Abstract. The article considers selected aspects of the precariat as a social group existing in
the Polish labour market. It discusses why the precariat has appeared, its characteristics
and the most important consequences of its existence. It also presents a review of ap-
proaches that have been used to determine the size of the Polish precariat and attempts
to estimate it. The estimation is based on statistical data characterising three popula-
tions: workers for whom an unregistered job is the main job, workers with fixed-term
contracts and workers with civil-law contracts. It has been found that not only is the
group of precarious workers in Poland alarmingly large, but also that it expands over
time. These facts call for measures corresponding to the weight of the problem and its
negative consequences to be taken. One of the concluding statements in the article is,
however, that there are no grounds to believe that such measures can contribute to the
disappearance of this social group.

Keywords: precariat, labour market, employees, temporary employees, security, work, job.

JEL Classification: J21, J29, J40.

INTRODUCTION

The labour market – as any other market – changes in time with new developments taking place in its
economic, social, political, legal and institutional settings. Researchers have in recent years brought attention
to its growing polarization, leading to the emergence of a social group called „the precariat” ¹ within the la-
bour force. The Polish labour market is not different in that respect. This article aims therefore to identify the

¹ The term „precariat” has been created by combining the words „precarious” and „proletariat” describing persons comprising
the poorest social class, paying no taxes, and offering nothing but their offspring to the state. It was used for the first time by French
sociologists in the 1980s in relation to temporary and seasonal workers.
main socio-economic impacts of the precariat and the measures adopted to reduce its size, and to attempt an estimation of the size of precarious employment in Poland.

The above goals are accomplished based on a critical review of the pertinent literature and the author’s own research and studies, including the analyses of the available statistics. In the first part of the article, the notion of the precariat, the causes of its emergence, and the key characteristics of this social group are explained. The second part provides a concise presentation of the socio-economic impacts of the precariat. In the third part, an attempt is made at estimating the size of the precariat in Poland and its changes in time. The article closes with conclusions drawn from the analysis that refer, in particular, to the 20th c. concepts of labour market segmentation.


In the first decade of the 21st c., Guy Standing, a British economist, defined seven social groups. One of them was “the precariat”, i.e. people without access to different forms of security associated with employment including the security of income. The others groups were:

- “elite” consisting of a tiny number of absurdly rich global citizens;
- “salariat”, people that are still in stable full-time employment, concentrated in large corporations, government agencies and public administration, including the civil service;
- “proficians”, a term combining the traditional ideas of “professional” and “technician” to denote people with bundles of skills that they can market, earning high incomes on contract as consultants or independent own-account workers;
- manual employees, the essence of the old “working class”;
- unemployed, and
- a detached group of socially ill misfits living off the dregs of society (Standing 2010, pp. 102-115, Standing 2011, pp. 7-8).

Standing holds that in the contemporary labour market the groups of „salariat” and „manual employees” are shrinking, while the social class called the precariat is expanding.

It is believed that the main reasons for the precariat to emerge are the following (Beck 2014, p. 12 and next, Wierzbicki 2015, s. 54-60, Standing 2011, pp. 24 and next):

- changes in the economic model implemented by contemporary states and societies that transform the ‘welfare state’ concept into the economic growth concept emphasising competitiveness and flexibility. In this new model, human work is viewed through the lens of costs that mainly arise from lavish social privileges;
- efforts to increase the flexibility of the labour market by limiting the role of trade unions and by enacting employer-friendly laws;
- the evolution of the model of work, during which simple, repetitive actions performed by workers (mostly in manufacturing industries) are being replaced by activities related to the delivery of services that require specialist knowledge;
- the possibility of using tools brought by the information revolution (computers, robots, etc.) to reduce labour costs, which leads to the emergence of ad-hoc, temporary (“flexible”) employment;
- the relocation of jobs, i.e. the movement of industrial jobs from the wealthy countries to the poorer ones where labour costs are lower. The direct effect of this process is disemployment of the industrial proletariat in the richest countries that must seek temporary jobs as a result.
The precariat consist of people that have different status in the legal labour market (wage earners and on-account workers) and of unregistered workers performing jobs in the so-called „grey economy”. These can be seasonal workers, temporary workers, involuntary part-time workers, ostensibly self-employed persons that are in fact dependent contractors, or unemployed persons without the prospects of social integration who are supported by active labour market policy measures. Their common characteristic is that their jobs are excluded from any guarantees that according to Standing (Standing 2011, p. 10) include:

- “Labour market security – adequate income-earning opportunities; at the macro-level, this is epitomised by a government commitment to ‘full employment’.
- Employment security – protection against arbitrary dismissal, regulations on hiring and firing, imposition of costs on employers for failing to adhere to rules and so on.
- Job security – ability and opportunity to retain a niche in employment, plus barriers to skill dilution, and opportunities for ‘upward’ mobility in terms of status and income.
- Work security – protection against accidents and illness at work, through, for example, safety and health regulations, limits on working time, unsociable hours, night work for women, as well as compensation for mishaps.
- Skill reproduction security – opportunity to gain skills through apprenticeships, employment training and so on, as well as opportunity to make use of competencies.
- Income security – assurance of an adequate stable income, protected through, for example, minimum wage machinery, wage indexation, comprehensive social security, progressive taxation to reduce inequality and to supplement low incomes.
- Representation security – possessing a collective voice in the labour market, through, for example, independent trade unions, with a right to strike.”

In most cases, precarious workers are deprived of opportunities to build career development paths and professional identity. As a result, they do not feel solidarity with the community of workers at large, feel alienated, take a pragmatic approach to their workplace duties, show opportunism, their attitudes and actions are guided by a sense of insecurity and a high risk of being „ousted” from the job. Their career paths always meander from one insecure job to another. They can be temporary workers, then enter into a civil-law contract (not necessarily with another employer) to do a specific job, to become self-employed at last. Their periods of economic activity alternate with periods of unemployment or economic inactivity during which they usually earn no income. This instability leads to a sort of segmentation or fragmentation of the precarious workers’ working lives, i.e. to their division into sections when the workers have relatively homogenous status in the labour market.

According to some researchers, the notion of the precariat corresponds to Marx’s „reserve army of labour”. The comparisons of precarious workers to the 19th c. industrial working class, particularly because of its revolutionary potential, also draw on the Karl Marx’s concept. Today too, as it used to be in the past, a group of discontented workers may begin struggle for better working and living conditions (Jakonen, Peltokoski, Toivanen, 2012, pp. 8-9).

The theoretical and empirical aspects of the Standing’s concept are being creatively developed today. The theoretical investigations use in-depth analyses of the shape and context of the precariat, including the assessment of its internal cohesion. They also aim to provide insight into the nature and the different shades of the lack of identity and individuality precarious workers experience inside and outside the workplace (Johnson 2014). The results of empirical studies also contribute to the evolution of the concept of the precariat. A relevant example is the studies on construction workers in large metropolitan areas in China (Beijing, Guangzhou, and Shanghai) that have identified among them workers bearing the characteristics of precarious workers. Most of them are illegal immigrants from Chinese provinces that are unprotected.
by laws (particularly those protecting employment) or institutional regulations applying to other workers (Swider 2015). An important conclusion that can be drawn from these studies is that these workers are joining the ranks of the global precariat, the strength of which may play a significant role in independent labour movement that in the future may engage in various actions to defend workers’ interests and protect their rights.

THE SOCIO-ECONOMIC CONSEQUENCES OF THE EXISTENCE OF THE PRECARIAT

The members of the precariat are uncertain about their occupational situation, barred from occupational development opportunities, and frustrated. The existence of this social group has many consequences that can be considered from various socio-economic perspectives. Let us take two of them – a macro perspective (concerning entire economies and societies) and an individual perspective.

In the first case, the most important consequence is that precarious workers who are denied access to major structures and socio-economic networks pose a real threat to social order. Standing has termed them “the dangerous class”, because they are prone to political rhetoric (e.g. neofascist) peddling undesirable, because hampering the development of societies, changes to the existing order. The conditions in which they live and work turn them into political opportunists who eagerly join extremist movements taking advantage of xenophobic, nationalist or racist moods. Their political choices may swing the pendulum of economic policies that are mostly underpinned by neoliberal views to extreme statism or, even worse, to socialism.

The individual consequences of the existence of the precariat are usually considered with respect to people that make up this social group. Their direct cause is insecurity of employment, jobs, income, working conditions, etc. In the short term, they lead to the pauperisation of the members of the precariat and their families and deprive them of the sense of social safety, because being a member of the precariat means that one is outside the system of labour laws and industrial relations. Many members of the precariat are not entitled to paid leaves, employer-paid training, paid overtime, protective clothes, the social fund and other workers’ benefits, nor can they participate in decision making in the workplace. In the long term, unless they can acquire some additional insurance, they may not be entitled to old-age pension or their pensions may turn insufficient to meet their essential needs, because they will be calculated based on contributions paid on the minimum income allowed.

For individuals, the consequences of being a member of the precariat are definitely negative. This said, it must be noted that the uncertainty of a professional career does not always and in all cases have to be burdensome or undesirable. It can sometimes be even welcomed by those who consider that this type of employment arrangement reflects their independence in the labour market and who dislike the prospects of lifelong ‘jail sentences’.

In discussing the consequences of the existence of the precariat, the perspective of the employers who offer precarious jobs also needs to be considered. In this case, most consequences are positive (for the employers, naturally). Insecure and low-paid jobs certainly provide them with an opportunity to cut labour costs (both wage and non-wage costs). When firms are underperforming financially, when the market segments where they sell their products suffer from a temporary slump or long-term recession, precarious jobs can be a major instrument for reducing operational costs and increasing product competitiveness. Moreover, it must be clearly stated that if conditions were stable and workers earned high wages such jobs would probably not have been created at all because the cost account in the organisation would have made them irrational. Further, precarious employment allows firms to flexibly adjust their workforce to the needs of the product markets, to reduce transaction costs, and to avoid (usually complicated) procedures that are used to
The precariat in the labour market in Poland – social and economic aspects

recruit or dismiss workers. It can also be used as a means of for such workers in terms of their future usefulness as a regular staff.

All these benefits notwithstanding, insecure and low-paid jobs have negative consequences for the employers too. One of them is that precarious workers do not identify themselves with the goals of their organisation and do not form bonds with other workers. This may have a serious restricting impact on the organisation’s potential for long-term growth.

In his more recent book, Guy Standing has proposed a number of measures for eliminating the negative impacts of the precariat, which should be taken as part of the process aimed to create a Good Society where inequality and instability of jobs and life undergo reduction. The measures are laid out in the Precariat Charter containing 29 articles. Their aim is to restore political rights (e.g. art. 28 Revive deliberative democracy), civic rights (e.g. art. 5 Promote associational freedom), social rights (e.g. art. 1 Redefine work as productive and reproductive activity) and economic rights (e.g. art. 25 Move towards a universal basic income) to the precariat. For this to happen, however, new social contracts must be designed (Standing 2014, p. 127 and next).

Measures reducing the size of the precariat should be similar to measures implemented to ensure equal rights of workers in the formal and informal sectors of the economy. The measures addressing the latter should primarily aim to (Świątkiewicz 2003, ILO 2002; Kopycińska & Kryńska, 2015):

– strengthen their social protection,
– ensure that their pay rates generate income equivalent to the amount and quality of work,
– extend the scope of general social insurance,
– extend the applicability of mandatory industrial safety and health laws,
– grant the right to associate.

THE PRECARIAT IN POLAND

Neither the composition of the precariat nor the scale of precarious employment is easy to identify. Researchers studying this problem are always determined by the adopted research perspective and access to data. The data used to this end concern, very generally, the working conditions and employment.

Only few attempts have been made in Poland so far to assess the scale of precarious employment. Most of them used information on the type of employment relationships (contracts), with the fixed-term employment contracts being assumed to be specific to precarious jobs (see Bednarski, Frieske 2012, Kiersztyn 2012, pp. 93–121).

The composition of the precariat has also been studied using information about workers performing jobs under civil-law contracts (i.e. regulated by the Polish Kodeks cywilny (Civil Code)) (see Krasiejko 2016, pp. 19-27), such as mandate contracts, contracts of specified work, managerial contracts and others. Many characteristics of these employment relationships are disadvantageous to the workers. Most of all, they are insecure and end on a fixed date, the compensation is usually low, worker’s social insurance is either none or limited, and they involve economic risk. They can be treated as precarious if they are the main (let alone the only one) job a worker has. Some researchers consider precarious civil-law contracts to be another stage in the development of employment relationships (Godlewska-Bujok 2014, p. 2-6).
Interestingly, Polish studies aimed to identify the members of the precariat usually omit the data on unregistered jobs\(^2\), i.e. jobs offered in the “grey sphere of the economy” where the lack of all guarantees described by Standing is strikingly clear.

Some information on the scale of precarious employment in Poland has been provided by the survey of non-standard forms of employment\(^3\) that the Central Statistical Office (the GUS) conducted in 2014. Its authors assumed that non-standard employment encompassed arrangements other than an employment contract regulated by the Labour Code\(^4\). Accordingly, the non-standard forms of employment were civil-law contracts and self-employment, i.e. services delivered personally by a person carrying his or her own business.

The survey showed that 1,087,000 respondents (6.9% of total employment) were a party to some non-standard employment arrangement in 2014. For 700,000 (4.4%), it was the main job. Regarding the structure of workers with atypical employment arrangements:

- 65.7% concluded mandate contracts (2.9% of total employment);
- 16.1% were self-employed persons with contracts for the delivery of services (0.7%);
- 18.2% had other types of civil-law contracts (managerial contracts, mixed contracts, etc.) (0.8%).

Most workers who entered into employment relationship with the main employer based on a civil-law contract (80.2%) did not do that voluntarily. The highest rate of such workers was found among persons with mandate contracts (84.3%). For workers with other types of civil-law contracts the rate was lower (65.4%). Among the self-employed workers, 51.3% became self-employed because otherwise the employer would not have given them a job and the other 48.7% chose self-employment voluntarily (finding self-employment to be more advantageous than other options). Overall, persons that had to conclude a civil-law contract with their main employer for the lack of other options and workers who were forced into self-employment by their employers accounted for 3.3% of total employment.

The survey also revealed that the non-standard forms of employment were more frequent among:

- women than men (4.6% and 4.3% in the populations of working women and men, respectively);
- persons aged 15-24 years and persons aged 60 years and more (4.4% and 7% in both age groups) than in the other age groups (for instance, 2.8% of workers in the age group 45-59 years were employed under non-standard arrangements);
- persons with general secondary education (6.7%) than persons with other educational attainments (3.7% of workers with post-secondary education and secondary vocational education had non-standard employment arrangements).

Let us now make another attempt at estimating the scale of precarious employment in Poland based on the populations of (1) workers whose main jobs were unregistered jobs, (2) workers with fixed-term employment contracts, and (3) workers with civil-law contracts (mandate contracts and contracts of specified

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\(^2\) The Central Statistical Office defines non-registered employment as (CSO, 2010, p. 10):

- employment performed without formal labour relationship, i.e. without employment contract, commission agreement, work-piece agreement or any other written agreement between the employer and the employee, regardless the ownership sector (also in private households and on private farms); the work cannot be performed on the basis of call-up, appointment or election; the employee does not receive social security for unregistered employment, and thus is not entitled to social benefits; the duration of that work is not counted as a contribution from the viewpoint of social security and the employer does not allot contribution from the employee’s wages and salaries to Social Security and Employment Fund; unregistered employment is not taxable;
- self-employment providing that financial obligations to the state (e.g. taxes) due to the conducted business activity are not fulfilled.

\(^3\) The survey of non-standard employment arrangements was conducted in the 4th quarter of 2014 as part of a modular study on unregistered employment related to the Labour Force Survey. All data and information in this section come from CSO 2016.

\(^4\) Fixed-term contracts were not regarded as non-standard employment.
work) (tab. 1). Workers comprising these three populations work in unstable conditions that generally do not guarantee the security of employment, jobs, income and representation. Because of these characteristics, such jobs are frequently called ‘junk jobs’.

### Table 1

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<tr>
<td>Employed persons</td>
<td>15,885</td>
<td>16,075</td>
<td>16,201</td>
<td>15,636</td>
<td>15,713</td>
<td>16,018</td>
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<td>Temporary employees</td>
<td>3,278</td>
<td>3,329</td>
<td>3,279</td>
<td>3,245</td>
<td>3,361</td>
<td>3,652</td>
</tr>
<tr>
<td>Persons who concluded a mandate contract or a contract of specified work, and who are not employed based on employment contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,010</td>
<td>1,248</td>
<td>1,169</td>
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<tr>
<td>Workers with unregistered jobs as the main jobs</td>
<td>436</td>
<td>395</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>396</td>
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<tr>
<td>Employed persons</td>
<td>100.0</td>
<td>100.0</td>
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<td>100.0</td>
<td>100.0</td>
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</tr>
<tr>
<td>Temporary employees</td>
<td>20.6</td>
<td>20.7</td>
<td>20.2</td>
<td>20.8</td>
<td>21.4</td>
<td>22.8</td>
</tr>
<tr>
<td>Persons who concluded a mandate contract or a contract of specified work, and who are not employed based on employment contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.5</td>
<td>7.9</td>
<td>7.3</td>
</tr>
<tr>
<td>Workers with unregistered jobs as the main jobs</td>
<td>2.7</td>
<td>2.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.5</td>
</tr>
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In 2014, 5,217,000 people in Poland (almost one-third (32.6%) of total employment) worked in unstable conditions as defined above. Most of them were temporary workers (22.8%). The least numerous were workers with unregistered main jobs (2.5%). However, these three populations do not present the full picture of the precariat in Poland. In fact, the number of people with precarious jobs and low income is much higher. For the picture to be complete, persons that were employed part-time for a lack of a full-time job that in 2014 numbered 352,000 (2.2% of total employment) should be added to the above populations (CSO 2015b). This is not possible though, because such persons may have employment arrangements that are not covered by statistics. The population of working poor is also difficult to identify in the public statistics, because the data on workers’ wages are collected from organisations employing more than 9 workers, meaning that they omit the micro firms where wages can be very low.

Even though the data in table 1 are not complete because they do not cover some populations of workers with precarious and low-paid jobs, two conclusions can be drawn from them anyway. Firstly, both the number and proportion of precarious workers in total employment are high in Poland. Secondly, the number of precarious jobs is rising, particularly among temporary employees.

Because temporary employees represent the largest group among the Polish precariat, let us take a closer look at how the group was changing in the relatively long period from 2003 to 2014. Based on the avail-
able statistics, we can determine the rate of change in its size and juxtapose it with that for total employed population. To analyse the dynamics of both time series, two indices were used:

1. a fixed-base index, given by the following formula:

\[ d_{t/c} = \frac{y_t - y_c}{y_c} \]

where \( c \) is the year 2003 and \( t \) denotes successive years in the period 2004-2014, and

2. a chain index calculated as:

\[ d_{t/t-1} = \frac{y_t - y_{t-1}}{y_{t-1}} \]

where \( t \) denotes successive years in the period 2003-2014.

The results of calculations are presented, respectively, in figures 1 and 2.

![Figure 1. Changes in the number of temporary employees and total employment in Poland in the years 2004-2014 against a baseline year of 2003.](image)


The analysis of the data in fig. 1 leads to the following conclusions:

- in the period under consideration, both the number of temporary employees and total employment increased;
- the number of temporary employees grew 4.5 times as much as total employment did (the respective increases were 75.4% and 16.8%);
- the increases in both populations are strongly and positively correlated (a correlation coefficient of 0.7915), pointing to the similarity of the trends.

The annual changes in the number of temporary employees and total employment are not significantly correlated, though (a correlation coefficient of 0.2167; figure 2). The graph in figure 2 shows that the number of temporary employees was increasing only in the years 2008-2012, when the Polish economy decelerated in the wake of the global economic crisis. Temporary employees were the first to lose their jobs, thus
becoming a sort of an „anti-crisis buffer”. When the economic situation was good, their number increased every year, although to a different degree.

**Figure 2. Annual changes in the number of temporary employees and total employment in Poland, years 2003-2014**

Source: see fig. 1.

It must be noted, however, that in recent years a more frequent use of non-standard employment forms (particularly of part-time jobs and fixed-term contracts) pointing to the widening polarisation of the Community labour market has been observed across the European Union. The process causes a decline in the number of secure, full-time jobs (usually well-paid) and leads to a wider use of precarious jobs (see Eurofound 2015, p. 30 and others).

**CONCLUSIONS**

The polarisation of contemporary labour markets (one of the poles is the precariat) observed in Poland and other countries is driven by political, economic and institutional factors and bears many negative social and economic consequences. The process is so widespread that its consequences should be counteracted by actions appropriate for the gravity of risks faced by societies and individuals. The question is, however, if there are measures that can significantly reduce the size of the precariat. It is worth referring at this point to the concept of a dual labour market, one of the market segmentation concepts, that Doeringer and Piore put forward more than fifty years ago (Doeringer, Piore 1971). The concept basically provides grounds for dividing a heterogeneous labour market into two relatively homogenous segments that respectively contain ‘good jobs’ and ‘bad jobs’ and characterises their functioning. It is interesting to note that the characteristics of jobs performed today by the members of the precariat correspond to the descriptions of ‘bad jobs’. With all the
differences in the way labour market divisions were perceived then and are perceived now,\(^5\) the segmentation concepts indicate that the division of the labour market is inevitable. Segmentation may be related to employers and/or employees, and/or universal mechanisms of a market economy, and/or the organisation of the labour market, etc., but it is always there, never being temporary or accidental. It is a consequence of the labour market phenomena being permeated with social, political and economic issues. Additionally, the rules and principles determining the behaviour of employees and employees that have appeared with the historical development of the labour market are very inertial, causing labour market segmentation to persist over relatively long periods.

The above observations should not be understood as implying that actions improving all employment conditions and thus reducing the size of the precariat as a social group should not be taken. But is it possible to remove the reasons for which the precariat exists? While we need to work towards this goal, we must also be aware that it may never be achieved. The segment of ‘bad jobs’ will always be there whatever efforts are taken, because no market can guarantee the equality of position. And there will always be people who will offer less and will expect less in return.

LITERATURE

CSO 2013, *Pracujący w gospodarce narodowej w 2012 r.*, Warszawa: Główny Urząd Statystyczny (Central Statistical Office)

\(^5\) The most important difference is that the dual labour concept held that the large, highly profitable organisations did not offer ‘bad jobs’ (excluding auxiliary jobs unrelated to their core business). Nowadays, they offer such jobs much more frequently. This means that the segment of ‘bad jobs’ has clearly expanded.
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social and economic aspects

Danuta Kopycińska, Elżbieta Kryńska


Krasiejko I., 2016, *Asystenci rodziny zatrudnieni na umowę zlecenia jako prekariusze – zagrożenie dla profesjonalizacji zawodu*, Polityka Społeczna Nr 1


