Research on Remuneration, the highest pay level was achieved by persons with higher education aged 30-41. The second age group were people aged 50 and more, which may indicate that professionally experienced and qualified employee is of profound importance to the functioning of a firm.

⁵ 80008 persons participated in Internet Research on Remuneration in 2007, out of which 72111 correctly filled in questionnaires were analyzed. Young people aged 30-35 represented the largest group of respondents (the number of questionnaires filled in by them amounted to 54083). Over a half of respondents (60%) declared they received higher education (43266 respondents). (Sedlak K., 2008) .

Summary

Summing up the results of the research and observation carried out in Poland, taken respondents' declarations and various estimates made into account, it can be stated that gross remuneration rose in 2007. Remuneration growth rate rose dynamically as a result among other things prosperity connected with Poland's accession into the European Union.

The highest pays were received in financial intermediary, mining and quarrying, power industry, gas industry, telecommunications and IT industry. The lowest salaries/wages were received by people working in public health service, education, culture and art, fishing, hotel trade and gastronomy. Higher education and qualifications acquired undoubtedly determined remuneration higher than the average (persons earning good salaries/wages were aged 31-40 or over 50 and have worked in their professions for at least a few years so they have acquired professional experience).

Fast growth rate observed for remuneration in the year 2007 probably resulted from rapidly developing economy and at the same time shortage of labour force. Firms produce more and more and have to employ new people. Thus, employees dictate conditions and demand higher remuneration. At the same time, in 2007 Polish economy contended with labour migration of young people in particular, and hence reduction in labour force. It should be borne in mind that increase in wages/salaries will be accompanied by greater and greater demand, which in turn may lead to the fact that entrepreneurs will rise prices.

According to forecasts, it is assumed that wages/salaries received by workers in almost all trades will continue to grow. On the other hand, owners and managers of firms may face price increase. As a result of constant decline in labour supply, the aforementioned tendency will continue in the year 2008, and price increase is expected as well which may lead to rapid inflation growth and hence economy development will be curbed (which is confirmed by the 1st quarter of 2008). According to data derived from Central Statistical Office (GUS), average remuneration in the 1st quarter of 2008 amounted to 2.983.98 Zlotys compared to 2.709.14 Zlotys in the 1st quarter of 2007, i.e. rose by 10.1 per cent. Taken quarter perspective into consideration, average remuneration increased even by as many as 2.9 per cent. According to some economists, remuneration will still tend to increase in 2008 (by 11 per cent). Experts from Research Institute for Market Economy are more cautious in their forecasts. They believe that the real wage/salary increase (i.e. having taken inflation into account) will amount to 5.5 per cent in the year 2008 (Remuneration received by Polish people rose by 10%, 2008).

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